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***CITY OF FERGUSON, MISSOURI  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015***

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*Report prepared and submitted by the  
Department of Finance*

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## **Introductory Section**

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## **PRINCIPAL OFFICIALS**

### **MAYOR**

James W. Knowles III

### **COUNCIL MEMBERS**

Wesley Bell

Mark Byrne

Brian P. Fletcher

Dwayne T. James

Ella M. Jones

Keith Kallstrom

### **CITY MANAGER**

De'Carlon Seewood

**ASSISTANT CITY MANAGER, DIRECTOR OF  
PUBLIC WORKS AND PARKS & RECREATION**

Matthew Unrein

**CHIEF - FIRE DEPARTMENT**

Steven Rosenthal

**INTERIM CHIEF - POLICE DEPARTMENT**

Andre Anderson

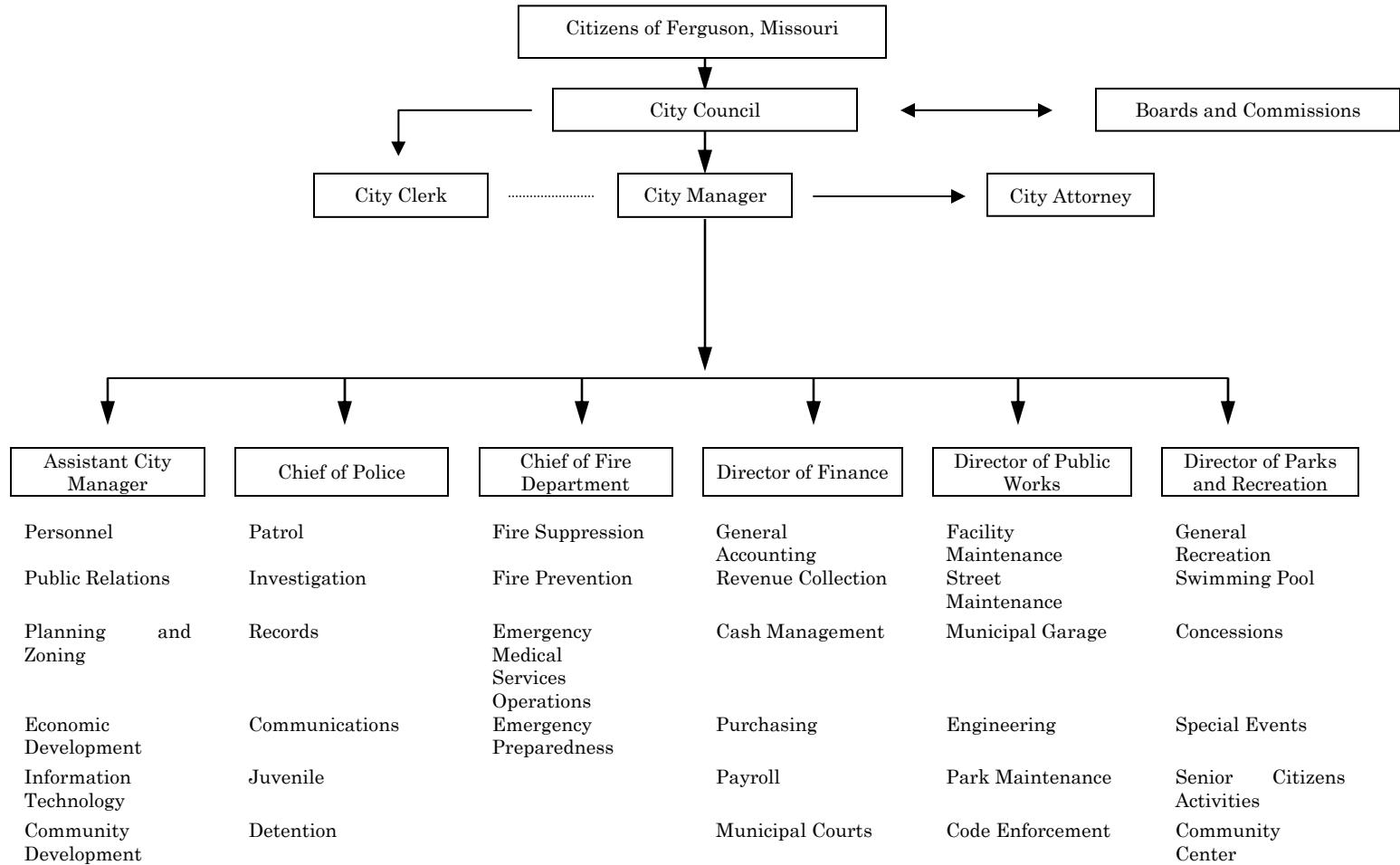
**DIRECTOR OF FINANCE**

Jeffrey Blume

### **CITY CLERK**

Megan Asikainen

# ADMINISTRATIVE ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2014**

Executive Director/CEO





# CITY OF FERGUSON

MISSOURI 63135

December 3, 2015

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, 2015. This year's comprehensive annual financial report (CAFR) is the tenth year that the City has presented its financial statements under the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The format and the purpose of these changes are addressed in Management's Discussion and Analysis (MD&A).

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

The City of Ferguson, Missouri's financial statements have been audited by Botz, Deal & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Ferguson, Missouri, for the year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Ferguson, Missouri's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

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

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

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

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

### THE FINANCIAL REPORTING ENTITY

The City of Ferguson, Missouri, initially incorporated in 1894, is a suburban community located in North St. Louis County between two major interstate highways. Since 1954, the City has operated under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six City Council Members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Clerk, and appointing the 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 21,086 residents, who are ideally located to commute to employment in downtown St. Louis or to any of the many nearby commercial areas. The world headquarters of Emerson Electric is located within the City.

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

The City has two main retail bases, North County Festival and the Crossings at Halls Ferry. North County Festival includes Wal-Mart, Sam's Club, 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. A number of restaurants are 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 is useful in attracting major development as well as assisting local business owners with improvements to new or existing businesses.

A joint redevelopment effort by St. Louis County and the Cities of Ferguson, Berkeley, and Kinloch is in the process of transforming over 600 acres of vacant property adjacent to Lambert International Airport into a major industrial park. The project is planned to include medium and low rise industrial, commercial and office uses. It is projected to create up to 12,000 jobs over a period of 20 years and have a cumulative, regional economic impact of at least \$7 billion. Although only a small portion of the redevelopment area lies within Ferguson, the economic benefits created by the new jobs and the increased business traffic are expected to be significant. The development is already home to Express Scripts, Staples, 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 30<sup>th</sup>, the close of the City of Ferguson's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council.

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

Single Audit - As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by the City's management and staff. In years when Federal grant receipts exceed \$500,000, the City is required to undergo an audit in conformity with the provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget Circular A-133. For the fiscal years ended June 30, 2015, the City did not meet the minimum threshold of the Single Audit Act. Accordingly, an audit was not 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 five 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, (4) \$8,000,000 in general obligation bonds related to land purchase and construction of a replacement of Firehouse 1, and (5) \$9,500,000 in certificates of participation bonds issued to purchase land and remodel existing buildings. 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 has an original issue cost of \$1,086,136 for the acquisition and installation of energy saving equipment (HVAC and street lighting). Under the terms of each lease agreement, it is the City's intent to purchase the leased assets at the end of the lease term.

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

Additional information on the City of Ferguson, Missouri's pension arrangements can be found in the notes to the financial statements and the City's website ([www.fergusoncity.com](http://www.fergusoncity.com)).

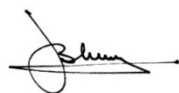
### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Ferguson, Missouri for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-ninth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jeffrey B. Blume  
Director of Finance

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## **Financial Section**

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## INDEPENDENT AUDITORS' REPORT



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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of June 30, 2015, and the respective changes in the financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

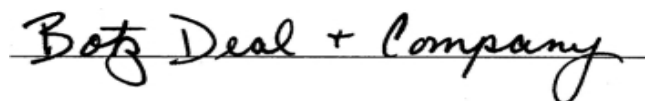
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of employer contributions, schedule of funding status and progress other post-employment benefits and budgetary comparison information on pages 3 through 11 and 51 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Ferguson, Missouri's basic financial statements. The introductory section, other supplemental information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules included in the supplemental information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the budgetary comparison schedules 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.



December 3, 2015

# CITY OF FERGUSON, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

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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, 2015. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found within this report.

### Financial Highlights

- On a government-wide basis, at the end of the current fiscal year, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$29,576,730. This represents a decrease of \$2,050,133 from operations for the fiscal year ended June 30, 2015.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,669,022. This represents a decrease of \$6,504,649 in comparison to the prior year.
- The City's long-term debt decreased by \$589,354 during the current fiscal year to \$21,141,179.

### Overview of the Financial Statements

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

### Government-Wide Financial Statements

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

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

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

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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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 [Special Revenue] 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 [Special Revenue] Fund, North Park Redevelopment [Capital Projects] Fund, Certificates of Participation [Debt Service] Fund, and General Obligation Bonds [Debt Service] Fund. Budgetary comparison schedules have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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

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

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

#### Other Supplemental Information

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,576,730 at June 30, 2015.

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

	Statement of Net Position Governmental Activities	
	2015	2014
<b>Assets</b>		
Current and other assets	\$ 16,440,096	\$ 23,145,785
Capital assets, net	36,493,745	32,657,882
<b>Total Assets</b>	<u>52,933,841</u>	<u>55,803,667</u>
<b>Deferred Outflows</b>	<u>701,769</u>	<u>282,252</u>
<b>Liabilities</b>		
Other liabilities	1,776,085	3,488,421
Long-term liabilities	21,907,221	22,433,808
<b>Total Liabilities</b>	<u>23,683,306</u>	<u>25,922,229</u>
<b>Deferred Inflows</b>	<u>375,574</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	17,034,039	12,890,682
Restricted	5,889,626	5,560,201
Unrestricted	6,653,065	11,712,807
<b>Total Net Position</b>	<u>\$ 29,576,730</u>	<u>\$ 30,163,690</u>

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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#### Governmental Activities

On a government - wide basis, governmental activities resulted in the City's net position decreasing by \$2,050,133. This decrease represents a significant reversal from the \$1,702,122 increase in net position in Fiscal Year 2014. All things being equal, the City anticipated a neutral change in net position in this Fiscal Year 2015.

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

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

- Charges for services dropped largely as a result of civil unrest. The City's uniformed police officers have been understaffed continuously since the August 2014 event. This has led to a substantial decrease in time available for traffic enforcement and a corresponding decrease in the number of citations written. Total public safety related revenues decrease about \$1,046,000 in Fiscal Year 2015.
- Fiscal Year 2014 saw a tremendous amount of activity generating capital and operating grants. In particular, about \$665,000 of surface transportation grants, \$376,000 of flood plain reclamation grants and \$267,000 park development grants did not recur in Fiscal Year 2015.
- With respect to taxes, government-wide,
  - Sales tax collections decreased about \$205,000 to \$6,507,000 in Fiscal Year 2015 relative to those of the prior year. Some of this is due to the softening economy in the later part of the fiscal year and some is due to civil unrest. However, the proportion is not measurable.
  - Property tax collections decreased about \$416,000 to \$2,912,000 in Fiscal Year 2015. Most of this, about \$370,000, is related to the City's Halls Ferry TIF Fund. The TIF ceased recognizing tax receipts early in the fiscal year as it had collected sufficient revenues to meet all future debt service.
- Investment income is decreased because Fiscal Year 2014 was positively impacted by a market rebound from the prior fiscal year, which experienced market value erosion on the assumption of an increase in Federal Reserve controlled borrowing rates. By and large, market valuation remained consistent between Fiscal Year 2015 and Fiscal Year 2014.
- Other income has decreased because Fiscal Year 2015, saw about an \$81,000 decrease in insurance claims settlements. Insurance proceeds dropped to about \$51,000 in Fiscal Year 2015 largely as a result of much higher receipts in Fiscal Year 2014 resulting from tornado related damage incurred in May 2013.

**CITY OF FERGUSON, MISSOURI**

Management’s Discussion and Analysis (continued)

- Overall, general government expenses were expected to significantly moderate in Fiscal Year 2015. Instead they increased by about \$504,000. General government expenses include about \$576,000 of costs specifically related to civil unrest.
- Public safety expenses were expected to rise in Fiscal Year 2015 largely as a result of a one full-time equivalent (FTE) head count increase. In fact total public safety costs increased about \$523,000 in Fiscal Year 2015. This increase is due to the following:
  - The aforementioned FTE at a cost of about \$85,000.
  - A year-over-year increase in overtime of about \$380,000 entirely the result of civil unrest.
- Overall, Community Development expenses decreased about \$361,000 in Fiscal Year 2015. This was largely the result of decreased spending on repair and maintenance items of about \$209,000 and redevelopment agreements of about \$163,000.
- Culture and recreation expenses increased as a result of about nine months of operations of the City’s new Community Center. This increased year-over-year expenses about \$205,000. This new cost base was offset by the loss of about \$20,000 of expenses related to a discontinued grant program.
- Interest and fiscal charges decreased about \$308,000. This decrease was the largely result of lower outstanding debt balances, resulting in lower interest charges.

	<b>Statement of Net Position Governmental Activities</b>		
	<b>2015</b>	<b>2014</b>	<b>Difference</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,758,077	\$ 3,715,943	\$ (957,866)
Capital and operating grants	1,435,163	2,817,859	(1,382,696)
General revenues:			
Taxes	11,826,616	12,500,324	(673,708)
Investment income	172,514	227,521	(55,007)
Other revenue	109,587	197,118	(87,531)
<b>Total Revenues</b>	<b>16,301,957</b>	<b>19,458,765</b>	<b>(3,156,808)</b>
<b>Expenses</b>			
General government	2,464,983	1,961,240	503,743
Public safety	9,733,218	9,209,729	523,489
Highways and streets	3,109,989	3,057,233	52,756
Community development	556,838	918,645	(361,807)
Culture and recreation	1,848,805	1,663,656	185,149
Interest and fiscal charges on long-term debt	638,257	946,140	(307,883)
<b>Total Expenses</b>	<b>18,352,090</b>	<b>17,756,643</b>	<b>595,447</b>
Change in net position	(2,050,133)	1,702,122	(3,752,255)
<b>Net Position</b>			
Beginning of year, as previously stated	30,163,690	28,461,568	1,702,122
Prior period adjustment	1,463,173	-	1,463,173
Beginning of year, as restated	31,626,863	28,461,568	3,165,295
<b>Total Net Position</b>	<b>\$ 29,576,730</b>	<b>\$ 30,163,690</b>	<b>\$ (586,960)</b>

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

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

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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#### Governmental Funds

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

The General Fund is the main operating fund of the City. At June 30, 2015, the unassigned fund balance of the General Fund was \$5,778,621, and the total fund balance was \$5,891,637. The difference of \$113,016 represents non-spendable fund balance (prepaid items and inventory). As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 41% of total General Fund expenditures of \$14,042,571 as compared to 60% in Fiscal Year 2014.

This is the second consecutive year of declining fund balance in the General Fund. The Fiscal Year 2014 decrease of \$2,302,363 was substantially the result of a transfer of about \$2,050,000 to the Capital Improvements Sales Tax Fund to provide construction funds for the City's two renovation projects which eventually cost more than amounts anticipated and borrowed in the Certificates of Participation Series 2013 issue.

The Fiscal Year 2015 decrease in fund balance of \$2,306,072 is better than the City had forecasted as part of its Fiscal Year 2016 budget process of \$2,621,000 (page 51). This decrease is substantially the result of the civil unrest experienced by the City. As previously mentioned, fines and forfeits revenues decreased \$1,046,000 from the prior year. Another \$1 million of additional traffic safety program related revenues did not materialize, in part because human resources were expended on different activities and because the constitutionality of red light cameras was not settled by the Missouri Supreme Court until June 2015. In addition, as previously mentioned, a year-over-year increase in overtime of about \$380,000 was expended on civil unrest related activities and an additional \$576,000 was expended on various out-of-pocket related expenses, including legal fees, communications consultants, severance, and other consulting costs. These additional costs were offset by continued fiscal vigor in deferring some costs or avoiding unnecessary costs.

Significant changes in other funds fund balances are as follows:

- With respect to the Capital Improvements Sales Tax Capital Projects Fund, its \$4,084,841 decrease in fund balance in Fiscal Year 2015 is the result of completing projects begun in earlier fiscal years. Revenues for those projects were received in prior years.
- With respect to the Halls Ferry TIF Debt Service Fund, its decrease in fund balance of \$267,770 in Fiscal Year 2015 is the result of recognizing only sufficient revenues and collections necessary to meet future debt service and ancillary costs. Final debt service will be made in October 2015.
- With respect to the General Obligation Debt Service Fund, its increase in fund balance is the result of setting the levy so as to accumulate sufficient reserves to establish a reserve balance sufficient to meet one year's debt service. This level has been met.



## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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- With respect to the Sewer Lateral Special Revenue Fund, its increase in fund balance of \$80,697 in Fiscal Year 2015 is the result of annual collections continuing to exceed expenses.

### 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 \$36,493,736, net of depreciation, in a broad range of capital assets as of June 30, 2015. This investment in capital assets is summarized as follows.

	<b>Capital Assets, Net of Depreciation</b>	
	2015	2014
Land	\$ 3,836,842	\$ 3,819,342
Construction in progress	196,781	6,530,747
Buildings and other improvements	23,456,064	12,860,564
Machinery and equipment	513,434	648,273
Motor vehicles	2,117,108	2,152,532
Infrastructure	6,373,516	6,646,424
Total	<u>\$ 36,493,745</u>	<u>\$ 32,657,882</u>

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 decreased by slightly less than \$600,000 to \$21,141,179 at June 30, 2015 compared to \$21,730,533 in 2014. The net decrease in the City's long-term debt obligations is solely the result of debt service payments, being offset by approximately \$1,086,000 in new capital leases.

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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The following summarizes the City's governmental activities debt:

	<u>Outstanding Long-Term Debt Obligations</u>	
	2015	2014
Tax Increment Revenue Bonds, Series 2005	\$ 800,000	\$ 1,015,000
Variable Rate Capital Improvement Bonds 2005	2,429,950	2,819,950
Certificates of Participation, Series 2012	1,475,000	1,675,000
Certificates of Participation, Series 2013	8,360,000	8,730,000
General Obligation Bonds, Series 2011	6,670,000	7,010,000
Capital leases	1,406,229	480,583
<b>Total</b>	<u>\$ 21,141,179</u>	<u>\$ 21,730,533</u>

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

### Significant Variances between Final Budgets and Actual

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

- At \$7,712,797, tax revenues fell short of final budget of \$7,982,000 by \$269,203. About \$200,000 of this difference was the result of a computational error related to estimating gross receipts tax revenues from the electric utility. About \$47,000 was related to overestimating telecommunications gross receipts tax revenues for the last quarter of the year. Over the last several years, this tax base has continuously declined as a result of fewer land lines and greater revenue competition amount carriers. Based on collections in the first half of the year, that rate of decline appeared to have slowed. Instead it increased in the last half of the year.
- At \$260,372, City Manager's Office expenditures fell below those anticipated of \$295,700 by a \$35,328. This is the result of attrition. The City Manager resigned in late March 2015 and the Assistant City Manager resigned in May 2015. An interim City Manager was appointed in June 2015. Because of the uncertainty of this appointment in both timing and cost, no final budget adjustment was made.
- At \$919,257, City Wide expenditures fell below final budget of \$1,014,200 by \$94,943. About \$54,000 of this amount results from an overestimate of anticipated civil unrest costs. An additional \$37,000 relates to anticipated insurance premium increases as the City accepted property and general liability for completed construction projects.
- At \$796,638, Municipal Garage expenditures fell below, final budget of \$849,100 by \$52,462. The City sells fuel and repair services to surrounding municipalities at a modest markup. The City anticipated about \$46,000 of greater utilization and costs of these services than materialized. The fiscal year had begun with substantially higher than anticipated fuel and repair costs. Fewer major repairs and declining fuel prices resulted in both declining in the latter half of the year.

## CITY OF FERGUSON, MISSOURI

### Management's Discussion and Analysis (continued)

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

As mentioned in last year's report and elsewhere in this report, in August 2014, one of the City's police officers was involved in a use of deadly force incident which resulted in the death of an individual. This incident initially and continues to precipitate numerous events and activities, including civil unrest, investigation by and negotiations with the Department of Justice, employee turnover and resultant constriction on resources to provide services.

With the preceding as background, the City produced and passed a budget that maintains existing service levels with their attendant costs, provides for continued, non-operational incident related costs, while experiencing declining fine and forfeit revenues that when taken together, produces a \$2.8 million decrease in its General Fund balance. As this is the City's general operating fund, it is most impacted by incident related outcomes.

As indicated in the budget transmittal memo [see page vi of the budget document], the City recognizes that its current Fiscal Year 2016 Budget is not sustainable. The City communicated clearly that it will undertake the process to investigate and implement revenue producing and expense reducing activities necessary to result in a balanced budget.

This process of investigation began in August 2015, along with all of the other challenges it currently faces. At this writing, this investigation and implementation process continues. It is anticipated to be completed in early 2016. Initially, over 25 different alternatives were proposed for consideration. These alternatives include tax increases, selling assets, staff reductions and the accompanying decrease in service levels, shifting benefit costs to employee, and or eliminating resource support for popular programs. The City is in the process of implementing pooled sales tax status change which should result in additional annual General Fund revenues of about \$400,000. It continues to investigate and consider substantially all other alternatives.

With some changes made, the City is a viable economic and political leader. Economic development and business community interest continues. The City has significant citizen, business and political support. It has financial reserves available to provide it with the time necessary to move through this process and period of transition in an orderly, methodical and rational manner. With prudent planning, management and leadership, the City will not just survive but prevail over this period and continue to be the community leader it has been for decades.

#### 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**

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**CITY OF FERGUSON, MISSOURI**

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 9,932,141
Taxes receivable:	
Property	493,699
Sales	1,121,355
Other	358,528
Accounts receivable - net	1,214,566
Prepaid items	137,002
Inventory	84,638
Net pension asset	1,351,220
Cash and investments - restricted	1,746,947
Capital assets - net	
Nondepreciable	4,033,623
Depreciable	32,460,122
<b>TOTAL ASSETS</b>	<u>52,933,841</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Bond refunding	46,071
Accumulated decrease in fair value of hedging derivatives	173,128
Pension related deferred outflows	482,570
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>701,769</u>
<b>LIABILITIES</b>	
Accounts payable	422,307
Wages and benefits payable	376,190
Due to other funds	4,452
Other liabilities	457,904
Accrued interest payable	174,627
Unearned revenue	167,477
Derivative instruments liability - interest rate swap	173,128
Noncurrent liabilities:	
Due in one year	2,321,009
Due in more than one year	19,586,212
<b>TOTAL LIABILITIES</b>	<u>23,683,306</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related deferred inflows	<u>375,574</u>
<b>NET POSITION</b>	
Net investment in capital assets	17,034,039
Restricted for:	
Parks	1,056,404
Debt service	1,694,984
Capital projects	1,436,426
Downtown TIF	690,737
Sewer Lateral	1,011,075
Unrestricted	6,653,065
<b>TOTAL NET POSITION</b>	<u>\$ 29,576,730</u>

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

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	Program Revenue				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Service	Operating	Capital	Governmental Activities
			Grants and Contributions	Grants and Contributions	
<b>Governmental Activities</b>					
General government	\$ 2,464,983	\$ 819,487	\$ -	\$ 10,000	\$ (1,635,496)
Public safety	9,733,218	1,105,232	42,929	3,185	(8,581,872)
Highway and streets	3,109,989	477,016	-	1,310,380	(1,322,593)
Community development	556,838	-	-	51,563	(505,275)
Culture and recreation	1,848,805	356,342	4,094	13,012	(1,475,357)
Interest and fiscal charges	638,257	-	-	-	(638,257)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 18,352,090</b>	<b>\$ 2,758,077</b>	<b>\$ 47,023</b>	<b>\$ 1,388,140</b>	<b>(14,158,850)</b>
General revenues:					
Taxes:					
					6,507,636
					2,406,507
					2,912,473
					172,514
					109,587
					12,108,717
					<b>CHANGE IN NET POSITION</b>
					<b>(2,050,133)</b>
					NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED
					30,163,690
					Change in accounting principle
					1,463,173
					NET POSITION - BEGINNING OF YEAR, AS RESTATED
					31,626,863
					NET POSITION - END OF YEAR
					\$ 29,576,730

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

**CITY OF FERGUSON, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General Fund	Parks Fund	Capital Improvements Sales Tax	Other Nonmajor Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 6,015,135	\$ 1,342,199	\$ 849,512	\$ 1,725,295	\$ 9,932,141
Taxes receivable:					
Sales	671,430	205,940	197,056	46,929	1,121,355
Property	261,053	69,330	-	163,316	493,699
Other	358,528	-	-	-	358,528
Accounts receivable - net	1,207,015	-	7,551	-	1,214,566
Due from other funds	6,989,313	490,255	6,448,723	9,188,334	23,116,625
Prepaid items	28,378	750	105,899	1,975	137,002
Inventory	84,638	-	-	-	84,638
Restricted:					
Cash and investments	-	-	992,131	754,816	1,746,947
<b>TOTAL ASSETS</b>	<u>\$ 15,615,490</u>	<u>\$ 2,108,474</u>	<u>\$ 8,600,872</u>	<u>\$ 11,880,665</u>	<u>\$ 38,205,501</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 170,753	\$ 55,966	\$ 181,497	\$ 14,091	\$ 422,307
Due to other funds	7,885,699	923,885	5,840,460	8,471,033	23,121,077
Wages and benefits payable	344,354	29,644	-	2,192	376,190
Other liabilities	457,904	-	-	-	457,904
Deferred revenue	80,652	41,825	45,000	-	167,477
<b>TOTAL LIABILITIES</b>	<u>8,939,362</u>	<u>1,051,320</u>	<u>6,066,957</u>	<u>8,487,316</u>	<u>24,544,955</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes	235,168	62,454	-	144,579	442,201
Assessments	549,323	-	-	-	549,323
<b>TOTAL DEFERRED INFLOWS     OF RESOURCES</b>	<u>784,491</u>	<u>62,454</u>	<u>-</u>	<u>144,579</u>	<u>991,524</u>
<b>FUND BALANCES:</b>					
Nonspendable	113,016	750	105,899	1,975	221,640
Restricted for:					
Parks	-	993,950	-	-	993,950
Debt service	-	-	-	1,586,999	1,586,999
Capital projects	-	-	2,428,016	541	2,428,557
Downtown TIF	-	-	-	654,143	654,143
Sewer Lateral	-	-	-	1,011,075	1,011,075
Unassigned	5,778,621	-	-	(5,963)	5,772,658
<b>TOTAL FUND BALANCES</b>	<u>5,891,637</u>	<u>994,700</u>	<u>2,533,915</u>	<u>3,248,770</u>	<u>12,669,022</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 15,615,490</u>	<u>\$ 2,108,474</u>	<u>\$ 8,600,872</u>	<u>\$ 11,880,665</u>	<u>\$ 38,205,501</u>

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



***CITY OF FERGUSON, MISSOURI***  
**RECONCILIATION OF THE STATEMENT OF NET POSITION  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
AS OF JUNE 30, 2015**

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

Total fund balance per balance sheet	\$ 12,669,022
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,493,745
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	615,950
The difference between the pension liability and the net position of the plan is an asset on the statement of net position. Since this does not provide current financial resources it is not an asset to the funds.	1,351,220
Certain items related to the pension plan are recorded as deferred inflows of resources and deferred outflows of resources in the statement of net position. They do not affect current financial resources and are therefore not reported in the fund statements.	482,570
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the government funds until due.	(174,627)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Net other post employment benefit obligation	(67,092)
Accrued compensated absences	(588,290)
Deferred items on refunding	46,071
Outstanding debt	<u>(21,251,839)</u>
Net position of governmental activities	<u><u>\$ 29,576,730</u></u>

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

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Parks Fund	Capital Improvements Sales Tax Fund	Other Nonmajor Funds	Total
<b>REVENUES</b>					
Taxes	\$ 7,712,797	\$ 1,586,946	\$ 1,169,123	\$ 1,318,192	\$ 11,787,058
Intergovernmental	1,122,263	17,106	295,794	-	1,435,163
Licenses and permits	868,341	-	-	32,291	900,632
Charges for service	389,987	356,342	-	-	746,329
Fines and forfeitures	1,050,276	-	-	-	1,050,276
Investment income	132,459	747	21,348	17,960	172,514
Other income	46,962	-	1,802	9,509	58,273
<b>TOTAL REVENUES</b>	<u>11,323,085</u>	<u>1,961,141</u>	<u>1,488,067</u>	<u>1,377,952</u>	<u>16,150,245</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,240,144	-	-	-	2,240,144
Public safety	9,028,104	-	-	-	9,028,104
Highways and streets	2,033,071	-	-	-	2,033,071
Community development	145,618	-	-	359,975	505,593
Culture and recreation	514,526	879,990	-	-	1,394,516
Capital outlays	81,108	161,980	6,015,784	17,575	6,276,447
Debt service:					
Principal, interest and fiscal charges	-	-	691,440	1,623,209	2,314,649
<b>TOTAL EXPENDITURES</b>	<u>14,042,571</u>	<u>1,041,970</u>	<u>6,707,224</u>	<u>2,000,759</u>	<u>23,792,524</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,719,486)</u>	<u>919,171</u>	<u>(5,219,157)</u>	<u>(622,807)</u>	<u>(7,642,279)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in (out)	362,100	(953,400)	48,000	543,300	-
Proceeds from the issuance of debt	-	-	1,086,316	-	1,086,316
Insurance proceeds	51,314	-	-	-	51,314
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>413,414</u>	<u>(953,400)</u>	<u>1,134,316</u>	<u>543,300</u>	<u>1,137,630</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(2,306,072)</u>	<u>(34,229)</u>	<u>(4,084,841)</u>	<u>(79,507)</u>	<u>(6,504,649)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>8,197,709</u>	<u>1,028,929</u>	<u>6,618,756</u>	<u>3,328,277</u>	<u>19,173,671</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,891,637</u>	<u>\$ 994,700</u>	<u>\$ 2,533,915</u>	<u>\$ 3,248,770</u>	<u>\$ 12,669,022</u>

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

***CITY OF FERGUSON, MISSOURI***  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2015

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

Change in fund balance-total governmental funds	\$ (6,504,649)
Revenues that do not provide current financial resources are not included in the fund financial statements.	100,398
Acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	5,634,029
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(1,798,166)
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:	
Compensated absences	(55,980)
Net other post-employment benefits obligation	(10,887)
Accrued interest	4,300
Amortization of debt issuance discount	(3,578)
Pension expense	(4,954)
The proceeds from the issuance of debt is an other financing source in the fund statements, but it is an increase in long-term liabilities in the statement of net position.	(1,086,316)
Repayment of bond principal is an expenditure in the governmental funds, and reduces long-term liabilities in the statement of net position.	<u>1,675,670</u>
Change in net position of governmental activities	<u><u>\$ (2,050,133)</u></u>

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

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 110,648
Due (to) from other funds		4,452
Investments:		
Common stock	11,634,586	-
Equity mutual funds	4,695,083	-
Municipal bonds	83,845	
Government and agency securities	3,041,828	-
Corporate obligations	3,055,964	-
Fixed income funds	1,287,949	
Other mutual funds	429,468	
Money market funds	612,835	-
Interest receivable	88,838	-
<b>TOTAL ASSETS</b>	<b>24,930,396</b>	<b>115,100</b>
 <b>LIABILITIES</b>		
Accounts payable	18,337	115,100
 <b>NET POSITION</b>		
Net position restricted for pension	\$24,912,059	\$ -

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

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Pension Trust Fund
<b>ADDITIONS</b>	
Investment income:	
Employer contribution	\$ 535,336
Interest and dividends	634,514
Net appreciation in fair value of investments	585,958
TOTAL ADDITIONS	1,755,808
 <b>DEDUCTIONS</b>	
Benefits paid	1,262,471
Administrative fees	83,145
TOTAL DEDUCTIONS	1,345,616
 <b>CHANGE IN NET POSITION</b>	 410,192
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>24,501,867</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 24,912,059</u></u>

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

**CITY OF FERGUSON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**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)

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#### Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column.

#### B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary fund financial statements use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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

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

The City reports the following major governmental funds:

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

**Parks Fund** - The Parks Fund is used to account for taxes levied on all property within the City for the purpose of providing public park facilities and to account for expenditures for recreational and park purposes and for revenues derived from recreational program fees. The Parks Fund is also used to account for the 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 1/2 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 were 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.

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



## **CITY OF FERGUSON, MISSOURI**

### Notes to Financial Statements (continued)

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#### C. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

#### D. RESTRICTED CASH AND INVESTMENTS

Cash and investments that are restricted for debt service payment and future capital expenditures are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. In addition, unspent proceeds from the issuance of bonds are reported as restricted assets on the balance sheet.

#### E. CAPITAL ASSETS

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

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

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

**F. INVENTORIES AND PREPAID ITEMS**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The City has adopted the consumption method of accounting for prepaid items. That is, the asset is recorded when the payments to vendors are made, and the expenses are amortized in the appropriate accounting period.

**G. COMPENSATED ABSENCES**

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year and must be taken within the same year as accrued. Compensatory time is available to all non-exempt employees at the rate of 1.5 hours for each overtime hour worked. Accrual of compensatory time is limited to a maximum of 240 hours, except that public safety, emergency response and seasonal employees are limited to a maximum of 480 hours. Upon termination, employees are paid for unused vacation and compensatory time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of accrued sick leave is payable to the employee upon termination and, therefore, is not reflected as a liability. Employees had accumulated earned vacation and compensatory time aggregating \$588,290 at June 30, 2015, which has been recorded as a liability in the statement of net position.

**H. DEFERRED REVENUE**

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

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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#### I. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable debt premium or discount and deferred amounts on refunding.

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

#### J. GOVERNMENTAL FUND BALANCES

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

Nonspendable - This consists of the governmental fund balances that are not in spendable form or are legally or contractually required to be maintained intact. The City's nonspendable fund balances as of June 30, 2015 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, 2015, the City's restricted fund balances include amounts restricted for parks operations and capital expenditures, 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, 2015.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes as authorized by the City Council. At June 30, 2015, the City's assigned fund balances include amounts assigned to the Special Business District Fund.

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

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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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. Funds are assigned by the Council, as they are developed or created.

At June 30, 2015, the Special Business District Fund had a deficit fund balance of \$3,988.

#### K. NET POSITION

In government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation, outstanding principal on related debt and unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors and laws and regulations of other governments). All other net position is considered unrestricted. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### L. INTERFUND TRANSACTIONS

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

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

#### M. USE OF ESTIMATES

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

#### N. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Based on management's analysis, it believes the City has made sufficient allowances for uncollectable accounts receivable totaling approximately \$31,710.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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O. PENSION

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

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 consist of the following:

<u>Type</u>	<u>Amount</u>
<b>General government:</b>	
Deposits:	
Cash on hand	\$ 6,465
Demand deposits	5,250,692
	<u>5,257,157</u>
Investments:	
Negotiable certificates of deposit	5,667,115
Money market mutual funds	754,816
	<u>6,421,931</u>
<b>Pension Trust and Agency Fund:</b>	
Deposits:	
Demand deposits	110,648
Investments:	
Common stock	11,634,586
Equity mutual funds	4,695,083
Money market mutual funds	612,835
Corporate obligations	3,055,964
Municipal bonds	83,845
Government and agency securities	3,041,828
Fixed income securities	1,287,949
Other mutual funds	429,468
	<u>24,952,206</u>
<b>Total Deposits and Investments</b>	<b>\$ <u>36,631,294</u></b>
<b>Reconciliation to the Financial Statements:</b>	
Statement of Net Position:	
Cash and investments	\$ 9,932,141
Cash and investments - restricted	1,746,947
Statement of Fiduciary Net Assets:	
Cash and investments	24,841,558
Cash and investments	110,648
<b>Total Deposits and Investments</b>	<b>\$ <u>36,631,294</u></b>

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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#### Investments Authorized by the City's Investment Policy

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

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

#### 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, 2015 are as follows:

	Fair Value	Less Than 1 year	1-3 Years	4-7 Years	7+ Years	Credit Rating
<b>Governmental Activities:</b>						
Negotiable certificates of deposit	\$ 5,667,115	\$ 1,610,650	\$ 2,788,457	\$ 1,268,008	\$ -	N/A
Money market mutual funds	754,816	754,816	-	-	-	AAA
<b>Total Governmental Activities</b>	<b>\$ 6,421,931</b>	<b>\$ 2,365,466</b>	<b>\$ 2,788,457</b>	<b>\$ 1,268,008</b>	<b>\$ -</b>	
<b>Pension Trust Fund:</b>						
Common stock	\$ 11,634,586	\$ 11,634,586	\$ -	\$ -	\$ -	N/A
Equity mutual funds	4,695,083	4,695,083	-	-	-	N/A
Fixed income funds	1,287,949	1,287,949	-	-	-	N/A
Other mutual funds	429,468	429,468	-	-	-	N/A
Money market funds	612,835	612,835	-	-	-	N/A
<b>U.S. Government and</b>						
Agency Bonds	3,041,828	-	8,710	668,363	2,364,755	N/A
Municipal bonds	83,845	-	-	83,845	-	AA
Corporate bonds	200,155	-	-	-	200,155	A
Corporate bonds	1,191,846	65,261	684,178	174,111	268,296	A-
Corporate bonds	344,702	-	186,181	158,521	-	BBB
Corporate bonds	1,110,586	-	678,426	432,160	-	BBB-
Corporate bonds	208,675	127,367	-	81,308	-	BBB+
<b>Total Pension Trust Fund</b>	<b>\$ 24,841,558</b>	<b>\$ 18,852,549</b>	<b>\$ 1,557,495</b>	<b>\$ 1,598,308</b>	<b>\$ 2,833,206</b>	

**Credit Risk**

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

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

The credit quality ratings, as established by nationally recognized statistical rating organizations (Standard and Poor's or Moody's), of the City's investments as of June 30, 2015, are provided in the table above.

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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#### 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, 2015, neither the Pension Trust Fund nor the governmental activities have any investments subject to this disclosure.

### **3. PROPERTY TAX**

Property taxes are levied in November of each year based on the assessed value of all real and personal property located within the City's corporate boundaries, as of the previous January 1. Property taxes are due and collectible on December 31 and attach as an enforceable lien on property as of the following January 1. Assessed values are established by the St. Louis County Assessor, subject to review by the County's Board of Equalization and appeal to the State Tax Commission. The total assessed valuation of the City at January 1, 2013, upon which the 2013 tax levy was based, for real, personal, and public utility property was \$182,594,343. The 2014 tax levy is collected in the City's 2015 fiscal year.

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



**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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In April 2011, the City’s voters approved Proposition S. This proposition authorized the sale of general obligation bonds to provide funds for the construction of a replacement for the City’s Firehouse No. 1 and the levy of an ad valorem tax for the retirement of these bonds. The 2014 tax rates per \$100 of assessed value are as follows:

<b><u>Property Type</u></b>	<b><u>General Fund</u></b>	<b><u>Parks Fund</u></b>	<b><u>GO Bond Fund</u></b>
Residential	\$ 0.8000	\$ 0.2000	\$ 0.3670
Agricultural	0.8000	0.2000	0.3670
Commercial	0.8000	0.2000	0.3670
Personal Property	0.8000	0.1980	0.3670

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, 2015 are as follows:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	\$ 6,989,313	\$ 7,885,699
Parks	490,255	923,885
Capital Improvements Sales Tax	6,448,723	5,840,460
Nonmajor Governmental	9,188,334	8,471,033
Agency	4,452	-

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

The following net transfers were made during the fiscal year ended June 30, 2015

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 362,100	\$ -
Parks	-	953,400
Capital Improvements Sales Tax	48,000	-
Nonmajor	543,300	-

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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Transfers were made for the following purposes:

<b><u>Expending Fund</u></b>	<b><u>Recipient Fund</u></b>	<b><u>Purpose</u></b>
Parks, Sewer Lateral and Halls Ferry TIF	General	Cost of goods and services provided by the recipient
Parks, General and Downtown TIF	Certificates of Participation	Debt Service
Downtown TIF and General	Special Business District	Cost of goods and services provided by the recipient
Parks	Capital Improvements Sales Tax	Cost of common fleet

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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**5. CAPITAL ASSETS**

For the year ended June 30, 2015, capital asset activity was as follows:

	<b>BALANCE, BEGINNING OF YEAR</b>	<b>ADDI- TIONS</b>	<b>DEDUC- TIONS</b>	<b>BALANCE, END OF YEAR</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 3,819,342	\$ 17,500	\$ -	\$ 3,836,842
Construction in process	6,530,747	-	6,333,966	196,781
<b>Total capital assets         Not Being Depreciated</b>	<b>10,350,089</b>	<b>17,500</b>	<b>6,333,966</b>	<b>4,033,623</b>
Capital assets being depreciated:				
Buildings and improvements	21,102,387	11,618,006	-	32,720,393
Machinery and equipment	2,085,484	53,386	-	2,138,870
Motor Vehicles	5,491,388	279,094	-	5,770,482
Infrastructure	11,831,569	-	-	11,831,569
<b>Total Capital Assets         Being Depreciated</b>	<b>40,510,828</b>	<b>11,950,486</b>	<b>-</b>	<b>52,461,314</b>
Less accumulated depreciation for:				
Buildings and improvements	8,241,815	1,022,514	-	9,264,329
Machinery and equipment	1,437,211	188,225	-	1,625,436
Motor Vehicles	3,338,855	314,519	-	3,653,374
Infrastructure	5,185,145	272,908	-	5,458,053
<b>Total Accumulated Depreciation</b>	<b>18,203,026</b>	<b>1,798,166</b>	<b>-</b>	<b>20,001,192</b>
<b>Total Capital Assets         Being Depreciated, Net</b>	<b>22,307,802</b>	<b>10,152,320</b>	<b>-</b>	<b>32,460,122</b>
 <b>Total Governmental Activities</b>	<b>\$ 32,657,891</b>	<b>\$ 10,169,820</b>	<b>\$ 6,333,966</b>	<b>\$ 36,493,745</b>

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

<b>Governmental activities:</b>	
General governments	\$ 191,517
Public safety	611,597
Highways and streets	539,984
Culture and recreation	455,068
Total depreciation expense - governmental activities	<b>\$ 1,798,166</b>

**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, 2015, are as follows:

	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, End of Year</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Tax Increment Revenue Bonds	\$ 1,015,000	\$ -	\$ (215,000)	\$ 800,000	\$ 800,000
Variable Rate Capital Improvement Bonds	2,819,950	-	(390,000)	2,429,950	405,000
Certificates of Participation, Series 2012	1,675,000	-	(200,000)	1,475,000	200,000
Series 2013	8,730,000	-	(370,000)	8,360,000	375,000
General Obligation Bonds	7,010,000	-	(340,000)	6,670,000	345,000
Issuance premiums, net	114,760	-	(4,100)	110,660	-
<b>Total Bonds and Certificates</b>	<b>21,364,710</b>	<b>-</b>	<b>(1,519,100)</b>	<b>19,845,610</b>	<b>2,125,000</b>
Capital leases payable	480,583	1,086,316	(160,670)	1,406,229	196,009
Net OPEB obligation	56,205	10,887	-	67,092	-
Compensated absences payable	532,310	55,980	-	588,290	-
<b>Total Governmental Activities</b>	<b>\$22,433,808</b>	<b>\$ 1,153,183</b>	<b>\$(1,679,770)</b>	<b>\$21,907,221</b>	<b>\$2,321,009</b>

<b>Debt Issue</b>	<b>Payer Fund</b>
Tax Increment Revenue Bonds	Halls Ferry TIF Fund
Variable Rate Capital Improvement Bonds and Capital Leases	Capital Improvement Sales Tax Fund
Certificates of Participation	Certificates of Participation Fund Series 2012 by Parks Fund Series 2013 by Downtown TIF and General
General Obligations Bonds	General Obligations Bond Fund

Compensated absences are payable from the fund to which the employee is assigned; approximately 80% through the General Fund with balance from the Parks Fund and Ferguson Special Business District Fund.

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

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

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
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	\$ 2,429,950		\$ 305,418		\$ 2,735,368

**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 beginning April 1, 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 1997 Tax Increment Revenue Bonds are considered defeased and the liability for this debt has been removed from the City's financial statements. Interest on the bonds is paid semiannually on April 1 and October 1 with principal paid annually on October 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. The bonds do not constitute a general obligation of the City. Currently, interest rates range from 5.0% to 5.5%. The trust indenture requires a reserve balance of \$737,000. The actual balance of the reserve fund was \$737,013 at June 30, 2015.

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

	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2016	\$ 800,000		\$ 20,000		\$ 820,000

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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**Certificates of Participation - Series 2012**

On October 1, 2002, the City issued \$3,480,000 in Certificates of Participation - Series 2002, to finance the construction of its new aquatic facility, "Splash at Wabash." On April 4, 2012, the City issued \$2,065,000 in Certificates of Participation Bonds - Series 2012 to refund Series 2002. The proceeds (after underwriting fees and issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2002 bonds. As a result, the 2002 Certificates of Participation Bonds are considered defeased and the liability for this debt has been removed from the City's financial statements. Interest on the bonds is paid semiannually on April 1 and October 1 with principal paid annually on October 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. The bonds do not constitute a general obligation of the City. Interest rates range from 0.70% to 2.45%.

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

	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
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		2,695		222,695
Total	<u>\$ 1,475,000</u>		<u>\$ 106,995</u>		<u>\$ 1,581,995</u>

**General Obligation Bonds**

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

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
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		17,213		527,213
	<hr/>				
Total	\$ 6,670,000		\$ 1,752,725		\$ 8,422,725

**Certificates of Participation – Series 2013**

On January 30, 2013, the City issued \$9,055,000 of certificates of participation bonds - Series 2013. The bonds were issued for the purpose of acquiring land and buildings for a new community center and the renovation of these buildings and for renovation and additions to the building currently housing the police department. Interest rates range from 2.000% to 3.125%. Interest is paid semi-annually on March 1 and September 1 with principal paid annually on March 1. Debt service on the bonds is paid from “earmarked” revenues of both the General and Downtown TIF Funds. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. The bonds do not constitute a general obligation of the City.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2016	\$ 375,000		\$ 223,928		\$ 598,928
2017	385,000		216,428		601,428
2018	390,000		208,728		598,728
2019	400,000		200,928		600,928
2020	410,000		192,928		602,928
2021	415,000		184,728		599,728
2022	425,000		175,390		600,390
2023	435,000		164,765		599,765
2024	450,000		153,346		603,346
2025	460,000		140,971		600,971
2026	475,000		127,746		602,746
2027	490,000		113,496		603,496
2028	500,000		98,796		598,796
2029	515,000		83,796		598,796
2030	535,000		68,346		603,346
2031	550,000		52,296		602,296
2032	565,000		35,796		600,796
2033	585,000		18,281		603,281
	<hr/>				
Total	\$ 8,360,000		\$ 2,460,693		\$ 10,820,693

**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 \$380,889 as of June 30, 2015. The lease is recorded in the government-wide statement of net position and is serviced by the Capital Improvement Sales Tax Fund. Payments are made quarterly and include principal and interest.

In September 2014, the City entered into a lease/purchase agreement with U.S. Bankcorp Government Leasing and Finance, Inc. (U.S. Bankcorp) to finance the purchase of certain energy efficiency improvements to City Hall, Police Station and Fire Stations, as well as street lighting. The equipment was recorded as a capital asset in the Government Activities at a cost of \$1,086,316 and has accumulated depreciation of \$27,158 as of June 30, 2015

The leases are recorded in the government-wide statement of net position and are serviced by the Capital Improvement Sales Tax Fund. Payments are made semi-annually and include principal and interest.



**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

<u>Lessor</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Annual Payment</u>	<u>Balance</u>
FMLC	3.55%	December 2017	\$ 146,624	\$ 349,285
CTS	2.79%	September 12, 2029	89,229	1,056,944

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	235,853
2017	235,853
2018	162,541
2019	89,229
2020	89,229
Thereafter	847,678
Total minimum lease payments	1,660,385
Portion representing interest	(254,156)
Net present value	<u>1,406,229</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 fix 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, 2015</u>	
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>
<b>Governmental Activities</b>					
Cash Flow Hedge				Derivative	
Pay-Fixed Interest	Deferred			Instrument	
Rate Swap	Outflows		\$ 55,375	Liability	\$ (173,128)

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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- (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, 2015, 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	\$2,429,950
Effective Date	September 1, 2005
Terms	Pay 3.995%; Receive 60.938% of LIBOR plus 1%
Fair Value	(\$173,128)
Termination Date	September 1, 2020
Counter Party Credit Rating	A2 (Standard and Poor's short term)

- (3) *Credit Risk.* At June 30, 2015, 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)

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#### 7. COMMITMENTS

Subsequent to year-end the City signed a contract for construction and engineering services for improvements to one of its streets. The total costs of the contracts are approximately \$1,250,000.

#### 8. DEFERRED COMPENSATION PLAN

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

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

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

#### 9. EMPLOYEE RETIREMENT PLAN

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

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

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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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.

A health insurance benefit of \$5 per month per year of credited service, up to \$150 is provided, until the retiree becomes Medicare eligible. The Plan also provides a disability benefit calculated in the same manner as pension benefits, with a minimum benefit of \$450 per month, payable until the earlier of death or recovery.

At July 1, 2014, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	134
Retired participants	72
Terminated vested participants	23
Disabled participants	10
Beneficiaries	<u>13</u>
Total Plan Participants	<u><u>252</u></u>

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

Annual contributions are computed using the entry age normal actuarial cost method, assuming 7.5% rate of return on Plan assets and 3.25% to 6.75% annual salary increases which includes service based merit increases, and using the Retired Pensioners 2000 Mortality Tables. Benefits are not increased for inflation.

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

**Net Pension Liability** - The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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**Actuarial Assumptions** - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Rate	RP2000 Combined Health Annuitant Mortality Tables
Investment Rate of Return	7.50%
Projected Salary Increases	3.25% to 6.75% (includes merit component)
Inflation	3.25%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of actuarial experience analysis during the 2005 to 2012 time period. The next assumption review is scheduled for 2016.

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

<u>Asset Class</u>	<u>Assumed Allocation</u>	<u>Long-Term Expected Real Return</u>
Domestic Equity	66 %	5.7 %
Fixed Income	30	2.8
Real Estate	2	4.8
Cash Equivalents	2	0.8
Total	<u>100 %</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.50%. Implicit in the projection of cash flows used to determine the discount rate is the assumption that the City's contributions will continue to be made based on the actuarially determined contributions, and that no future gains or losses will occur (i.e., all experience will be as expected). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

**Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 23,038,697	\$ 24,501,867	\$ (1,463,170)
Changes for the year:			
Service cost	525,226	-	525,226
Interest	1,688,615	-	1,688,615
Differences between expected and actual experience	(429,228)	-	(429,228)
Contributions - employer	-	535,336	(535,336)
Net investment income	-	1,220,472	(1,220,472)
Benefit payments including Administrative expense	(1,262,471)	(1,262,471)	-
Net Changes	522,142	410,192	111,950
Balances as of June 30, 2015	\$ 23,560,839	\$ 24,912,059	\$ 1,351,220

Plan fiduciary net position as a percentage of the total pension liability is 105.7%.

**Sensitivity Of The Net Pension Liability**

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 1,353,918	\$ (1,351,220)	\$ (3,658,551)

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

For the year-ended June 30, 2015, the city recognized pension expense of \$540,290. At June 30, 2015, the City reported deferred outflow of resources and deferred inflows of resources related to the Pension Plan from the following:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 375,574
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	482,570	-
Total	\$ 482,570	\$ 375,574

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

Year ended June 30:		
2016	\$	66,989
2017		66,989
2018		66,989
2019		66,989
2020		(53,654)
After 2020		(107,304)

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

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target Allocation</u>
Equities	45%	70%	65%
Fixed income	30	50	30
High Yield	0	5	2.5
Cash	0	5	2
Other	1	5	5

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

**Rate of Return** - For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**10. 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. Since other post-employment benefits are merely an implicit subsidy and not a direct expenditure of the City, funds used to pay for these benefits are paid out of any fund that incurs health insurance benefit costs. The most significant is out of the General Fund.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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

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

Tri-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%. The unfunded actuarial accrued liability is amortized over a closed period of 30 years (27 remaining as of July 1, 2012).

Net OPEB Obligation

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

Annual required contribution	\$ 38,153
Interest on net benefit plan obligation	2,248
Adjustment to annual required contribution	<u>(3,459)</u>
Annual OPEB cost	36,942
Contribution made	<u>(26,055)</u>
Increase in net benefit plan obligation	10,887
Net OPEB obligation - Beginning of year	<u>56,205</u>
Net OPEB obligation - End of year	\$ <u><u>67,092</u></u>

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, 2015 are as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 36,942	71 %	\$ 67,092
2014	41,171	56	56,205
2013	35,156	88	39,612

**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 \$6,187,888 and the ratio of the UAAL to the covered payroll was 5.9%.



## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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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.

#### **11. RISK MANAGEMENT**

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

The City, along with over 25 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 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.

**CITY OF FERGUSON, MISSOURI**

Notes to Financial Statements (continued)

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**13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2015, expenditures exceeded appropriations in the following funds (the legal level of budgetary control).

<b>Fund</b>	<b>Budgeted Appropriation</b>		<b>Expend- itures</b>	<b>Expenditures In Excess of Budget</b>
	<b>Original</b>	<b>Final</b>		
Halls Ferry TIF Fund	\$ 1,069,000	\$ 246,400	\$ 265,725	\$ (19,325)

The City's General Fund has five departments, several with multiple divisions. The City Manager's budgetary authority is at the department level. No departmental expenditures exceeded its final budgeted appropriations.

**14. 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, 2015.
  
- 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, 2015.

**15. CONDUIT DEBT OBLIGATIONS**

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

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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#### **16 SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 3, 2015, the date the financial statements were available to be issued.

#### **17. CONTINGENCIES**

From time to time, the City is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

Following the civil unrest within the City over several months in 2014, the Special Litigation Section of the Civil Rights Division of the United States Department of Justice prepared a report dated March 4, 2015, pertaining to the City's Police Department. The attorneys who prepared the report allege a pattern and practice of constitutional violations by the department. In these matters, the Special Litigation Section normally files a lawsuit against the governmental entity that it complains of. The lawsuit may then either be litigated or settled. The City is currently in discussions with attorneys from the Special Litigation Section to determine whether the matter may be settled prior to the lawsuit being filed. However, the Section attorneys have made substantial and overly-broad demands of the City and the estimated cost of meeting such demands would have a drastic and, perhaps, catastrophic impact on the City's financial condition. The City is attempting to negotiate with representatives of the Special Litigation Section to determine if a feasible agreement can be reached. If an appropriate agreement, given the City's size and budget, cannot be reached, the matter will proceed to litigation and the City will, most likely, incur significant to substantial attorney's fees.

#### **18. RECENT ACCOUNTING PRONOUNCEMENTS**

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

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and discourses related to all fair value measurements. This Statement is effective for the City's fiscal year ended June 30, 2016.

## CITY OF FERGUSON, MISSOURI

### Notes to Financial Statements (continued)

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In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governmental to report a liability on the face of the financial statements for the Other Postemployment Benefits (OPEB) that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and on percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing the government's actual OPEB contributions to its contributions to its contribution requirements. This Statement is effective for the City's fiscal year ended June 30, 2018.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. That will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Statement also is intended to improve implementation guidance by elevating its authoritative status to a level that requires it be exposed for a period of broad public comment prior to issuance as is done for other GASB pronouncements. This Statement is effective for the City's fiscal year ended June 30, 2016.

In August 2015, the GASB issued Statement 77, *Tax Abatement Disclosures*. The Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the City's fiscal year ended June 30, 2017.

#### **19. PRIOR PERIOD ADJUSTMENTS**

During the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result the beginning net position for governmental activities was increased by \$1,463,173.

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**Required Supplementary Information**

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**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 7,731,900	\$ 7,982,000	\$ 7,712,797	\$ (269,203)
Intergovernmental	1,023,800	1,018,900	1,122,263	103,363
Licenses and permits	766,000	820,900	868,341	47,441
Charges for service	381,400	401,500	389,987	(11,513)
Fines and forfeitures	3,190,300	1,006,800	1,050,276	43,476
Investment income	92,200	77,200	132,459	55,259
Other income	78,900	62,500	46,962	(15,538)
TOTAL REVENUES	<u>13,264,500</u>	<u>11,369,800</u>	<u>11,323,085</u>	<u>(46,715)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
City council and clerk	149,400	140,900	137,569	3,331
City manager's office	309,600	295,700	260,372	35,328
Human resources	106,500	105,800	97,380	8,420
City-wide expenditures	369,400	1,014,200	919,257	94,943
Municipal building	261,400	254,100	254,091	9
Information technology	169,100	167,500	162,270	5,230
Finance	422,900	414,000	409,205	4,795
Public safety				
Municipal court	345,700	307,400	302,006	5,394
Code enforcement	423,200	410,200	409,205	995
Police	5,517,500	5,723,700	5,652,652	71,048
Fire	2,662,000	2,678,300	2,664,241	14,059
Highways and streets				
Streets	966,200	1,054,300	1,053,407	893
Municipal garage	870,450	849,100	796,638	52,462
Public works administration	200,000	189,900	183,026	6,874
Community development	166,000	158,600	145,618	12,982
Culture and recreation	500,900	538,100	514,526	23,574
Capital outlays	78,000	81,700	81,108	592
TOTAL EXPENDITURES	<u>13,518,250</u>	<u>14,383,500</u>	<u>14,042,571</u>	<u>340,929</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(253,750)</u>	<u>(3,013,700)</u>	<u>(2,719,486)</u>	<u>294,214</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	294,100	392,500	362,100	(30,400)
Insurance proceeds	-	200	51,314	51,114
TOTAL OTHER FINANCING SOURCES (USES)	<u>294,100</u>	<u>392,700</u>	<u>413,414</u>	<u>20,714</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 40,350</u>	<u>\$ (2,621,000)</u>	<u>(2,306,072)</u>	<u>\$ 314,928</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>8,197,709</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 5,891,637</u>	

**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - PARKS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 1,611,000	\$ 1,550,800	\$ 1,586,946	\$ 36,146
Intergovernmental	613,700	117,500	17,106	(100,394)
Charges for service	511,900	315,700	356,342	40,642
Investment income	1,200	400	747	347
Other income	1,400	5,400	-	(5,400)
<b>TOTAL REVENUES</b>	<u>2,739,200</u>	<u>1,989,800</u>	<u>1,961,141</u>	<u>(28,659)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	1,042,650	880,800	879,990	810
Capital outlays	1,044,000	242,900	161,980	80,920
<b>TOTAL EXPENDITURES</b>	<u>2,086,650</u>	<u>1,123,700</u>	<u>1,041,970</u>	<u>81,730</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>652,550</u>	<u>866,100</u>	<u>919,171</u>	<u>53,071</u>
<b>OTHER FINANCING USES</b>				
Transfers	<u>(932,400)</u>	<u>(1,025,600)</u>	<u>(953,400)</u>	<u>72,200</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (279,850)</u>	<u>\$ (159,500)</u>	<u>(34,229)</u>	<u>\$ 125,271</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>1,028,929</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 994,700</u>	

**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND INVESTMENT RETURNS**  
**AND RELATED RATIOS**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<u>Total Pension Liability</u>		
Service cost	\$ 525,226	\$ 491,664
Interest	1,688,615	1,648,590
Changes in benefit terms	-	-
Difference between expected and actual experience	(429,228)	-
Changes in assumptions	-	-
Benefit payments, including refunds	<u>(1,262,471)</u>	<u>(1,161,198)</u>
Net change in total pension liability	522,142	979,056
Total pension liability - beginning of year	<u>23,038,697</u>	<u>22,059,641</u>
Total pension liability - end of year	<u><u>\$ 23,560,839</u></u>	<u><u>\$ 23,038,697</u></u>
<u>Plan Fiduciary Net Position</u>		
Contributions - employer	\$ 535,336	\$ 524,100
Net investment income	1,220,472	3,797,967
Benefit payments, including refunds	(1,262,471)	(1,161,198)
Administrative expenses	<u>(83,145)</u>	<u>(71,848)</u>
Net change in plan fiduciary net position	410,192	3,089,021
Plan fiduciary net position - beginning of year	<u>24,501,867</u>	<u>21,412,846</u>
Plan fiduciary net position - end of year	<u><u>\$ 24,912,059</u></u>	<u><u>\$ 24,501,867</u></u>
Net pension liability - end of year	<u><u>\$ (1,351,220)</u></u>	<u><u>\$ (1,463,170)</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>105.7%</u>	<u>106.4%</u>
Covered employee payroll	<u><u>\$ 7,111,497</u></u>	<u><u>\$ 6,846,641</u></u>
Net pension liability as a percentage of covered payroll	<u>-19.0%</u>	<u>-21.4%</u>
Annual money-weighted rate of return net of investment expense	5.0%	17.9%



**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2006	\$ -	\$ -	100 %	\$ 5,668,903	-
2007	-	-	100	5,688,280	-
2008	7,075	7,075	100	6,011,092	-
2009	35,496	35,496	100	5,936,682	0.60
2010	107,526	107,526	100	5,978,512	1.80
2011	317,969	317,969	100	5,997,883	5.30
2012	480,448	480,448	100	6,187,888	7.76
2013	489,851	489,851	100	6,517,439	7.52
2014	524,100	524,100	100	6,846,641	7.65
2015	535,336	535,336	100	7,111,497	7.53

**Notes to Schedule**

Valuation Date: July 1, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	5 year smoothed market
Inflation	3.25%
Salary increases	3.25% to 6.75%, based on service
Investment return	7.5%, net of investment expense and including inflation
Retirement age	55 years of age and 8 years of credited service
Mortality	Retired Pensioners (RP) 2000 Mortality Tables for males and females published by the Society of Actuaries.

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

**SCHEDULE OF FUNDING PROGRESS**

Valuation Date July 1	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfund AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll	
2009	\$ -	\$ 240,892	\$ 240,892	-	%	\$ 6,082,657	4.0 %
2012	-	365,083	365,083	-		6,187,888	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 OPEB Cost	Employer Contribution	Percentage Contributed
2010	\$ 24,126	\$ 16,088	66.7 %
2011	27,185	17,484	64.3
2012	25,610	19,500	76.1
2013	35,156	29,046	82.6
2014	41,171	24,578	59.7
2015	36,942	26,055	70.5

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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**Other Supplementary Information**

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**CITY OF FERGUSON, MISSOURI**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	Special Revenue Funds			Capital Project Fund	Debt Service Funds			Total Non-major Governmental Funds
	Special Business District	Sewer Lateral	Downtown TIF Redevelopment	North Park Redevelopment TIF	Halls Ferry TIF Bonds	Certificates of Participation Bonds	General Obligation Bonds	
<b>ASSETS</b>								
Cash and investments	\$ 4,870	\$ 990,605	\$ -	\$ -	\$ -	\$ -	\$ 729,820	\$ 1,725,295
Taxes receivable:								
Sales	-	-	46,929	-	-	-	-	46,929
Property	-	4,114	39,332	-	-	-	119,870	163,316
Due from other funds	593,131	19,336	2,049,182	541	69,281	616,540	5,840,323	9,188,334
Prepaid	1,975	-	-	-	-	-	-	1,975
Cash and investments - restricted	-	-	-	-	754,816	-	-	754,816
<b>TOTAL ASSETS</b>	<u>\$ 599,976</u>	<u>\$ 1,014,055</u>	<u>\$ 2,135,443</u>	<u>\$ 541</u>	<u>\$ 824,097</u>	<u>\$ 616,540</u>	<u>\$ 6,690,013</u>	<u>\$ 11,880,665</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 7,176	\$ 2,980	\$ -	\$ -	\$ 3,935	\$ -	\$ -	\$ 14,091
Due to other funds	594,596	-	1,444,706	-	-	587,263	5,844,468	8,471,033
Wages and benefits payable	2,192	-	-	-	-	-	-	2,192
<b>TOTAL LIABILITIES</b>	<u>603,964</u>	<u>2,980</u>	<u>1,444,706</u>	<u>-</u>	<u>3,935</u>	<u>587,263</u>	<u>5,844,468</u>	<u>8,487,316</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue:								
Property taxes	-	-	36,594	-	-	-	107,985	144,579
<b>FUND BALANCES:</b>								
Nonspendable	1,975	-	-	-	-	-	-	1,975
Restricted for:								
Debt service	-	-	-	-	820,162	29,277	737,560	1,586,999
Capital project	-	-	-	541	-	-	-	541
Downtown TIF	-	-	654,143	-	-	-	-	654,143
Sewer Lateral	-	1,011,075	-	-	-	-	-	1,011,075
Unassigned	(5,963)	-	-	-	-	-	-	(5,963)
<b>TOTAL FUND BALANCES</b>	<u>(3,988)</u>	<u>1,011,075</u>	<u>654,143</u>	<u>541</u>	<u>820,162</u>	<u>29,277</u>	<u>737,560</u>	<u>3,248,770</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 599,976</u>	<u>\$ 1,014,055</u>	<u>\$ 2,135,443</u>	<u>\$ 541</u>	<u>\$ 824,097</u>	<u>\$ 616,540</u>	<u>\$ 6,690,013</u>	<u>\$ 11,880,665</u>

**CITY OF FERGUSON, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			Capital Project Fund	Debt Service Funds			Total Non-major Governmental Funds
	Special Business District	Sewer Lateral	Downtown TIF Redevelopment	North Park Redevelopment TIF	Halls Ferry TIF Bonds	Certificates of Participation Bonds	General Obligation Bonds	
<b>REVENUES</b>								
Taxes	\$ -	\$ 188,099	\$ 463,204	\$ 5	\$ 6,673	\$ -	\$ 660,211	\$ 1,318,192
Licenses and permits	32,291	-	-	-	-	-	-	32,291
Investment income	-	16,963	-	-	82	140	775	17,960
Other income	9,509	-	-	-	-	-	-	9,509
<b>TOTAL REVENUES</b>	<b>41,800</b>	<b>205,062</b>	<b>463,204</b>	<b>5</b>	<b>6,755</b>	<b>140</b>	<b>660,986</b>	<b>1,377,952</b>
<b>EXPENDITURES</b>								
Current:								
Community development	160,760	110,365	88,850	-	-	-	-	359,975
Capital outlay	-	-	17,575	-	-	-	-	17,575
Debt services:								
Principal, interest and fiscal charges	-	-	-	-	265,725	832,697	524,787	1,623,209
<b>TOTAL EXPENDITURES</b>	<b>160,760</b>	<b>110,365</b>	<b>106,425</b>	<b>-</b>	<b>265,725</b>	<b>832,697</b>	<b>524,787</b>	<b>2,000,759</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(118,960)</b>	<b>94,697</b>	<b>356,779</b>	<b>5</b>	<b>(258,970)</b>	<b>(832,557)</b>	<b>136,199</b>	<b>(622,807)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers	112,900	(14,000)	(376,200)	-	(8,800)	829,400	-	543,300
<b>CHANGE IN FUND BALANCE</b>	<b>(6,060)</b>	<b>80,697</b>	<b>(19,421)</b>	<b>5</b>	<b>(267,770)</b>	<b>(3,157)</b>	<b>136,199</b>	<b>(79,507)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>2,072</b>	<b>930,378</b>	<b>673,564</b>	<b>536</b>	<b>1,087,932</b>	<b>32,434</b>	<b>601,361</b>	<b>3,328,277</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ (3,988)</b>	<b>\$ 1,011,075</b>	<b>\$ 654,143</b>	<b>\$ 541</b>	<b>\$ 820,162</b>	<b>\$ 29,277</b>	<b>\$ 737,560</b>	<b>\$ 3,248,770</b>

**CITY OF FERGUSON, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT SALES TAX CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 1,216,400	\$ 1,186,800	\$ 1,169,123	\$ (17,677)
Intergovernmental	1,632,400	267,000	295,794	28,794
Investment income	20,600	17,400	21,348	3,948
Other income	-	-	1,802	1,802
TOTAL REVENUES	<u>2,869,400</u>	<u>1,471,200</u>	<u>1,488,067</u>	<u>16,867</u>
<b>EXPENDITURES</b>				
Capital outlay	6,121,100	6,793,700	6,015,784	777,916
Debt service:				
Principal, interest and fiscal charges	<u>692,400</u>	<u>692,100</u>	<u>691,440</u>	<u>660</u>
TOTAL EXPENDITURES	<u>6,813,500</u>	<u>7,485,800</u>	<u>6,707,224</u>	<u>778,576</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(3,944,100)	(6,014,600)	(5,219,157)	795,443
<b>OTHER FINANCING SOURCES</b>				
Transfers	80,000	70,800	48,000	(22,800)
Proceeds from the issuance of debt	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,086,316</u>	<u>(13,684)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,180,000</u>	<u>1,170,800</u>	<u>1,134,316</u>	<u>(36,484)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (2,764,100)</u>	<u>\$ (4,843,800)</u>	(4,084,841)	<u>\$ 758,959</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>6,618,756</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 2,533,915</u>	



**CITY OF FERGUSON, MISSOURI**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 SPECIAL BUSINESS DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Licenses and permits	\$ 23,300	\$ 34,700	\$ 32,291	\$ (2,409)
Other income	3,900	3,900	9,509	5,609
TOTAL REVENUES	<u>27,200</u>	<u>38,600</u>	<u>41,800</u>	<u>3,200</u>
<b>EXPENDITURES</b>				
Community development	<u>194,200</u>	<u>188,000</u>	<u>160,760</u>	<u>27,240</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(167,000)	(149,400)	(118,960)	30,440
<b>OTHER FINANCING SOURCES</b>				
Transfers	<u>167,000</u>	<u>149,400</u>	<u>112,900</u>	<u>(36,500)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	(6,060)	<u>\$ (6,060)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>2,072</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ (3,988)</u>	

**CITY OF FERGUSON, MISSOURI**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 DOWNTOWN TIF REDEVELOPMENT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 398,500	\$ 399,900	\$ 463,204	\$ 63,304
<b>EXPENDITURES</b>				
Current:				
Community development	39,000	190,200	88,850	101,350
Capital outlay	219,500	18,000	17,575	425
TOTAL EXPENDITURES	258,500	208,200	106,425	101,775
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	140,000	191,700	356,779	165,079
<b>OTHER FINANCING USES</b>				
Transfers	(414,300)	(384,900)	(376,200)	8,700
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (274,300)</u>	<u>\$ (193,200)</u>	(19,421)	<u>\$ 173,779</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>673,564</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 654,143</u>	

**CITY OF FERGUSON, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SEWER LATERAL SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 188,700	\$ 190,900	\$ 188,099	\$ (2,801)
Investment income	16,300	17,300	16,963	(337)
<b>TOTAL REVENUES</b>	<u>205,000</u>	<u>208,200</u>	<u>205,062</u>	<u>(3,138)</u>
<b>EXPENDITURES</b>				
Community development	118,000	140,000	110,365	29,635
<b>TOTAL EXPENDITURES</b>	<u>118,000</u>	<u>140,000</u>	<u>110,365</u>	<u>29,635</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>87,000</u>	<u>68,200</u>	<u>94,697</u>	<u>26,497</u>
<b>OTHER FINANCING USES</b>				
Transfers	(15,000)	(15,000)	(14,000)	1,000
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 72,000</u>	<u>\$ 53,200</u>	80,697	<u>\$ 27,497</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>930,378</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 1,011,075</u>	

**CITY OF FERGUSON, MISSOURI**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 HALLS FERRY TIF BONDS DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 107,400	\$ 17,100	\$ 6,673	\$ (10,427)
Investment income	-	-	82	82
<b>TOTAL REVENUES</b>	107,400	17,100	6,755	(10,345)
<b>EXPENDITURES</b>				
Debt service:				
Principal, interest and fiscal charges	1,069,000	246,400	265,725	(19,325)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(961,600)	(229,300)	(258,970)	(29,670)
<b>OTHER FINANCING USES</b>				
Transfers	(8,800)	(8,800)	(8,800)	-
<b>CHANGE IN FUND BALANCE</b>	\$ (970,400)	\$ (238,100)	(267,770)	\$ (29,670)
<b>FUND BALANCES - BEGINNING OF YEAR</b>			1,087,932	
<b>FUND BALANCES - END OF YEAR</b>			\$ 820,162	

**CITY OF FERGUSON, MISSOURI**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 140	\$ 140
<b>EXPENDITURES</b>				
Debt service:				
Principal, interest and fiscal charges	833,800	832,800	832,697	103
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(833,800)	(832,800)	(832,557)	243
<b>OTHER FINANCING SOURCES</b>				
Transfers	829,400	829,400	829,400	-
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (4,400)</u>	<u>\$ (3,400)</u>	(3,157)	<u>\$ 243</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>32,434</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 29,277</u>	

**CITY OF FERGUSON, MISSOURI**  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 GENERAL OBLIGATION BONDS DEBT SERVICE FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 626,000	\$ 593,200	\$ 660,211	\$ 67,011
Investment income	1,000	100	775	675
TOTAL REVENUES	627,000	593,300	660,986	67,686
<b>EXPENDITURES</b>				
Debt service:				
Principal, interest and fiscal charges	526,000	525,600	524,787	813
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	\$ 101,000	\$ 67,700	136,199	\$ 66,873
<b>FUND BALANCES - BEGINNING OF YEAR</b>			601,361	
<b>FUND BALANCES - END OF YEAR</b>			\$ 737,560	

***CITY OF FERGUSON, MISSOURI***  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>ASSETS</b>				
Cash	\$ 135,490	\$ 200,437	\$ 225,279	\$ 110,648
Due (to) from other funds	-	4,452	-	4,452
TOTAL ASSETS	<u>\$ 135,490</u>	<u>\$ 204,889</u>	<u>\$ 225,279</u>	<u>\$ 115,100</u>
<b>LIABILITIES</b>				
Accounts Payable	<u>\$ 139,942</u>	<u>\$ 200,437</u>	<u>\$ 225,279</u>	<u>\$ 115,100</u>

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**Statistical Section**

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# **CITY OF FERGUSON, MISSOURI**

## **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 City's overall financial health.

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City'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 City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City 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 POSITION**  
**LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:										
Net investment in capital assets	\$ 17,034,039	\$ 12,890,682	\$ 10,525,807	\$ 7,962,476	\$ 9,019,903	\$ 10,171,824	\$ 9,961,395	\$ 10,507,866	\$ 7,246,484	\$ 8,533,891
Restricted	5,889,626	5,560,201	7,376,914	9,566,443	6,629,112	4,167,465	4,429,985	5,138,047	7,826,907	5,761,966
Unrestricted	<u>6,653,065</u>	<u>11,712,807</u>	<u>10,558,847</u>	<u>8,830,630</u>	<u>8,445,015</u>	<u>8,335,627</u>	<u>6,774,385</u>	<u>4,649,996</u>	<u>(252,954)</u>	<u>(1,839,153)</u>
Total governmental activities net position	<u>\$ 29,576,730</u>	<u>\$ 30,163,690</u>	<u>\$ 28,461,568</u>	<u>\$ 26,359,549</u>	<u>\$ 24,094,030</u>	<u>\$ 22,674,916</u>	<u>\$ 21,165,765</u>	<u>\$ 20,295,909</u>	<u>\$ 14,820,437</u>	<u>\$ 12,456,704</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
Administrative	\$ 2,464,983	\$ 1,958,240	\$ 1,657,963	\$ 1,490,297	\$ 1,447,325	\$ 1,696,105	\$ 1,644,938	\$ 1,567,009	\$ 1,608,651	\$ 1,376,228
Police department	9,733,218	9,209,729	8,454,328	8,068,845	7,956,853	7,397,481	7,786,030	7,531,021	7,219,261	6,674,109
Highway and streets	3,109,989	3,057,233	3,472,835	2,783,537	3,238,956	2,838,959	3,071,497	2,323,528	3,109,783	2,619,592
Community development	556,838	921,645	1,032,783	539,542	575,041	679,624	408,792	609,187	782,770	302,788
Culture and recreation	1,848,805	1,663,656	1,669,835	1,604,340	1,436,866	1,452,228	1,546,383	1,442,340	1,613,879	1,522,714
Interest and fiscal charges	638,257	946,140	795,834	679,492	587,564	664,269	717,508	680,399	724,694	615,573
Total governmental activities expenses	<u>18,352,090</u>	<u>17,756,643</u>	<u>17,083,578</u>	<u>15,166,053</u>	<u>15,242,605</u>	<u>14,728,666</u>	<u>15,175,148</u>	<u>14,153,484</u>	<u>15,059,038</u>	<u>13,111,004</u>
<b>PROGRAM REVENUE</b>										
Charges for services:										
General government	819,487	905,815	772,859	617,251	667,595	531,126	488,950	439,153	451,320	420,797
Public safety	1,105,232	2,148,944	2,619,331	2,339,013	1,653,964	1,601,767	1,535,853	1,694,023	1,611,704	1,446,387
Highway and streets	477,016	336,230	231,883	507,977	288,168	265,522	274,229	208,710	482,952	491,895
Community development	-	-	-	-	-	-	-	30,611	16,342	22,378
Culture and recreation	356,342	324,954	310,937	362,054	361,689	324,800	334,099	368,180	360,424	582,667
Operating grants	47,023	152,707	170,831	195,787	-	-	-	-	-	-
Capital grants	1,388,140	2,665,152	1,800,834	303,202	860,404	399,529	273,961	2,199,903	320,056	222,109
Total governmental activities program revenue	<u>4,193,240</u>	<u>6,533,802</u>	<u>5,906,675</u>	<u>4,325,284</u>	<u>3,831,820</u>	<u>3,122,744</u>	<u>2,907,092</u>	<u>4,940,580</u>	<u>3,242,798</u>	<u>3,186,223</u>
<b>NET EXPENSES</b>	<u>(14,158,850)</u>	<u>(11,222,841)</u>	<u>(11,176,903)</u>	<u>(10,840,769)</u>	<u>(11,410,785)</u>	<u>(11,605,922)</u>	<u>(12,268,056)</u>	<u>(9,212,904)</u>	<u>(11,816,240)</u>	<u>(9,924,781)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes:										
Sales	6,507,636	6,657,826	7,483,584	6,583,419	6,441,170	7,730,561	8,292,648	8,687,937	8,894,227	8,870,085
Utility	2,406,507	2,459,500	2,453,095	2,349,542	2,783,666	2,643,673	2,416,369	2,665,470	2,040,890	1,925,685
Property	2,912,473	3,327,974	3,421,789	2,837,325	1,983,472	2,057,148	2,277,332	2,304,983	1,731,106	1,613,335
Other	-	55,024	57,851	1,047,469	1,129,883	65,569	77,778	72,980	75,165	81,919
Investment income	172,514	227,521	(66,290)	245,779	140,273	113,766	248,331	551,101	603,169	396,682
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	660,898	18,810
Other miscellaneous revenue	109,587	197,118	124,487	42,757	121,109	443,902	131,401	299,373	174,519	102,078
Total governmental activities	<u>12,108,717</u>	<u>12,924,963</u>	<u>13,474,516</u>	<u>13,106,291</u>	<u>12,599,573</u>	<u>13,054,619</u>	<u>13,443,859</u>	<u>14,581,844</u>	<u>14,179,974</u>	<u>13,008,594</u>
<b>CHANGES IN NET POSITION</b>	<u>\$ (2,050,133)</u>	<u>\$ 1,702,122</u>	<u>\$ 2,297,613</u>	<u>\$ 2,265,522</u>	<u>\$ 1,188,788</u>	<u>\$ 1,448,697</u>	<u>\$ 1,175,803</u>	<u>\$ 5,368,940</u>	<u>\$ 2,363,734</u>	<u>\$ 3,083,813</u>

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

	2015	2014	2013	2012	2011	2010 (1)	2009	2008	2007	2006
General Fund:										
Nonspendable	\$ 113,016	\$ 290,999	\$ 191,348	\$ 232,408	\$ 424,799	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	105,200	-	-	-	-	-	-
Reserved	-	-	-	-	-	397,477	6,800	352,891	78,513	33,104
Unreserved	-	-	-	-	-	8,092,009	7,760,429	6,772,230	4,967,205	3,920,519
Unassigned	5,778,621	7,907,704	10,308,718	9,324,324	8,445,015	-	-	-	-	-
Total general fund	<u>\$ 5,891,637</u>	<u>\$ 8,198,703</u>	<u>\$ 10,500,066</u>	<u>\$ 9,661,932</u>	<u>\$ 8,869,814</u>	<u>\$ 8,489,486</u>	<u>\$ 7,767,229</u>	<u>\$ 7,125,121</u>	<u>\$ 5,045,718</u>	<u>\$ 3,953,623</u>
All Other Governmental Funds:										
Nonspendable	\$ 108,624	\$ 1,148	\$ -	\$ -	\$ 57,009	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,674,724	10,973,895	14,843,865	10,837,846	5,737,366	-	-	-	-	-
Assigned (2)	-	-	1,072	212,305	409,938	-	-	-	-	-
Reserved	-	-	-	-	-	390,192	298,387	1,219,114	3,897,624	1,481,764
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	2,112,554	3,023,519	2,760,455	2,047,147	1,400,123
Capital projects funds	-	-	-	-	-	3,943,137	3,879,649	4,602,995	4,843,409	4,952,065
Debt service funds	-	-	-	-	-	-	-	-	-	-
Unassigned	(5,963)	(78)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 6,777,385</u>	<u>\$ 10,974,965</u>	<u>\$ 14,844,937</u>	<u>\$ 11,050,151</u>	<u>\$ 6,204,313</u>	<u>\$ 6,445,883</u>	<u>\$ 7,201,555</u>	<u>\$ 8,582,564</u>	<u>\$ 10,788,180</u>	<u>\$ 7,833,952</u>

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

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

(2) In fiscal year 2013, the City reached the conclusion that its Parks Fund's fund balance is not assigned, but instead, is restricted by statute and, accordingly, was previously incorrectly classified. Restatement of restricted fund balances for the two fiscal years ended June 30, 2012 and 2011 has been made. Those amount are \$1,227,163 (2012) and \$1,110,458 (2011), respectively.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Taxes (1)	\$ 11,787,058	\$ 13,506,530	\$ 13,349,317	\$ 12,728,871	\$ 12,457,272	\$ 12,482,833	\$ 12,882,051	\$ 13,983,386	\$ 12,577,656	\$ 12,491,024
Licenses and permits	900,632	739,497	679,240	730,581	681,085	646,245	673,892	594,890	679,974	634,304
Intergovernmental (1)	1,435,163	-	-	-	-	-	-	-	-	244,487
Charges for service	746,329	780,373	684,580	774,429	770,213	682,241	567,693	537,268	696,176	918,193
Fines and forfeitures	1,050,276	2,096,617	2,571,190	2,227,648	1,520,118	1,394,729	1,391,546	1,447,904	1,477,985	1,398,221
Investment income	172,514	227,521	(66,290)	245,779	140,273	113,766	248,331	551,101	603,169	396,682
Other income	58,273	1,846,096	2,045,489	542,463	1,096,053	763,131	405,862	2,437,844	510,917	120,888
<b>Total Revenues</b>	<u>16,150,245</u>	<u>19,196,634</u>	<u>19,263,526</u>	<u>17,249,771</u>	<u>16,665,014</u>	<u>16,082,945</u>	<u>16,169,375</u>	<u>19,552,393</u>	<u>16,545,877</u>	<u>16,203,799</u>
<b>Expenditures</b>										
General government	2,240,144	1,731,979	1,443,858	1,281,211	1,367,131	1,606,737	1,571,405	1,485,407	1,426,782	1,326,238
Public safety	9,028,104	8,561,370	8,066,962	7,756,871	7,640,050	7,172,379	7,511,656	7,308,373	6,973,743	6,418,677
Highways and streets	2,033,071	2,247,913	2,386,624	1,975,865	1,978,700	1,521,058	1,496,604	1,472,053	1,419,157	1,281,617
Community development	505,593	662,424	639,587	536,152	559,858	1,652,928	759,865	827,062	592,481	463,065
Culture and recreation	1,394,516	1,290,963	1,311,007	1,242,896	1,122,730	1,136,445	1,171,905	1,167,650	1,241,970	1,245,006
Capital outlay	6,276,447	8,068,753	7,453,234	4,196,885	2,334,697	1,217,476	4,225,507	5,688,451	2,738,118	1,623,172
Debt service:										
Issuance cost	-	-	102,473	155,534	-	-	-	-	-	-
Interest and fiscal charges	636,993	741,444	522,421	926,894	518,757	578,414	612,897	916,235	598,320	529,578
Principal	1,677,656	2,202,467	1,854,869	1,435,000	1,389,740	1,291,377	1,539,193	711,228	908,982	565,000
<b>Total Expenditures</b>	<u>23,792,524</u>	<u>25,507,313</u>	<u>23,781,035</u>	<u>19,507,308</u>	<u>16,911,663</u>	<u>16,176,814</u>	<u>18,889,032</u>	<u>19,576,459</u>	<u>15,899,553</u>	<u>13,452,353</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(7,642,279)</u>	<u>(6,310,679)</u>	<u>(4,517,509)</u>	<u>(2,257,537)</u>	<u>(246,649)</u>	<u>(93,869)</u>	<u>(2,719,657)</u>	<u>(24,066)</u>	<u>646,324</u>	<u>2,751,446</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from issuance of debt	1,086,316	-	9,055,000	10,065,000	-	-	1,669,205	64,942	2,750,000	2,332,127
Insurance proceeds	51,314	132,757	50,663	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	(2,280,400)	-	-	-	-	-	-
Premium (discount) on bond issue	-	-	44,764	110,895	-	-	-	-	-	-
Sales of capital assets	-	6,587	-	-	-	-	-	-	650,000	-
Transfers	-	-	-	-	-	-	-	-	-	124,362
<b>Total Other Financing Sources (Uses)</b>	<u>1,137,630</u>	<u>139,344</u>	<u>9,150,427</u>	<u>7,895,495</u>	<u>-</u>	<u>-</u>	<u>1,669,205</u>	<u>64,942</u>	<u>3,400,000</u>	<u>2,456,489</u>
<b>Net Change in Fund Balances</b>	<u>\$ (6,504,649)</u>	<u>\$ (6,171,335)</u>	<u>\$ 4,632,918</u>	<u>\$ 5,637,958</u>	<u>\$ (246,649)</u>	<u>\$ (93,869)</u>	<u>\$ (1,050,452)</u>	<u>\$ 40,876</u>	<u>\$ 4,046,324</u>	<u>\$ 5,207,935</u>
Debt service as a percentage of noncapital expenditures	12.7%	16.3%	13.7%	15.2%	12.7%	12.8%	16.5%	11.6%	10.5%	8.9%

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

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

Fiscal Year	Real Property	Personal Property	Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2006	\$ 151,503,500	\$ 37,763,060	\$ 200,047,788	\$ 0.600	\$ 851,295,790
2007	155,931,428	43,042,580	198,974,008	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	242,899,181	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	151,979,090	32,755,000	184,734,090	1.020	817,106,475
2013	152,097,950	33,584,140	185,682,090	1.356	820,046,200
2014	134,734,400	33,379,110	168,113,510	1.414	730,894,435
2015	135,374,200	35,128,880	170,503,080	1.367	765,548,050

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

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

Source: St. Louis County Assessor

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

<u>Fiscal Year</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
City										
General	0.8000	0.8000	0.8000	0.4500	0.4500	0.4500	0.4500	0.4500	0.4200	0.4200
Parks	0.2000	0.1980	0.1920	0.1900	0.2000	0.2000	0.2000	0.2000	0.1800	0.1800
GOB	0.3670	0.4160	0.3640	0.3800	-	-	-	-	-	-
Total	<u>1.3670</u>	<u>1.4140</u>	<u>1.3560</u>	<u>1.0200</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6000</u>	<u>0.6000</u>
School District	5.5400	5.0400	5.0400	5.0200	5.0200	5.0200	5.0300	4.8400	4.8400	4.8500
County	0.5230	0.5230	0.5230	0.5230	0.5200	0.5200	0.5600	0.5600	0.5600	0.5600
State	0.3000	0.0300	0.0300	0.3000	0.3000	0.3000	0.3000	0.0300	0.0300	0.0300
Other	1.9885	2.2361	1.9682	1.7174	1.6900	1.4400	1.3900	1.8300	1.8300	1.7600
Total	<u>\$ 9.7185</u>	<u>\$ 9.2431</u>	<u>\$ 8.9172</u>	<u>\$ 8.5804</u>	<u>\$ 8.1800</u>	<u>\$ 7.9300</u>	<u>\$ 7.9300</u>	<u>\$ 7.9100</u>	<u>\$ 7.8600</u>	<u>\$ 7.8000</u>

Residential real property tax rates per \$100 assessed value  
Taxing district: 111AK  
Source: St. Louis County Assessor



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

<u>Property Taxpayer</u>	<u>Type of Business</u>	<u>2015</u>		<u>2005</u>	
		<u>Assessed Value</u>	<u>Percent of Total Assessment</u>	<u>Assessed Value</u>	<u>Percent of Total Assessment</u>
Emerson Electric	Manufacturing	\$ 11,374,050	6.7 %	\$ 10,544,340	5.9 %
Walmart/Sam's Club	Retail Sales	3,955,780	2.3	3,325,250	1.8
Emerson Property Suppliers	Equipment Leasing	3,517,290	2.1	-	0.0
Crossings at Halls Ferry LLC	Shopping Center	3,258,060	1.9	2,435,230	1.4
Northwinds Apartments LLP	Apartment Rental	2,626,760	1.5	1,602,410	0.9
Home Depot USA, Inc.	Retail Sales	2,100,100	1.2	2,290,440	1.3
Park Ridge Appts/Gannon Ptrship	Apartment Rental	2,000,530	1.2	-	0.0
Lipton Properties	Apartment Rental	1,983,860	1.2	1,591,250	0.9
NCF LLC	Real Estate Holding Co.	1,775,910	1.0	-	0.0
A & O Investments	Real Estate Holding Co.	1,661,980	1.0	0	0.0
AmerenUE	Utility	-	0.0	3,799,440	2.1
Newger Materials/Investments	Retail Sales	-	0.0	1,649,390	0.9
Gannon Partnership	Apartment Rental	-	0.0	1,558,650	0.9
The Knolls LLC	Apartment Rental	-	0.0	1,407,880	0.0
Totals		<u>\$ 34,254,320</u>	<u>20.1 %</u>	<u>\$ 30,204,280</u>	<u>16.0 %</u>

Source: St. Louis County Assessor

**CITY OF FERGUSON, MISSOURI**  
**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
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
2013	1,858,710	1,849,680	1,482,937	80.2	1,770,863	95.7
2014	1,733,657	1,716,325	1,345,991	78.4	1,693,298	98.7
2015	1,680,467	1,810,493	1,392,551	76.9	1,699,328	93.9

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

Source: St. Louis County Collector of Revenue

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

<u>Fiscal Year</u>	<u>Special Assessments Levied</u>	<u>Collected as of June 30</u>	<u>Uncollected as of June 30</u>	<u>Collection Ratio</u>
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
2013	94,210	20,902	73,308	22
2014	70,089	45,370	24,719	65
2015	90,551	26,134	64,418	29

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

Governmental Activities

Fiscal Year	Tax Increment Revenue Bonds (2)	Certificates of Participation (3)	Variable Rate Capital Improvement Bonds (4)	Capital Leases (5)	General Obligation Bonds (6)	Certificates of Participation 2013 (8)	Total Primary Government	Percentage of Personal Income (7)	Per Capita
2006	\$ 6,935	\$ 3,095	\$ 2,250	\$ 78	\$ -	\$ -	\$ 12,358	1.07 %	\$ 508
2007	6,185	2,960	5,000	54	-	-	14,199	1.37	634
2008	5,510	2,820	4,850	73	-	-	13,253	1.37	539
2009	4,600	2,680	4,545	1,558	-	-	13,383	1.23	597
2010	4,000	2,535	4,225	1,331	-	-	12,091	1.45	540
2011	3,305	2,385	3,895	1,115	-	-	10,700	1.28	478
2012	2,545	2,065	3,550	893	7,670	-	16,723	2.00	789
2013	1,810	1,870	3,190	663	7,345	9,055	23,933	3.10	1,129
2014	1,015	1,675	2,820	480	7,010	8,730	21,730	2.74	1,029
2015	782	1,475	2,430	1,406	6,759	8,400	21,252	2.74	1,029

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.
- (8) On January 30, 2013, the City issued \$9,055,000 of certificates of participation bonds - Series 2013. The bonds were issued for the purpose of acquiring land and buildings for a new community center and the renovation of these buildings and for renovation and additions to the building currently housing the police department.
- (9) All amounts rounded to the nearest \$1,000, except for percent and per capita.

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

Fiscal Year	General Obligation Bonds	Amounts Available For Debt Service	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (1)	Per Capital (2)
2006	\$ -	\$ -	\$ -	- %	\$ -
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	7,670	250	7,420	0.81	349.95
2013	7,345	414	6,931	0.85	326.89
2014	7,010	601	6,409	0.78	302.27
2015	6,759	738	6,021	0.82	285.21

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

- (1) Actual property values can be found on the schedule of assessed and estimated actual value of taxable property - General Fund
- (2) Population values can be found on the Schedule of Demographic And Economic Statistics

***CITY OF FERGUSON, MISSOURI***  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**GENERAL OBLIGATION BONDED DEBT**  
**JUNE 30, 2015**

Name Of Governmental Unit	Debt Outstanding (1)	Percentage Applicable to City of Ferguson (2)	Amount Applicable to City of Ferguson
<b>Direct:</b>			
Tax Increment Revenue Bonds	\$ 782,000	100.00%	\$ 782,000
Certificates of Participation	9,875,000	100.00%	9,875,000
Variable Rate Capital Improvement Bonds	2,429,950	100.00%	2,429,950
General Obligation Bonds	6,758,887	100.00%	6,758,887
Capital Leases	\$ 1,406,000	100.00%	1,406,000
<b>Overlapping:</b>			
St. Louis County	109,755,000	0.83	910,967
Hazelwood School District	253,309,121	1.16	2,938,386
Riverview Gardens School	23,409,921	6.58	1,540,373
Jennings School District	11,870,000	6.74	800,038
Ferguson Reorganized School District	26,170,000	14.88	3,894,096
Total Overlapping Debt:			<u>10,083,859</u>
<b>Total Direct And Overlapping Debt</b>			<u><u>\$ 10,865,859</u></u>

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

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

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

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

	<u>June 30, 2015</u>
Net Assessed Value at July 1, 2015	<u>\$ 182,594,343</u>
Debt limit - 10% of assessed valuation*	\$ 18,259,434
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 6,670,000
Less assets in Debt Service Fund	<u>737,560</u>
Total Amount of Debt Applicable to Debt Limit	<u>5,932,440</u>
Legal debt margin	<u>\$ 12,326,994</u>

	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 18,259,434	\$ 18,568,209	\$ 18,568,209	\$ 19,806,244	\$ 18,473,409
Total net debt applicable to limit	<u>5,932,440</u>	<u>6,940,905</u>	<u>6,940,905</u>	<u>7,419,900</u>	<u>-</u>
Legal debt margin	<u>\$ 12,326,994</u>	<u>\$ 11,627,304</u>	<u>\$ 11,627,304</u>	<u>\$ 12,386,344</u>	<u>\$ 18,473,409</u>
Total net debt applicable to the limit as a percentage of debt limit	32.5%	37.4%	37.4%	37.5%	0.0%

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

**CITY OF FERGUSON, MISSOURI**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

TIF Refunding and Improvement Bonds (1)

Fiscal Year	TIF Sales Tax	TIF Property Tax	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
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	1.12
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
2013	471,134	397,159	-	868,293	735,000	125,570	1.01
2014	490,268	449,361	-	939,629	795,000	91,383	1.06
2015 (2)	-	6,673	-	6,673	215,000	45,375	0.03

Note:

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

- (1) TIF Revenue Bonds debt service is paid backed by sales and property taxes collected in the Halls Ferry TIF district.  
(2) In 2015, the City collected enough tax revenue to pay all outstanding principal and interest.



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

Fiscal Year	Population	Personal Income <i>(thousands of dollars)</i>	Median Household Income	Unemployment Rate
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	790,808	37,297	8.2
2013	21,203	776,984	36,645	8.6
2014	21,111	792,021	37,517	6.9
2015	21,086	815,712	38,685	5.5

**Source:**

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

**Note:**

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

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

<u>Employer</u>	<u>2015 Fiscal Year</u>			<u>2006 Fiscal Year</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ferguson-Florissant School District	1,850	1	8.8%	*	-	0.0%
St. Louis Community College	735	3	3.5%	*	-	0.0%
Emerson Electric	766	2	3.6%	615	1	2.9%
Walmart	284	4	1.3%	334	2	1.6%
Shop N Save - 2 stores	195	5	0.9%	212	3	1.0%
Sam's Club	187	6	0.9%	160	4	0.8%
Home Depot	127	7	0.6%	150	5	0.7%
Negwar Materials	107	8	0.5%	70	7	0.3%
Cracker Barrel	98	9	0.5%	120	6	0.6%
McDonalds Restaurant	60	10	0.3%	60	8	0.3%
Walgreens	-	-	-	50	9	0.2%
Circuit City	-	-	-	120	6	0.6%

\* Information was unavailable

Source: Business License database from Finance Department

Note: Information not accumulated prior to 2005/2006

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

<b>Function/Program</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government:										
Legislative Department:										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Clerk	1	1	1	1	1	1	1	1	1	1
Administration Department	2	4	4	4	3	2	2	3	3	2
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	-	1	1	1	1	1	1	2	2	2
Finance Department	3	3	3	3	3	3	3	4	4	4
Public Works Administration	3	3	3	2	2	2	2	2	2	2
Community Development:										
Planning and Development	4	4	4	4	4	4	4	1	1	2
Public Safety:										
Municipal Court	3	3	3	3	3	3	3	3	3	3
Police Department:										
Commissioned officers	53	52	54	54	54	54	54	54	54	55
Civilians	13	11	11	11	11	9	9	11	11	11
Fire Department	24	27	27	27	27	27	27	27	27	27
Code Enforcement	5	7	6	6	6	6	6	6	6	6
Highways and Streets:										
Municipal Services (Streets)	12	12	16	16	16	16	16	11	11	11
Municipal Garage	3	3	3	3	3	3	3	3	3	3
Parks and Recreation	10	8	5	4	4	4	4	5	5	5
Total	<u>144</u>	<u>147</u>	<u>149</u>	<u>147</u>	<u>146</u>	<u>143</u>	<u>143</u>	<u>141</u>	<u>141</u>	<u>142</u>

Source: City of Ferguson, Missouri budget.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Police Department</b>										
Crimes reported	1,302	1,467	1,509	1,335	1,235	1,100	1,396	1,469	1,236	*
Traffic accidents	539	558	555	348	417	339	409	445	463	*
Tickets issued	8,444	14,590	14,421	13,412	15,000	14,618	15,510	18,363	14,684	*
Camera Enforcement Tickets	-	11,867	5,318	-	-	-	-	-	-	*
Dispatched Calls	22,343	22,980	24,520	24,900	20,933	20,291	23,689	24,945	22,506	*
<b>Fire Department</b>										
Fires	147	105	151	122	122	118	131	128	181	*
Emergency medical services	1,477	1,715	1,748	1,808	1,923	1,789	1,873	1,801	1,616	*
Assists to other departments	611	527	480	566	603	820	847	944	690	*
Non-specific calls	568	473	482	457	561	556	508	471	682	*
Total calls responded to	2,803	2,820	2,861	2,947	3,209	3,283	3,359	3,344	3,169	*
Assists from other departments	503	295	352	259	274	404	361	316	248	*
<b>Courts</b>										
Number of cases initiated	18,372	23,925	24,054	21,425	13,225	16,038	15,995	19,015	20,249	*
<b>Parks and recreation:</b>										
Program participation	2,518	3,654	3,576	3,180	3,147	3,407	3,531	3,600	3,765	*
Shuttle passengers	3,688	3,332	3,171	3,161	3,067	1,406	972	1,444	1,416	*
Splash at Wabash	18,928	20,869	22,487	23,289	25,668	23,266	22,647	26,126	24,945	*
Sports Complex at Forestwood	35,230	61,805	64,421	67,026	68,433	70,012	68,604	70,662	70,616	*
<b>Public Works</b>										
Occupancy permits	1,330	1,467	1,583	1,201	1,313	1,504	1,400	1,341	1,529	*
Inspections completed	13,033	12,923	13,867	14,206	13,726	14,665	14,100	12,268	12,268	*
Abatements made	2,132	2,114	2,181	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: 2009 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 2006.

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

		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Highways/Streets:</b>											
Miles of streets:	paved	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15
	unpaved	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85
Miles of alleys		0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Miles of sidewalks		41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52
Miles of sewers:	storm	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27
	sanitary	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59
Number of street lights		1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117
<b>Fire protection:</b>											
Number of stations		2	2	2	2	2	2	2	2	2	2
Fire hydrants		598	598	598	597	597	597	597	597	597	597
Vehicles:											
	Pumpers	3	3	3	2	2	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	2	2	2	-	-	-	-	-
<b>Police protection:</b>											
Number of stations		1	1	1	1	1	1	1	1	1	1
<b>Parks and recreation:</b>											
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.