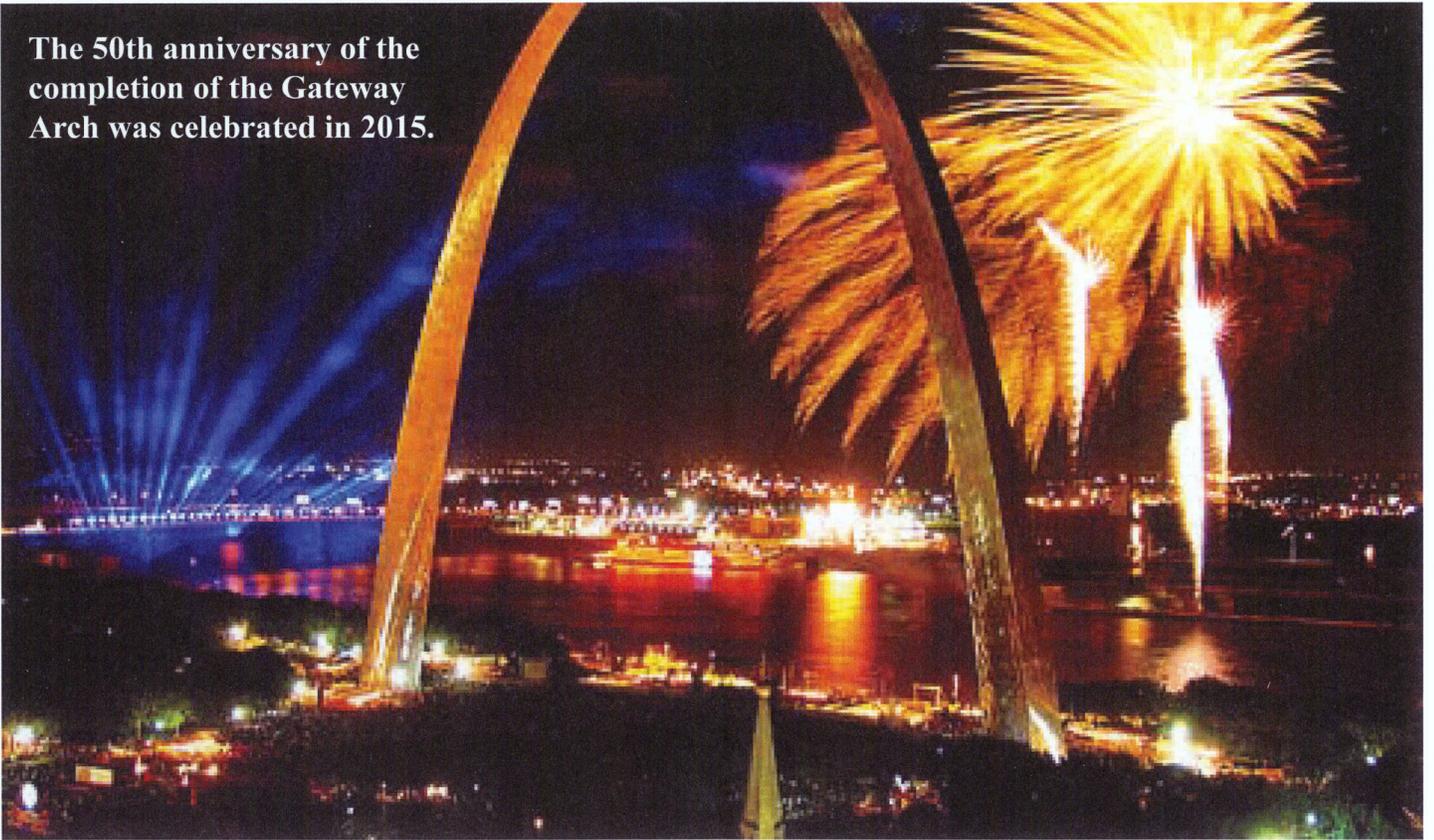


The 50th anniversary of the completion of the Gateway Arch was celebrated in 2015.



2015

Comprehensive Annual Financial Report St. Louis, Missouri

Fiscal Year Ended June 30



CITY OF ST. LOUIS, MISSOURI
COMPTROLLER



COMPLIMENTS OF THE COMPTROLLER
DARLENE GREEN

*The City of
Saint Louis, Missouri*



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015**

Prepared by
Office of the Comptroller

*Darlene Green
Comptroller*

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CITY OF ST. LOUIS, MISSOURI
 Comprehensive Annual Financial Report
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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

212 City Hall
(314) 622-4389
FAX: (314) 622-4026

January 26, 2016

The Honorable Francis G. Slay, Mayor
The Honorable Members of the Board of Aldermen
and the Citizens of the City of St. Louis, Missouri:

The Comprehensive Annual Financial Report of the City of St. Louis, Missouri (City) for the fiscal year ended June 30, 2015 is hereby submitted.

This report has been prepared pursuant to, and to demonstrate compliance with, Article VIII, Section 10, of the City Charter. The Comprehensive Annual Financial Report (CAFR) is in conformance with the standards for financial reporting of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 operation. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by KPMG LLP, an independent certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to compliment MD & A and should be read in conjunction with it. The City's MD & A can be found immediately following the report of the independent auditors.



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

The City utilizes a fully computerized Accounting Information Management System (AIMS). This system is based on a single input of information. The AIMS system provides: 1) integrated, general and subsidiary accounting of all funds; 2) appropriation/encumbrances accounting and control; and 3) the ability to generate cost/expenditure data in a multitude of formats useful for budgetary control and other managerial purposes.

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition, and
- The reliability of financial records for preparing financial statements and maintaining accountability for assets.
- The concept of reasonable assurance recognizes that:
 - = The cost of a control should not exceed the benefits likely to be derived, and
 - = The evaluation of assets and benefits requires estimates and judgements by management.

All internal control evaluations occur within this framework. Therefore, the Comptroller's Office believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Through annual appropriations, the City maintains budgetary control at the fund level. Cost classifications are categorized in the following groups: personnel services, materials and supplies, rental and non-capital leases, non-capital equipment, capital assets, contractual and other services, and debt service and special extraordinary items.

Encumbrances are recorded by the Control Section (or in some cases by the requesting department) through an on-line budgetary control module before requisitions are sent to the Purchasing Division. If sufficient appropriations are not available to cover a purchase, the requisition is returned to the originating department for transfer of appropriations between departments with prior approval of the Board of Estimate and Apportionment (E&A). A formal monthly expense monitoring procedure has been established to help eliminate rejected requisitions and related cancellations, and to minimize line item transfers. Encumbrances are detailed for current year budgetary presentations. While appropriation balances lapse at the end of the fiscal year, appropriation balances for encumbrances remain.

Within the Strategic Financial Plan for the city, major controls that help guide city officers in their deliberation over the financial wisdom of potential actions. One of those controls recommends the city to informally reserve a minimum of 5% of the next year's general fund expenditures for appropriation only under severe circumstances. The reserve effectively reduces the funds available for appropriation.

BUDGET PROCESS

The City's fiscal year is July 1 through June 30. The budget process begins in the preceding December with a revenue forecast for the upcoming fiscal year. By February, department budget requests are submitted to the Budget Division, and the review process begins immediately.

The Budget Division works closely with E&A in developing, within forecasted revenue constraints, the proposed budget. By law, E&A must recommend a balanced budget to the Board of Aldermen (the Board), the City's legislative body, sixty days prior to the start of a new fiscal year. The Board may decrease but not increase any recommended appropriation amount. The Board, however, may recommend changes in the proposed budget. Any changes must be mutually agreed upon between the Board and E&A. If a budget cannot be agreed upon prior to July 1, the final budget presented by E&A becomes the official budget.

As part of the long-term financial planning, the Budget Division prepares a 5-year projection of revenues and expenditures. The projection is based on known challenges facing the city as well as straight-line growth based on recent history. No formal action is taken on the projections.

ECONOMIC OUTLOOK

The 61.4 – square mile City is the center of the St. Louis Consolidated Standard Metropolitan Statistical Area. The Metropolitan area is the 19th largest metropolitan area in the United States in terms of population. The city represents 7.9% of Missouri's job base. Job growth in the City has been concentrated in the bio-science, healthcare and service sectors and the City anticipates strong, long-term employment growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business.

MAJOR INITIATIVES

More than \$5 billion has been invested in the last decade, bringing people, jobs, commerce, residential living, and urban vitality needed to strengthen the core of the St. Louis region. The City has approved a tax increment financing plan titled the St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan (the "CORTEX TIF"). The CORTEX TIF is located in the western portion of the City immediately to the east of Forest Park in an area known as the Central West End. The

CORTEX TIF redevelopment area includes over 168 acres composed of eleven separate redevelopment project areas. The CORTEX TIF proposes a total investment of approximately \$2.1 billion over twelve years with approximately \$167 million of public incentives.

Downtown infrastructure projects recently completed or in planning include the \$380 million CityArchRiver project, an effort that includes upgrades to the Leonor K. Sullivan Boulevard, Memorial Drive, I-70, the Museum of Westward Expansion and \$90 million in improvements to the museum's landscaping and infrastructure; \$1.3 million enhancements to the Laclede's Landing streets and sidewalks; and \$1.97 million third phase streetscape improvements along Washington Avenue downtown. A study is also underway to develop the St. Louis Street Car route connecting downtown with old North St. Louis and the Central West End neighborhoods.

Downtown is also becoming a location for new business start-ups. The T-REx (Regional Entrepreneurial Exchange) at the Lammert Building is now home to approximately 60 start-up information technology related ventures. T-Rex has also attracted two business acceleration programs, the Capital Innovators and the Arch Grants, which provide seed capital along the intensive professional service resources to launch companies. Together, these two accelerator programs anticipate providing assistance to 40 start-up operations per year at the downtown location. Additionally, in 2013 the program at T-REx was expanded to house a new design incubator facility.

Continued focus on improving commercial districts throughout the City is making City living and neighborhoods more desirable. Continued focus on the manufacturing sector and, in essence, a public/private partnership with these operations to attract investment and growth, along with cultivating those areas where the region has strength, such as life science, information technology and financial services, is progressing.

LONG TERM FINANCIAL PLANNING

The City continues to address the challenges of the current economic climate in the fiscal year 2016 budget. Revenues, for the most part, continue a trend of restrained growth. An environment in which base revenues grow approximately at a rate of two percent presents a challenge when the cost of providing City services and maintaining infrastructure continues to outpace the growth. The City has made efforts in recent years to reduce operating expenditures and staffing when possible without impacting key City services. Along these lines, there has been the successful initiative to reform the City's fire fighters pension system and the incorporation of many of the administrative and support functions of the Police Department into related departments of City government.

INTERNAL AUDIT

It is the special responsibility of the Comptroller, as set out in the Charter, to provide City officials and taxpayers with reasonable assurance that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded.

The Comptroller's internal audit staff audits various departments within the City testing for the methods employed by the department to safeguard the assets, ensuring the reliability of the accounting data, promoting efficient operations and ensuring compliance with established ordinances and the City Charter. Audits may also be performed on various corporations and not-for-profit organizations to ensure compliance with the various contractual agreements with the City. In addition to audits, the internal audit staff reviews the revenue collection procedures established by those departments and employees who receive or collect City revenue. As a result of these audits and reviews, the internal auditors develop recommendations of procedures that should be implemented to improve internal controls. These audits and reviews are performed on a continual basis.

CERTIFICATE OF ACHIEVEMENT

The City's CAFR for the fiscal year ended June 30, 2014 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the twenty-eighth year the City has received this prestigious award.

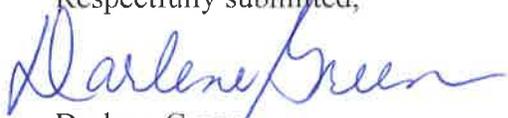
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current CAFR will continue to meet the Certificate of Achievement Program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENT

I would like to express my appreciation to the staff members of the Comptroller's Office for their many hours in the preparation of this report. I also extend my appreciation to the independent accounting firm of KPMG LLP for their professional service. Contributions to the completion and publication of this financial history were made by staff of other departments to whom I also express my appreciation.

Respectfully submitted,



Darlene Green
Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of St. Louis
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

The City of St. Louis, Missouri
Elected Officials
June 30, 2015

Board of Aldermen

(Aldermen listed to numerical order by ward)

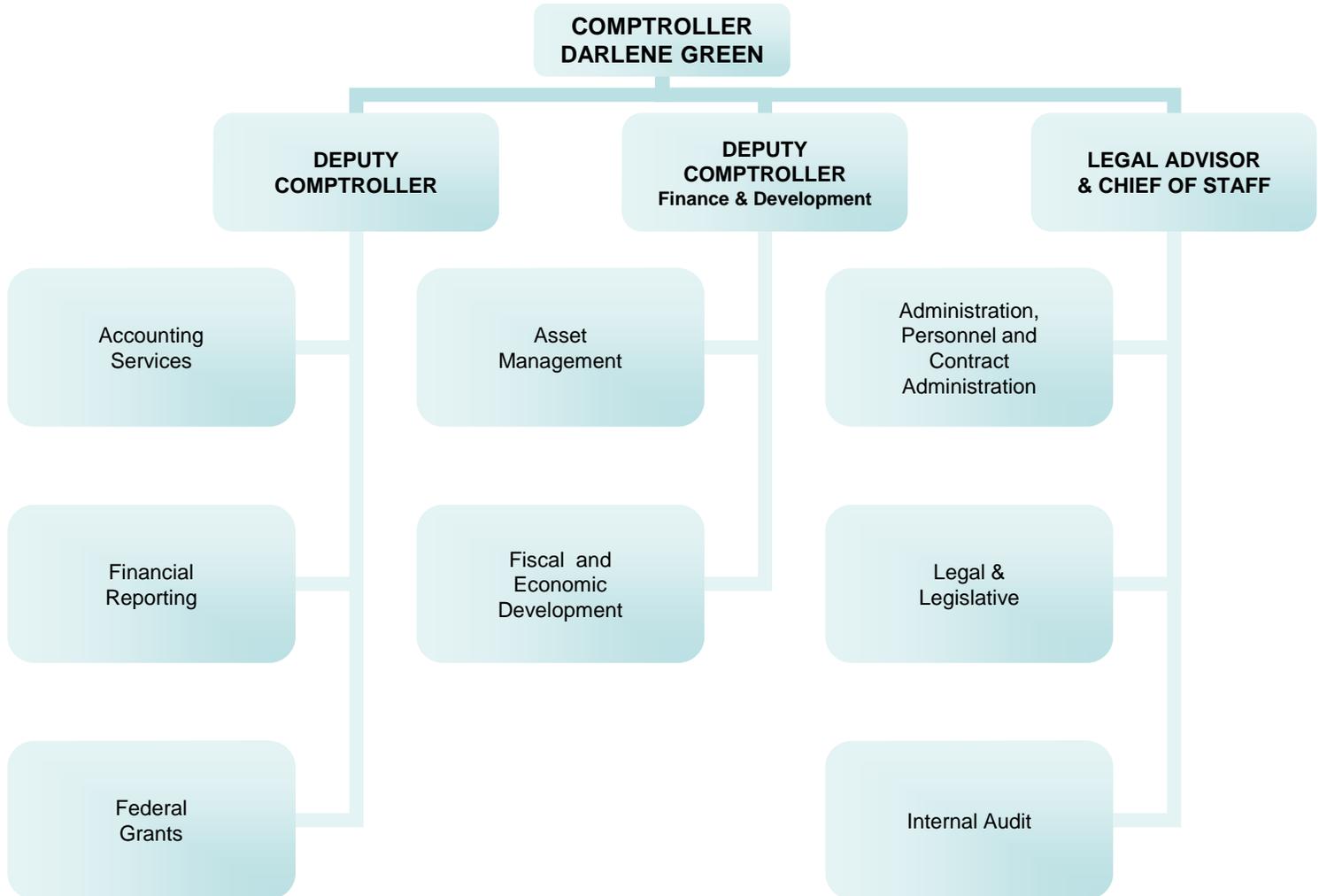
FRANCIS G. SLAY
Mayor

DARLENE GREEN
Comptroller

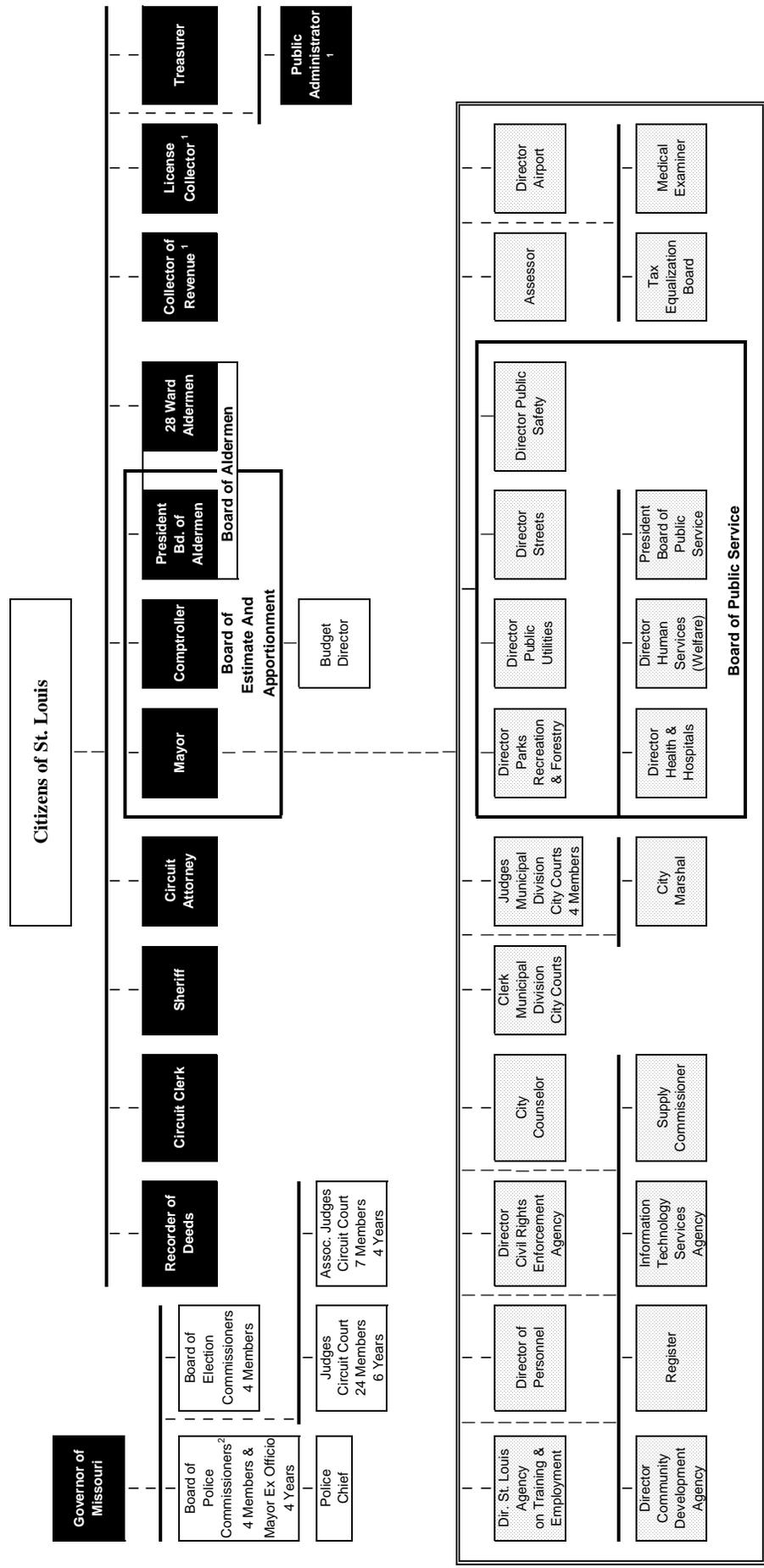
LEWIS REED
President,
Board of Aldermen

Sharon Tyus
Dionne Flowers
Freeman Bosley, Sr.
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Jack Coatar
Stephen Conway
Kenneth Ortman
Joseph Vollmer
Thoma Albert Villa
Larry Arnowitz
Beth Murphy
Carol Howard
Megan E. Green
Donna Baringer
Joseph D. Roddy
Terry Kennedy
Marlene E. Davis
Cara Spencer
Antonio D. French
Jeffrey L. Boyd
Joseph Vaccaro
Scott Ogilvie
Shane Cohn
Frank Williamson
Chris Carter
Lyda Krewson

The City of St. Louis, Missouri Office of the Comptroller



Government of the City of St. Louis, Missouri



■ Elective Offices - 4 Years

□ Offices appointed by Mayor

¹ Indicates a fee office (not included in general appropriation)

² As of June 30, 2013, following a voter referendum in 2012 and adoption of Ordinance No. 69489, the City was authorized to assume local control of the Police Dept. as a division under the Dept. of Public Safety.





KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Auditors' Report

Honorable Mayor and Members of
the Board of Aldermen of the
City of St. Louis, Missouri:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of St. Louis, Missouri'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 U.S. generally accepted accounting principles; 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 did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 50% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 89% and 98% of the assets and revenues, respectively, of the aggregate discretely presented component units. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*.

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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1, effective July 1, 2014, the City of St. Louis, Missouri implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management’s Discussion and Analysis on pages 4 through 20, the Budgetary Comparison Information on pages 133 through 138, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 139 through 147 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, and the other auditors, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Louis, Missouri’s basic financial statements. The Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information 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, based on our audit and the reports of other auditors, the Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016 on our consideration of the City of St. Louis, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis, Missouri's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
January 26, 2016

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

As management of City of St. Louis, Missouri (the City), we offer readers of the City's Comprehensive Annual Financial Report this narrative overview and analysis of the City for the fiscal year ended June 30, 2015. The information presented here should be read in conjunction with our letter of transmittal and the City's basic financial statements including the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (excluding discretely presented component units)

- On a government-wide basis, the City's total assets and deferred outflow of resources exceeded its liabilities for the current fiscal year by \$829.0 million.
- Governmental activities and business-type activities had a net position of (\$473.9) million and \$1.3 billion, respectively.
- As of July 1, 2014, the City implemented GASB 68, *Accounting and Financial Reporting for Pensions*. The impact of implementing GASB 68, was a cumulative effect of change in accounting principle of \$289.5 million for governmental activities and \$22.2 million for business-type activities.
- The cost of services for the City's governmental activities was \$741.8 million in fiscal year 2015 (excluding interest and fiscal charges).
- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$150.5 million. Of this amount, (\$18.2) million is unassigned fund balance.
- In fiscal year 2015, the City issued \$88.9 million in long-term debt to finance projects and refund debt in governmental activities and \$25.3 million in long-term debt for business-type activities.
- Development and tax increment financing (TIF) debt increased liabilities in the amount of \$40.0 million. There is no related asset for TIF debt, so net increases in TIF debt reduce unrestricted net position by an equal amount.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

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 include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other 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 using accounting methods similar to those used by private sector business.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflow of resources, liabilities, and net position. Increases and decreases in net position may serve as a useful indicator of whether or not 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 the related cash flows. Thus revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities).

The governmental activities of the City include general government, convention and tourism, parks and recreation, judicial, streets, public safety (fire, police, other), health and welfare, public service, and community development, as well as, interest and fiscal charges. The business-type activities of the City include an airport, water division, and parking division.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency and a legally separate corporation that owns and leases the downtown steam loop. Financial information for these component units is reported separately from the financial information presented for the primary government.

Included in the financial statements are the operations of the Public Facilities Protection Corporation (PFPC), St. Louis Municipal Finance Corporation, St. Louis Parking Commission Finance Corporation, and Grand Center Municipal Parking Finance Corporation as blended component units.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015

1. *Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a 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 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). 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, capital projects fund, and grants fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of additional supplementary information as combining statements.

2. *Proprietary Funds.* Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following two types of proprietary funds:
 - *Enterprise Funds* are used to report information similar to business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for the operations of the Lambert-St. Louis International Airport (Airport), Water Division, and the Parking Division.
 - *Internal Service Funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its mail handling services, for payment of workers' compensation and various other claims, health insurance, and equipment service.
3. *Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets that can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City's pension trust funds and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the general fund and required supplementary information pertaining to the Firemen's Retirement System of St. Louis, the Firefighter's Retirement Plan of the City of St. Louis, the Police Retirement System of St. Louis and the Employees' Retirement System of the City of St. Louis pension trust funds and other post-employment benefits.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2015 was \$829.0 million. Beginning of year net position for 2014 of \$1.1 billion was adjusted by \$312 million due to the implementation of GASB 68 as of July 1, 2014, resulting in adjusted beginning of year net position of \$829.1 million. Looking at the net position of governmental and business-type activities separately provides additional information.

The City of St. Louis, Missouri
Schedule of Net Position Summary
June 30, 2015 and 2014
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 398.4	400.1	382.6	372.6	781.0	772.7
Capital assets	839.4	863.8	1,841.2	1,855.4	2,680.6	2,719.2
Deferred outflow of resources	<u>33.5</u>	<u>4.3</u>	<u>24.6</u>	<u>23.1</u>	<u>58.1</u>	<u>27.4</u>
Total assets and deferred outflow of resources	<u>1,271.3</u>	<u>1,268.2</u>	<u>2,248.4</u>	<u>2,251.1</u>	<u>3,519.7</u>	<u>3,519.3</u>
Liabilities						
Long-term liabilities	1,556.2	1,267.7	882.6	897.4	2,438.8	2,165.1
Other liabilities	167.9	150.4	59.2	62.9	227.1	213.3
Deferred inflow of resources	<u>21.1</u>	<u>0.0</u>	<u>3.7</u>	<u>0.0</u>	<u>24.8</u>	<u>0.0</u>
Total liabilities and deferred inflow of resources	<u>1,745.2</u>	<u>1,418.1</u>	<u>945.5</u>	<u>960.3</u>	<u>2,690.7</u>	<u>2,378.4</u>
Net position						
Net investment in capital assets	544.3	535.0	1,055.5	1,033.7	1,599.8	1,568.7
Restricted	22.3	32.3	138.6	148.2	160.9	180.5
Unrestricted (deficit)	<u>(1,040.4)</u>	<u>(717.2)</u>	<u>108.8</u>	<u>108.9</u>	<u>(931.6)</u>	<u>(608.3)</u>
Total net position	<u>\$ (473.8)</u>	<u>(149.9)</u>	<u>1,302.9</u>	<u>1,290.8</u>	<u>829.1</u>	<u>1,140.9</u>

ANALYSIS OF NET POSITION

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflow of resources exceeded liabilities by \$829.1 million at the close of the most recent fiscal year.

The largest portion of the City's net position consists of its net investment in capital assets (for example, infrastructure, land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015

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 liquidated for these liabilities.

Included in the City's total net position at the end of fiscal year 2015 and fiscal 2014, respectively, is \$160.9 million and \$180.5 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by \$323.3 million for the year ended June 30, 2015. Unrestricted governmental activities net position showed a \$1,040.4 million deficit at the end of 2015 as compared with a \$717.2 million deficit in 2014. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims and amounts to pay for unused employee vacation and sick days. The City will continue to include these amounts in future year's budgets as they come due.

In addition, five particular features of the City's recent financial activity affected the deficit in unrestricted governmental net position. These activities over the past several years reflect debt to provide development stimulus for which the City received no offsetting asset. They include the following:

- Section 108 loan agreements, \$31.4 million
- Joint venture financing agreement for the expansion of the convention center, \$33.4 million
- Obligations with component unit for the convention center hotel, \$35.3 million
- Obligations with component units for downtown development, \$16.1 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of \$340.3 million

Although the net position of the business-type activities account for the majority of overall net position, these resources cannot be used to make up for the unrestricted net position deficit in governmental activities. The City generally can only use the net position to finance the continuing operations of the Airport, Water Division, and the Parking Division.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2015

The City of St. Louis, Missouri
Changes in Net Position
For the Fiscal Years ended June 30, 2015 and 2014
(dollars in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 129.9	137.5	235.3	238.4	365.2	375.9
Operating grants and contributions	60.8	57.2	1.3	0.7	62.1	57.9
Capital grants and contributions	8.0	5.6	23.6	16.7	31.6	22.3
General revenues:						
Taxes	559.2	559.2	—	—	559.2	559.2
Investment income	0.4	0.4	3.0	1.8	3.4	2.2
Total revenues	<u>758.3</u>	<u>759.9</u>	<u>263.2</u>	<u>257.6</u>	<u>1,021.5</u>	<u>1,017.5</u>
Expenses:						
General government	58.7	94.8	—	—	58.7	94.8
Convention and tourism	5.8	5.7	—	—	5.8	5.7
Parks and recreation	30.1	31.8	—	—	30.1	31.8
Judicial	50.7	52.0	—	—	50.7	52.0
Streets	73.4	69.6	—	—	73.4	69.6
Public safety:						
Fire	64.7	86.1	—	—	64.7	86.1
Police	202.1	209.8	—	—	202.1	209.8
Other	58.7	59.3	—	—	58.7	59.3
Health and welfare	54.1	49.6	—	—	54.1	49.6
Public service	78.0	76.9	—	—	78.0	76.9
Community development	65.5	35.2	—	—	65.5	35.2
Interest and fiscal charges	60.6	58.0	—	—	60.6	58.0
Airport	—	—	160.2	175.1	160.2	175.1
Water Division	—	—	46.8	50.2	46.8	50.2
Parking Division	—	—	13.9	14.0	13.9	14.0
Total expenses	<u>802.4</u>	<u>828.8</u>	<u>220.9</u>	<u>239.3</u>	<u>1,023.3</u>	<u>1,068.1</u>
Excess (deficiency) before						
extraordinary items and transfers	(44.1)	(68.9)	42.3	18.3	(1.8)	(50.6)
Extraordinary items	—	—	1.7	7.6	1.7	7.6
Transfers	9.6	9.4	(9.6)	(9.4)	—	—
Change in net position	<u>(34.5)</u>	<u>(59.5)</u>	<u>34.4</u>	<u>16.5</u>	<u>(0.1)</u>	<u>(43.0)</u>
Net position-beginning of year	(149.9)	39.1	1,290.8	1,288.4	1,140.9	1,327.5
Cumulative effect of change						
in accounting principles	(289.5)	(129.5)	(22.3)	(14.2)	(311.8)	(143.7)
Net position-beginning of year,						
adjusted	(439.4)	(90.4)	1,268.5	1,274.2	829.1	1,183.8
Net position-end of year	<u>\$ (473.9)</u>	<u>(149.9)</u>	<u>1,302.9</u>	<u>1,290.7</u>	<u>829.0</u>	<u>1,140.8</u>

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

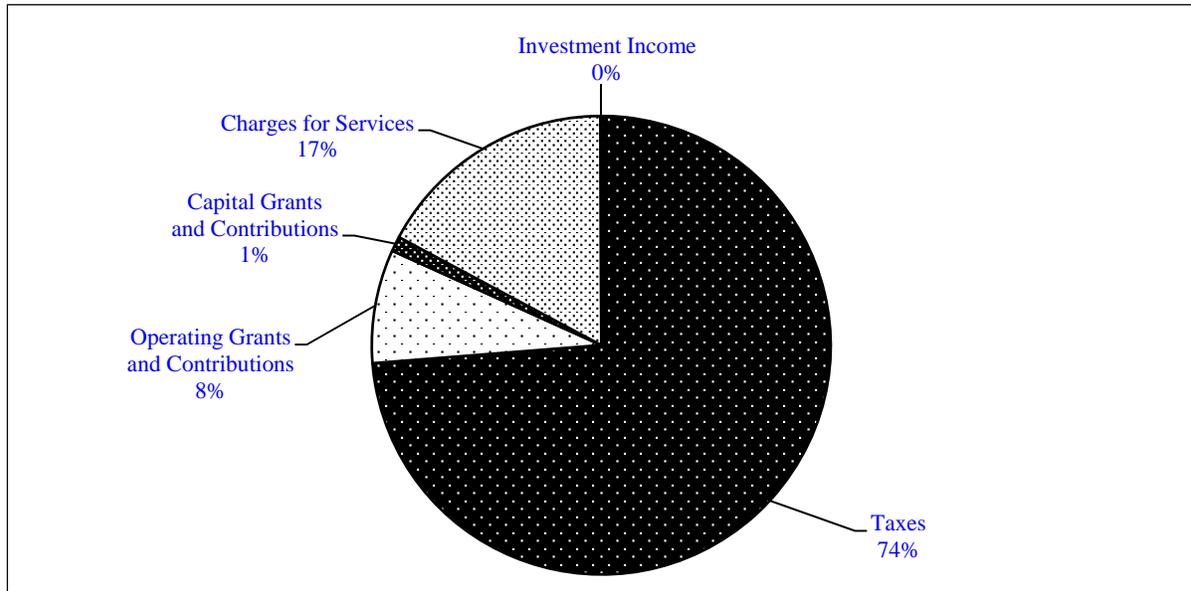
Changes in net position. The City's total revenue on a government-wide basis was \$1,021.5 million, an increase of \$4.0 million over the previous year. Taxes represent 54.7% of the City's revenue as compared with 54.9% last year. Additionally, 35.8% comes from fees charged for services, as compared to 37.0% of the previous year's revenue. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

The total cost of all programs and services was \$1,023.3 million, an decrease from \$1,068.1 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

The cumulative effect of change in accounting principle in the government-wide due to implementation of GASB 68, reduced the beginning balance by \$311.8 million.

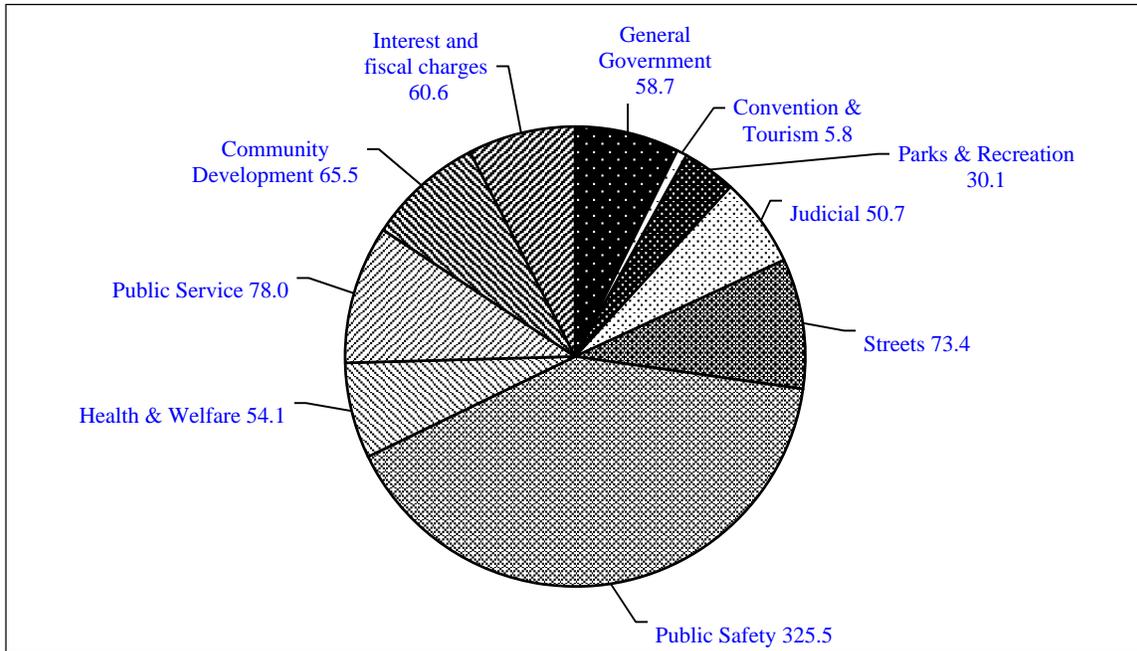
Governmental activities. As a result of this year's operations, the net position of governmental activities decreased by \$34.5 million or 23% without taking into account the cumulative effect of change in accounting principle. The net position decrease is primarily related to the City issuing TIF debt recorded in community development which increased expenses. Revenues decreased by \$1.6 million or 0.2%. Total expenses decreased by \$26.4 million or 3.2%. General government expenditures decreased by \$36.1 million or 38.1% due to expenses associated with the City assuming control of the Police Department that were recorded in fiscal year 2014. Community development expenses increased due to a tax increment financing debt issuance in fiscal year 2015.

The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2015.



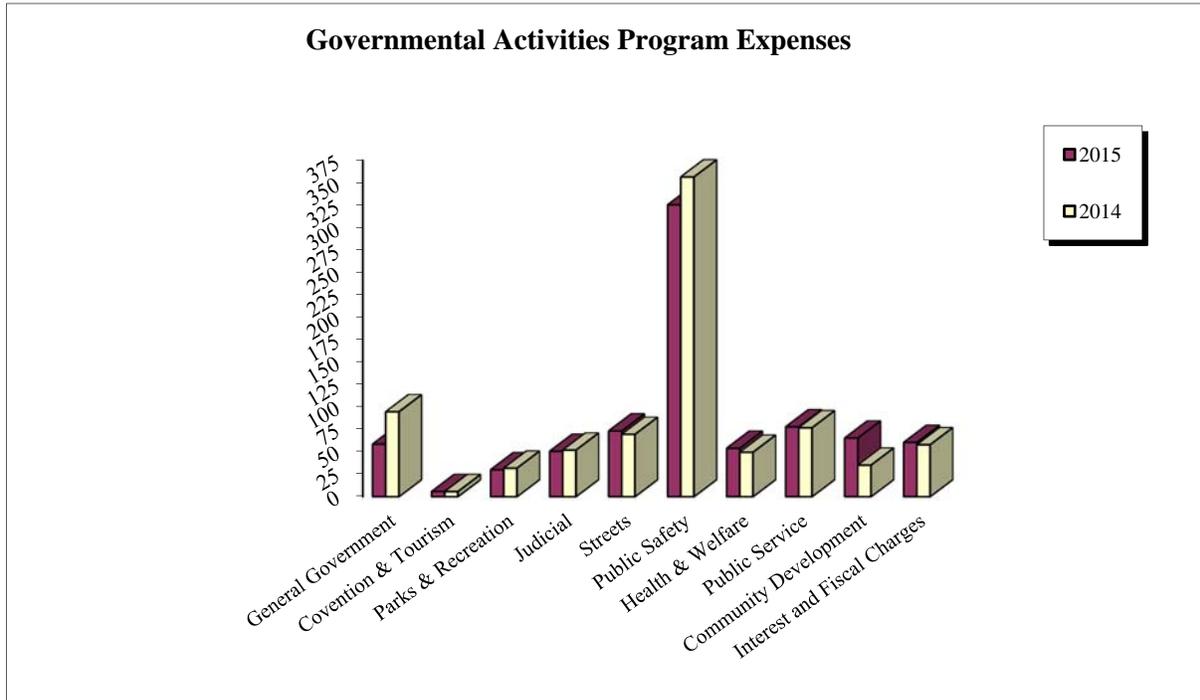
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015

The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was \$802.4 million, an decrease of \$26.4 million or 3.2% over the prior year. As shown, public safety is the largest function in expense (40.6%). The majority of the spending was the result of funding Police of \$202.1 million and Streets of \$73.4 million.



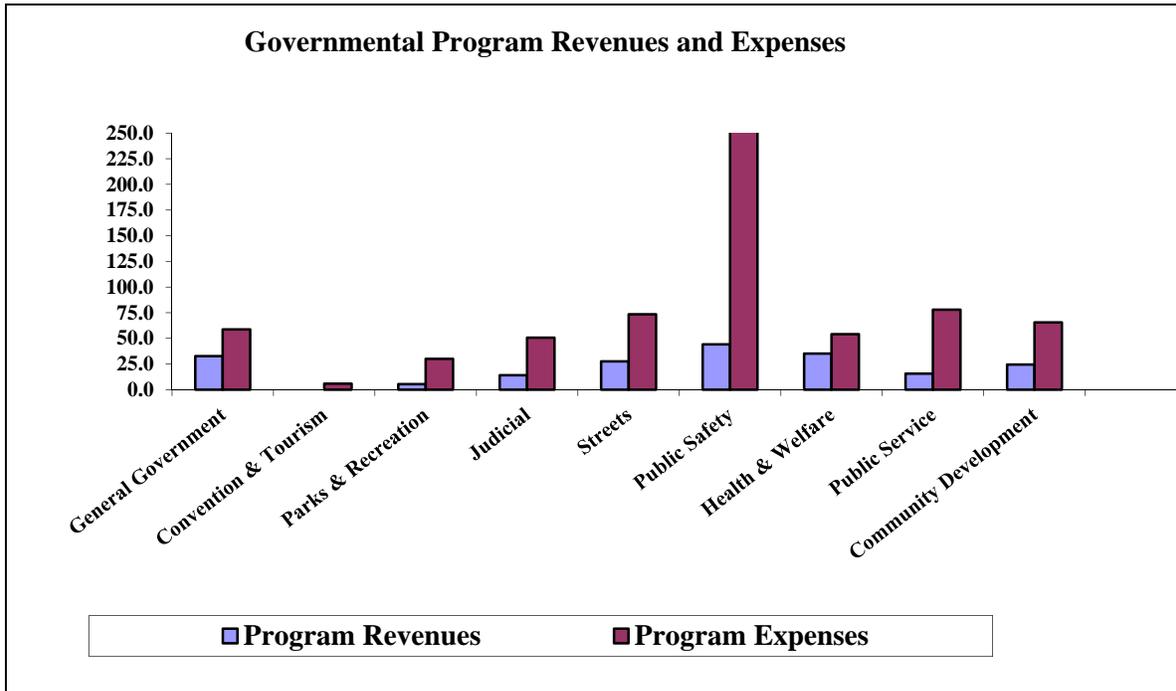
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

The following chart is a comparison of expense of governmental activities for fiscal years ended 2015 and 2014.



**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2015.



**The City of St. Louis, Missouri
Governmental Activities
(dollars in millions)**

	Total Cost of Services		Net Costs of Services	
	2015	2014	2015	2014
General government	\$ 58.7	94.8	26.1	59.2
Convention and tourism	5.8	5.7	5.8	5.7
Parks and recreation	30.1	31.8	24.8	25.0
Judicial	50.7	52.0	36.6	27.0
Streets	73.4	69.6	45.9	42.8
Public Safety:				
Fire	64.7	86.1	51.4	74.9
Police	202.1	209.8	193.0	201.1
Other	58.7	59.3	37.0	35.6
Health and welfare	54.1	49.6	18.9	18.8
Public service	78.0	76.9	62.4	68.5
Community development	65.5	35.2	41.1	11.7
Totals	\$ 741.8	770.8	543.0	570.3

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$741.8 million compared with \$770.8 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was \$559.2 million. The primary difference of \$182.6 million comprises charges for services (\$129.9 million), operating grants and contributions (\$60.8 million), and capital grants and contributions (\$8.0 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$34.4 million or 2.7%.

Lambert – St. Louis International Airport. The net position of the Airport increased by \$13.6 million or 1.3% after considering the cumulative effect of a change in accounting principle of \$13.4 million. The operating income was \$16.0 million this year versus operating income of \$4.7 million in 2014. Total operating revenues for 2015 was \$140.2 million. Of this amount, major sources of operating revenue included aviation revenues (64.8%), concessions (18.3%), parking, net (13.5%), and lease revenue (3.4%). A significant non-operating revenue is passenger facility charges which accounts for \$24.2 million.

At June 30, 2015, the capital assets balance was \$1,617.0 million. This amount includes buildings and structures (net of accumulated depreciation) of \$274.2 million, pavings with \$551.8 million, and equipment with \$23.8 million, all net of accumulated depreciation. Land is \$751.5 million, construction in progress is \$12.2 million, and easements is \$3.5 million.

At June 30, 2015, the Airport had bonded debt of \$757.7 million.

Water Division. The net position of the Water Division increased by \$4.8 million or 5.9%, after considering the cumulative effect of a change in accounting principle of \$7.7 million. Operating income was \$7.4 million this year versus an operating income of \$6.2 million in 2014. Total operating revenues for 2015 was \$53.8 million. Of this amount, major sources of operating revenue included metered revenue (41.4%) and flat rate revenue (46.7%).

At June 30, 2015, the capital assets balance was \$150.1 million. This amount includes buildings and structures (net of accumulated depreciation) with \$15.2 million, reservoirs and water mains, lines and accessories with \$96.7 million, equipment with \$33.4 million, land with \$1.2 million, and construction-in-progress with \$3.6 million.

At June 30, 2015, the Water Division had bonded debt of \$2.3 million.

Parking Division. The net position of the Parking Division increased by \$1.3 million or 4.1%, after considering the cumulative effect of a change in accounting principle of \$1.2 million. Operating income was \$6.1 million in fiscal year 2015 and \$5.1 million in fiscal year 2014. Total operating revenues for 2015 was \$16.1 million. Of this amount, major sources of operating revenue included parking meter revenue (14.7%), parking violations notices revenue (25.3%), and parking facilities revenue (56.5%).

At June 30, 2015, the capital assets balance was \$74.1 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$48.9 million, parking meters and lot equipment with \$1.9 million, equipment with \$0.4 million, and land with \$22.9 million.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2015

At June 30, 2015, the Parking Division had bonded debt of \$73.7 million.

The City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2015
(dollars in millions)

		<u>2015</u>	<u>2014</u>	<u>2015 vs. 2014</u> <u>\$ Change</u>	<u>2015 vs. 2014</u> <u>% Change</u>
Total assets	\$	357.2	359.7	(2.5)	-0.7%
Total liabilities		98.0	89.5	8.5	9.5%
Deferred inflow of resources		93.8	91.7	2.1	—%
Fund balance:					
Restricted		101.8	114.7	(12.9)	-11.2%
Committed		73.2	73.6	(0.4)	-0.5%
Assigned		8.6	11.6	(3.0)	-25.9%
Unassigned		(18.2)	(21.4)	3.2	-15.0%
Total fund balance		165.4	178.5	(13.1)	-7.3%
Total liabilities, deferred inflow of resources, and fund balance	\$	357.2	359.7	(2.5)	-0.7%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows, outflows and balances of current financial resources that are available for spending. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$0.

The total fund balance in the City's general fund decreased by \$7.1 million or 19.8% in the current fiscal year. The City's general fund decreased by \$18.9 million or 34.6% in the prior fiscal year.

The total fund balance in the City's capital projects fund decreased by \$3.9 million or 6.8% in the current fiscal year. The City's capital projects fund increased by \$31.4 million or 119.1% in the prior fiscal year.

The grants fund received \$60.8 million in intergovernmental revenues that funded community development in the amount of \$17.4 million, or 28.9%, and health and welfare in the amount of \$33.8 million, or 55.6% in the current fiscal year. In the prior fiscal year, the grants fund received \$57.2 million in intergovernmental revenues that funded community development in the amount of \$16.9 million, or 29.5%, and health and welfare in the amount of \$28.9 million, or 50.5% in the prior fiscal year.

The total fund balance in the City's other governmental funds decreased by \$355 thousand or 0.4 % in the current fiscal year. The City's other governmental funds increased by \$658 thousand or 0.8 % in the prior fiscal year.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for the Airport was \$68.9 million, the Water Division was \$24.7 million, and the Parking Division was \$15.3 million, as compared with \$65.9 million, \$27.8 million, and \$15.2 million, respectively in 2014. The total increase in net position for the enterprise funds was \$12.1 million in the current year, after considering the cumulative effect of change in accounting principle – an increase of \$9.7 million from the previous year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Firefighters' Plan, the Police Retirement System, and the Employee's Retirement System. As of the end of the current fiscal year, the net position of the pension funds totaled \$2.0 billion, an increase of \$93 million from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled \$48.6million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, and circuit clerk, and other miscellaneous agency activities.

General Fund Budgetary Highlights

The final budget for the City's general fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments) plus any additional supplemental appropriations that may occur during the fiscal year.

This discussion presents the budget information on the budgetary basis as the Board of Alderman approves the budget.

The original general fund revenue estimate including transfers in, totaled \$484.4 million. Actual results for the fiscal year's revenues and transfers in were \$489.2 million, which was above the original estimates by \$4.8 million.

The original general fund expense budget was \$489.5 million including transfers out. This also includes prior year encumbrances and commitments of \$6.1 million set aside and reappropriated. Actual expenditures and transfers out totaled \$488.1 million. This includes expenditures of \$3.6 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2015 budget total \$1.6 million. The general fund ended the fiscal year with a budget-basis-operating surplus of \$1.1 million. In addition, a transfer out of \$1.0 million was made to a 27th Pay Reserve. As of June 30, 2015, the unreserved fund balance of the general fund was \$9.1 million on a cash basis.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2015**

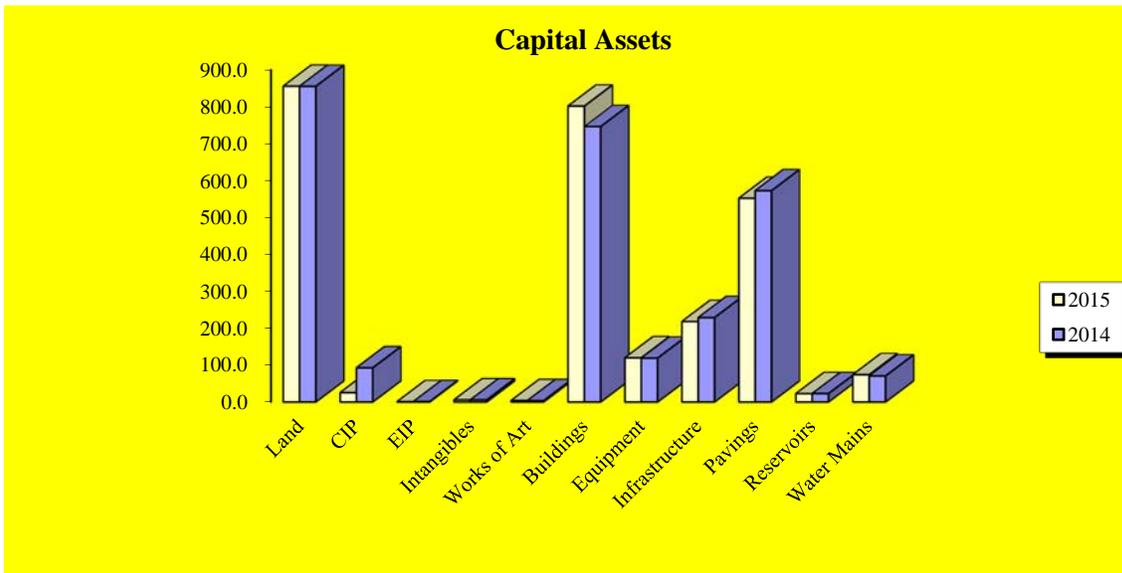
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had invested \$2.7 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems.

**Schedule of Changes in Capital Assets
Net of Accumulated Depreciation
(dollars in millions)**

		Governmental Activities		Business-type Activities		Total	
		2014	2014	2015	2014	2015	2014
Land	\$	80.4	80.2	775.7	775.7	856.1	855.9
Construction in progress		9.6	28.8	15.8	64.0	25.4	92.8
Equipment in progress		0.8	1.0	—	—	0.8	1.0
Intangibles		1.2	1.0	3.5	3.5	4.7	4.5
Works of art		3.6	3.5	—	—	3.6	3.5
Buildings and improvements		463.8	459.5	338.3	287.0	802.1	746.5
Equipment		60.5	59.5	59.5	59.6	120.0	119.1
Infrastructure		218.5	229.2	—	—	218.5	229.2
Intangibles		1.0	1.2	—	—	1.0	1.2
Pavings		—	—	551.8	572.3	551.8	572.3
Reservoirs		—	—	22.5	22.6	22.5	22.6
Water mains, lines, accessories		—	—	74.1	70.7	74.1	70.7
Total	\$	839.4	863.9	1,841.2	1,855.4	2,680.6	2,719.3



CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2015

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

For additional information on capital assets, refer to note 7 in the notes to the basic financial statements.

Long-Term Debt

At the end of fiscal year 2015, the City had outstanding long-term debt obligations for governmental activities in the amount of \$953.2 million compared with \$968.9 million in fiscal year 2014. Of this amount, \$23.0 million are general obligation bonds and \$340.3 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled \$435.0 million.

The City of St. Louis, Missouri
Outstanding Long-Term Debt Obligations – Governmental Activities
(dollars in millions)

	Fiscal Year	Fiscal Year	\$ Change	% Change
	2015	2014		
General obligation bonds payable	\$ 23.0	28.1	(5.1)	-18.1%
Section 108 Loan Guarantee				
Assistance Programs	31.4	35.6	(4.2)	-11.8%
Firemen's Retirement EAN Note	0.0	3.4	(3.4)	-100.0%
Loan agreement with FPF	5.2	4.6	0.6	13.0%
Development and tax increment financing bonds and notes payable	340.3	300.3	40.0	13.3%
Loan agreement with Missouri Transportation Finance Corporation	1.6	2.0	(0.4)	-20.0%
Capital lease—rolling stock	19.7	24.7	(5.0)	-20.2%
Certificates of participation	5.2	6.1	(0.9)	-14.8%
Obligations with component units	51.4	51.6	(0.2)	-0.4%
Leasehold revenue improvement and refunding bonds	435.0	470.9	(35.9)	-7.6%
Joint venture financing agreement	33.5	37.9	(4.4)	-11.6%
Unamortized premium/discounts	6.9	3.7	3.2	86.5%
Total	\$ 953.2	968.9	(15.7)	-1.6%

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for calendar year 2015 was \$430.2 million. The City's effective legal debt margin as of June 30, 2015 was \$414.2 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2015

The City's underlying general obligation credit ratings remained unchanged for fiscal year 2015. The City ratings on uninsured general obligation bonds as of June 30, 2015 were:

Moody's Investor's Service, Inc.	A3
Standard and Poor's Corporation	A+
Fitch IBCA, Inc. Ratings	A

The City of St. Louis, Missouri
Revenue Bonds Outstanding
Long-Term Debt Obligations – Business-Type Activities
(dollars in millions)

		<u>Fiscal Year</u> <u>2015</u>	<u>Fiscal Year</u> <u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Airport	\$	726.0	798.9	(72.9)	-9.13%
Water Division		2.3	4.8	(2.5)	-52.08%
Parking Division		73.5	70.0	3.5	5.00%
Total	\$	<u>801.8</u>	<u>873.7</u>	<u>(71.9)</u>	<u>-8.23%</u>

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2015 and 2014 were \$801.8 million and \$873.7 million, respectively. The amount reflects a decrease of \$71.9 million, or 8.23%. This amount includes Airport bonds of \$726.0 million, Water Division bonds of \$2.3 million, and Parking Division bonds of \$73.5 million. For additional information on revenue bonds of the business-type activities, refer to notes 13 and 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2016 annual operating budget allocates \$1,016.3 million among all budgeted funds, a 1.0% increase over the previous year's budget.
- The fiscal year 2016 general fund budget is \$492.6 million compared with \$487.5 million, which includes a \$3.5 million supplemental appropriation in the prior year. This amount reflects an increase of \$5.1 million, or 1.1%.
- Total positions for fiscal year 2016 are 6,677, an increase of 16 positions mainly in the public safety division.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives.

If you have any questions about this report or need additional information, please contact the Office of the Comptroller of the City of St. Louis, 1200 Market Street, Room 311, Saint Louis, Missouri 63103.



City of St. Louis, Missouri
Statement of Net Position
June 30, 2015
(dollars in thousands)

Assets	Primary Government			Component units	
	Governmental activities	Business-type activities	Total	SLDC	SWMDC
Cash and cash equivalents	\$ 96,958	72,583	169,541	8,970	1,042
Investments	9,158	93,805	102,963	—	—
Receivables, net	171,165	31,780	202,945	15,282	25
Inventories	1,047	4,677	5,724	—	—
Restricted assets	70,063	182,340	252,403	—	—
Internal balances	9,842	(9,842)	—	—	—
Other assets	1,425	2,988	4,413	435	—
Receivable from primary government	—	—	—	121	—
Net pension asset	38,743	4,305	43,048	—	—
Property held for development, net	—	—	—	8,890	—
Capital assets, net:					
Nondepreciable	95,561	795,001	890,562	5,284	—
Depreciable	743,845	1,046,225	1,790,070	25,012	7,129
Total assets	1,237,807	2,223,862	3,461,669	63,994	8,196
Deferred outflow of resources	33,547	24,592	58,139	—	—
Total assets and deferred outflow of resources	1,271,354	2,248,454	3,519,808	63,994	8,196
Liabilities					
Accounts payable and accrued liabilities	17,376	26,021	43,397	1,702	41
Accrued salaries and other benefits	20,646	8,366	29,012	—	—
Accrued interest payable	120,263	19,130	139,393	—	—
Unearned revenue	3,077	5,634	8,711	—	—
Other liabilities	6,422	—	6,422	—	—
Payable to component units	121	—	121	—	—
Payable to other government agencies	4	60	64	—	—
Long-term liabilities:					
Due within one year	120,243	42,940	163,183	11,774	—
Due in more than one year	1,435,978	839,683	2,275,661	24,796	—
Total liabilities	1,724,130	941,834	2,665,964	38,272	41
Deferred inflow of resources	21,093	3,740	24,833	—	—
Total liabilities and deferred inflow of resources	1,745,223	945,574	2,690,797	38,272	41
Net Position					
Net investments in capital assets	544,300	1,055,441	1,599,741	16,956	7,129
Restricted:					
Debt service	—	116,730	116,730	—	—
Capital projects	—	3,522	3,522	—	—
Passenger facility charges	—	18,346	18,346	—	—
Statutory restrictions	22,284	—	22,284	—	—
Unrestricted (deficit)	(1,040,449)	108,841	(931,608)	8,766	1,026
Total net position	\$ (473,865)	1,302,880	829,015	25,722	8,155

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2015
(dollars in thousands)

Functions/Programs	Program revenues			Net (expense) revenue and changes in net position			Component units		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Primary government Business-type activities	Total	SLDC	SWMDC
Primary government:									
Governmental activities:									
General government	\$ 58,679	32,455	112	—	(26,112)	—	(26,112)	—	—
Convention and tourism	5,775	—	—	—	(5,775)	—	(5,775)	—	—
Parks and recreation	30,111	4,611	673	—	(24,827)	—	(24,827)	—	—
Judicial	50,730	12,042	2,074	—	(36,614)	—	(36,614)	—	—
Streets	73,452	26,898	(3)	630	(45,927)	—	(45,927)	—	—
Public safety:									
Fire	64,658	12,562	713	—	(51,383)	—	(51,383)	—	—
Police	202,080	6,228	2,846	—	(193,006)	—	(193,006)	—	—
Other	58,714	21,376	1,830	(1,485)	(36,993)	—	(36,993)	—	—
Health and welfare	54,071	875	34,258	—	(18,938)	—	(18,938)	—	—
Public service	78,021	6,974	16	8,629	(62,402)	—	(62,402)	—	—
Community development	65,499	5,907	18,273	213	(41,106)	—	(41,106)	—	—
Interest and fiscal charges	60,580	—	—	—	(60,580)	—	(60,580)	—	—
Total governmental activities	802,370	129,928	60,792	7,987	(603,663)	—	(603,663)	—	—
Business-type activities:									
Airport	160,233	164,745	1,277	23,284	—	29,073	29,073	—	—
Water Division	46,799	54,399	—	343	—	7,943	7,943	—	—
Parking Division	13,851	16,129	—	—	—	2,278	2,278	—	—
Total business-type activities	220,883	235,273	1,277	23,627	—	39,294	39,294	—	—
Total primary government	\$ 1,023,253	365,201	62,069	31,614	(603,663)	39,294	(564,369)	—	—
Component units:									
SLDC	\$ 34,796	8,906	23,464	—	—	—	—	(2,425)	(201)
SWMDC	988	150	—	636	—	—	—	—	(202)
Total component units	\$ 35,784	9,056	23,464	636	—	—	—	(2,425)	(202)
General revenues:									
Taxes:									
Property taxes, levied for general purpose					\$ 77,365	—	77,365	—	—
Property taxes, levied for debt service					6,406	—	6,406	—	—
Sales taxes					175,581	—	175,581	—	—
Earnings/payroll taxes					203,251	—	203,251	—	—
Gross receipts taxes (includes franchise tax)					92,160	—	92,160	—	—
Miscellaneous taxes					4,485	—	4,485	—	—
Unrestricted investment earnings					381	2,956	3,337	107	1
Extraordinary item - Natural disaster					—	1,737	1,737	—	—
Transfers					9,619	(9,619)	—	—	—
Total general revenues, extraordinary items, and transfers					569,248	(4,926)	564,322	107	1
Change in net position					(34,415)	34,368	(47)	(2,318)	(201)
Net position, beginning of year					(149,928)	1,290,808	1,140,880	28,040	8,356
Cumulative effect of change in accounting principles					(289,522)	(22,296)	(311,818)	—	—
Net position - beginning of year, adjusted					(439,450)	1,268,512	829,062	28,040	8,356
Net position - end of year					\$ (473,865)	1,302,880	829,015	25,722	8,155

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2015
(dollars in thousands)

	Major funds			Nonmajor funds	Total governmental funds
	General fund	Capital projects fund	Grants fund	Other governmental funds	
Assets					
Cash and cash equivalents:	\$				
Restricted	6,926	6,963	1,191	6,284	21,364
Unrestricted	34,054	11,587	—	46,453	92,094
Investments:					
Restricted	9,192	32,577	—	6,930	48,699
Unrestricted	1,814	1,754	2,649	2,794	9,011
Receivables, net of allowances:					
Taxes	98,178	3,705	—	45,630	147,513
Licenses and permits	2,507	—	—	218	2,725
Intergovernmental	3,468	1,355	8,426	722	13,971
Charges for services	3,870	27	—	1,239	5,136
Other	477	503	4	474	1,458
Inventory	1,047	—	—	—	1,047
Prepaid asset	685	—	—	—	685
Due from component units	—	—	—	535	535
Due from other funds	8,245	—	—	4,737	12,982
Total assets	\$ 170,463	58,471	12,270	116,016	357,220
Liabilities, Deferred Inflow of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,452	3,331	6,562	1,675	17,020
Accrued salaries and other benefits	18,308	141	1,053	1,144	20,646
Due to component units	—	—	—	625	625
Due to other funds	3,911	451	3,837	1,122	9,321
Due to other governmental agencies	4	—	—	—	4
Advance to other funds	40,917	—	—	—	40,917
Unearned revenue	333	—	—	2,744	3,077
Other liabilities	6,453	—	—	—	6,453
Total liabilities	75,378	3,923	11,452	7,310	98,063
Deferred inflow of resources	66,432	693	—	26,641	93,766
Total liabilities and deferred inflow of resources	141,810	4,616	11,452	33,951	191,829
Fund balances (deficit):					
Nonspendable	2,425	—	—	11	2,436
Restricted	14,852	38,412	818	45,271	99,353
Committed	9,134	33,670	—	30,404	73,208
Assigned	2,242	—	—	6,379	8,621
Unassigned	—	(18,227)	—	—	(18,227)
Total fund balances	28,653	53,855	818	82,065	165,391
Total liabilities, deferred inflow of resources, and fund balances	\$ 170,463	58,471	12,270	116,016	357,220

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015
(dollars in thousands)

Total fund balances—governmental funds—balance sheet \$ 165,391

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

Capital assets and certain other assets used in governmental activities, which exceed capitalization threshold amounts (excluding internal service fund capital assets), are not financial resources and, therefore, are not reported in the fund financial statements. 839,369

The City reports a net pension asset on the statement of net position relating to the Firemen's Retirement System. This asset is not reported in the fund financial statements. 38,743

Various taxes related to fiscal year 2015 will be collected beyond the 60-day period used to record revenue in the fund financial statements. Revenue for this amount is recognized in the government-wide financial statements. 7,274

Property taxes are assessed by the City on January 1st of each calendar year, but are not due until December 31st. Taxes assessed on January 1, 2015 and payable on December 31, 2015 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 86,492

Internal service funds are used by management to charge the cost of risk management, mailroom services, health and equipment services to the individual funds, generally on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. 2,617

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported on the government-wide statement of net position. Also, during the year, the City issued new debt and refunded some of its existing debt. Discounts, premiums, and deferred amounts on refunding are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt on the government-wide financial statements.

Balances as of June 30, 2015 are:

Accrued vacation and sick leave	(50,303)
OPEB Obligation	(177,727)
Net pension liability	(324,741)
Accrued interest payable	(120,263)
Joint venture financing agreement	(33,434)
Certificates of participation	(5,195)
Obligations with component unit	(51,426)
Capital leases-rolling stock	(19,731)
Leasehold improvement and refunding revenue bonds	(435,005)
Development and TIF bonds and notes payable	(340,342)
General obligation bonds	(23,010)
Section 108 Loan Guarantee Assistance Programs	(31,370)
Other long-term debt	(6,740)
Deferred outflow of resources	33,547
Deferred inflow of resources	(21,093)
Unamortized discounts	3,523
Unamortized premiums	(10,441)
	(473,865)

Total net position—governmental activities—statement of net position \$ (473,865)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2015
(dollars in thousands)

	Major funds			Nonmajor funds	Total governmental funds
	General fund	Capital projects fund	Grants fund	Other governmental funds	
Revenues:					
Taxes	\$ 363,392	23,631	—	169,570	556,593
Licenses and permits	19,938	—	—	6,805	26,743
Intergovernmental	25,130	7,987	60,792	3,775	97,684
Charges for services, net	28,880	239	—	18,103	47,222
Court fines and forfeitures	4,916	—	—	—	4,916
Investment income	209	157	4	11	381
Interfund services provided	858	—	—	—	858
Miscellaneous	7,997	1,463	—	9,774	19,234
Total revenues	<u>451,320</u>	<u>33,477</u>	<u>60,796</u>	<u>208,038</u>	<u>753,631</u>
Expenditures:					
Current:					
General government	47,417	—	121	18,110	65,648
Convention and tourism	126	—	—	—	126
Parks and recreation	18,554	662	676	5,277	25,169
Judicial	44,799	—	2,059	3,200	50,058
Streets	37,480	2,349	—	816	40,645
Public Safety:					
Fire	66,514	—	750	1,151	68,415
Police	151,760	—	2,981	24,388	179,129
Other	48,460	86	1,822	7,874	58,242
Health and welfare	3,355	—	33,799	16,654	53,808
Public services	31,614	2,752	14	42,954	77,334
Community development	—	—	17,403	48,096	65,499
Capital outlay	440	29,448	1,603	69	31,560
Debt service:					
Principal	23,718	20,900	1,130	19,854	65,602
Interest and fiscal charges	10,618	7,732	147	30,013	48,510
Total expenditures	<u>484,855</u>	<u>63,929</u>	<u>62,505</u>	<u>218,456</u>	<u>829,745</u>
Excess (deficiency) of revenues over expenditures	<u>(33,535)</u>	<u>(30,452)</u>	<u>(1,709)</u>	<u>(10,418)</u>	<u>(76,114)</u>
Other financing sources (uses):					
Sale of capital assets	—	1,849	—	—	1,849
Issuance of leasehold revenue bonds	21,905	9,790	—	—	31,695
Issuance of certificates of participation	5,195	—	—	—	5,195
Issuance of loan agreement	—	2,080	—	—	2,080
Issuance of development and tax increment financing notes	—	—	—	49,917	49,917
Payment to refunded escrow agent - leasehold revenue bonds	(29,497)	(8,145)	—	—	(37,642)
Payment of development and tax increment financing notes	—	—	—	(3,442)	(3,442)
Premium on bond issuances	3,097	685	—	—	3,782
Discount on development tax increment financing notes	—	—	—	(11)	(11)
Transfers in	38,954	20,304	13	2,675	61,946
Transfers out	(13,191)	(58)	(2)	(39,076)	(52,327)
Total other financing (uses) sources, net	<u>26,463</u>	<u>26,505</u>	<u>11</u>	<u>10,063</u>	<u>63,042</u>
Net change in fund balances	<u>(7,072)</u>	<u>(3,947)</u>	<u>(1,698)</u>	<u>(355)</u>	<u>(13,072)</u>
Fund balances:					
Fund balance, beginning of year	35,725	57,802	2,516	82,420	178,463
Fund balance, end of year	<u>\$ 28,653</u>	<u>53,855</u>	<u>818</u>	<u>82,065</u>	<u>165,391</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2015
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances \$ (13,072)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets, meeting the capitalization threshold, is allocated over their estimated useful lives and recorded as depreciation expense. Additionally, contributions of capital assets to the City are recorded as capital contributions on the statement of activities. This is the amount by which capital outlays and capital contributions, meeting the capitalization threshold, exceeded depreciation expense in the current year. Details of the reported amounts are as follows:

Capital outlay	31,560
Capital contribution	2,273
Loss on disposal of capital assets	(533)
Depreciation expense	(57,731)
	(24,431)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts are attributable to the following factors:

Change in revenues received after the 60-day accrual period	(5,743)
Property taxes due in the fiscal year following the fiscal year in which they were assessed	8,175
	2,432

Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds. The change in position of internal service funds attributable to governmental activities is reported on the statement of activities.

2,134

The City reports a net pension liability/asset on the statement of net position relating to its defined benefit pension plans. This liability/asset is not reported in the fund financial statements. Fluctuations in net pension liabilities/assets are reported in the statement of activities.

19,461

The City reports a net other postemployment obligation on the statement of net position to the extent actual contributions to the City's other postemployment plan falls below the annual required contribution. This obligation is not reported in the fund financial statements. The fluctuation in the net pension obligation is reported in the statement of activities.

(28,983)

Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayments of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net position.

Debt issued during the current year:	
Development and Tax increment financing bonds and notes payable	(49,917)
Certificates of participation	(5,195)
Loan agreement with Forest Park Forever	(2,080)
Leasehold Revenue Bonds	(31,695)
Repayments during the current year:	
Payment to refunded escrow agent - leasehold revenue bonds	37,642
Payment of development and tax increment financing notes	3,442
Annual principal payments on bonds and notes payable	55,525
Annual principal payments on joint venture financing agreement	4,410
Annual principal payments on capital lease	5,012
Annual principal payments Certificates of Participation	655
Firemen's Retirement EAN note credit transaction	3,396
	21,195

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

This adjustment combines the net changes of the following:

Accrued vacation and sick leave	1,538
Accrued interest payable	(11,937)
Unamortized discounts	576
Unamortized premiums	(2,696)
Deferred outflow of resources - bond refundings	(632)
	(13,151)

Change in net position—governmental activities—statement of activities \$ (34,415)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Position
Proprietary Funds
June 30, 2015
(dollars in thousands)

Assets	Major funds – Enterprise funds				Internal Service Funds
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 38,895	216	8,115	47,226	—
Unrestricted cash and cash equivalents	36,989	15,340	18,353	70,682	4,864
Investments:					
Restricted investments	20,349	—	—	20,349	—
Unrestricted investments	58,089	11,976	—	70,065	147
Receivables, net of allowances:					
Intergovernmental	11,504	—	—	11,504	—
Charges for services	2,321	11,375	380	14,076	—
Insurance recovery	800	—	—	800	—
Passenger facility charges	3,471	—	—	3,471	—
Accrued interest	1,304	—	—	1,304	—
Other	625	—	—	625	362
Prepaid assets	—	—	—	—	740
Due from component unit	—	—	—	—	4
Due from other funds	—	—	—	—	6,181
Advance from other funds	—	—	—	—	40,917
Inventories	2,402	2,275	—	4,677	—
Other current assets	—	12	20	32	—
Total current assets	176,749	41,194	26,868	244,811	53,215
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	7,389	3,283	—	10,672	—
Unrestricted cash and cash equivalents	—	1,901	—	1,901	—
Investments:					
Restricted investments	93,872	—	10,221	104,093	—
Unrestricted investments	16,538	7,202	—	23,740	—
Net pension asset	4,305	—	—	4,305	—
Capital assets:					
Property, plant, and equipment	1,745,735	294,265	84,260	2,124,260	123
Less accumulated depreciation	(895,939)	(149,043)	(33,053)	(1,078,035)	(86)
Total capital assets	849,796	145,222	51,207	1,046,225	37
Land, infrastructure and easements	755,052	1,238	22,903	779,193	—
Construction-in-progress	12,187	3,621	—	15,808	—
Capital assets, net	1,617,035	150,081	74,110	1,841,226	37
Intangibles and other assets, net	1,689	818	449	2,956	—
Total noncurrent assets	1,740,828	163,285	84,780	1,988,893	37
Deferred outflow of resources	18,241	1,545	4,806	24,592	—
Total assets and deferred outflow of resources	1,935,818	206,024	116,454	2,258,296	53,252
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	12,257	4,904	1,468	18,629	356
Accrued salaries and other benefits	2,024	955	259	3,238	—
Accrued vacation and compensatory time benefits	3,093	1,858	177	5,128	—
Contracts and retainage payable	7,392	—	—	7,392	—
Accrued interest payable	18,837	50	243	19,130	—
Current portion of revenue bonds	39,785	404	2,751	42,940	—
Due to other funds	4,273	3,829	1,740	9,842	—
Due to other government agencies	—	—	60	60	—
Claims payable	—	—	—	—	50,279
Unearned revenue and other deposits	2,110	1,869	1,655	5,634	—
Total current liabilities	89,771	13,869	8,353	111,993	50,635
Noncurrent liabilities:					
Revenue bonds payable, net	717,885	1,884	71,003	790,772	—
Net pension liability	17,247	9,007	1,967	28,221	—
Customer deposits	—	2,533	—	2,533	—
Other liabilities	12,636	4,515	1,006	18,157	—
Total noncurrent liabilities	747,768	17,939	73,976	839,683	—
Deferred inflow of resources	2,819	766	155	3,740	—
Total liabilities and deferred inflow of resources	840,358	32,574	82,484	955,416	50,635
Net Position					
Net investments in capital assets	907,291	147,793	357	1,055,441	(37)
Restricted:					
Debt service	97,428	966	18,336	116,730	—
Capital projects	3,522	—	—	3,522	—
Passenger facility charges	18,346	—	—	18,346	—
Unrestricted	68,873	24,691	15,277	108,841	2,654
Total net position	\$ 1,095,460	173,450	33,970	1,302,880	2,617

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2015
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Aviation revenues	\$ 90,928	—	—	90,928	—
Concessions	25,662	—	—	25,662	—
Water sales	—	50,830	—	50,830	—
Lease revenue	4,722	—	—	4,722	—
Parking, net	18,936	—	15,562	34,498	—
Charges for services	—	—	—	—	40,360
Intergovernmental revenue	—	—	—	—	—
Miscellaneous	—	3,012	558	3,570	362
Total operating revenues	<u>140,248</u>	<u>53,842</u>	<u>16,120</u>	<u>210,210</u>	<u>40,722</u>
Operating expenses:					
Claims incurred	—	—	—	—	31,309
Premiums	—	—	—	—	1,850
Personnel services	37,492	15,582	5,265	58,339	306
Material and supplies	5,842	10,691	200	16,733	5,114
Purchased power	—	3,202	—	3,202	—
Contractual services	27,626	6,319	1,273	35,218	—
Miscellaneous	592	3,199	753	4,544	—
Depreciation	50,166	5,383	2,424	57,973	8
Interfund services used	2,489	2,020	125	4,634	—
Total operating expenses	<u>124,207</u>	<u>46,396</u>	<u>10,040</u>	<u>180,643</u>	<u>38,587</u>
Operating income	<u>16,041</u>	<u>7,446</u>	<u>6,080</u>	<u>29,567</u>	<u>2,135</u>
Nonoperating revenues (expenses):					
Intergovernmental revenue	1,277	—	—	1,277	—
Investment income (expense)	2,541	42	373	2,956	(1)
Interest and debt service expense	(36,026)	(233)	(3,811)	(40,070)	—
Passenger facility charges	24,188	—	—	24,188	—
Gain/(loss) on sale/disposal of capital assets	164	(170)	—	(6)	—
Miscellaneous, net	145	557	9	711	—
Total nonoperating revenues (expenses), net	<u>(7,711)</u>	<u>196</u>	<u>(3,429)</u>	<u>(10,944)</u>	<u>(1)</u>
Income before transfers, extraordinary items, and capital contributions, net	<u>8,330</u>	<u>7,642</u>	<u>2,651</u>	<u>18,623</u>	<u>2,134</u>
Transfers in	—	—	964	964	—
Transfers out	(6,407)	(3,115)	(1,061)	(10,583)	—
Extraordinary item - natural disaster	1,737	—	—	1,737	—
Capital contributions	23,284	343	—	23,627	—
Total transfers, extraordinary items, and capital contributions, net	<u>18,614</u>	<u>(2,772)</u>	<u>(97)</u>	<u>15,745</u>	<u>—</u>
Change in net position	<u>26,944</u>	<u>4,870</u>	<u>2,554</u>	<u>34,368</u>	<u>2,134</u>
Net position—beginning of year	1,081,888	176,283	32,637	1,290,808	483
Cumulative effect of change in accounting principle	(13,372)	(7,703)	(1,221)	(22,296)	—
Net position—beginning of year—as adjusted	<u>1,068,516</u>	<u>168,580</u>	<u>31,416</u>	<u>1,268,512</u>	<u>483</u>
Net position—end of year	<u>\$ 1,095,460</u>	<u>173,450</u>	<u>33,970</u>	<u>1,302,880</u>	<u>2,617</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2015
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 144,657	53,792	15,821	214,270	—
Other operating cash receipts	—	—	120	120	—
Payments to suppliers of goods and services	(35,979)	(22,755)	(423)	(59,157)	(30,368)
Payments to employees	(25,312)	(16,378)	(5,451)	(47,141)	(304)
Payments for interfund services used	(4,786)	(3,833)	—	(8,619)	34,755
Net cash provided by operating activities	<u>78,580</u>	<u>10,826</u>	<u>10,067</u>	<u>99,473</u>	<u>4,083</u>
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(264)	—	(264)	—
Transfers from the State of Missouri	—	—	9	9	—
Transfers from other funds	—	—	964	964	—
Transfers to other funds	(6,408)	(3,129)	(1,061)	(10,598)	—
Net cash provided by (used in) noncapital financing activities	<u>(6,408)</u>	<u>(3,393)</u>	<u>(88)</u>	<u>(9,889)</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	23,147	—	—	23,147	—
Receipts from federal financing assistance	14,544	—	—	14,544	—
Acquisition and construction of capital assets	(37,704)	(6,639)	(1,489)	(45,832)	—
Interest on deferred outflow of resources	—	—	334	334	—
Insurance recoveries	2,000	—	—	2,000	—
Proceeds from sale of surplus property	2,833	—	—	2,833	—
Loss on retirement of PPE	—	—	52	52	—
Proceeds from issuance of bonds	17,310	1,547	6,440	25,297	—
Principal paid on revenue bond maturities	(37,560)	(4,019)	(2,631)	(44,210)	—
Cash paid for bond refunding	(17,890)	—	—	(17,890)	—
Cash paid for interest	(37,937)	(30)	(3,779)	(41,746)	—
Other capital and financing activities	—	737	—	737	—
Net cash used in capital and related financing activities	<u>(71,257)</u>	<u>(8,404)</u>	<u>(1,073)</u>	<u>(80,734)</u>	<u>—</u>
Cash flows from investing activities:					
Purchase of investments	(304,141)	(21,163)	(14,055)	(339,359)	(88)
Proceeds from sales and maturities of investments	269,198	1,985	13,954	285,137	—
Interest expense on cash and investments	—	30	—	30	—
Investment income	1,543	—	358	1,901	—
Net cash provided by (used in) investing activities	<u>(33,400)</u>	<u>(19,148)</u>	<u>257</u>	<u>(52,291)</u>	<u>(88)</u>
Net increase (decrease) in cash and cash equivalents	<u>(32,485)</u>	<u>(20,119)</u>	<u>9,163</u>	<u>(43,441)</u>	<u>3,995</u>
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	66,461	34,447	15,064	115,972	869
Restricted	62,670	6,412	2,241	71,323	—
	<u>129,131</u>	<u>40,859</u>	<u>17,305</u>	<u>187,295</u>	<u>869</u>
End of year:					
Unrestricted	36,989	17,241	18,353	72,583	4,864
Restricted	46,284	3,499	8,115	57,898	—
	<u>\$ 83,273</u>	<u>20,740</u>	<u>26,468</u>	<u>130,481</u>	<u>4,864</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income	\$ 16,041	7,446	6,080	29,567	2,134
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	50,166	5,383	2,424	57,973	8
Changes in assets and liabilities:					
Receivables, net	4,751	(448)	(196)	4,107	(362)
Inventories	177	(94)	—	83	—
Prepaid assets	—	—	—	—	131
Other assets, net	142	(103)	20	59	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(2,773)	(108)	1,393	(1,488)	(109)
Claims payable	—	—	—	—	4,454
Unearned revenue and other deposits	531	9	17	557	—
Due to/from other funds	(2,187)	(1,046)	552	(2,681)	(924)
Advance to other funds	—	—	—	—	(1,249)
Customer deposits	—	733	—	733	—
Net pension liabilities	443	525	443	1,411	—
Other long term liabilities	11,289	(1,471)	(666)	9,152	—
Total adjustments	<u>62,539</u>	<u>3,380</u>	<u>3,987</u>	<u>69,906</u>	<u>1,949</u>
Net cash provided by operating activities	<u>\$ 78,580</u>	<u>10,826</u>	<u>10,067</u>	<u>99,473</u>	<u>4,083</u>
Supplemental disclosure for noncash activities:					
Unrealized (loss) gain on investments	\$ 122	170	28	320	—
Capital contributions	—	343	—	343	—

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2014*)	Agency Funds
Assets		
Cash and cash equivalents - unrestricted	\$ 12,448	22,150
Cash and cash equivalents - restricted	—	2,437
Pension trust investments:		
Bonds	165,951	—
Domestic bond funds	78,424	—
Stocks	538,338	—
Limited partnerships	98,387	—
Government securities	14,418	—
Mortgage-backed securities	17,729	—
Collective investment funds	509,420	—
Real estate equities and investment trust	166,958	—
Investment property	1,204	—
Hedge funds	156,565	—
Money market mutual funds and other short-term investments	73,399	—
Partnership interests	9,074	—
Managed international equity funds	186,792	—
Total investments	2,016,659	—
Securities lending collateral	3,610	—
Receivables, net of allowances:		
Taxes	—	22,315
Contributions	238	—
Accrued interest	2,626	—
Due from Firemen's Retirement System	54	—
Other	1,702	1,741
Capital assets, net	1,181	—
Total assets	2,038,518	48,643
Deferred outflows of resources		
Receivable under forward foreign currency exchange contracts	678	—
Total deferred outflows of resources	678	—
Total assets and deferred outflows of resources	2,039,196	48,643
Liabilities		
Accounts payable and accrued liabilities	2,491	4,513
Deposits held for others	1,129	12,924
Due to Firefighter's Retirement Plan	54	—
Due to other governmental agencies	—	31,206
Securities lending collateral liability	3,610	—
Other liabilities	1,577	—
Total liabilities	8,861	48,643
Net position		
Net position held in trust for pension benefits	\$ 2,030,335	—

*See note 10.
See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2015
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2014*)
Additions:	
Contributions:	
Members	\$ 7,065
Employer	79,378
Investment income:	
Interest and dividends	29,309
Net appreciation in fair value of investments	146,945
Investment income	176,254
Less investment expense	(9,300)
Net investment income	166,954
Total additions	253,397
Deductions:	
Benefits	149,085
Refunds of contributions	3,960
Administrative expense	3,397
Total deductions	156,442
Increase before transfers	96,955
Transfer in	6,883
Transfer out	(10,279)
Total transfers	(3,396)
Net increase	93,559
Net position held in trust for pension benefits:	
Beginning of year	1,936,776
End of year	\$ 2,030,335

*See note 10.
See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of St. Louis, Missouri (the City) is a constitutional charter city not a part of any county, which is organized and exists under and pursuant to the constitution and laws of the State of Missouri (the State). The City's current form of government is provided for in its charter, which first became effective in 1914 and has been subsequently amended by City voters. The City provides a wide range of municipal services as follows: fire, police, and other public safety; parks and recreation; forestry; health, welfare, and other social services; street maintenance; refuse collection; public services; community and economic development; convention and tourism; and general administrative services. The City also owns and operates a water utility, parking facilities, and an international airport as self-supporting enterprises.

The accounting policies and financial reporting practices of the City conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

Reporting Entity

The City's financial reporting entity has been determined in accordance with governmental standards for defining the reporting entity and identifying entities to be included in its basic financial statements. The City's financial reporting entity consists of the City of St. Louis (also referred to as the Primary Government) and its component units.

1) Blended Component Units

The component units discussed below are included in the City's reporting entity due to the significance of their operational or financial relationships with the City.

Public Facilities Protection Corporation (PFPC)

The PFPC is an internal service fund governed by a five-member board of persons in designated City positions. The PFPC is reported as if it were part of the primary government because its sole purpose is to provide the City with a defined and funded self-insurance program for claims, judgments, and other related legal matters including workers' compensation.

St. Louis Municipal Finance Corporation (SLMFC)

The SLMFC, established in 1991, is governed by a five-member board, consisting of persons in designated City positions. The SLMFC is reported as if it were part of the primary government because its sole purpose is to lessen the burden on the City by financing, acquiring, leasing, or subleasing real property, and improvement thereon, and personal property to the City.

St. Louis Parking Commission Finance Corporation (SLPCFC)

The SLPCFC, established in 2003, is governed by a five-member board as appointed by the Parking Commission. The SLPCFC finances the purchase of and owns, leases and sells certain real property on behalf of the Parking Commission. SLPCFC is considered to be a component unit of the City because the Parking Division of the City of St. Louis (the Parking Division) is financially accountable for SLPCFC, as it appoints all of SLPCFC's directors and is able to impose its will on SLPCFC. The SLPCFC provides services entirely to the Parking Division and is

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

reported as if it were part of the Parking Division because its sole purpose is to lessen the burden on the Parking Division by coordinating real property transactions.

Grand Center Municipal Parking Finance Corporation (MPFC)

The MPFC was established during the year ended June 30, 2009. The MPFC is a legally separate not-for-profit public benefit corporation with the Parking Commission as the sole member of the MPFC. Because the Parking Division appoints all of MPFC's directors and is able to impose its will on the MPFC, it is considered to be a component unit of the Parking Division. The MPFC's goal is to employ innovative public parking programs, services, technology, and products to strengthen the economic vitality and competitiveness of arts and entertainment venues and supporting enterprises operating in the Grand Center area. An additional goal is to improve the coordination of public parking regulations and enforcement, along with the quality marketability, availability, and accessibility of public parking spaces in the Grand Center area.

2) Discretely Presented Component Units

The component unit columns in the statement of net position and statement of activities include the financial data of the City's two discretely presented component units. These are reported individually to emphasize that they are legally separate from the City.

St. Louis Development Corporation (SLDC)

The SLDC was organized in 1988 to improve the efficiency and effectiveness of the economic development activities of the City. SLDC combines the administrative staffs of six independent development agencies for the purpose of coordinating administrative services for all six agencies. The agencies that are considered component units of SLDC are the Land Reutilization Authority, the Land Clearance for Redevelopment Authority (LCRA), the St. Louis Industrial Development Authority (IDA), the Planned Industrial Expansion Authority, the Local Development Company (LDC), and the St. Louis Port Authority. SLDC is included as a component unit of the City because the City is financially accountable for SLDC, as SLDC is fiscally dependent upon the City. SLDC is considered to be fiscally dependent on the City because SLDC may not legally issue bonded debt or implement a budget for its redevelopment activities until the City's Board of Alderman has approved the redevelopment project and declared the redevelopment area blighted.

Solid Waste Management and Development Corporation (SWMDC)

The SWMDC owns a system of underground pressurized steam transport pipe in the downtown St. Louis area commonly known as the "steam loop." The steam loop is leased on a long-term basis to a steam-generating private entity unrelated to the City. The steam loop serves City Hall and other municipal buildings, and is the only non-private source of steam in downtown St. Louis. The City appoints a voting majority of SWMDC's board of directors. The board of directors consists of representatives of the president of the Board of Public Service (Chairperson), deputy mayor/chief of staff, and director of the Street Department. Separate financial statements are not prepared for SWMDC. SWMDC is directed by employees of the City, and therefore, the City is able to impose its will on SWMDC.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

Complete financial statements of the discretely presented component units other than SWMDC may be obtained from their administrative offices as follows:

St. Louis Development Corporation
1520 Market Street Ste 2000
St. Louis, Missouri 63103

3) Related Organizations

The City's officials are also responsible for appointing the voting majority of board members for other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. Thus, no financial data for these organizations are included in the City's basic financial statements. These related organizations include the Mental Health Board, the St. Louis Housing Authority, the St. Louis Office for Mental Retardation & Developmental Disability Resources, and the St. Louis Public Library.

4) Joint Venture

St. Louis Regional Convention and Sports Complex Authority (Authority)

The Authority, established in 1990 as a separate legal entity by an Act of the Missouri State legislature, is governed by an 11-member board of commissioners. The mayor of the City and the county executive of St. Louis County, Missouri (the County) each appoint three members and the governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the County, and the State because the three governments have entered into a contractual agreement with the Authority to sponsor the issuance of convention facility bonds, to repay the facility bonds through rental payments to the Authority, and to make annual preservation payments for facility maintenance and renovations, all of which create an ongoing financial responsibility of the City. The Authority is subject to joint control of the City, the County, and the State. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 901 North Broadway, St. Louis, Missouri 63101.

5) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2014, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see note 10).

Government-wide and Fund Financial Statements

The government-wide financial statements (that is, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services. Likewise, the City is reported separately from certain legally separate component units for which the City is financially accountable.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

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 that are clearly identifiable with a specific function. Program revenues include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has determined that the general fund, the capital projects fund, and the grants fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements. The City has three enterprise funds (business-type activities): Lambert-St. Louis International Airport (the Airport), the Water Division of the City of St. Louis (the Water Division), and the Parking Division. Each of these enterprise funds is a major fund within the fund financial statements. Additionally, the City has four internal service funds (governmental activities): PFPC, mailroom services, health and equipment services. All internal service fund activity is combined into a single column on the proprietary fund statements, since major fund reporting requirements do not apply to internal service funds.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

1) Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major funds:

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

Capital Projects Fund—The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

by proprietary funds. This fund accounts for acquisition or construction of capital improvements, renovations, remodeling, and replacement for the City's major capital projects.

Grants Fund—The grants fund is a special revenue fund that is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The grants fund accounts for the majority of the City's federal grant programs received from the U.S. Department of Health and Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Labor, U.S. Department of Transportation, and various other federal agencies.

The other governmental funds of the City are considered nonmajor. They are special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, and a debt service fund, which accounts for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest, and related costs.

2) Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance.

The following are the City's proprietary fund types:

Enterprise—Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Enterprise funds have been established for the Airport, the Water Division, and the Parking Division. The Airport is used to account for the activities of the Airport. The principal services provided are financed primarily through landing fees and terminal concession revenues. The Water Division is used to account for sale of water to the general public and the operation of the water delivery system. The Parking Division is used to account for the operation of public parking facilities and parking meters. Each of the enterprise funds is a major fund in the fund financial statements.

Internal Service—Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. An internal service fund has been established for PFPC, mailroom services, health, and equipment service. The PFPC fund is used to account for payment of workers' compensation and various other claims against legal actions on behalf of other funds. The mailroom services fund is used to account for mail-handling services provided to other funds. The health fund is used to account for payment of health insurance claims for participants. The equipment service fund is used for the purchase and distribution of fuel to various city departments.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

3) Fiduciary Fund Types

Trust and Agency—Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Firemen’s Retirement System of St. Louis (Firemen’s System), the Firefighters’ Retirement Plan (Firefighter’s Plan), the Police Retirement System of St. Louis (Police System), and the Employees’ Retirement System of the City of St. Louis (Employees’ System) pension benefits. Agency funds are accounted for using the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, circuit clerk, police and other agency operations.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund, pension trust fund, and discretely presented component unit financial statements. Agency funds adhere to the accrual basis of accounting, and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental fund types, and the accrual basis of accounting for the proprietary fund types, pension trust funds, and agency funds.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within 60 days of fiscal year-end, except for government grants, which is within 120 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (that is, matured).

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

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The City recognizes assets from derived tax revenue transactions (such as city earnings and payroll taxes, sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unearned revenues until the period of the exchange.

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used for the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits, court fines, and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met. Any resources received before eligibility requirements are met are reported as deferred inflows of resources.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received, with the exception of refuse charges.

Under the accrual basis of accounting used by the proprietary fund types and pension trust funds, revenues are recognized when earned and expenses are recognized when incurred. Unbilled service revenues are accrued by the Airport and the Water Division based on estimated billings for services provided through the end of the current fiscal year.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport enterprise fund are revenues from airlines, concessions, and parking. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. The principal operating revenues of the Water Division enterprise fund, the Parking Division enterprise fund, and internal service funds are charges to customers for sales and services. All expenses related to operating the Airport enterprise fund are reported as operating expenses. Interest expense, financing costs, and miscellaneous expenses are reported as nonoperating expenses. Operating expenses for the Water Division enterprise fund, the Parking Division enterprise fund, and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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For the pension trust funds, under the accrual basis of accounting, contributions are recognized in the period in which the contributions are due and benefits are recognized when they become due and payable.

Property Taxes

Taxes are levied annually in November based on the assessed valuation of all real and personal property located in the City as of the previous January 1 and use is first permitted the following fiscal year. The City tax rate levied in November 2014 was \$1.6063 per \$100 (in dollars) of assessed valuation of which \$1.4733 (in dollars) is for the general fund and \$0.133 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

The City Treasurer maintains a cash and investment pool that is available for use by all funds including certain component units, except pension trust funds. In accordance with the City's budget ordinance the majority of investment income is considered earned by the general fund except for earnings otherwise legally restricted for a specific purpose. Income from investments associated with one fund is not assigned to another fund for other than legal or contractual reasons. In addition, cash and investments are separately maintained by other City officials, several of the City's departments and third-party trustee and fiscal agents.

Investments are recorded at fair value. Fair values for investments are determined by closing market prices at year-end as reported by the investment custodian. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments.

The City invests in various investments. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Inventories

Inventories are recorded at cost using a method that approximates the first-in, first-out method or the moving average cost method, and the expense is recognized when inventories are consumed in operations.

Capital Assets

1) Governmental Activities Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure assets (for example, roads, bridges, docks, promenade, traffic signals, and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of one year with an initial, individual cost of \$5 or more, infrastructure with a cost of \$500 or

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more, building improvements with a cost of \$100 or more, and all land, land improvements, and buildings.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 2001 consist of the road network and other infrastructure assets that were acquired or that received substantial improvements subsequent to June 30, 1980 and are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

The City has determined that all works of art and historical treasures other than the City's statues, monuments, and fountains meet the definition of a collection, and accordingly, has not capitalized these assets. A collection is defined as:

- Held for public exhibition and education
- Protected, cared for, and preserved
- Subject to an organizational policy that requires the proceeds from the sale to be used to acquire other items for the collection.

The City has adopted a policy related to the sale of these assets, stating that the proceeds from the sale of any City-owned collections, in part or in its entirety, will be used for the acquisition of collection items.

All City-owned statues, monuments, and fountains are capitalized at their historic cost based upon original acquisition, construction documents, or estimates of original costs. Because of the nature of these assets and the manner in which the City maintains its historic treasures, these assets are considered inexhaustible, and therefore, are not subject to depreciation.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets, except for roads, which is computed using the composite method. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	40 to 99
Improvements other than buildings	3 to 40
Equipment	3 to 20
Police Automotive Equipment	3 to 15
Infrastructure	18 to 50
Intangibles	3 to 10

City management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred. Such events or changes in circumstances that were considered by the City management to be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or

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other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

2) Business-type Activities Capital Assets

Capital assets for the Airport, the Water Division, the Parking Division, and the mailroom are reported in the business-type activities column in the government-wide financial statements, net of accumulated depreciation.

3) Airport

Capital assets are recorded at cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Land is recorded at cost which, in addition to the purchase price, includes appraisal and legal fees, demolition, and homeowner relocation costs. Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and amortized over the life of the related asset. The estimated useful lives of capital assets are as follows:

	Years
Pavings	5 to 30
Buildings and facilities	5 to 30
Equipment	3 to 20

4) Water Division

Capital assets were originally recorded in the accounts in 1958 and were based on an engineering study of the historical cost of properties constructed by employees of the Water Division. Accumulated depreciation, at the date the assets were recorded, was established after a review by a consulting firm.

Additions to capital assets subsequent to 1958 are recorded at historical cost. Provisions for depreciation of the capital assets are computed on a straight-line basis over the estimated useful lives of the assets and are charged to operating expenses. The estimated useful lives of depreciable assets are as follows:

	Years
Buildings and structures	44 to 55
Pumping equipment	28 to 44
Hydrants, transmission mains and lines	50 to 100
Meters	33
Other equipment	5 to 25

Net interest costs on funds borrowed to finance the construction are capitalized and depreciated over the life of the related asset.

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5) Parking Division

Capital assets are recorded at historical cost, including applicable interest incurred during the construction period. Donated capital assets are recorded at estimated fair market value at the date of donation. The contributions are reflected as capital contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of assets for depreciable capital assets are as follows:

	Years
Buildings, land improvements, and parking garages	5 to 40
Equipment	5 to 15
Parking meters and lot equipment	5 to 10

Non-depreciable assets include land.

6) Mailroom

Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful life of equipment, other than computer equipment, is 10 years. The estimated useful life of computer equipment is five years.

7) Component Unit—SLDC

SLDC's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost. Historically, SLDC has maintained infrastructure asset records consistent with all other capital assets. SLDC generally capitalizes assets with costs of \$2,500 (in dollars) or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally treated as follows:

	Years
Buildings and structures	40
Improvements other than buildings (includes infrastructure)	3 to 25
Furniture, fixtures, and equipment	3 to 10

8) Component Unit—SWMDC

Capital assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives to the depreciable capital assets. The estimated useful lives of infrastructure is 30 to 40 years.

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Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position/statement of fund net position.

Pensions

In accordance with the City's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense have been recognized in the financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with the City's contribution requirements, information about the fiduciary net position of the retirement plans, and addition to/deductions from the retirement plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued retirement plans' financial statements. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

Passenger Facility Charges (PFCs)

The Airport collects a \$4.50 (in dollars) facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an \$0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2015 were \$3,471. This amount was collected during July and August 2015.

Capital Contributions

Capital contributions to the proprietary fund type represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement. Amounts received from other governments by the proprietary fund type, which are not restricted for capital purposes, are reflected as nonoperating intergovernmental revenue.

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Capitalization of Interest

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental activities or governmental fund types.

Bond Premiums, Discounts, and Issuance Costs

In government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts are recorded as a reduction of the debt obligation and bond premiums are recorded as an addition to the debt obligation. Such amounts are amortized using the interest method or bonds-outstanding method over the term of the related revenue bonds. Bond issuance costs should be recognized as an outflow of resources and expensed rather than amortized.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 included in interest expense when incurred.

Deferred Inflow/Outflow of Resources

A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period and a deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources has a negative impact on net position similar to liabilities but is required to be reported within the statement of net position in a separate section following liabilities and the total may be added to the total for liabilities. A deferred outflow of resources has a positive effect on net position similar to assets but is required to be reported in the statement of net position in a separate section following assets and the total may be added to the total for assets.

Deferred outflows/inflows of resources include 1) unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt, 2) contributions made to retirement plans after the pension liability measurement date, and 3) various other pension related amounts (see note 10).

Vacation and Sick Leave

The vacation and sick policy for all departments of the City, except the police department are as follows:

The City grants vacation to full-time and part-time employees who work 50% of full-time or more based on years of continuous service. The entire accrued benefit liability related to the City's vacation and sick leave has been recorded in the government-wide financial statements and in the proprietary funds in the fund financial statements. Amounts have been recorded in the governmental fund financial statements as part of accrued salaries and other benefits, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2015.

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Non-uniformed employees retiring after June 30, 2001 who have an unused sick leave balance may, at retirement, elect to receive payment for one-half of the sick leave balance. As an estimate of the portion of sick leave that will result in termination payments, a liability has been recorded on the government-wide financial statements and the proprietary funds in the fund financial statements representing one-half of the accumulated sick leave balance for those employees who will be eligible to retire within five years.

The vacation and sick leave policy for the employees of the police department are as follows:

Vacation and designated holiday pay is granted to full-time employees based on years of continuous service and will be paid to employees upon resignation, retirement, or death.

Both commissioned and civilian employees accumulate sick leave hours and will be paid a minimum of 25% of their unused sick leave upon termination of employment. The liability for accrued sick leave pay has been calculated using the vesting method. Commissioned and civilian employees retiring from SLPD with 1600+ hours of sick leave accrued and 20+ years of service will be paid 25% of their unused sick leave plus one additional month's salary. Commissioned employees retiring from SLPD with 2200+ hours of sick leave accrued and 30+ years of service will be paid 50% of their unused sick leave. Civilian employees retiring from SLPD with 2200+ hours of sick leave accrued and who have 85 points (years of service plus age) or reached age 65 will be paid 50% of their unused sick leave.

Effective June 30, 2011, at point of termination, all benefit payouts greater than \$3 are paid in thirds as follows: first third is paid immediately, second third is paid twelve months from first payment and the third and the final third is paid twelve months from the second payment.

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

1) Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

2) Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Within the accompanying activity from the statement of activities, interfund services provided and used are not eliminated from the various functional categories. Transfers are eliminated from the various functional categories.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

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Fund Balance Designation

In the governmental fund financial statements the City maintains nonspendable, restricted, committed, assigned and unassigned fund balances.

Within the fund financial statements, the fund balance is reported as follows:

- **Nonspendable:** This consists of resources not in spendable form or are legally or contractually required to remain intact.
- **Restricted:** This consists of amounts that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- **Committed:** This consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance which can only be modified or rescinded by a subsequent formal action.
- **Assigned:** This consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned balances are a result of the Board of Estimate and Apportionment approval and authorization of projects or actions prior to July 1, 2015.
- **Unassigned:** This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned.

The City's policy is to apply expenditures to restricted resources first, then committed, then assigned, and unassigned, respectively, as applicable.

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

1) Net Investment in Capital Assets

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition and construction of those assets.

2) Restricted

This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net position restricted by statutory restrictions

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represent tax and other revenue sources that are required by statute to be expended only for a specific purpose or purposes.

3) Unrestricted

This consists of net position that do not meet the definition of “restricted” or “invested in capital assets.”

Statement of Cash Flows

For the purpose of the statement of cash flows, cash and cash equivalents are defined as all highly liquid investments (including restricted assets) with a maturity of three months or less at the date of purchase.

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenue, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

Individual Fund Deficit

At June 30, 2015, the Assessor’s Office nonmajor governmental fund has a deficit fund balance of \$188. This amount will be offset by future taxes.

Current Adoption of GASB Statements

Effective for the year ended June 30, 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*, which establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures. The statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The implementation of this statement significantly impacted the City’s financial statements and footnote disclosures with the recognition of net pension liability, deferred outflows of resources and deferred inflows of resources.

Additionally, the requirement of this statement resulted in the restatement of beginning net position. Information regarding the City’s participation in the retirement plans is disclosed in Note 10.

During the year ended June 30, 2015, the City adopted GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, which addresses an issue regarding the application of the transition provisions of GASB Statement No. 68. The statement clarifies the accounting for contributions to a defined benefit pension plan after the measurement date of a government’s beginning net pension liability. The provisions of this statement were incorporated with the implementation of GASB Statement No. 68.

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The effect of the implementation on beginning net position is as follows:

	Governmental Activities	Business-type Activities			Total
		Lambert - St. Louis International Airport	Water Division	Parking Division	
Net position July 1, 2014, as previously reported	\$ (149,928)	1,081,888	176,283	32,637	1,290,808
Restatement for pension accounting:					
Effect of:					
Net pension asset	(3,416)	3,992	—	—	3,992
Net pension liability	(304,392)	(19,820)	(9,272)	(1,558)	(30,650)
Pension related deferred outflow of resources:					
City contributions subsequent to the measurement date	18,286	2,456	1,569	337	4,362
Total restatement	(289,522)	(13,372)	(7,703)	(1,221)	(22,296)
Net position July 1, 2014, as restated	\$ (439,450)	1,068,516	168,580	31,416	1,268,512

Implementation of Future Accounting Standards

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. This statement addresses accounting and financial reporting issues related to fair value measurements. The statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The requirements of this statement are effective for the year ending June 30, 2016. The City has not evaluated the impact of this statement.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued in June 2015. The objective of this statement is to improve the usefulness of information about pensions and clarifies the application of certain provisions of Statements No. 67 and 68. The requirements of this statement are effective for the City for the year ending June 30, 2017. The City has not evaluated the impact of this statement.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued in June 2015. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental other postemployment benefit plans for making decisions and assessing accountability. The requirements of this statement are effective for the City for the year ending June 30, 2016. The City has not evaluated the impact of this statement.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the City beginning with the year ending June 30, 2018. The objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or

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OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued June 2015. The objective of this statement is to identify the hierarchy of generally accepted accounting principles. This statement reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified with a source of authoritative GAAP. The requirements of this statement are effective for the City for the year ending June 30, 2016. The City has not evaluated the impact of this statement.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the City beginning with its year-end June 30 2017. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess the government's financial position and results of operations.

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2. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2015:

As the investment strategies and associated risks for the Firemen's System, the Firefighter's Plan, the Police System, and the Employees' System are substantially different than those of the remainder of the primary government, the deposit and investment disclosures for the Firemen's System, Firefighters' Plan, Police System, and Employees' System are presented separately from those of the remainder of the primary government.

	<u>Cash and Cash and Equivalents</u>	<u>Investments</u>	<u>Restricted Cash</u>	<u>Restricted Investments</u>	<u>Total</u>
Government-wide statement of net position	\$ 169,541	102,963	79,262	173,141	524,907
Fiduciary statement of fiduciary net position —agency funds	<u>22,150</u>	<u>—</u>	<u>2,437</u>	<u>—</u>	<u>24,587</u>
Total primary government excluding pension trust funds	<u>191,691</u>	<u>102,963</u>	<u>81,699</u>	<u>173,141</u>	<u>549,494</u>
Fiduciary statement of fiduciary net position —pension trust funds:					
Firemen's System	3,735	496,399	—	—	500,134
Firefighter's Plan	1,098	18,554	—	—	19,652
Police System	7,398	722,381	—	—	729,779
Employees' System	<u>217</u>	<u>779,325</u>	<u>—</u>	<u>—</u>	<u>779,542</u>
Total pension trust funds	<u>12,448</u>	<u>2,016,659</u>	<u>—</u>	<u>—</u>	<u>2,029,107</u>
Total primary government	<u>\$ 204,139</u>	<u>2,119,622</u>	<u>81,699</u>	<u>173,141</u>	<u>2,578,601</u>

1) Primary Government Excluding Pension Trust Funds

Investments are recorded at fair value. Fair value for investments is determined by closing market prices at year-end, as reported by the respective investment custodian.

Certificates of deposit are defined as investments for statement of net position/balance sheet/statement of fund net position classification and cash flow purposes; for custodial risk disclosure; however, they are described below as cash deposits. In addition, money market mutual funds are classified as cash on the statement of net position /balance sheet/statement of fund net position, but as investments for custodial risk disclosure.

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As of June 30, 2015, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$	44,116
Federal Home Loan Mortgage Corp.		13,883
Federal Home Loan Bank		127,612
Federal Farm Credit Discount Notes		4,828
Federal Agricultural Mortgage Corp.		3,401
Farmers Mac		200
United States Treasuries		57,105
Tennessee Valley Authority		1,585
Commercial Paper		27,576
Money Market Mutual Funds		66,133
Certificates of Deposit		4,820
Other Cash Deposits		198,235
	\$	549,494

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. Investments may be made in obligations of the U.S. Government or any agency or instrumentality thereof; bonds of the State, the City, or any city within the state with a population of 400,000 inhabitants or more; or time certificates of deposit. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of the U.S. Government agencies or instrumentalities of any maturity as provided by law. City funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the City's name.

Additionally, the City's indentures with its bond trustees also permit City bond proceeds to be invested in commercial paper having an original maturity of 270 days or less and rated "A-1" or better by Standard & Poor's Corporation and "P-1" by Moody's Investors Service, money market funds rated "AAAM" or "AAAM-G" by Standard & Poor's Corporation, and other obligations fully and unconditionally guaranteed by the U.S. Government. These investments, while permitted by the indentures with the bond trustees, are not permitted by the Investment Policy for the City of St. Louis, Missouri (Investment Policy).

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement

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shall not exceed five years without the written approval of the Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of the bond issue.

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2015:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Federal National					
Mortgage Association	\$ 44,116	25,715	18,401	—	—
Federal Home Loan					
Mortgage Corp.	13,883	7,149	6,734	—	—
Federal Home Loan Bank	127,612	82,784	44,828	—	—
Federal Farm Credit					
Discount Notes	4,828	4,828	—	—	—
Federal Agricultural					
Mortgage Corp.	3,401	3,401	—	—	—
Farmers Mac	200	200	—	—	—
United States Treasuries*	57,105	40,571	16,534	—	—
Tennessee Valley Authority	1,585	—	1,585	—	—
Commercial Paper	27,576	27,576	—	—	—
Money Market Mutual					
Funds	66,133	66,133	—	—	—
	<u>\$ 346,439</u>	<u>258,357</u>	<u>88,082</u>	<u>—</u>	<u>—</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Investment Policy provides that investments of the City be rated in one of the three highest ratings categories by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service.

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The investments of the primary government (excluding the pension trust funds) were rated as follows by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service as of June 30, 2015:

	<u>Fair Value</u>	<u>AAA</u>	<u>A-1+</u>	<u>AA+</u>	<u>A-1</u>	<u>Not Rated</u>
Federal National						
Mortgage Association	\$ 44,116	—	13,143	19,276	—	11,697
Federal Home Loan						
Mortgage Corp.	13,883	—	—	13,883	—	—
Federal Home Loan Bank	127,612	—	10,925	111,550	—	5,137
Federal Farm Credit						
Discount Notes	4,828	—	—	—	—	4,828
Federal Agricultural						
Mortgage Corp.	3,401	—	—	—	—	3,401
Farmers Mac	200	—	—	—	—	200
United States Treasuries*	57,105	—	—	—	—	57,105
Tennessee Valley						
Authority	1,585	—	—	1,585	—	—
Commercial Paper	27,576	—	5,522	—	22,054	—
Money Market Mutual						
Funds	66,133	66,133	—	—	—	—
	<u>\$ 346,439</u>	<u>66,133</u>	<u>29,590</u>	<u>146,294</u>	<u>22,054</u>	<u>82,368</u>

*The City's investments in United States Treasuries are explicitly guaranteed by the United States government and therefore do not require a rating.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. Custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty.

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the United States or an agency or instrumentality of the United States, bonds of the State or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2015, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$8,382 of Federal National Mortgage Association securities, \$30 of Federal Home Loan Mortgage Corporation securities, and \$29,980 Federal Home Loan Bank securities. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

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Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities and Other Cash Deposits, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

At June 30, 2015, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	8.03%
Federal Home Loan Mortgage Corp.	2.52
Federal Home Loan Bank	23.22
Federal Farm Credit Discount Notes	0.88
Federal Agricultural Mortgage Corp.	0.62
Farmers Mac	0.04
United States Treasuries	10.39
Tennessee Valley Authority	0.29
Commercial Paper	5.02
Money Market Mutual Funds	12.03
Certificates of Deposit	0.88
Other Cash Deposits	36.08
	100.00%

2) Primary Government—Pension Trust Fund—Firemen's System

As of September 30, 2014, the Firemen's System had the following cash deposits and investments:

Common stock	\$	194,459
Collective investment—equity		62,465
Limited partnership units		30,844
Hedge funds—equity		48,891
Collective investment—bonds		65,571
Corporate Bonds		28,130
Real estate investment trust		58,677
Money market funds		7,362
Other cash deposits		3,735
	\$	500,134

Marketable securities are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date.

The Firemen's System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Firemen's System's development and continual monitoring of sound investment policies. The investment maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented to provide an illustration of the Firemen's System's current level of exposure to various risks.

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The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2014:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Collective investment – bonds	\$ 65,571	5,676	20,242	30,491	9,162
Corporate bonds	28,130	759	4,214	22,232	925
	<u>\$ 93,701</u>	<u>6,435</u>	<u>24,456</u>	<u>52,723</u>	<u>10,087</u>

The Firemen's System's fixed income investments level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2014:

Credit rating level	Total	Collective investment	Corporate bonds
AAA	\$ 29,951	29,951	—
AA	5,319	5,319	—
A	11,298	11,298	—
BBB	12,389	12,302	87
BB	13,579	2,977	10,602
B	18,232	2,516	15,716
CCC	965	—	965
Not rated	1,968	1,208	760
	<u>\$ 93,701</u>	<u>65,571</u>	<u>28,130</u>

Certain collective investment funds are classified by average credit rating levels of the portfolios.

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen’s System’s policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio’s foreign currency exposure. The following table demonstrates the Firemen’s System’s current level of foreign currency exposure as of September 30, 2014:

	Money market	Equities	Fixed income	Hedge fund	Real estate investment trust	Total
Australian Dollar	\$ —	2,045	—	—	—	2,045
British Pound Sterling	—	11,861	—	—	—	11,861
Canadian Dollar	—	1,029	—	—	—	1,029
Danish Krone	—	2,046	—	—	—	2,046
Euro	—	21,875	—	—	—	21,875
Hong Kong Dollar	—	1,845	—	—	—	1,845
Japanese Yen	—	4,746	—	—	—	4,746
Singapore Dollar	—	904	—	—	—	904
South Korean Won	—	808	—	—	—	808
Swedish Krona	—	770	—	—	—	770
Swiss Franc	—	6,564	—	—	—	6,564
Total foreign currency	—	54,493	—	—	—	54,493
U.S. Dollar	7,362	233,275	93,701	48,891	58,677	441,906
Total	\$ 7,362	287,768	93,701	48,891	58,677	496,399

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firemen’s System’s minimum credit quality rating for each issue shall be “BBB” (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. The fixed income portfolio should have an average quality rating of at least “A” (or its equivalent). Commercial paper issues must be rated at least “A1” (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. In the event of a downgrade below investment grade by any rating agency, the investment manager is required to notify the Board and investment consultant as soon as possible and to refrain from any further investment in the downgraded issue.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the investment manager’s broad market benchmark.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Firemen's System's investment in a single issuer. The Firemen's System's policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value at cost, with the exception of cash, cash equivalents, U.S. Treasury, or U.S. Agency securities. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer with exception of U.S. Treasuries or Agencies. Investment in any single fund of hedge funds shall not exceed 10% of the fund's market value. It is the Firemen's System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Domestic equity:			
Large cap	13%	18%	23%
Small cap	3	8	13
International equities	19	24	29
Fixed Income	20	25	30
Real estate trust	10	15	20
Hedge fund	5	10	15

Long-term expected rate of return on the 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the system's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity	4.3%
International equities	4.7
Fixed income	(1.3)
Real estate (REIT)	4.8
Nondirectional hedge fund of funds	2.2
Private equity (partnerships)	9.4
Money market	—

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 3%) and net of investment expenses (assumed at 0.5%).

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Liquidity risk is the risk that redemption notice periods are required and longer periods may be imposed before payment of redemption proceeds are settled for the following investments:

EnTrust Capital Diversified Fund QP, Ltd. (Hedge Fund)
Magnitude Institutional, LLC Class A (Hedge Fund)
The Principle U.S. Property Account (REIT)
Select Investment Institutional Multi-Strategy Ltd. Series R 0409 Fund (Hedge Fund)

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2014 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	\$	60,281
The Principal US Property Account		58,677
Acadian International Small Cap Fund		29,516
Brandes Investment Trust Emerging Markets Fund		32,949

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession—but not title—of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2014, \$50,961 in loans were outstanding to borrowers. The Firemen's System earned income of \$271 for its participation in the securities lending program for the year ended September 30, 2014.

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3) Primary Government—Pension Trust Fund—Firefighter’s Plan

As of September 30, 2014, the Firefighter’s Plan had the following cash deposits:

Equities	\$	6,183
Fixed income		4,194
Money market fund		8,177
Other cash deposits		1,098
	\$	19,652

The Firefighter’s Plan investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Firefighter’s Plan development and continual monitoring of sound investment policies. The Maturities and Credit Rating by Investment schedules are presented as follows to provide an illustration of the Firefighter’s Plan’s current level of exposure to various risks.

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firefighter’s Plan as of September 30, 2014:

	<u>Fair Value</u>	<u>Investment maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More than 10</u>
Short-term bond ETF	\$ 4,194	—	4,194	—	—

The Firefighter’s Plan fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2014:

<u>Credit Rating Level</u>	<u>Total</u>	<u>Short-term Bond ETF</u>
AAA	\$ <u>4,194</u>	<u>4,194</u>

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan’s minimum credit quality for each issue shall be “BBB” (or its equivalent) at the time of purchase. The fixed income portfolio should have an average quality rating of at least “A” (or its equivalent). In the event of a downgrade below investment grade by any rating agency, the Investment Manager is required to notify the Firefighter’s Plan and provide a plan for holding or disposition of said securities.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest

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rate changes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the Investment Manager's broad market benchmark.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Firefighter Plan's investment in a single issuer. The Firefighter's Plan policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value, with the exception of U.S. government obligations. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer. It is the Firefighter's Plan policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Global all-cap equity	55%	60%	65%
Domestic short-term fixed income	35	40	45

Long-term expected rate of return on the Firefighter's 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighter's Plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Long-term Expected Real Rate Of Return
International equity	4.7%
Fixed income	(1.3)
Money market	—

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 3%) and net of investment expenses (assumed at 0.5%).

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighter's Plan at September 30, 2014 are as follows:

Vanguard International Equity ETF	\$	6,183
Vanguard Short-term Bond ETF		4,194
Northern Trust Collective Government Short-term Investment Fund		8,178

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4) Primary Government—Pension Trust Fund—Police System

As of September 30, 2014, the Police System had the following cash deposits and investments:

Equities:	
Common stock	\$ 143,160
Collective investment funds	283,935
Real estate securities fund	28,428
Mortgaged-backed securities-government	2,863
Mortgaged-backed securities-non-government	14,866
Fixed income collective investment fund	97,448
Corporate bonds	47,638
Hedge funds of funds	30,342
Government securities	14,418
Short-term notes	2,500
Money market funds	46,505
Investment property	1,204
Partnership interest	9,074
Other cash deposits	7,398
	\$ 729,779
	\$ 729,779

The Police System’s bank deposits were fully secured or collateralized at September 30, 2014. The Police System’s bank deposits and repurchase agreements were insured by the FDIC, collateralized with securities held by the Federal Reserve Bank in the Police System’s name.

Marketable securities are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date. The real estate investment fund is valued by the fund manager based on independent real estate appraisals of the fund’s holdings. The hedge fund of funds are carried at the value reported by the funds custodians based upon underlying investments. Investment property is reported at estimated fair value as determined by an independent real estate appraisal of the property.

The Police System’s investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Police System’s development and continual monitoring of sound investment policies. The investment maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented below to provide an illustration of the Police System’s current level of exposure to various risks.

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The following schedule provides a summary of the fixed income investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2014:

	Fair Value	Investment maturities (in years)			
		Less than 1	1 – 5	6 – 10	More than 10
Mortgaged-backed securities – government	\$ 2,863	—	321	39	2,503
Mortgaged-backed securities – nongovernment	14,866	—	2,438	606	11,822
Collective investment funds	97,448	25,031	19,934	37,425	15,058
Corporate bonds	47,638	3,644	27,267	16,727	—
Government Securities	14,418	1,044	8,389	4,959	26
Short-term notes	2,500	2,500	—	—	—
	<u>\$ 179,733</u>	<u>32,219</u>	<u>58,349</u>	<u>59,756</u>	<u>29,409</u>

The Police System's fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2014:

Credit rating level	Total	Government mortgage-backed securities	Nongovernment mortgage-backed securities	Collective investment funds	Corporate bonds	Government securities	Short-term notes
AAA	\$ 50,224	2,842	3,352	36,617	1,628	3,285	2,500
AA	34,790	—	486	16,543	7,800	9,961	—
A	79,457	—	5,562	42,637	31,258	—	—
BBB	6,431	—	—	1,651	4,780	—	—
BB	—	—	—	—	—	—	—
CCC	671	—	671	—	—	—	—
CC	—	—	—	—	—	—	—
D	289	—	289	—	—	—	—
Not Rated	7,871	21	4,506	—	2,172	1,172	—
	<u>\$ 179,733</u>	<u>2,863</u>	<u>14,866</u>	<u>97,448</u>	<u>47,638</u>	<u>14,418</u>	<u>2,500</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Police System’s policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio’s foreign currency exposure. The following table demonstrates the Police System’s current level of foreign currency exposure as of September 30, 2014:

	<u>Equities</u>	<u>Fixed Income</u>	<u>Money Market</u>	<u>Hedge Funds of Funds</u>	<u>Investment Property and Partnership</u>	<u>Total</u>
Australian Dollar	\$ —	518	—	—	—	518
British Pound Sterling	1,409	1,648	—	—	—	3,057
Canadian Dollar	1,940	3,195	—	—	—	5,135
Euro	1,091	2,649	—	—	—	3,740
Indian Rupee	756	—	—	—	—	756
Israeli Shekel	230	—	—	—	—	230
Japanese Yen	—	286	—	—	—	286
Swiss Franc	1,230	718	—	—	—	1,948
Total foreign currency	<u>6,656</u>	<u>9,014</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,670</u>
U.S. Dollar	<u>448,867</u>	<u>170,719</u>	<u>46,505</u>	<u>30,342</u>	<u>10,278</u>	<u>706,711</u>
Total	<u>\$ 455,523</u>	<u>179,733</u>	<u>46,505</u>	<u>30,342</u>	<u>10,278</u>	<u>722,381</u>

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fixed Income Portfolio must have an average rating of “A” or better in the aggregate as measured by at least one credit rating service. In cases where the yield spread adequately compensates for additional risk, securities rated lower than “A” may be purchased, provided overall fixed income quality is maintained. All issues will be of investment grade quality (BBB or Baa rated) or higher at the time of purchase. Up to 15% of the total market value of fixed income securities may be invested in BBB or Baa rated securities. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below minimum investment grade, the investment manager may continue to hold the security if they believe the security will be upgraded in the future, there is low risk of default, and buyers will continue to be available throughout the anticipated holding period. The investment manager has the responsibility of notifying the Board of Trustees through their designee whenever an issue falls below investment grade.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The average effective duration of the aggregate portfolio, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus one year of the duration of the respective investment manager’s benchmark index.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Police System's investment in a single issuer. It is the Police System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Fixed income	25%	28%	31%
Domestic Equities:			
Large Cap	17	21	25
Small Cap	4	5	6
Foreign equities:			
Non-U.S. developing markets	20	26	32
Emerging markets	4	7	10
Non-Directional Hedge Funds of Funds	3	4	5
Real Estate Equities	3	4	5
Private equity	—	4	8
Other	—	1	5

Long-term expected rate of return on the Police System 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Police System's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Long-term Expected Real Rate Of Return
Fixed income	(0.75)%
Domestic equity	4.85%
Foreign equity	5.25%
Non-directional hedge fund of funds	2.75%
Real estate (REIT)	5.35%
Private equity (partnerships)	9.95%
Money market	—

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.5%) and net of investment expenses (assumed at 0.45%).

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Liquidity risk is the risk that redemption notice periods are required and longer periods may be imposed before payment of redemption proceeds are settled for the following investments:

Bank of New York Mellon EB Global Real Estate Securities Fund
EnTrust Capital Diversified Fund QP, Ltd.
Falcon E&P Opportunities Fund, L.P.
GAM US Institutional Diversity, Inc.
NB Secondary Opportunities Fund, L.P.
Wellington Trust Company International Opportunities Fund

Investments which exceed 5% or more of net assets held in trust for pension benefits for the Police System are as follows:

Collective funds:

Trilogy International Group Trust I	\$	94,660
J.P. Morgan CB Emerging Market Equity Focused Fund		44,852
Wellington Trust Company International Opportunities Fund		92,812
MFB Daily S&P 500 Equity Index Fund		51,610

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession—but not title—of the security to the borrower. Collateral consisting of cash, letter of credit, or government securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. Outstanding loans to borrowers at September 30, 2014 were \$58,225. The Police System earned income of \$161 for its participation in the securities lending program for the year ended September 30, 2014.

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5) Primary Government—Pension Trust Fund—Employees’ System

As of September 30, 2014, the Employees’ System had the following cash deposits and investments:

Common stocks	\$	194,537
Managed international equity funds		186,792
Managed master limited partnerships		67,543
Bonds		85,989
Domestic bond funds		78,424
Real estate funds		79,853
Temporary cash investments		8,855
Managed hedge fund of funds		77,332
Other cash deposits		217
	\$	<u>779,542</u>

The bank balances of the Employees’ System at September 30, 2014 were insured by the Federal Deposit Insurance Corporation up to \$250. The remaining balances were collateralized by securities held by the pledging financial institution’s trust department in the Employees’ System’s name.

Investments are reported at fair market value. Securities traded on a national or international exchange funds are valued at the unit value quoted by the investee entity. Security transactions and any resulting realized gains or losses are accounted for on a completed transaction basis. Commingled funds are valued at the unit value quoted by the investee entity based on the underlying asset values. Real estate funds and other managed funds are valued based on valuations of underlying investments as reported by fund managers.

Foreign Currency Risk

The Employees’ System does not have a formal policy to limit foreign currency risk. Risk of loss arises from changes in currency exchange rates. The Employees’ System’s exposure to foreign currency risk is presented on the following table:

	<u>Short- term</u>	<u>Debt</u>	<u>Total</u>
British Pound	\$ 42	1,943	1,985
Australian Dollar	10	2,072	2,082
Canadian Dollar	—	790	790
Euros	8	7,797	7,805
Japanese Yen	24	3,639	3,663
Total	\$ <u>84</u>	<u>16,241</u>	<u>16,325</u>

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Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation to the Employees' System. Below is a list of fixed income credit quality ratings:

<u>Quality rating</u>		
Aaa/U.S. Governments	\$	81,451
Aa		9,983
A		23,770
Baa		26,196
Below Baa		23,257
Not Rated		1,045
Total	\$	<u><u>165,702</u></u>

All temporary cash investments held by the Employees' Retirement System at September 30, 2014 were unrated.

Interest Rate Risk

The Employees' System does not have a formal policy to limit interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of an investment. Duration is a measure of debt instrument's exposure to a change in interest rate and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows, weighted for those cash flows as a percentage of the instrument's full price.

<u>Investment</u>	<u>Fair value</u>	<u>Effective duration</u>
Payden and Rygel	\$ 31,665	6.36 years
Allegiant (PNC)	55,612	5.15 years
SSGA	32,970	5.60 years
Loomis	26,127	4.24 years
Vanguard	19,328	7.90 years
	<u><u>\$ 165,702</u></u>	

The Employees' System participates in a securities lending program administered by a financial institution. Brokers who borrow the securities provide collateral, usually in the form of cash valued at 102% for domestic securities loaned, resulting in no credit risk for the system. At September 30, 2014, the term to maturity of the securities on loan is matched with the term to maturity of the investment of the cash collateral. These loans can be terminated on demand by either the lender or borrower. The Employees' System cannot pledge or sell non-cash collateral unless the borrower defaults. As of September 30, 2014, the Employees' System has lending arrangements outstanding with a market value for securities lent of \$3,462.

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Concentration of Credit Risk

At September 30, 2014, the Employees' System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent five percent or more of total investments to the Employees' System:

Acadian Asset Management		
Emerging Market Fund	\$	49,577
INTECH Investment Management		
U.S. Large Cap Core Equity		78,112
LSV Asset Management		
U.S. Large Cap Value Equity		42,410
PNC Capital Advisors		
U.S. Broad Market Core Fixed Income		55,613
Principal Global Investors		
Real Estate Group Annuity Contract		79,853
Silchester International Advisors		
International Value Equity Group Trust		73,726
Walter Scott & Partners		
International Growth Equity Group Trust		39,148

b. Component Unit—SLDC

State statutes and SLDC investment policies are the same as for the primary government. SLDC funds, in the form of cash on deposit or certificates of deposit, are required to be insured or collateralized by authorized investments held in SLDC's name. At June 30, 2015, all but \$58 of SLDC's cash deposits were covered by federal depository insurance or collateral held by the pledging institution's trust department or agent in SLDC's name. At June 30, 2015, the market value of investments approximated the carrying value of \$757.

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3. RECEIVABLES, NET

	<u>Taxes</u>	<u>Intergovern- mental</u>	<u>Charges for Services</u>	<u>Notes and Loans</u>	<u>Insurance Recovery</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities:							
General fund	\$ 98,178	3,468	3,870	—	—	2,984	108,500
Capital projects fund	3,705	1,355	27	—	—	503	5,590
Grants fund	—	8,426	—	—	—	4	8,430
Other governmental funds	45,630	722	1,239	—	—	692	48,283
Total governmental activities	<u>\$ 147,513</u>	<u>13,971</u>	<u>5,136</u>	<u>—</u>	<u>—</u>	<u>4,183</u>	<u>170,803</u>
Business-type activities:							
Airport	\$ —	11,504	2,321	—	800	4,775	19,400
Water Division	—	—	11,375	—	—	—	11,375
Parking Division	—	—	380	—	—	—	380
Total business-type activities	<u>\$ —</u>	<u>11,504</u>	<u>14,076</u>	<u>—</u>	<u>800</u>	<u>4,775</u>	<u>31,155</u>

All amounts are scheduled for collection during the subsequent fiscal year.

4. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts, which has been deducted from the related receivable in the government-wide statement of net position and fund financial statements, consists of the following balances:

Governmental activities:	
Taxes receivable—general fund	\$ 729
Taxes receivable—other governmental funds	119
License and permits receivable—general fund	25
Charges for services receivable—general fund	2,108
Charges for services receivable—other governmental funds	214
Business-type activities:	
Charges for services receivable—Airport	20
Charges for services receivable—Water Division	3,367
	<u>\$ 6,582</u>

5. COMPONENT UNIT—SLDC RECEIVABLES

SLDC notes and loans receivable consist principally of small business loans made to facilitate business growth. The commercial loans are primarily financed utilizing funds provided by the Community Development Administration (CDA) of the City, Economic Development Administration, Environmental Protection Agency, and the State. The proceeds from any repayment of these loans are generally payable back to the funding source or re-loaned in accordance with the lending program. Grantor funds received for these lending programs are recorded as a liability.

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6. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2015:

Airport bond fund:	
Debt service account	\$ 59,244
Debt service reserve account	36,880
Airport renewal and replacement fund	3,500
Passenger facility charge fund	14,874
Airport debt service stabilization fund	38,211
Airport construction fund	5,748
Drug enforcement agency funds	2,048
	\$ 160,505

Bond provisions require that revenues derived from the operation of the Airport be deposited into the unrestricted Airport Revenue Fund. From this fund, the following allocations are made (as soon as practicable in each month after the deposit of revenues, but no later than five business days before the end of each month) in the following order of priority, and as applicable:

- 1) *Unrestricted Airport Operation and Maintenance Fund*: an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
- 2) *Airport Bond Fund*: for credit to the Debt Service Account, if and to the extent required, so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.
- 3) *Airport Bond Fund*: for credit to the Debt Service Reserve Account: an amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to pay fully all outstanding bonds.
- 4) *Arbitrage Rebate Fund*: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.
- 5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.
- 6) *Airport Renewal and Replacement Fund*: an amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be

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increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.

- 7) *A sub-account in the Airport Revenue Fund:* an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.
- 8) *Airport Debt Service Stabilization Fund and the Airport Development Fund:* various amounts for fiscal years 2006 through 2011, achieved a balance of \$38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount on deposit in the Debt Stabilization Fund equal to the Debt Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).
- 9) The remaining balance in the Revenue Fund shall be deposited into the Airport Development Fund. This fund shall be used for extensions and improvements to the Airport, including equipment acquisition.

Bond provisions provide that, in the event the sums on deposit in the Airport Bond Fund—Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal or both, Airport Development Fund, and Airport Renewal and Replacement Fund may be drawn upon, to the extent necessary, to provide for the payment of such interest, principal, or both. Any sums so withdrawn from these accounts for said purposes shall be restored thereto in the manner provided for in their original establishment. Bond provisions also provide that the principal proceeds from the sale of Airport revenue bonds shall be held in the Airport Construction Fund from which they shall be disbursed for the purposes contemplated in the related bond provisions and City ordinances.

Passenger Facility Charge Fund and Drug Enforcement Agency Funds are restricted in accordance with program agreements.

b. Water Division

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2015 is as follows:

Bond funds:		
Waterworks bond fund	\$	216
Water replacement and improvement account		750
Total bond funds		966
Customer deposits		2,533
Total restricted cash	\$	3,499

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Bond fund provisions require that revenues derived from the operation of the Waterworks System be deposited in the Waterworks Revenue Account. From this account, the following allocations are made on the first business day of each month in the following order of priority:

Series 2011 Water Revenue Refunding Bond Funds

1. To the unrestricted *Waterworks Operations and Maintenance Fund*, an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
2. To the *Waterworks Bond Fund*, an amount at least equal to 1/6 of the amount of interest that will come due on the next interest payment date, plus an amount at least equal to 1/12 of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account shall be used only for the payment of bond principal and interest, as the same shall become due.
3. To the *Water Revenue Debt Service Reserve Account*, a sum equal to the Debt Service Reserve Fund Requirement or a debt service reserve fund policy or a surety bond shall be provided by a Bond Insurer in such amount or a letter of credit shall be provided by a bank acceptable to the City in such amount. All amounts paid and credited to this account shall be used solely to prevent any default in the payment of the principal of and interest on the Bonds.
4. To the *Water Replacement and Improvement Fund*, an amount equal to \$25 per month until the account balance aggregates \$750. This account shall be used for making replacements, extensions, and improvements to the Waterworks System, and for the purpose of meeting unforeseen contingencies and emergencies arising in the operation of the Waterworks System of the City.
5. The remaining balance in the *Waterworks Revenue Fund* is deposited into the unrestricted Water Contingent Fund. This money shall be used for paying the cost of the operation, maintenance, and repair of the Waterworks System; paying the cost of extending, improving, or making replacements to the Waterworks System; preventing default in, anticipating payments into, or increasing the amounts in the other accounts; paying any gross receipts tax now or hereafter levied by the City; paying the principal or the interest on any subordinate or junior lien bonds; paying any redemption premium due on the bonds; or any other lawful purpose for use by the Waterworks System.

Series 2013 Water Revenue Bond Funds

To the *Waterworks Bond Fund*, an amount at least equal to the calculated ¼ amount of interest that will come due on the next interest payment date, plus an amount at least equal to ¼ of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account shall be used only for the payment of bond principal and interest, as the same shall become due.

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c. Parking Division

Cash and investments restricted in accordance with bond indentures at June 30, 2015 are as follows:

Series 2015A bonds:	
Debt service reserve	\$ 514
Debt service	51
Series 2015A project account	5,344
Total series 2015A bonds	5,909
Series 2013A bonds:	
Debt service reserve	126
Total series 2013A bonds	126
Series 2007 and 2006 bonds:	
Debt service reserve	4,943
Debt service	1,397
Repair and replacement	3,456
Net project revenues	120
Parking trust—Parking Division accounts	1,888
Total series 2007 and 2006 bonds	11,804
Series 2003A and 2003B bonds:	
Gross revenues	156
Bond	149
Repair and replacement	31
Operating reserve	100
Redemption	61
Total series 2003A and 2003B bonds	497
Total restricted cash and investments	\$ 18,336

Descriptions of the funds required by the Series 2015A Subordinated Bond Indentures are as follows:

- 1) *Debt service reserve* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) *Debt service* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 3) *Series 2015A project account* – Maintains funds used to fund the debt service account.

Descriptions of the funds required by the Series 2013A Subordinated Bond Indentures are as follows:

- 1) *Debt service account* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) *Series 2013A project account* – Maintains funds used to fund the debt service account.

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Descriptions of the funds required by the Series 2007 and 2006 Bond Indentures are as follows:

- 1) *Debt service reserve* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) *Debt service* – Moneys deposited into this account pay principal and accrued and unpaid interest on the respective bonds.
- 3) *Net project revenues* – Maintains funds used to fund the debt service account.
- 4) *Argyle TIF revenues* – Argyle TIF revenues are used for the payment of debt service on the Series 2006 Bonds.
- 5) *Parking trust* – Parking Division accounts—Maintains funds transferred from the respective bond account to be available to pay principal and interest on the respective refunded bonds if other funds are not available.
- 6) *Repair and replacement* – Provides for the repair and upkeep of parking garages.

Descriptions of the funds required by the Series 2003A and 2003B Bond Indenture are as follows:

- 1) *Gross revenues* – Maintains revenues resulting from the operations of the Cupples Garage and uses these to pay the operating and debt service costs associated with the Cupples Garage.
- 2) *Bond* – Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B bonds.
- 3) *Repair and replacement* – Provides for the repair and upkeep of the Cupples Garage.
- 4) *Operating reserve* – Maintains operating reserve as required by the Bond Indenture.
- 5) *Redemption* – Maintains funds set aside for the future redemption of the Series 2003A and 2003B bonds.

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7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2015:

	June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 80,245	218	(81)	—	80,382
Construction in progress	28,854	8,390	—	(27,592)	9,652
Equipment in progress	816	—	—	—	816
Works of art	3,467	91	—	—	3,558
Intangibles	1,044	249	—	(140)	1,153
Total capital assets not being depreciated	<u>114,426</u>	<u>8,948</u>	<u>(81)</u>	<u>(27,732)</u>	<u>95,561</u>
Capital assets being depreciated:					
Buildings	634,492	6,191	(1,408)	12,073	651,348
Improvements other than buildings	89,497	2,760	—	1,794	94,051
Equipment	164,050	8,919	(2,972)	1,682	171,679
Infrastructure	643,015	6,968	—	12,043	662,026
Intangibles	1,744	47	—	140	1,931
Total capital assets being depreciated	<u>1,532,798</u>	<u>24,885</u>	<u>(4,380)</u>	<u>27,732</u>	<u>1,581,035</u>
Less accumulated depreciation for:					
Buildings	231,646	16,097	(1,043)	—	246,700
Improvements other than buildings	32,797	2,036	—	—	34,833
Equipment	104,531	9,576	(2,885)	—	111,222
Infrastructure	413,831	29,696	—	—	443,527
Intangibles	582	326	—	—	908
Total accumulated depreciation	<u>783,387</u>	<u>57,731</u>	<u>(3,928)</u>	<u>—</u>	<u>837,190</u>
Total capital assets being depreciated, net	<u>749,411</u>	<u>(32,846)</u>	<u>(452)</u>	<u>27,732</u>	<u>743,845</u>
Governmental activities capital assets, net	<u>\$ 863,837</u>	<u>(23,898)</u>	<u>(533)</u>	<u>—</u>	<u>839,406</u>

Construction in progress consists primarily of convention center renovations and street and bridge projects. Equipment in progress consists of communication equipment being prepared for its intended use.

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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2015. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 775,747	—	(60)	—	775,687
Construction-in-progress	64,049	35,437	(712)	(82,966)	15,808
Infrastructure	6	—	(6)	—	—
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>843,308</u>	<u>35,437</u>	<u>(778)</u>	<u>(82,966)</u>	<u>795,001</u>
Capital assets being depreciated:					
Buildings and structures	691,101	25	—	69,850	760,976
Equipment	100,332	3,710	(1,091)	243	103,194
Pavings	1,007,445	—	—	10,226	1,017,671
Parking meters and lot equipment	7,519	1,446	(740)	—	8,225
Reservoirs	34,513	—	—	659	35,172
Boiler plant equipment	661	—	—	—	661
Pumping equipment	10,923	—	—	—	10,923
Purification basins and equipment	43,679	9	—	65	43,753
Water mains, lines, and accessories	130,147	3,435	(923)	1,803	134,462
Motor vehicle equipment	9,046	717	(639)	100	9,224
Total capital assets being depreciated	<u>2,035,366</u>	<u>9,342</u>	<u>(3,393)</u>	<u>82,946</u>	<u>2,124,261</u>
<i>Less accumulated depreciation for:</i>					
Buildings and structures	404,092	18,634	—	—	422,726
Equipment	72,562	4,435	(1,072)	—	75,925
Pavings	435,135	30,698	—	—	465,833
Parking meters and lot equipment	6,765	266	(693)	—	6,338
Reservoirs	11,964	665	—	—	12,629
Boiler plant equipment	644	3	—	—	647
Pumping equipment	9,183	233	—	—	9,416
Purification basins and equipment	17,468	929	—	—	18,397
Water mains, lines, and accessories	59,429	1,675	(786)	—	60,318
Motor vehicle equipment	5,978	435	(607)	—	5,806
Total accumulated depreciation	<u>1,023,220</u>	<u>57,973</u>	<u>(3,158)</u>	<u>—</u>	<u>1,078,035</u>
Total capital assets being depreciated, net	<u>1,012,146</u>	<u>(48,631)</u>	<u>(235)</u>	<u>82,946</u>	<u>1,046,226</u>
Business-type activities capital assets, net	<u>\$ 1,855,454</u>	<u>(13,194)</u>	<u>(1,013)</u>	<u>(20)</u>	<u>1,841,227</u>

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Construction-in-progress consists primarily of various improvements at the Airport to the airfield and terminal buildings, as well as property purchased on which the Airport's expansion facilities will be constructed, and various improvements to the waterworks system.

Within the statement of activities, depreciation expense is charged to functions of the primary government as follows:

Governmental activities:

General government	\$	6,145
Convention and tourism		5,649
Parks and recreation		5,264
Judicial		313
Streets		32,788
Public safety:		
Fire		2,159
Police		3,936
Other		642
Health and welfare		315
Public service		520
		57,731
Total depreciation expense, governmental activities	\$	57,731

Business-type activities:

Airport	\$	50,166
Water Division		5,383
Parking Division		2,424
		57,973
Total depreciation expense, business-type activities	\$	57,973

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b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 4,914	—	—	4,914
Construction in Progress	—	369	—	369
Total capital assets not being depreciated	4,914	369	—	5,283
Capital assets being depreciated:				
Leasehold improvements	22,755	—	—	22,755
Equipment	713	—	—	713
Parking facilities	19,716	552	—	20,268
Total capital assets being depreciated	43,184	552	—	43,736
Less accumulated depreciation for:				
Leasehold improvements	3,200	700	—	3,900
Equipment	696	16	—	712
Parking facilities	13,736	375	—	14,111
Total accumulated depreciation	17,632	1,091	—	18,723
Total capital assets being depreciated, net	25,552	(539)	—	25,013
SLDC capital assets, net	\$ 30,466	(170)	—	30,296

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c. Component Unit—SWMDC

The following represents a summary in SWMDC’s capital assets for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2014
Capital assets being depreciated:				
Infrastructure	\$ 12,083	699	—	12,782
Total capital assets being depreciated	12,083	699	—	12,782
Less accumulated depreciation for:				
Infrastructure	5,242	411	—	5,653
Total accumulated depreciation	5,242	411	—	5,653
SWMDC capital assets, net	\$ 6,841	288	—	7,129

8. COMPONENT UNIT—SLDC PROPERTY HELD FOR DEVELOPMENT

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC’s financial statements based on management’s intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. A reserve for impairment in the amount of \$8,787 has been established on these properties.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 5,452	—	5,452
Capital projects fund	2,850	481	3,331
Grants fund	6,562	—	6,562
Other governmental funds	1,674	1	1,675
Internal service	356	—	356
Total governmental activities	\$ 16,894	482	17,376
Business-type activities:			
Airport	\$ 12,257	7,392	19,649
Water Division	4,904	—	4,904
Parking Division	1,468	—	1,468
Total business-type activities	\$ 18,629	7,392	26,021

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10. RETIREMENT PLANS

The City contributes to the following defined benefit retirement plans: The Firemen’s System, the Firefighter’s Plan and the Police System, which are single –employer plans. The Employees’ System is a cost-sharing multiple-employer plan.

Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) and Judge Dierker’s ruling (Board Bill 109) replaced the Firemen’s System with a new retirement system, the Firefighter’s Plan. All other employees are covered by the Employees’ System, a cost-sharing, multiple-employer, public defined benefit retirement plan. Each system is administered by a separate Board of Trustees, members of which are appointed by City officials and plan participants.

Each system is administered by a separate board of trustees, who are partially appointed by City officials, plan participants, and the governor of the State (Police System only). For financial reporting purposes, these retirement systems are included as fiduciary pension trust funds of the City. Financial information taken directly from the financial statements, that were audited by other auditors and whose reports have been furnished to us, for these funds has been included within the accompanying basic financial statements as of each System’s fiscal year-end, which falls within the City’s current fiscal year-end as follows:

System	System fiscal year-end
Firemen’s	September 30, 2014
Firefighters’	September 30, 2014
Police	September 30, 2014
Employees’	September 30, 2014

a. Firemen’s Retirement System of St. Louis (Firemen’s System or FRS)

1) System Description (FRS)

The Firemen’s System issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Firemen’s Retirement System of St. Louis; 1601 S. Broadway; St. Louis, Missouri, 63104.

The following disclosures are based on the September 30, 2014 financial statements and the October 1, 2014 actuarial valuation. The valuation as of October 1, 2014, reflects the changes attributable to Ordinance #69245 and #69353, and Judge Dierker’s subsequent ruling (Board Bill 109). Key changes to the Firemen’s System is as follows:

- Firemen’s System is frozen as of February 1, 2013. That is, benefits paid from Firemen’s System will be based on the member’s service and salary earned as of February 1, 2013. Participants with benefit service in Firemen’s System are classified as “grandfathered” members.
- Firefighters hired after February 1, 2013, are not members of Firemen’s System.
- Vesting and eligibility service earned after February 1, 2013, in the newly established Firefighter’s Plan will count towards vesting and eligibility service in Firemen’s System.

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- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid from the newly established Firefighter's Plan to the extent that benefits do not depend on service earned prior to February 1, 2013.
- Employer contributions to the frozen Firemen's System will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013, from "grandfathered" participants in Firemen's System will be paid to the Firefighter's Plan.
- Grandfathered members with 20 or more years of service as of February 1, 2013, are eligible to retire with unreduced Firefighter's Plan benefits if retirement commences before age 55.
- Grandfathered members with less than 20 years of service as of February 1, 2013, are eligible to retire with actuarially reduced Firefighter's Plan benefits if retirement commences before age 55.

As a result of Board Bill 109, the following assumptions were made:

- Since benefits paid under Firemen's System will no longer depend on future salary increases, future salary increase assumptions have been eliminated in the projection of pay and valuation of benefits. Costs will continue to be spread over the present value of future salary which includes future salary increases.
- It is assumed that grandfathered members with less than 20 years of service as of February 1, 2013 will not retire prior to age 55. The retirement rates were adjusted to reflect accelerated retirement when these members first become eligible at age 55.
- It was assumed the Firemen's System frozen benefit relating to service and pay as of February 1, 2013, will be used to offset post-retirement survivor benefits paid under Firefighter's Plan.
- The overall rates of disability were not changed, but the proportion of ordinary accidental disabilities was changed from 20 percent ordinary and 80 percent accidental to 60 percent ordinary and 40 percent accidental.

Plan liabilities for Firemen's System after Board Bill 109 are predominantly for retired members and their beneficiaries. That is, the proportion of retired liabilities to total plan liabilities is projected to be over 80 percent within 10 years.

An agreement between the City and Firemen's System was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to Firemen's System from February 1, 2013, to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess Firefighter's Plan City contributions were transferred from Firemen's System to Firefighter's Plan in the amount of \$6,883 equal to the Firefighter's Plan City required contribution for the period February 1, 2013, to September 30, 2013 and a portion of the excess Firemen's System City contribution was credited towards the Firemen's System Entry Age Normal Agreement (Fireman's Retirement EAN Note) with the City in the amount of \$3,396.

The Firemen's System, in accordance with Ordinance #62994 of the City, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan

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(DROP). The DROP plan is available to members of the system who have achieved at least 20 years of creditable service and have eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member’s contribution will be reduced to 1% from the normal 8%. During participation in the DROP plan, the member will not receive credit for employer contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement, the funds in the member’s DROP account plus interest and accrued sick leave, if elected, is available to the member in a lump sum or in installments.

The Fireman’s System membership consisted of the following as of September 30, 2014:

Retirees and beneficiaries currently receiving benefits	985
Current members:	
Vested – DROP	64
Vested – Non-DROP	161
Nonvested	349
Total current members	574
Total membership	1,559

2) Funding Policy (FRS)

Firefighters contributed 8% of their salary to the Firemen’s System, as mandated per State statute and adopted by City ordinance through February 1, 2013 (date frozen). The City is required to contribute the remaining amounts necessary to fund the Firemen’s System.

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3) Net Pension Liability (FRS)

The City's net pension liability as of June 30, 2015 was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014.

	Total pension liability (TPL)	Fiduciary net Position (FNP)	Net pension liability (asset)
	(a)	(b)	(a)-(b)
Balances at July 1, 2014	\$ 452,299	492,222	(39,923)
Changes for the year:			
Service cost	—	—	—
Interest	34,450	—	34,450
Refunds of member contributions	(1,205)	(1,205)	—
Benefit payments	(34,002)	(34,002)	—
Contributions – employer	—	1,008	(1,008)
Net investment income	—	48,270	(48,270)
Transfer out due to settlement agreement	—	(10,279)	10,279
Administrative expenses	—	(1,424)	1,424
Net changes	<u>(757)</u>	<u>2,368</u>	<u>(3,125)</u>
Balances at June 30, 2015	<u>\$ 451,542</u>	<u>494,590</u>	<u>(43,048)</u>

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Significant actuarial assumptions used in the valuation of the Firemen’s System are as follows:

Date of actuarial valuation	October 1, 2014
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal
Funding	Entry Age - frozen initial liability
Remaining amortization period	None - No unfunded actuarial liability
Asset valuation method	3-year smoothed average of market value
Inflation	3.00%
Investment rate of return	7.625%, net of investment and administrative expenses 7.925%, gross of administrative expenses
Projected salary increases	Benefits frozen as of February 1, 2013; therefore no salary increases have been assumed
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the October 1, 2005, through September 30, 2010. The rates were adjusted slightly for members with less than 20 years of service as of February 1, 2013, due to the freezing of FRS benefits and the implementation of FRP.
Mortality	RP2000 mortality table, sex distinct, with rates projected to 2015

The long-term expected rate of return on the Firemen’s System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of October 1, 2014, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Fixed income	25%	(1.30)%
Domestic equity	26	4.30
International equity	24	4.70
Private equity	—	9.40
Real estate	15	4.80
Nondirectional hedge fund of funds	10	2.20
Total	<u>100%</u>	

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The discount rate used to measure the total pension liability (asset) was 7.93%. The projection of cash flows used to determine the discount rate assumed that the City contribution rate and that contributions will be made at rates equal to the difference between would make the required contributions as defined by statute. Based on these 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 (asset). For the October 1, 2014 actuarial valuation, a 7.93% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2015 for the City is as follows:

	Discount rate	Net pension liability (asset)
1% decrease	6.93%	\$ 665
Current rate	7.93	(43,048)
1% increase	8.93	(79,934)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Firemen's System financial report.

4) Pension Expense (FRS)

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$6,747. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the City's fiscal year ended June 30, 2015 is summarized as follows:

Service cost	\$	—
Interest		34,450
Administrative expenses		1,424
Projected earnings on pension plan investments		(37,190)
Other changes – transfer due to settlement agreement		10,279
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		(2,216)
Pension expense for year ended June 30, 2015	\$	6,747

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5) Deferred Outflows/Inflows of Resources Related to Pension (FRS)

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ —	8,864
Total	\$ —	8,864

The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of Firemen’s System employees. The following table summarizes the future recognition of these items:

Year ended June 30	Recognition
2016	\$ 2,216
2017	2,216
2018	2,216
2019	2,216
	\$ 8,864

b. Firefighters’ Retirement Plan (Firefighter’s Plan or FRP)

1) System Description (FRP)

The Firefighter’s Plan administers a single employer defined benefit pension plan providing pension benefits to the City of St. Louis firemen.

The Firefighter’s Plan issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Firefighters’ Retirement Plan of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

Effective February 1, 2013, benefit accruals under the Firemen’s System were frozen. The Firefighter’s Plan was established as of that date to provide retirement, disability and death benefits for service rendered after the effective date. Credited service accrued under the Firemen’s System counts toward benefit accruals under the Firefighter’s Plan, but benefits attributable to such services

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are offset by the benefits payable by the Firemen's System. Under the Firefighter's Plan, the plan provisions for members who were active as of February 1, 2013 (Grandfathered Participants) are substantially the same as the plan provisions for the Firemen's System.

The Firefighter's Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

The monthly allowance is determined by the average final monthly compensation over the last 5 years of service. For grandfathered members, the average is over the last 2 years of service. The monthly allowance consists of 40% of the applicable final average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay accumulated before September 20, 2010 may increase the maximum pension beyond this limitation.

A grandfathered member with 20 or more years of credited service may elect to enter the DROP program and defer retirement for up to five years while continuing active employment. The benefit payments the participant would have received during that period are deposited into the DROP account and earn interest at a rate equal to the percentage rate of return of the Trust Fund's investment portfolio for that year. After five years or termination from the DROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the DROP account with interest earned. If the participant dies prior to termination of employment, the DROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the DROP program is not included in the credited service used to calculate the participant's final benefit amount.

Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the member, and the member's contributions will be reduced to 1% from the normal contribution percentage. During participation in the DROP, the member will not receive credit for City contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement the funds in the member's DROP account plus: 1) interest and 2) accrued sick leave if elected is available to the member in a lump sum or in installments.

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The Firefighter’s Plan membership consisted of the following as of September 30, 2014:

Retirees and beneficiaries currently receiving benefits	22
Current active members:	
Vested – Non-DROP	378
Vested – participating DROP	62
Nonvested	186
Total current active members	626
Total membership	648

2) Funding Policy (FRP)

A grandfathered member with at least 20 years of service as of February 1, 2013, contribute 8% of their salary, after-tax. All other members contribute 9% of their salary, pre-tax. The City is required to contribute the remaining amounts necessary to fund Firefighter’s Plan. All members who terminate employment before becoming eligible to receive a retirement benefit will receive a refund of all contributions plus interest. Members hired after February 1, 2013 who terminate employment before reaching age 55 and elect a refund of contributions in lieu of a pension benefit will also receive a refund of their contributions plus interest, as will grandfathered members who terminate employment before completing 20 years of service. Contributions to the Firefighter’s Plan made on or after the inception of the Firefighter’s Plan are not refundable to a member who receives a service retirement benefit, ordinary disability benefit, or a service connected disability benefit; except that contributions to the Firefighter’s Plan by a grandfathered member with at least 20 years of service as of inception who receives a service retirement benefit are refundable without interest.

An agreement between the City and the Firemen’s System was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to the Firemen’s System from February 1, 2013, to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess Firemen’s System City contributions were transferred from the Firemen’s System to the Firefighter’s Plan in the amount of \$6,883 equal to the Firefighter’s Plan City required contribution for the period February 1, 2013, to September 30, 2013 and a portion of the excess Firemen’s System City contribution was credited towards the Firemen’s System Entry Age Normal Agreement (Fireman’s Retirement EAN Note) with the City in the amount of \$3,396.

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3) Net Pension Liability (FRP)

The City's net pension liability for Firefighter's Plan as of June 30, 2015 was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014.

	Total pension liability (TPL)	Fiduciary net Position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2014	\$ 47,262	1,653	45,609
Changes for the year:			
Service cost	6,411	—	6,411
Interest	4,088	—	4,088
Difference between expected and actual experience	(5,360)	—	(5,360)
Benefit payments	(48)	(48)	—
Refunds of member contributions	(85)	(85)	—
Contributions – employer	—	15,825	(15,825)
Contributions – employee	—	2,813	(2,813)
Net investment income	—	(92)	92
Administrative expenses	—	(207)	207
Net changes	<u>5,006</u>	<u>18,206</u>	<u>(13,200)</u>
Balances at June 30, 2015	<u>\$ 52,268</u>	<u>19,859</u>	<u>32,409</u>

The following were some of the significant actuarial assumptions used in the valuation of the Firefighter's Plan:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal Cost Method
Funding	Entry Age Normal
Remaining amortization period	Started February 1, 2013
Asset valuation method	Market value
Inflation	3.00%
Investment rate of return	7.625%, net of investment and administrative expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2000 mortality table, sex distinct, with rates projected to 2015

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The long-term expected rate of return on the Firefighter’s Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of September 30, 2014, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	40%	(1.30)%
International equity	60	4.70
Total	100%	

The discount rate used to measure the total pension liability was 7.63%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these 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. For the October 1, 2014 actuarial valuation, a 7.63% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2015 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.63%	\$ 39,013
Current rate	7.63	32,409
1% increase	8.63	26,598

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Firefighter’s Plan financial report.

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4) Pension Expense (FRP)

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$7,066. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the City's fiscal year ended June 30, 2015 is summarized as follows:

Service cost	\$	6,411
Interest		4,088
Administrative expenses		207
Contributions – employee		(2,813)
Projected earnings on pension plan investments		(219)
Recognized portion of current-period difference between expected and actual experience		(670)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		62
Pension expense for year ended June 30, 2015	\$	7,066

5) Deferred Outflows/Inflows of Resources Related to Pension (FRP)

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 249	—
Differences between expected and actual experience	—	4,690
Total	\$ 249	4,690

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Firefighters' Plan employees. The following table summarizes the future recognition of these items:

Year ended June 30	Recognition
2016	\$ (608)
2017	(608)
2018	(608)
2019	(608)
2020	(670)
Thereafter	(1,339)
	\$ (4,441)

c. Police Retirement System of St. Louis (Police System or PRS)

1) System Description (PRS)

All persons who become police officers and all police officers that enter or reenter SLPD after October 1, 1957 become members of the Police System and are thereby eligible to participate from their date of hire. The Police System issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Police Retirement System of St. Louis; 2020 Market Street, St. Louis, Missouri 63103.

The Police System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service or attaining age 55. The monthly allowance consists of 40% of the two-year average final compensation for the first 20 years of services, plus 2% of such final average compensation for each of the next five years of service, plus 4% of average final compensation for each additional year of service after 25 years up to a maximum of 30 years. The monthly allowance of members who have in excess of 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. Such benefits are established by the State statute.

The Police System implemented a DROP feature during the Police System's fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to five years, at which point the member may reenter the Police System. At retirement, the funds in the member's DROP account plus interest are available to the member in a lump sum or in installments.

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The Police System membership consisted of the following as of September 30, 2014:

Retirees and beneficiaries currently receiving benefits	<u>1,883</u>
Current active members:	
Vested – in DROP	185
Vested – not in DROP	<u>164</u>
Total vested	349
Nonvested	<u>932</u>
Total current active members	<u>1,281</u>
Total members	<u><u>3,164</u></u>

2) Funding Policy (PRS)

Police officers are required to contribute 7% of their compensation to the Police System per State statute. The City is required to contribute the remaining amounts necessary to fund the Police System, determined in accordance with City ordinances. Upon leaving employment due to service retirement, death, or disability due to an accident in the actual performance of duty, the member's contributions are refunded. Members whose employment terminates prior to retirement are entitled to a lump-sum distribution of their contribution plus interest thereon.

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3) Net Pension Liability (PRS)

The City's net pension liability for Police System as of June 30, 2015 was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014.

	Total pension liability (TPL)	Fiduciary net Position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2014	\$ 895,331	706,277	189,054
Changes for the year:			
Service cost	12,992	—	12,992
Interest	65,906	—	65,906
Difference between expected and actual experience	—	—	—
Change in assumption	6,650	—	6,650
Benefit payments	(60,973)	—	(60,973)
Contributions – employer	—	32,325	(32,325)
Contributions – employee	—	4,438	(4,438)
Net investment income	—	48,095	(48,095)
Benefit payments	—	(60,973)	60,973
Administrative expenses	—	(1,096)	1,096
Net changes	<u>24,575</u>	<u>22,789</u>	<u>1,786</u>
Balances at June 30, 2015	<u>\$ 919,906</u>	<u>729,066</u>	<u>190,840</u>

Significant actuarial assumptions used in the valuation of the Police System are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	
GASB 67 reporting	Entry Age Normal
Funding	Aggregate, reduced by employee contributions
Amortization method/period	None - aggregate is funded over the future working lifetime of current participants
Asset valuation method	5-year smoothed average of market value
Inflation	2.5%
Investment rate of return	7.75%, net of 0.15% administrative expenses
Projected salary increases	3.0% – 6.5%, varying by age
Projected postretirement benefit increases	2.5% maximum per year, cumulative 30% cap
Mortality (Ordinary)	RP-2000 Blue Collar Combined projected to 2018
Mortality (Accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Disabled)	RP-2000 Disabled Retiree Mortality projected to 2018

City of St. Louis, Missouri
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The long-term expected rate of return on the Police System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of October 1, 2014, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	28%	(0.75)%
Domestic equity	26	4.85
Foreign equity	33	5.25
Non-directional hedge fund of funds	4	2.75
Real estate (REIT)	4	5.35
Private equity (partnerships)	4	9.95
Money market	1	—
Total	<u>100%</u>	

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the high grade bond muni-bond rate for periods after the PNP is exhausted. The plan currently uses the long-term discount rate of 7.75% and expects assets will be sufficient to cover PNP until 2057. The muni-bond rate used in the valuation was 4.11% and is based on the Bond Buyers General Obligation 20 Year High Grade Rate Municipal Bond Index (AA/Aa or higher). Since the PNP was projected to be insufficient to make all projected benefit payments of current plan members, a blended discount rate of 7.48% was used to calculate the plan's present value of future benefit payments. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2015 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.48%	\$ 282,418
Current rate	7.48	190,841
1% increase	8.48	113,881

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Police System financial report.

City of St. Louis, Missouri
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4) Pension Expense (PRS)

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$24,302. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the fiscal year ended June 30, 2015 is summarized as follows:

Service cost	\$	12,992
Interest		65,906
Administrative expenses		1,096
Contributions – employee		(4,438)
Projected earnings on pension plan investments		(54,815)
Recognized assumption changes		2,217
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		1,344
Pension expense for year ended June 30, 2015	\$	24,302

5) Deferred Outflows/Inflows of Resources Related to Pension (PRS)

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 5,376	—
Change in assumptions	4,434	—
Total	\$ 9,810	—

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Police System’s employees. The following table summarizes the future recognition of these items:

Year ended June 30	Recognition
2016	\$ 3,561
2017	3,561
2018	1,344
2019	1,344
	\$ 9,810

d. Employees Retirement System of the City of St. Louis (Employees System or ERS)

1) System Description (ERS)

All non-uniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the Employees Retirement System upon employment with the exception of employees hired after attaining age 60.

The Employees System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees’ Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee’s age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10 year U.S.

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Treasury Bond yield as of September 30, for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy (ERS)

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.17% effective July 1, 2014, and 15.56% of active member payroll effective July 1, 2013.

Employees who became members of the Employees System prior to October 14, 1977, and continued to make contributions, may make voluntary contributions to the Employees System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year.

The City's contributions to Employees System for the year ended June 30, 2015 were \$30,331.

3) Net Pension Liability (ERS)

The City reported liability of \$129,712 for its proportionate share of the net pension liability as of June 30, 2015. The net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the Employee's System relative to the contributions of all Employees' System participating employers. At September 30, 2014, the City's collective proportion was 83.90 percent, which was an increase of 0.73 from its proportion measured as of September 30, 2013.

Significant actuarial assumptions used in the valuation of the Employees' System are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry Age
Amortization method	Rolling 30-year level dollar amortization of unfunded liability
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Discount rate	8.00%
Projected salary increases	varies by age, ranging from 3.50% to 7.017%
Mortality	1994 Group Annuity Mortality Table

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The long-term expected rate of return on the Employees System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The discount rate used to measure the total pension liability was 8.09%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these 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. For the October 1, 2014 actuarial valuation, an 8.09% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2015 for the City is as follows:

	<u>Discount rate</u>		<u>Net pension liability</u>
1% decrease	7.09%	\$	208,197
Current rate	8.09		129,712
1% increase	9.09		62,547

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees System financial report.

4) Pension Expense (ERS)

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$14,398. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period.

City of St. Louis, Missouri
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5) Deferred Outflows/Inflows of Resources Related to Pension (ERS)

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ —	2,306
Net difference between projected and actual earnings on pension plan investments	—	7,904
Changes in proportion	70	1,068
Contributions subsequent to the measurement date	21,912	—
Total	\$ 21,982	11,278

The \$21,912 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Employee System's employees. The following table summarizes the future recognition of these items:

Year ended June 30	Recognition
2016	\$ 3,077
2017	3,077
2018	3,077
2019	1,977
	\$ 11,208

e. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year-ended June 30, 2015 contributions of \$266, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2015, SLDC's current covered payroll was \$2,957 and total payroll amounted to \$3,617. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5-1/2% of their monthly compensation if they so elect. In order

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to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and completed at least six months of active service. The employees vest at a rate of 33% per annum with full vesting occurring after the end of their third year of service. The SLDC Plan does not hold any employer or related-party securities. All plan investments are self-directed by the respective plan participants, within the limitations of the plan.

11. OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City is obligated under Chapter 84.160 RSMo to provide medical and life insurance benefits for former civilian and commissioned Police employees who retire subsequent to 1969. The City provides these other postemployment benefits (OPEB) under a single-employer, defined benefit postemployment plan. The OPEB plan does not issue a separate financial report.

Commissioned Police employees may retire and receive benefits under the OPEB plan after 20 years of creditable service, regardless of age. Civilian Police employees may retire and receive benefits under the OPEB plan after attaining age 55 with 20 years of service, or after attaining age 60 with five years of service. The disability eligibility for officers for a service disability has no minimum age or service requirements and for an ordinary disability is 10 years of service. The disability eligibility for civilians is 5 years of service.

For eligible retired employees and disabled employees under age 65, the OPEB plan pays the full cost of a base healthcare plan. Retirees may elect to pay costs associated with a buy-up healthcare plan, which provides coverage in excess of the base healthcare plan. For eligible retired employees and disabled employees over 65, the OPEB plan pays the costs of a Medicare Supplement Plan. Retirees pay the full cost of spouse healthcare coverage. Additionally, the OPEB plan provides a postretirement death benefit of \$3.

The City has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the results of the most recent valuation. At July 1, 2013, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,512
Terminated plan members entitled to, but not yet receiving benefits	81
Active members	<u>1,798</u>
Total plan members	<u><u>3,391</u></u>

Funding Policy

Contributions made to the OPEB plan are established and may be amended by the Board of Aldermen. For the year ended June 30, 2015, the City contributed \$11,150, which was based upon pay-as-you-go financing requirements.

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Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligation

The annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The annual required contribution represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to plan, and changes in the net OPEB obligation:

Annual required contribution	\$	43,260
Interest on net OPEB obligation		4,462
Adjustment to annual required contribution		(7,589)
		40,133
Annual OPEB cost		40,133
Contribution made		11,150
		28,983
Increase in net OPEB obligation		28,983
Net OPEB obligation, beginning of year		148,744
		177,727
Net OPEB obligation, end of year	\$	177,727

Historical trend information about the OPEB Plan is as follows:

<u>Fiscal year</u>		Annual OPEB cost (AOC)	Percentage of AOC contributed		Net OPEB obligation
2015	\$	40,133	27.8%	\$	177,727
2014		39,132	27.4		148,744
2013		39,297	25.2		120,338

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The July 1, 2013 actuarial valuation stated the actuarial accrual liability for benefits was \$490,773, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$88,828, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 552.5%.

Actuarial valuations of an ongoing plan involve estimates for 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 trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made throughout the future.

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

Actuarial Methods and Assumptions

The projection of future benefit payments for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, as amended for significant changes to the plan that would impact the valuation. 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.

In the July 1, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 3% discount rate and an annual healthcare cost trend rate of 8.00% for Pre-Medicare and 7% for Post Medicare initially, reduced by decrements to an ultimate rate of 6.00% for Pre- Medicare and 5% for Post-Medicare after eight years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a 30-year amortization period.

12. DEFERRED COMPENSATION PLAN

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) held in trust for the exclusive benefit of the employees. As such, the trust account and related liability are not included in the basic financial statements.

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13. LONG-TERM LIABILITIES

a. Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2015:

	Primary government June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Governmental activities:					
General obligation bonds payable	\$ 28,130	—	(5,120)	23,010	3,660
Section 108 Loan Guarantee Assistance Programs	35,580	—	(4,210)	31,370	4,460
Development and Tax increment financing bonds and notes payable	300,321	49,917	(9,896)	340,342	15,563
Loan agreement with MTFC	2,037	—	(482)	1,555	502
Capital lease – rolling stock	24,743	—	(5,012)	19,731	4,543
Certificates of participation	6,110	5,195	(6,110)	5,195	705
Obligations with component unit	51,556	—	(130)	51,426	6,973
Firemen’s Retirement EAN Note	3,396	—	(3,396)	—	—
Loan agreement with FPF	4,610	2,080	(1,505)	5,185	95
Leasehold revenue improvement and refunding bonds	470,889	31,695	(67,579)	435,005	20,009
Joint venture financing agreement	37,844	—	(4,410)	33,434	4,589
Unamortized discounts	(4,099)	(11)	587	(3,523)	—
Unamortized premiums	7,745	3,782	(1,086)	10,441	—
Net pension obligation	52,390	—	(52,390)	—	—
Net pension liability	—	358,813	(34,072)	324,741	—
Net OPEB obligation	148,744	40,133	(11,150)	177,727	11,986
Accrued vacation and sick leave	51,841	24,768	(26,306)	50,303	23,794
Claims and judgments payable	45,825	31,797	(27,343)	50,279	23,364
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activities long-term liabilities	\$ <u>1,267,662</u>	<u>548,169</u>	<u>(259,610)</u>	<u>1,556,221</u>	<u>120,243</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities claims and judgments payable, accrued vacation and sick leave benefits, net pension obligations, and landfill closure costs are generally liquidated by the general fund.

City of St. Louis, Missouri
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	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 764,150	17,310	(55,450)	726,010	39,785
Net pension liability	—	21,528	(4,281)	17,247	—
Net pension obligation	1,707	—	(1,707)	—	—
Pension funding project	5,157	—	(103)	5,054	109
Other	420	—	(24)	396	—
Accrued vacation, compensatory, and sick time benefits	5,135	3,468	(3,030)	5,573	3,468
Unamortized discounts and premiums	34,761	2,584	(5,685)	31,660	—
Unearned lease revenues	5,470	—	(280)	5,190	—
Total airport	<u>816,800</u>	<u>44,890</u>	<u>(70,560)</u>	<u>791,130</u>	<u>43,362</u>
Water Division:					
Revenue bonds payable	4,760	1,547	(4,019)	2,288	404
Customer deposits	1,800	733	—	2,533	—
Net pension liability	—	10,678	(1,671)	9,007	—
Net pension obligation	1,406	—	(1,406)	—	—
Pension funding project	2,999	—	(65)	2,934	—
Accrued vacation and sick time benefits	3,355	285	(201)	3,439	1,858
Total water division	<u>14,320</u>	<u>13,243</u>	<u>(7,362)</u>	<u>20,201</u>	<u>2,262</u>
Parking Division:					
Revenue bonds payable	69,679	6,440	(2,631)	73,488	2,751
Net pension liability	—	2,223	(255)	1,968	—
Net pension obligation	665	—	(665)	—	—
Pension funding project	831	—	(16)	815	—
Other	176	32	(17)	191	—
Unamortized discounts and premiums, net	360	(68)	(27)	265	—
Total parking division	<u>71,711</u>	<u>8,627</u>	<u>(3,611)</u>	<u>76,727</u>	<u>2,751</u>
Business-type activities long-term liabilities	<u>\$ 902,831</u>	<u>66,760</u>	<u>(81,533)</u>	888,058	48,375
Less amounts recorded in:					
Accrued salaries and other benefits				(5,326)	(5,326)
Accounts payable and accrued liabilities				(109)	(109)
				<u>\$ 882,623</u>	<u>42,940</u>

City of St. Louis, Missouri
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b. General Obligation Bonds

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 3,660	1,064	4,724
2017	3,855	881	4,736
2018	4,040	692	4,732
2019	4,235	502	4,737
2020	885	297	1,182
2021 – 2025	5,145	911	6,056
2026	1,190	50	1,240
	<u>\$ 23,010</u>	<u>4,397</u>	<u>27,407</u>

c. Section 108 Loan Guarantee Assistance Programs

Principal and interest requirements for the combined Section 108 program notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 4,460	516	4,976
2017	4,750	467	5,217
2018	5,050	399	5,449
2019	5,360	312	5,672
2020	5,700	207	5,907
2021	6,050	74	6,124
	<u>\$ 31,370</u>	<u>1,975</u>	<u>33,345</u>

d. Development and Tax Increment Financing Bond and Notes Payable

The City issued \$49,917 in TIF bonds and notes payable during fiscal year 2015.

On March 11, 2015, the City issued \$5,050 in Industrial Development Authority of the City of St. Louis, Missouri Tax Increment Refunding Revenue Bonds, Series 2015 payable in varying amount through 2023 with an interest rate of 3.00%. These were issued to advance refund \$2,405 of the Industrial Authority's Tax Increment Refunding Revenue Bonds Series 2006 and alleviate a portion of the City's Tax-Exempt Subordinate Tax Increment Revenue Note, Series 2006 and its Taxable Subordinate Tax Increment Revenue Note Series 2006 (principal of \$1,037 and accrued interest of \$2,132).

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Principal and interest requirements for the development and tax increment financing debt issues are as follows:

	TIF Bonds and Notes		Total
	Principal	Interest	
Year ending June 30:			
2016	\$ 15,563	22,316	37,879
2017	16,557	21,322	37,879
2018	17,600	20,345	37,945
2019	18,728	19,216	37,944
2020	19,931	18,014	37,945
2021 – 2025	113,261	69,479	182,740
2026 – 2030	94,915	32,762	127,677
2031 – 2035	29,890	10,750	40,640
2036 – 2040	7,349	3,947	11,296
2041 – 2045	6,548	1,651	8,199
	\$ 340,342	219,802	560,144

e. Loan Agreement With Missouri Transportation Finance Corporation (MTFC)

Principal and interest requirements under the loan agreement with the MTFC are as follows:

	Principal	Interest	Total
Year ending June 30:			
2016	\$ 502	65	567
2017	523	44	567
2018	530	22	552
	\$ 1,555	131	1,686

f. Capital Lease—Rolling Stock

The following is a schedule of future minimum lease payments as of June 30, 2015.

Year ending June 30:		
2016		\$ 5,023
2017		4,572
2018		4,572
2019		4,104
2020		2,749
	Total future minimum lease payments	21,020
	Amount representing interest	(1,289)
	Present value of net minimum lease payments	\$ 19,731

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g. Certificates of Participation

The City has a master lease agreement with SLDC, whereby the City has leased Stadium East Redevelopment Project and related property and portions of the City Block 210 (the Kiel Premises) to SLDC. On April 16, 2015, the SLMFC issued \$5,195 in Refunding Lease Certificates of Participation; Series 2015 with an average interest rate of 3.0% to advance refund \$5,455 of the Lease Certificates of Participation, Series 2008 with an average interest rate of 4.3%. The net proceeds of \$5,537 (after the addition of \$204 premium and \$911 prior debt service reserves less payment of \$233 in issuance costs were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Series 2008 Certificates of Participation. The current and advance refunding decrease the total debt service payment of the Series 2015 payment by \$617 and results in an economic gain (difference between present value of old and new debt service payments) of \$212. As a result, the Series 2008 Certificates of Participation are considered to be defeased, and the liability removed from the financial statements.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation, which supports the Kiel Premises, as of June 30, 2015.

Year ending June 30:		
2016	\$	808
2017		803
2018		821
2019		821
2020		816
2021 – 2022		1,636
Total future minimum obligation payments		5,705
Amount representing interest		(510)
Present value of net minimum obligation payments	\$	5,195

No capital assets are recorded by the City on its statement of net position in conjunction with this obligation due to the proceeds being used for demolition and site preparation.

h. Obligations with Component Unit

1) Convention Center – SLDC Series 2000 Bonds

In 2000, SLDC issued Series 2000 Compound Interest Leasehold Revenue Bonds (Series 2000 Bonds) in the amount of \$40,000 for the purpose of providing funding for the construction of a convention center hotel within the vicinity of the Convention Center. Under the Agreement, SLMFC has assigned its rights under the lease relative to the Series 2000 Bonds to SLDC. The City is required, beginning on July 15, 2011, to make lease payments to SLDC to fund the annual debt service payments for the Series 2000 Bonds.

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The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2015.

Year ending June 30:	
2016	\$ 15,295
2017	15,295
2018	15,295
2019	15,295
2020 – 2021	30,590
Total future minimum obligation payments	91,770
Amount representing interest	(56,480)
Present value of net minimum obligation payments	\$ 35,290

No capital assets are recorded by the City on its statement of net position in conjunction with this obligation due to the proceeds of this obligation being used for construction of a convention center hotel that is not owned by the City.

2) 600 Washington Project – SLDC Series 2010 Bonds

On March 5, 2010, The Land Clearance for Redevelopment Authority (LCRA) issued \$16,960 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2010 (LCRA Series 2010 bonds) for the 600 Washington Project, a contractual obligation of the City.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2015.

Year ending June 30:	
2016	\$ 961
2017	983
2018	1,008
2019	1,028
2020	1,058
2021 – 2025	5,687
2026 – 2030	6,552
2031 – 2035	7,549
2036 – 2040	7,351
Total future minimum obligation payments	32,177
Amount representing interest	(16,041)
Present value of net minimum obligation payments	\$ 16,136

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i. Loan agreement with Forest Park Forever

During fiscal year 2015, the SLMFC issued \$2,080 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	Principal	Interest	Total
Year ending June 30:			
2016	\$ 95	237	332
2017	99	233	332
2018	104	228	332
2019	108	223	331
2020	114	218	332
2021-2025	651	1,009	1,660
2026-2030	814	846	1,660
2031-2035	1,017	642	1,659
2036-2040	1,272	388	1,660
2041-2043	911	85	996
	\$ 5,185	4,109	9,294

14. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

a. Pension Funding Project 2007

The long-term liability for the Employees' System portion of the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2015:

Governmental activities	\$ 35,791
Business-type activities	8,868
	\$ 44,659

b. Convention Center and Forest Park

On February 5, 2015, the SLMFC issued \$23,905 in Convention Center Refunding and Improvement Projects Leasehold Revenue Bonds, Series 2015 with an average interest rate of 4.104% to advance refund \$21,850 of the Leasehold Revenue Bonds, Series 2008 with an average interest rate of 5.399%. The net proceeds of \$23,960 (after the addition of \$2,894 premium and \$2,138 prior debt service reserves less payment of \$293 in issuance costs were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Leasehold Revenue Bonds, Series 2008. The current and advance refunding decrease the total debt service payment of the Series 2015 payment by \$3,338 and results in an economic gain (difference between present value of old and new debt service payments) of \$2,756. As a result, the Series 2008 Convention Center Leasehold Revenue Bonds are considered to be defeased, and the liability removed from the financial statements. Included in the financing is an additional \$2,000 was borrowed for Convention Center improvements.

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On March 4, 2015, the SLMFC issued \$7,790 in Forest Park Leasehold Revenue Refunding Bonds, Series 2015 Bonds, with an average interest rate of 3.94% to advance refund \$8,105 of the Forest Park Leasehold Revenue Bonds, Series 2004 with an average interest rate of 4.38%. The net proceeds of \$8,150 (after the addition of \$684 premium less payment of \$324 in issuance costs were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Leasehold Revenue Bonds, Series 2004. The current and advance refunding decrease the total debt service payment of the Series 2015 payment by \$536 and results in an economic gain (difference between present value of old and new debt service payments) of \$502. As a result, the Series 2004 Forest Park Leasehold Revenue Bonds are considered to be defeased, and the liability removed from the financial statements.

Principal and Interest Requirements

Principal and interest requirements for the Leasehold Revenue Improvement and Refunding Bonds are as follows:

	<u>City Parks</u>		<u>Convention Center</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2016	\$ 500	1,104	\$ 185	2,196
2017	515	1,089	135	2,247
2018	530	1,074	140	2,243
2019	555	1,052	145	2,239
2020	575	1,030	145	2,235
2021-2025	3,295	4,736	33,386	39,695
2026-2030	4,035	3,996	35,812	52,565
2031-2035	4,915	3,112	22,710	65,806
2036 – 2039	6,185	1,849	31,998	41,303
2040 – 2043	4,455	361	—	—
	<u>\$ 25,560</u>	<u>19,403</u>	<u>\$ 124,656</u>	<u>210,529</u>

	<u>Justice Center</u>		<u>Forest Park</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2016	\$ 9,030	1,587	\$ 980	312
2017	9,485	1,135	1,015	281
2018	9,920	697	1,065	230
2019	3,630	218	1,105	187
2020	1,790	72	1,150	143
2021 – 2025	—	—	2,475	111
	<u>\$ 33,855</u>	<u>3,709</u>	<u>\$ 7,790</u>	<u>1,264</u>

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	Carnahan Courthouse		Abram Building (1520 Market Street)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2016	\$ 1,330	853	\$ 1,381	209
2017	1,385	800	1,484	162
2018	1,440	744	1,036	118
2019	1,495	687	1,067	88
2020	1,555	627	1,098	57
2021 – 2025	8,775	2,135	1,130	25
2026 – 2030	4,710	316	—	—
	<u>\$ 20,690</u>	<u>6,162</u>	<u>\$ 7,196</u>	<u>659</u>

	Recreation sales tax		Police Capital Improvement sales tax	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2016	\$ 1,155	2,084	\$ 340	970
2017	1,185	2,036	350	958
2018	1,280	1,985	365	944
2019	1,335	1,931	380	930
2020	1,380	1,864	395	915
2021 – 2025	8,030	8,299	4,435	4,108
2026 – 2030	10,105	6,230	5,515	3,030
2031 – 2035	12,835	3,507	6,870	1,677
2036 – 2037	6,075	459	3,200	218
	<u>\$ 43,380</u>	<u>28,395</u>	<u>\$ 21,850</u>	<u>13,750</u>

	Public safety sales tax Pension funding project 2008		Juvenile detention center	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2016	\$ 1,930	494	\$ 585	961
2017	2,045	380	610	938
2018	2,165	261	635	914
2019	2,290	134	660	888
2020			685	862
2021 – 2025	—	—	3,860	3,869
2026 – 2030	—	—	4,775	2,958
2031 – 2035	—	—	5,950	1,783
2036 – 2038	—	—	4,250	388
	<u>\$ 8,430</u>	<u>1,269</u>	<u>\$ 22,010</u>	<u>13,561</u>

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	Pension funding project	
	Principal	Interest
Year ending June 30:		
2016	\$ 2,785	8,349
2017	2,970	8,169
2018	3,160	7,976
2019	3,365	7,770
2020	3,585	7,551
2021 – 2025	21,735	33,943
2026 – 2030	29,780	25,900
2031 – 2035	40,800	14,879
2036 – 2040	20,275	1,998
	\$ 128,455	116,535
	\$ 128,455	116,535

15. JOINT VENTURE FINANCING AGREEMENT

In April 1990, the St. Louis Regional Convention and Sports Complex Authority (Authority) was established as a separate legal entity by an act of the Missouri State legislature to acquire, purchase, or lease, and construct, operate, and maintain convention centers, sports stadiums, field houses, indoor and outdoor convention, recreational, and entertainment facilities, and to do all things incidental or necessary to facilitate these purposes.

The Authority entered into a Project Financing Construction and Operation Agreement (Financing Agreement) dated August 1, 1991 with the City, State, and County (collectively, the Sponsors) providing for the application of the proceeds of Project Bonds, for the repayment of the Project Bonds, and for the operation and maintenance of the Project. On August 1 and February 1 of each year, the City is obligated (subject to appropriations) to make rental payments of \$2,500 and preservation payments of \$500 regardless of the principal and interest payments due.

At June 30, 2015, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

	Principal	Interest	Preservation payments	Total
Year ending June 30:				
2016	\$ 3,490	1,411	1,099	6,000
2017	3,670	1,223	1,107	6,000
2018	3,865	1,025	1,110	6,000
2019	4,070	817	1,113	6,000
2020	4,280	598	1,122	6,000
2021 – 2022	9,245	491	(736)	9,000
	\$ 28,620	5,565	4,815	39,000
	\$ 28,620	5,565	4,815	39,000

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16. COMPONENT UNIT—LONG-TERM LIABILITIES

a. Component Unit – SLDC Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLDC for the year ended June 30, 2015:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Within One Year</u>
Due to other governmental agencies	\$ 5,234	609	(1,117)	4,726	4,726
Notes payable	28,578	—	(5,919)	22,659	4,694
Other liabilities	12,897	15,884	(19,596)	9,185	2,354
	<u>\$ 46,709</u>	<u>16,493</u>	<u>(26,632)</u>	<u>36,570</u>	<u>11,774</u>

Maturities on bank and other notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$ 4,694	801	5,495
2017	444	716	1,160
2018	465	695	1,160
2019	485	673	1,158
2020	13,681	311	13,992
2021 – 2030	2,890	664	3,554
	<u>\$ 22,659</u>	<u>3,860</u>	<u>26,519</u>

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17. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2015 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	\$ 244,525
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033	193,505
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028	104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.625%, payable in varying amounts through 2035	107,240
Bond Series 2011AB, interest rate of 5.00%, payable in varying amounts through 2016	5,750
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	27,275
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019	25,670
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	17,310
	726,010
Less:	
Current maturities	(39,785)
Unamortized discounts and premiums	31,660
	(8,125)
	\$ 717,885

Interest payments on the above issues are due semiannually on January 1 and July 1.

On June 30, 2015, the Airport issued \$17,310 in Series 2015 Revenue Refunding Bonds payable in varying amounts from 2020 through 2024 with an interest rate of 5.00%. At June 30, 2015, \$17,890 of 2005 Series Revenue Refunding bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements.

The Airport completed the advance refunding to reduce its total debt service payments over the next 8 years by \$3,064 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$2,102.

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As of June 30, 2015, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	Principal	Interest	Total
Year(s) ending June 30:			
2016	\$ 39,785	37,117	76,902
2017	38,400	35,522	73,922
2018	40,475	33,446	73,921
2019	42,585	31,254	73,839
2020	36,150	29,175	65,325
2021 – 2025	197,360	116,041	313,401
2026 – 2030	210,130	62,507	272,637
2031 – 2035	121,125	11,909	133,034
	\$ 726,010	356,971	1,082,981

In prior years, the Airport advance refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2015, \$17,890 of these outstanding bonds related to the 2005 Series is considered defeased.

b. Water Division

Water revenue bonds outstanding at June 30, 2015 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2013 Water Revenue Refunding Bonds, 1.56%, drawdown loan, payable in varying amounts through January 1, 2034	\$	2,288
Less:		
Current maturities		(404)
	\$	1,884

Series 2013 Water Revenue Bonds

In November 2013, the Water Division issued \$9,500 (not to exceed) in Water Revenue Bonds (Series 2013 Bonds) through the Missouri Department of National Resources Direct Loan Program. This bond issue is a drawdown loan with a fixed interest rate of 1.56% to fund various projects at the water treatment plants and throughout the distribution system. At June 30, 2015, the Water Division has drawn down a total of \$2,487 of the loan.

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Debt Service Requirements

Debt service requirements to maturity of the 2013 Series Water Revenue Bonds are as follows:

	Principal	Interest	Total
For the year ending June 30:			
2016	\$ 404	36	440
2017	412	29	441
2018	422	23	445
2019	430	16	446
2020	439	10	449
2021	181	3	184
	\$ 2,288	117	2,405

Principle and interest payments are due semiannually on January 1 and July 1.

c. Parking Division

Revenue bonds outstanding at June 30, 2015 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2028	\$ 2,585
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038	5,935
Series 2006 revenue bonds interest ranging from 3.75% to 5.14% payable in varying amounts through 2032	46,250
Series 2007 revenue bonds interest ranging from 4.125% to 6.00% payable in varying amounts through 2034	10,945
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	1,333
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2032	6,440
	73,488
Less:	
Current portion of revenue bonds payable	(2,750)
Unamortized discount and premium	265
	\$ 71,003

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Debt service requirements of the revenue bonds at June 30, 2015 are as follows:

	Principal	Interest	Total
Year ending June 30:			
2016	\$ 2,751	3,217	5,968
2017	3,200	3,070	6,270
2018	3,321	2,952	6,273
2019	3,454	2,814	6,268
2020 – 2024	19,226	11,702	30,928
2025 – 2029	21,402	7,374	28,776
2030 – 2034	18,439	2,077	20,516
2035 – 2039	1,695	210	1,905
	\$ 73,488	33,416	106,904

18. PLEDGED REVENUES

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following narratives list those revenues by source along with the general purpose of the debt, the amount of the pledge remaining, the term of the pledge commitment, the amount of pledged revenue collected during the current fiscal year, and the approximate percentage of the revenue stream that has been committed, if estimable:

a. Governmental activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2026. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2015, the total principal and interest remaining to be paid on the debt is \$27,407. Principal and interest paid was \$6,421 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2014 was \$6,599. During fiscal year 2015, the proportion of pledged revenues needed for debt service to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS is to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2036. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. It has also been pledged to pay debt on the Section 108 Loan for the Convention Center Hotel and the 600 Washington obligation with component unit. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2015, the total principal and

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interest remaining is \$616,770. Principal and interest paid was \$33,248 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$28,922. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

A \$45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a \$5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Civil Court and Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Civil Courts building and the Carnahan Courthouse, respectively. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2015, the total principal and interest remaining on these financings is \$26,852. Principal and interest paid was \$4,921 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$1,237. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. The purpose of the financings was to construct a new Justice Center. The term of commitment related to such pledged revenues extend to fiscal year 2020. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2015, total principal and interest remaining on the debt is \$37,564. Principal and interest paid was \$10,623 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$6,322. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds, whose purpose was to finance improvements to Forest Park. As legally committed by ordinance, 10.4% of the revenue collected from this sales tax is allocated for Forest Park. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. Forest Park Taxable Subordinate Leasehold Revenue Bonds issued pledge the remainder of the tax as well as any revenue generated in the park. As of June 30, 2015, total principal and interest remaining on the debt is \$18,348. Principal and interest paid was \$3,089 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$3,087. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2015, total principal and interest remaining on the debt is \$71,775. Principal and interest paid was \$3,239 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$4,886. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 66.3%.

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The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2015, total principal and interest remaining on the debt is \$35,600. Principal and interest paid was \$1,308 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$1,863. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 70.2%.

Sales tax revenues dedicated to City Parks have been pledged to pay debt outstanding on the City Parks Leasehold Improvement Dedicated Revenue Bonds. Debt payments will be made from dedicated revenues for parks in the Capital Improvement Sales Tax, Metropolitan Park and Recreation District Capital Improvement Sales Tax, and Arch-Metro Parks Sales Tax. Annual principal and interest payments on the bonds are expected to require less than 75% of estimated related revenues. As of June 30, 2015, total principal and interest remaining on the debt is \$44,963. Principal and interest paid was \$1,607 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$3,104. During fiscal year 2015, the proportion of pledged revenues needed to revenue collected was 51.8%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2015, total principal and interest outstanding on this portion of the debt is \$6,918. The pledged net revenue recognized for the year ended June 30, 2015 related to the collection of PILOTs and EATs was \$1,586. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Euclid-Buckingham parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2015, total principal and interest outstanding on this portion of the debt is \$8,494. The pledged net revenue recognized for the year ended June 30, 2015 related to the collection of PILOTs and EATs was \$307. During fiscal year 2015, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2006 and Series 2007 in parity with the Parking Division to make up any shortfall of other committed sources. The term of commitment related to such pledged revenues extend to fiscal year 2038. As of June 30, 2015, total principal and interest remaining on the debt is \$46,719. During fiscal year 2015,

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revenue from the police parking ticket revenues totaled \$588. During fiscal year 2015, none of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment. See note 18b.

b. Business-type activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$726,010 in various long-term debt issuances, as outlined in note 18. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2015, the total principal and interest remaining to be paid on the bonds is \$1,082,981. Principal and interest paid was \$77,017 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$96,274.

Water

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2015, the remaining principal and interest requirement is \$2,405 payable through January 2021 (fiscal year 2021). Principal and interest paid for the Series 2013 Bonds was \$4,062. The proportion of pledged revenue to revenue collected is estimated at 7.5% at June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$53,842.

Parking

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2006, 2007, 2013A, and 2015A. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2015 the remaining principal and interest requirement is \$93,438 payable through fiscal year 2034. Principal and interest paid for the Series 2006, 2007, 2013A, and 2015A Parking Revenue Bonds was \$4,803 for the year ended June 30, 2015. The pledged net revenue recognized for the year ended June 30, 2015 was \$9,767.

City of St. Louis, Missouri
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19. SHORT-TERM DEBT

a. City

The City issued \$65,000 of general fund Tax and Revenue Anticipation notes dated July 10, 2014 and redeemed May 29, 2015. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

Short-term debt activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Issued	Redeemed	Balance June 30, 2015
Tax and revenue anticipation notes	\$ —	65,000	(65,000)	—
	\$ —	65,000	(65,000)	—

20. OPERATING LEASES

- a. At June 30, 2015, the City was committed under miscellaneous operating leases for office space and equipment. Future minimum base rental payments under terms of the operating leases are as follows:

Year ending June 30:				
2016	\$		871	
2017			720	
2018			534	
2019			235	
2020			53	
2021 – 2025			250	
2026 – 2030			167	
			2,830	\$

Rental and lease expenditures for the fiscal year 2015 totaled \$3,332.

b. Airport – Use Agreements and Leases with Signatory Air Carriers

Effective July 1, 2011, the Airport entered into long-term use and lease agreements with signatory air carriers that will expire on June 30, 2016. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

- Landing fees are calculated based on estimated operating and maintenance expenses of the airfield, and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment, that is calculated as the difference between estimated and

City of St. Louis, Missouri
Notes to Basic Financial Statements
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actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue—airfield.

- Rentals are calculated based on estimated operating and maintenance expenses of the terminal and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage utilized. Rental revenue is adjusted each year by retroactive rate adjustment, that is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue terminal and concourses, hangars, and other buildings or cargo buildings, respectively.
- Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2015, revenues from signatory air carriers accounted for 53.1% of total Airport operating revenues.

Minimum future rentals for each year in the next five years and in the aggregate are not determinable given the method of calculation.

The following is a summary of aviation revenue by category and source from signatory and non-signatory air carriers for the year ended June 30, 2015:

	<u>Signatory</u>	<u>Non-signatory</u>	<u>Total</u>
Airfield	\$ 51,409	13,086	64,495
Terminal and concourses	22,473	2,492	24,965
Hangars and other buildings	509	602	1,111
Cargo buildings	127	230	357
	<u>\$ 74,518</u>	<u>16,410</u>	<u>90,928</u>

No assurance can be given as to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including: (1) the growth in the population and the economy of the area served by the Airport (2) national and international political and economic conditions, including the effects of any past or future terrorist attacks; (3) air carrier economics and air fares; (4) the availability and price of aviation fuel; (5) air carrier service and route networks; (6) the capacity of the air traffic control system; and (7) the capacity of the Airport/airways system.

The level of aviation activity at the Airport can have a material impact on the amount of total revenues generated at the Airport. However, Airport management believes the risk of significant variance in Airport revenues is mitigated by the Airport Use Agreements, concession agreements, and other leases, which contain minimum annual revenue guarantees.

City of St. Louis, Missouri
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The Airport leases facilities and land with varying renewal privileges to various non-signatory air carriers, concessionaires, and others. These leases, for periods ranging from 1 to 50 years, require the payment of minimum annual rentals. The following is a schedule by year of minimum future rentals on non-cancelable operating leases, other than leases with signatory airlines, pursuant to long-term use agreements:

Year(s) ending June 30:		
2016	\$	22,837
2017		22,091
2018		21,836
2019		21,619
2020		16,281
2021 – 2025		26,669
2026 – 2030		11,391
2031 – 2035		7,324
2036 – 2039		62
Total minimum future rentals	\$	150,110

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$4,197 for the year ended June 30, 2015.

Unearned lease revenues included in Airport other long-term liabilities in the amount of \$5,190 as of June 30, 2015 represent the up front lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under non-cancelable arrangements that expire at various dates through 2018. Expenses for operating leases and service agreements were \$67 for the year ended June 30, 2015. Future minimum payments are as follows:

Year ending June 30:		
2016	\$	40
2017		22
2018		9
2019		3
Total minimum future rentals	\$	74

c. Component Unit—SLDC

During the year ended June 30, 2011, SLDC signed a sub-lease agreement with the City that commenced March 1, 2012 until June 30, 2031 with rental payments of \$620 per year for the first 10 years and variable amounts for the remaining 10 years. SLDC also has sublease agreements with Community Development Agency (CDA), Affordable Housing Commission (AFC), and Planning and Urban Design Development Agency (PDA) and in effect through June 30, 2031.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA and PDA as of June 30, 2015 are as follows:

Year ending June 30:		
2016	\$	335
2017		336
2018		335
2019		336
2020 – 2021		671
		671
	\$	2,013

Additionally, at June 30, 2015, SLDC was committed through a 25-year operating lease with the City, which requires annual rental payments of \$1 (in dollars) for property at the City terminal site. Under the lease agreement, SLDC shall make improvements to the leased premises and award subleases for all or a portion of the leased premises. Sublease revenue is retained by SLDC for use at the terminal site.

21. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2015 are as follows:

Receivable fund	Payable fund	Amount
General fund	Special revenue—Grants fund	\$ 3,836
	Enterprise:	
	Airport	1,730
	Water Division	1,187
	Parking Division	1,492
		8,245
Other governmental nonmajor funds	General fund	3,168
	Capital projects fund	451
	Other governmental nonmajor funds	1,118
		4,737
Internal service funds	General fund	743
	Other governmental nonmajor funds	4
	Special revenue—Grants fund	1
	Enterprise:	
	Airport	2,543
	Water Division	2,642
Parking Division	248	
		6,181
		\$ 19,163

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All of these interfund balances are due to either timing differences or due to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2015.

Advances to/from other funds as of June 30, 2015 are as follows:

Advance from	Advance to	Amount
General fund	Internal Service Fund	\$ 40,917

22. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 consisted of the following:

		Transfer To					
		General Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	Parking Division	Total
	General fund	\$ —	11,333	8	1,850	—	13,191
	Capital Projects fund	39	—	5	14	—	58
Transfer From	Other Governmental funds	28,330	8,971	—	811	964	39,076
	Grants fund	2	—	—	—	—	2
	Parking	1,061	—	—	—	—	1,061
	Airport	6,407	—	—	—	—	6,407
	Water Division	3,115	—	—	—	—	3,115
		\$ 38,954	20,304	13	2,675	964	62,910

Interfund transfers were used to: (1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance capital improvements and other funds in accordance with budgetary authorization, or (3) move revenues in excess of current year expenditures to other funds. Additionally, gross receipt payments from the Airport and the Water Division are handled as transfers from each respective enterprise fund to the general fund.

23. COMMITMENTS AND CONTINGENCIES

a. Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2015, claims have been made on the City to make refunds under certain programs and other programs are still open as to compliance determination by the respective agencies. In the opinion of City officials, settlement of these matters will not result in a material liability to the City.

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SLPD was 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. A number of legal suits originally against SLPD are presently pending for alleged wrongful personal injuries, civil rights violations, and negligence in the line of duty.

During fiscal year 2005, the Court of Appeals for the State of Missouri affirmed that under Missouri State Statutes, Chapter 84, the SLPD was an agency of the state. As an agency of the state, the SLPD was covered by the State of Missouri's legal expense fund for most general liability and various other claims and legal actions occurring prior to August 28, 2005. On August 28, 2005, Missouri legislation became effective modifying the coverage provided to the SLPD by the State of Missouri for general liability and various other claims and legal actions. State of Missouri Bill No. 420 provides that the State of Missouri was liable annually for funding general liability claims on an equal share basis per claim with the Public Facilities Protection Corporation (PFPC), an internal service fund of the City, up to a maximum of \$1,000. The SLPD was covered by PFPC for most self-insured risks, including general liability and various other claims and legal actions, exceeding the limitations set forth by the enacted legislation. Of these suits, \$3,590 is included in the self-insurance claim liability of \$50,279 and \$11,886 is included as the estimate of reasonably possible within the \$18,868. Discussions are occurring between the City and the State of Missouri as to who is liable for certain suits that occurred prior to July 1, 2013 and also prior to August 28, 2005.

b. Commitments

At June 30, 2015, the City had outstanding commitments amounting to approximately \$10,423, resulting primarily from service agreements.

Additionally, at June 30, 2015, the Airport had outstanding commitments amounting to approximately \$20,228 resulting primarily from contracts for construction projects. In addition, the Airport has \$38,976 in outstanding commitments resulting from service agreements.

c. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end are not accounted for as expenditures and liabilities, but are included in fund balance. As of June 30, 2015 encumbrances of \$3,928 were reported in the general fund, \$27,220 in the capital projects services fund and \$2,240 in the other governmental funds.

d. American Airlines and Southwest Airlines

American Airlines, Inc. (American) and Southwest Airlines (Southwest) represent the major air carriers providing air passenger service at the Airport.

American provided 8% of the Airport's total operating revenues and 15% of total revenues from signatory air carriers for the fiscal year ended June 30, 2015. Accounts receivable at June 30, 2015 contained \$502 relating to amounts owed to the Airport by American. This amount includes \$491 of unbilled aviation revenues at June 30, 2015.

City of St. Louis, Missouri
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Southwest provided 27% of the Airport's total operating revenues and 51% of total revenues from signatory air carriers for the fiscal year ended June 30, 2015. Accounts receivable at June 30, 2015 contained \$641 relating to amounts owed to the Airport by Southwest. This amount includes \$1,986 of unbilled aviation revenues at June 30, 2015.

e. Asbestos Removal

The Water Division has identified certain of its structures as having asbestos in place. As part of its continuing process of upgrading facilities, the costs for removal of the asbestos material and restoration or replacement of the affected areas are being included in budgets for capital projects. No mandatory time requirement is in effect. The removal plan would be accelerated by changes in plans for remodeling, if any.

f. Parking Capital Commitments and Subsequent Events

On June 10, 2010, several employees who were part of an outsourcing of the meter collections, filed suit against the Parking Division. On August 24, 2012, the Court found the Parking Division liable by outsourcing the duties of employees. However, in fiscal year 2014, the Parking Division won the case on appeal and there is a possibility that this case will be taken by the Supreme Court. In fiscal year 2015, the Parking Division won the summary judgement on all claims without going to trial. However, this could still be appealed. The final outcome should be determined before January, 2016.

g. Component Unit—SLDC

In the normal course of its operations, certain lawsuits and legal action are pending against SLDC. In the opinion of SLDC officials and legal counsel, these items are not expected to have a material effect, individually or in the aggregate, upon the net position or the results of operations of SLDC. In addition, certain properties held for development may be subject to future environmental remediation costs. In the opinion of SLDC officials, these costs would not have a material adverse effect upon the financial position or the results of operations of SLDC.

SLDC has entered into various cooperative agreements with the CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to \$2,882 during the year ended June 30, 2015.

SLDC has received seven allocation awards of New Market Tax Credit (NMTC) investment authority pursuant to Section 45D of the Internal Revenue Code: a Round 2, \$52,000 allocation received in 2005, a Round 6, \$45,000 allocation in October 2008, a Round 7, \$65,000 allocation received in October 2009, a Round 8, \$21,000 allocation in February 2011, a Round 9, \$50,000 allocation received in February 2012, a Round 10, \$30,000 allocation received in April 2013 and a Round 12, \$45,000 allocation received in June 2015 from the Department of the Treasury's Community Development Financial Institutions Fund (CDFI). The NMTC program allows individuals and corporate taxpayers to receive a credit against federal income taxes in exchange for making a qualified entity investment in a qualified active low-income community business (QALICB). In order to qualify for the credits various federal requirements must be complied with.

City of St. Louis, Missouri
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SLDC was required to create Community Development Entities (CDE) so as to demonstrate its mission of serving low-income residents and its accountability to the low income community. The NMTC program requires the credits to be transferred to the QALICB's by for-profit partnerships or corporations for federal tax purposes. To comply with this provision, SLDC created 60 subsidiary CDEs – St. Louis New Markets Tax Credit Fund, LLC I through XL and 41 – 60 with the intent that each project to be allocated would be assigned its own CDE. All of SLDC's first 6 allocations have been fully deployed into 37 projects. The Round 12 allocation still has \$45,000 available; however four transactions totaling \$22,000 are currently in underwriting and expected to close within the next 2 months.

SLDC receives financial assistance from several federal, state, and local government agencies in the form of grants and contracts. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the contract and grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become an SLDC liability. However, in the opinion of their management, any such disallowed claims will not have a material effect on the basic financial statements of SLDC at June 30, 2015.

24. 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 is self-insured with respect to its obligation to provide workers' compensation, general liability, unemployment benefits, and prescription drug coverage. Effective February 1, 2003, the City became self-insured for property damage caused by garbage and refuse trucks. The City has sovereign tort immunity from liability and suit for compensatory damages for negligent acts or omissions, except in the case of injuries arising out of the operation of City motor vehicles or caused by the condition of City property. The maximum claim settlement established by state statute for such claims is \$300 per person and \$2,000 per occurrence. Various claims and legal actions involving the City are presently pending. Additionally, a number of legal suits against SLPD are presently pending for alleged wrongful personal injuries, civil rights violations, and negligence in the line of duty. The City's policy is to record these claims in its government-wide financial statements when it is probable that a liability has been incurred and the amount can be reasonably estimated.

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of \$50,279 at June 30, 2015, relating to these matters is recorded in the self-insurance internal service fund—PFPC. Of total workers' compensation liability, \$4,304 has been accrued for benefits to be paid for long-term medical care for officers seriously injured in the line of duty. Benefit payments for these cases amounted to approximately \$369 for the year ended June 30, 2015. The City obtains periodic funding valuations from a claims-servicing company managing the appropriate level of estimated claims liability. Enterprise funds reimburse PFPC on a cost-reimbursement basis.

The City is self-insured for the prescription drug coverage provided to employees and retirees. The estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of \$685 at June 30, 2015 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2015, the following claims were recorded/accrued within the noted funds because the claims are not accounted for within the PFPC internal service fund; General fund in the amount of \$33.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

The City maintains a blanket surety bond covering all City employees through PFPC. In addition, the City purchases commercial insurance for property damage for large City buildings and some contents. Damage and liability coverage is applicable to the Airport. There were no significant changes in coverage for the year ended June 30, 2015 and, for the years ended June 30, 2015 and 2014 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2015 and 2014 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2015	\$ 45,825	31,797	(27,343)	50,279
2014	40,899	25,572	(20,646)	45,825

Additionally, there is an estimate of general liability claims outstanding of \$18,868 which the City Counselor's office has determined there is a reasonable possibility that a loss contingency may be incurred but no accrual has been made within the government-wide financial statements or fund financial statements because the loss is not both probable and estimateable.

25. GRANT LOAN PROGRAMS

The City's general fund and grants fund include the activities of the CDA that, among other activities, makes loans to developers under the Housing Implementation Program. This program, which is administered for the City by certain financial institutions, provides funds to rehabilitate housing units for low- and moderate-income families. These loans typically are noninterest bearing, due in 25 years, and secured by a second deed of trust. CDA also made loans under the Urban Development Action Grant (UDAG) program to assist organizations with development projects within the City. These loans typically have a lower-than-market interest rate and payback periods ranging from 10 to 40 years after completion of the projects.

Any funds received from the repayments of these loans are to be spent by the City in accordance with Community Development Block Grant program regulations. Since repayment of the loans is dependent on the success of projects that involve considerable risk, collectability is not assured, and accordingly, the City reflects these loans as an expenditure of the grants fund in the year the loans are made. Any loan repayments are reflected as intergovernmental revenue (or deferred revenue if moneys have not been spent) in the year of receipt.

26. COMPONENT UNIT—SLDC CONDUIT DEBT

SLDC facilitates the issuance of tax-exempt bonds for various private enterprises and government agencies. After the bonds are sold, the proceeds are typically used to purchase real estate or fund capital improvements for the respective entity. Since the entity is responsible for the repayment of the bonds, no liability is established on the SLDC's books. Therefore, transactions related to the leases and the related bond liability are not presented in SLDC's basic financial statements.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

27. FUND BALANCE

The following table displays the breakdown of fund balance by purpose in accordance with GASB Statement No. 54:

	<u>General fund</u>	<u>Capital projects fund</u>	<u>Grant funds</u>	<u>Other governmental fund</u>	<u>Total</u>
Nonspendable:					
Health and welfare	\$ —	—	—	10	10
Parks and recreation	—	—	—	1	1
Public safety	1,732	—	—	—	1,732
Other	693	—	—	—	693
Total Nonspendable	<u>2,425</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>2,436</u>
Restricted:					
Redevelopment	—	—	—	11,994	11,994
Streets and bridges	—	1,680	—	44	1,724
Public safety	—	2,711	818	69	3,598
Parks and recreation	—	24,918	—	1,837	26,755
Convention and tourism	—	4,252	—	—	4,252
Transportation	—	—	—	5,610	5,610
Debt service	14,852	4,547	—	23,816	43,215
Other	—	304	—	1,901	2,205
Total Restricted	<u>14,852</u>	<u>38,412</u>	<u>818</u>	<u>45,271</u>	<u>99,353</u>
Committed:					
Health and welfare	—	—	—	13,417	13,417
Streets and bridges	—	4,666	—	1,958	6,624
Public safety	—	463	—	5,658	6,121
Parks and recreation	—	9,747	—	2,146	11,893
Convention and tourism	—	—	—	3,327	3,327
Payroll reserve	9,134	—	—	—	9,134
Other	—	18,794	—	3,898	22,692
Total Committed	<u>9,134</u>	<u>33,670</u>	<u>—</u>	<u>30,404</u>	<u>73,208</u>
Assigned:					
Redevelopment	—	—	—	2,883	2,883
Health and welfare	—	—	—	8	8
Streets and bridges	—	—	—	31	31
Public safety	—	—	—	40	40
Parks and recreation	—	—	—	170	170
Convention and tourism	—	—	—	—	—
Other	2,242	—	—	3,247	5,489
Total Assigned	<u>2,242</u>	<u>—</u>	<u>—</u>	<u>6,379</u>	<u>8,621</u>
Unassigned	<u>—</u>	<u>(18,227)</u>	<u>—</u>	<u>—</u>	<u>(18,227)</u>
Total fund balance	<u>\$ 28,653</u>	<u>53,855</u>	<u>818</u>	<u>82,065</u>	<u>165,391</u>

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2015
(dollars in thousands)

28. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 7, 2015, the City issued \$60,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 1, 2016 and bear interest at a rate of 2.00% per year.

b. Development and Tax Increment Revenue Notes

Subsequent to June 30, 2015, the City issued development and tax increment revenue notes totaling \$39,744 with interest rates ranging from 4.50% to 7.08%.

c. 1520 Market Financing

On September 1, 2015, the SLMFC issued \$7,000 1520 Market St. Leasehold Refunding Revenue Bonds, Series 2015A and Not to Exceed \$13,000 1520 Market St. Taxable Leasehold Revenue Bonds, Series 2015B. Along with additional contributions of the City, the Series 2015A bonds refunded the Series 2007 and Series 2011 outstanding principal in the amount of \$7,196, as well as any accrued interest, redemption premiums and cost of issuance. A draw on the Series B bonds in the amount of \$5,500 was used for cost of issuance and site preparation for the possible NGA property.

d. General Obligation Bonds Refinancing

Subsequent to June 30, 2015, the City approved the refinancing of \$23,010 General Obligation Bonds.

e. Water Revenue Refunding Bonds

In September 2015, the Water Division drew down an additional \$210 of the Series 2013 Water Revenue Refunding Bonds.

f. Property Taxes

The City tax rate levied in November 2015 was \$1.6158 per \$100 (in dollars) of assessed valuation of which \$1.4828 (in dollars) is for the general fund and \$0.133 (in dollars) is for the debt service fund.

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Gross receipts	\$ 7,823	7,823	7,668	(155)
City earnings	156,110	161,010	160,720	(290)
Franchise	55,414	52,414	52,077	(337)
Sales	48,750	53,650	54,197	547
Property	57,347	57,347	57,513	166
Payroll	36,125	37,625	37,983	358
Motor vehicle	2,970	3,370	3,077	(293)
Other	709	709	547	(162)
Total taxes	<u>365,248</u>	<u>373,948</u>	<u>373,782</u>	<u>(166)</u>
Licenses and permits:				
Graduated business	6,676	6,676	6,504	(172)
Cigarette	1,644	1,644	1,638	(6)
Building division	7,392	7,392	7,340	(52)
Communication transmission	1,530	1,530	1,608	78
Liquor	533	533	542	9
Other	614	614	612	(2)
Motor vehicle	1,408	1,408	1,418	10
Total licenses and permits	<u>19,797</u>	<u>19,797</u>	<u>19,662</u>	<u>(135)</u>
Intergovernmental:				
Motor fuel tax allocation	8,150	8,150	8,418	268
Juvenile detention center	2,084	2,084	2,017	(67)
Public safety	7,985	6,985	7,473	488
Other intergovernmental	421	421	431	10
Total intergovernmental	<u>18,640</u>	<u>17,640</u>	<u>18,339</u>	<u>699</u>
Charges for services:				
Parks and recreation	332	332	287	(45)
Streets	17,210	16,710	16,747	37
Public safety	6,418	5,418	6,048	630
Health	765	765	789	24
Fee offices	4,570	3,170	3,812	642
Other	25	25	169	144
Services provided to other funds	4,849	4,849	4,957	108
Total charges for services	<u>34,169</u>	<u>31,269</u>	<u>32,809</u>	<u>1,540</u>
Court fines and forfeitures	<u>4,651</u>	<u>3,651</u>	<u>3,950</u>	<u>299</u>
Interest	<u>1</u>	<u>1</u>	<u>9</u>	<u>8</u>
Miscellaneous	<u>3,473</u>	<u>2,673</u>	<u>3,293</u>	<u>620</u>
Total revenues	<u>445,979</u>	<u>448,979</u>	<u>451,844</u>	<u>2,865</u>
EXPENDITURES				
Total revenues	<u>477,562</u>	<u>481,062</u>	<u>476,163</u>	<u>4,899</u>
Excess of revenues over expenditures	(31,583)	(32,083)	(24,319)	7,764
Other financing sources (uses):				
Transfers in	38,422	38,922	37,327	(1,595)
Transfers out	(11,946)	(11,946)	(11,946)	—
Total other financing sources (uses), net	<u>26,476</u>	<u>26,976</u>	<u>25,381</u>	<u>(1,595)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (5,107)</u>	<u>(5,107)</u>	<u>1,062</u>	<u>6,169</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Schedule of Expenditures -
 Budget and Actual - General Fund
 UNAUDITED
 For the year ended June 30, 2015
 (dollars in thousands)

	Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
General government:						
110 Board of Alderman	2,934	2,933	2,698	171	2,869	64
120 Mayor's Office	1,805	1,805	1,537	161	1,698	107
123 Department of Personnel	3,982	3,982	2,867	253	3,120	862
124 Registrar	183	183	143	7	150	33
126 Civil Rights Enforcement Agency	322	322	310	4	314	8
127 Information Technology Service Agency	5,470	5,470	3,457	1,892	5,349	121
137 Division of the Budget	440	440	424	9	433	7
139 City Counselor	6,975	6,975	3,989	6,644	10,633	(3,658)
141 Planning and Urban Design	511	511	346	155	501	10
160 Comptroller	8,202	8,689	4,571	3,624	8,195	494
162 Municipal Garage	344	344	289	43	332	12
163 Microfilm Section	379	379	261	34	295	84
170 Supply Commissioner	729	729	657	10	667	62
171 Multigraph Section	933	933	615	232	847	86
330 Tax Equalization Board	11	11	5	—	5	6
333 Recorder of Deeds	2,723	2,663	2,354	215	2,569	94
334 Election and Registration	3,466	3,466	2,277	1,013	3,290	176
340 Treasurer	738	738	702	30	732	6
Prior year encumbrance	1,063	1,083	—	237	237	846
Sub total general government	41,210	41,656	27,502	14,734	42,236	(580)
190 City-Wide Accounts	2,846	2,846	1,876	2,438	4,314	(1,468)
Prior year encumbrance	—	—	—	—	—	—
Sub total city-wide accounts	2,846	2,846	1,876	2,438	4,314	(1,468)
Total general government	44,056	44,502	29,378	17,172	46,550	(2,048)
Convention and tourism:						
930 Soldier's Memorial Building	145	145	123	4	127	18
Total convention and tourism	145	145	123	4	127	18
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	595	595	664	35	699	(104)
213 Division of Recreation	1,390	1,390	1,282	104	1,386	4
214 Division of Forestry	8,506	8,506	7,479	840	8,319	187
220 Division of Parks	7,407	7,407	6,755	658	7,413	(6)
225 Souldard Market	229	229	131	67	198	31
250 Tower Grove Park	710	710	—	710	710	—
Total parks and recreation	18,837	18,837	16,311	2,414	18,725	112

(continued)

City of St. Louis, Missouri
 Schedule of Expenditures -
 Budget and Actual - General Fund

UNAUDITED

For the year ended June 30, 2015
 (dollars in thousands)

	Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
Judicial:						
310 Circuit Court (Circuit Judges)	—	—	—	—	—	—
311 Circuit Court (General)	8,318	8,318	4,667	3,077	7,744	574
312 Circuit Attorney	7,310	7,310	6,774	517	7,291	19
313 Board of Jury Supervisors	1,483	1,483	482	838	1,320	163
314 Probate Court	—	—	—	—	—	—
315 Sheriff	9,428	9,428	8,826	411	9,237	191
316 City Courts	2,660	2,660	2,102	510	2,612	48
317 City Marshal	—	—	—	—	—	—
320 Probation Department and Juvenile Detention Center	16,810	16,810	14,848	1,366	16,214	596
321 Drug Court	215	215	—	138	138	77
Prior year encumbrance	869	869	—	348	348	521
Total judicial	47,093	47,093	37,699	7,205	44,904	2,189
Streets:						
510 Director of Streets	1,257	1,257	1,160	55	1,215	42
511 Transportation and Traffic Division	9,392	9,392	5,265	4,565	9,830	(438)
513 Auto Towing and Storage	1,804	1,804	1,580	237	1,817	(13)
514 Street Division	7,846	9,046	6,131	3,560	9,691	(645)
516 Refuse Division	15,168	15,168	8,230	6,678	14,908	260
Prior year encumbrance	—	—	—	—	—	—
Total streets	35,467	36,667	22,366	15,095	37,461	(794)
Public safety - fire:						
611 Fire Department Operations	54,952	55,277	53,638	3,241	56,879	(1,602)
612 Firemen's Retirement System	8,821	8,821	8,821	—	8,821	—
Total public safety - fire	63,773	64,098	62,459	3,241	65,700	(1,602)
Public safety - police:						
650 Police Department	119,575	120,375	105,896	12,790	118,686	1,689
651 Police Retirement System	30,256	30,256	30,246	—	30,246	10
Prior year encumbrance	4,157	4,137	15	3,037	3,052	1,085
Total public safety - police	153,988	154,768	136,157	15,827	151,984	2,784
Public safety - other:						
610 Director of Public Safety	773	773	657	115	772	1
614 Office of Special Events	182	182	184	—	184	(2)
616 Excise Commissioner	447	447	427	20	447	—
620 Building Commissioner	7,897	7,893	7,430	519	7,949	(56)
622 Neighborhood Stabilization	2,708	2,719	2,414	137	2,551	168
625 City Emergency Management Agency	167	167	284	22	306	(139)

City of St. Louis, Missouri
 Schedule of Expenditures -
 Budget and Actual - General Fund
 UNAUDITED
 For the year ended June 30, 2015
 (dollars in thousands)

	Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
632 Medium Security Institution	\$ 16,480	15,950	10,228	4,645	14,873	1,077
633 City Jail	22,506	22,528	15,974	5,654	21,628	900
Total public safety-other	51,160	50,659	37,598	11,112	48,710	1,949
Health and welfare:						
335 Medical Examiner	2,029	2,029	908	1,082	1,990	39
800 Director of Human Services	1,414	1,428	1,228	129	1,357	71
Total health and welfare	3,443	3,457	2,136	1,211	3,347	110
Public services:						
900 President's Office, Board of Public Services	2,664	2,664	2,378	175	2,553	111
903 Building Operations	14,796	14,857	3,955	9,701	13,656	1,201
910 Equipment Services Division	13,688	14,863	7,311	6,933	14,244	619
Total public services	31,148	32,384	13,644	16,809	30,453	1,931
Debt service:						
Principal	21,892	21,892		21,890	21,890	2
Interest and fiscal charges	6,560	6,560		6,312	6,312	248
Total debt service	28,452	28,452		28,202	28,202	250
Total expenditures	477,562	481,062	357,871	118,292	476,163	4,899

See accompanying independent auditors' report.

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund – UNAUDITED
For the Year ended June 30, 2015
(Dollars in thousands)

1. EXPLANATION OF BUDGETARY PROCESS

The City prepares annual budgets for the general fund, the debt service fund, the capital projects fund, and the following nonmajor special revenue funds: use tax fund, transportation fund, convention and tourism fund, licensed gaming program fund, assessor's office fund, lateral sewer program fund, tax increment financing fund, communications division fund, public safety trust fund, public safety sales tax fund, parks and recreation and other budgeted special revenue fund. An annual budget is not prepared for the grants major special revenue fund.

The City follows the procedures outlined below in establishing the budgetary data:

- 1) On or before 60 days prior to the start of each fiscal year, the Budget Director submits to the Board of Estimate and Apportionment (E&A), which consists of the Mayor, the Comptroller, and the President of the Board of Aldermen, for approval and submission to the Board of Aldermen (Board), a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them at the sub-fund level. A public hearing is held by E&A in order to afford citizens an opportunity to be heard on the proposed budget. The Board may reduce any item, except amounts fixed by state statute or for the payment of principal or interest of the City debt or for meeting any ordinance obligations, but may not increase such amount nor insert new items. Expenditures may not legally exceed appropriations at the fund level; however, supplemental appropriations may be made by the Board.
- 2) The annual operating budgets are adopted by the affirmative vote of a majority of the members of the Board and approval by the Mayor on or before the last day of the preceding budget year. In the event the Board has not acted upon the proposed budget ordinance by this time, the budgets, as recommended by E&A or in its absence, the submission by the Budget Director, shall be considered to be adopted and approved by the Board.
- 3) During the year, with the approval of E&A, the City may transfer part or all of any encumbered appropriation balance among programs within a department, office, or agency, without approval of the Board. Legislative action is required by the Board when the budget for an entire fund is to be increased. The amount of such transfers during the year was not significant.
- 4) If it is determined that there are revenues in excess of those estimated in the budget that are available for appropriation, the Board may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.
- 5) At the end of each budget period, all unencumbered appropriated balances lapse, with the exception of appropriations for capital improvements that lapse upon completion of the related capital improvement project.

Schedule 2, Continued

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund – UNAUDITED (continued)
For the year ended June 30, 2015
(Dollars in thousands)

2. **EXPLANATION OF THE DIFFERENCES BETWEEN THE EXCESS/(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES—BUDGET BASIS AND NET CHANGE IN FUND BALANCE—GAAP BASIS**

The City’s budgetary process is based upon accounting for certain transactions on a basis other than accounting principles generally accepted for governmental entities in the United States of America (GAAP). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund in accordance with the budget basis of accounting.

The major differences between the budget and GAAP bases of accounting are:

- 1) Revenues are recorded when received in cash (budget), as opposed to when they are measurable and available (GAAP).
- 2) Expenditures are recorded when paid (budget), as opposed to when the obligation is incurred (GAAP).
- 3) Certain activities and funds of the general, special revenue, and capital projects fund types are not included in the annual operating budgets adopted by the Board.

Adjustments necessary to reconcile the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses from the GAAP basis to the budget basis of accounting are as follows:

Budget basis	\$	1,062
Increase (decrease) due to:		
Revenue accruals		(1,515)
Expenditure accruals		(5,159)
Unbudgeted activities and funds		(1,460)
GAAP basis	\$	<u>(7,072)</u>

See accompanying independent auditors’ report.

3. **EXCESS OF EXPENDITURES OVER BUDGET**

At June 30, 2015, the transportation special revenue fund – nonmajor governmental fund has a budget deficit of \$(172). The budget deficit will be offset by future appropriations of funds.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Police Retirement System of St. Louis

Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Fiscal Years (In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	12,992									
Interest	65,906									
Difference between expected and actual experience	-									
Change in benefit	-									
Change of assumptions	6,650									
Benefit payments	(60,973)									
Net change in total pension liability	24,575									
Total pension liability - beginning	895,331									
Total pension liability - ending (a)	\$ 919,906									
System Fiduciary Net Position										
Contributions - employer	32,325									
Contributions - employee	4,438									
Net investment income	48,095									
Benefit payments	(60,973)									
Administrative expenses	(1,096)									
Net change in fiduciary net position	22,789									
System fiduciary net position - beginning	706,277									
System fiduciary net position - ending (b)	\$ 729,066									
Net pension liability - ending: (a)-(b)	\$ 190,840									
System's fiduciary net position as a percentage of the total pension liability	79.25%									
Covered-employee payroll*	78,610									
Net pension liability as a percentage of covered-employee payroll	242.77%									

* Covered-employee payroll as reported in the October 1, 201X funding valuation report

See accompanying independent auditors' report.

Schedule 3, Continued

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Police Retirement System of St. Louis, continued

Schedule of Contributions - Last Ten Fiscal Years (In Thousands)

Fiscal Year Ended June 30,	Contributions as % of covered-employee payroll		Contributions in relation to the actuarially determined contribution		Contribution deficiency (excess)
	Covered Employee Payroll	Actuarially determined contribution	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	
2015	78,610	41.12%	32,325	32,325	-
2014	70,328	41.96%	29,513	32,629	(3,116)
2013	70,077	31.60%	22,146	28,474	(6,328)
2012	67,594	26.80%	18,116	20,037	(1,921)
2011	71,095	21.25%	15,108	17,476	(2,368)
2010	68,573	16.58%	11,368	14,318	(2,950)
2009	63,835	18.99%	12,123	10,384	1,739
2008	62,179	25.95%	16,136	42,289	(26,153)
2007	61,678	25.17%	15,525	8,093	7,432
2006	70,161	22.68%	15,910	8,093	7,817

Notes to Required Supplementary Information for Contributions

Valuation Date: October 1, 2013

Methods and assumptions used to determine contribution rates:

- Actuarial Cost Method: Entry Age Normal
- Amortization Method/Period: None - aggregate is funded over the future working lifetime of current participants
- Asset Valuation Method: 5-year smoothed average of market value

Actuarial Assumptions:

- Investment Rate of Return: 7.75%, net of 0.15% administrative expenses
- Inflation: 2.5%
- Projected Salary Increases: 3.0% - 6.5%, varying by age
- Mortality (ordinary): RP-2000 Blue collar combined projected to 2018
- Mortality (accidental): 0.03% per year for all ages in addition to ordinary mortality
- Mortality (disabled): RP-2000 disabled retiree mortality projected to 2018

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Firemen's Retirement System of St Louis

Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Fiscal Years (In Thousands)

	Fiscal Year End June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	-									
Interest	34,450									
Difference between expected and actual experience	-									
Change in benefit	-									
Refunds	(1,205)									
Benefit payments	(34,002)									
Net change in total pension liability	(757)									
Total pension liability - beginning	452,299									
Total pension liability - ending (a)	\$ 451,542									

(Historical information prior to implementation of GASB 67/68 is not required)

System Fiduciary Net Position

Contributions - employer	1,008
Refunds	(1,205)
Net investment income	48,270
Benefit payments	(34,002)
Transfer out due to settlement agreement	(10,279)
Administrative expenses	(1,424)

Net change in fiduciary net position	2,368
System fiduciary net position - beginning	492,222
System fiduciary net position - ending (b)	\$ 494,590

Net pension liability - ending: (a)-(b)	\$ (43,048)
System's fiduciary net position as a percentage of the total pension liability	109.53%
Covered-employee payroll*	29,768
Net pension liability as a percentage of covered-employee payroll	-144.61%

* Covered-employee payroll as reported in the October 1, 201X funding valuation report

See accompanying independent auditors' report.

Schedule 3, Continued

**City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)**

Firemen's Retirement System of St Louis, continued

Schedule of Contributions - Last Ten Fiscal Years (In Thousands)

Fiscal Year Ended June 30,	Covered Employee Payroll	Contributions		Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
		as % of covered- employee payroll	Actuarially determined contribution		
2015	29,768	3.39%	1,008	1,008	-
2014	30,022	32.66%	9,804	10,137	(333)
2013	36,013	58.80%	21,177	21,685	(508)
2012	37,157	62.09%	23,072	23,072	-
2011	40,789	43.77%	17,855	17,855	-
2010	42,052	29.00%	12,194	12,194	-
2009	41,649	17.97%	7,485	7,485	-
2008	37,690	37.90%	14,285	49,398	(35,113)
2007	35,726	50.89%	18,180	4,109	14,071
2006	35,434	50.15%	17,769	4,105	13,664

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30-year closed period from establishment
Asset Valuation Method	3-year smoothed average of market value
Actuarial Assumptions:	
Investment Rate of Return	7.925%, net of investment expenses
Inflation	3%
Projected Salary Increases	Benefits have been frozen since February 1, 2013; therefore, no salary increases have been assumed
Mortality	RP-2000 mortality table, sex distinct, with rates projected to 2015

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Firefighters' Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Fiscal Years (In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	6,411									
Interest	4,088									
Difference between expected and actual experience	(5,360)									
Change in benefit	-									
Change of assumptions	-									
Benefit payments	(133)									
Net change in total pension liability	5,006									
Total pension liability - beginning	47,262									
Total pension liability - ending (a)	\$ 52,268									
Plan Fiduciary Net Position										
Contributions - employer	15,825									
Contributions - employee	2,813									
Net investment income	(92)									
Benefit payments	(133)									
Administrative expenses	(207)									
Net change in fiduciary net position	18,206									
Plan fiduciary net position - beginning	1,653									
Plan fiduciary net position - ending (b)	\$ 19,859									
Net pension liability - ending: (a)-(b)	\$ 32,409									
Plan's fiduciary net position as a percentage of the total pension liability	37.99%									
Covered-employee payroll*	39,102									
Net pension liability as a percentage of covered-employee payroll	82.88%									

(Historical information prior to implementation of GASB 67/68 is not required)

* Covered-employee payroll as reported in the October 1, 201X funding valuation report

See accompanying independent auditors' report.

Schedule 3, Continued

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Firefighters' Retirement Plan, continued

Schedule of Contributions - Last Ten Fiscal Years (In Thousands)

Fiscal Year Ended June 30,	Covered Employee Payroll	Contributions as % of covered-employee payroll	Contributions	
			Actuarially determined contribution	Contributions in relation to the actuarially determined contribution (deficiency (excess))
2015	39,102	40.47%	8,942	15,825 (6,883)
2014	23,270	29.58%	6,883	-
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30-year closed period from establishment
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	7.625%, net of investment expenses
Inflation	3%
Projected Salary Increases	Varies based on employee's years of service
Mortality	RP-2000 mortality table, sex distinct, with rates projected to 2015

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)

Employees Retirement System of the City of St Louis

Schedule of Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years (In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Proportion of the net pension liability	83.90%									
Proportionate share of the net pension liability	\$ 129,712									
Covered-employee payroll	212,684									
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.99%									
Plan fiduciary net position as a percentage of the total pension liability	83.54%									

Schedule of Contributions - Last Ten Fiscal Years (In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Contributions			
											Covered Employee Payroll	as % of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution
	212,684	192,141	191,099	189,602	197,584	204,348	202,896	196,375	190,502	190,261	14.51%	28,576	30,865	(2,289)
		0.00%	13.52%	13.13%	11.67%	11.34%	12.71%	30.86%	7.03%	7.04%		29,601	-	29,601
			27,064	25,073	24,224	22,162	21,495	25,159	25,056	24,857		25,837	24,900	1,227
			25,073	24,224	22,162	21,495	25,159	25,056	24,857			23,049	23,164	173
			24,224	22,162	21,495	25,159	25,056	24,857				23,049	23,164	1,175
			22,162	21,495	25,159	25,056	24,857					23,164	25,798	(1,002)
			21,495	25,159	25,056	24,857						25,798	60,606	(4,303)
			25,159	25,056	24,857							60,606	13,393	(35,447)
			25,056	24,857								13,393	13,393	11,663
			24,857									13,390	13,390	11,467

Fiscal Year Ended June 30,

See accompanying independent auditors' report.

Schedule 3, Continued

**City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2015
(dollars in thousands)**

Employees Retirement System of the City of St Louis, continued

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age
Amortization Method	Rolling 30-year level dollar amortization of unfunded liability
Remaining amortization period	30 years
Asset Valuation Method	5-year smoothed average of market value
Actuarial Assumptions:	
Investment Rate of Return	8%
Inflation	3.125%
Projected Salary Increases	varies by age, ranging from 3.50% to 7.017%
Mortality	1994 Group Annuity Mortality Table

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information –
 UNAUDITED
 June 30, 2015
 (dollars in thousands)

Other Postemployment Benefits Plan

The following required supplementary information relates to postemployment benefits plan.

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/13	—	490,773	490,773	0.0	88,828	552.5
7/1/11	—	443,392	443,392	0.0	93,289	475.3

See accompanying independent auditors' report.



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Use Tax – Used to record revenue received from the local use tax and expenditures made to promote health and welfare activities.

Transportation – Used to record sales tax revenue and expenditures for transportation purposes.

Convention and Tourism – Used to record revenue received from the one-cent restaurant tax, 3½% hotel tax, and football admission gross receipts and expenditures made to promote convention and tourism activities.

Licensed Gaming Program – Used to record revenue received from adjusted gross receipts and admissions taxes imposed on riverboat gaming excursion boats.

Assessor's Office – Used to account for financial assistance received from the State of Missouri, commissions received from the collection of property taxes, and expenditures made to operate the Assessor's office.

Lateral Sewer Program – Used to account for revenue received from charges on specific residential support within the boundaries of the City of St. Louis and expenditures made to repair lateral sewer service lines leading from the residential properties to any sewer main that is maintained by the Metropolitan St. Louis Sewer District.

Collector of Revenue – Used to account for operating receipts and disbursements of the Collector of Revenue's office.

Development Projects Financing – Used to account for the revenues, expenditures, and other activities relating to the tax increment financing districts and other development pledged revenues.

State Subsidized Redevelopment Projects – Used to record the activity relating to funding associated with state subsidized redevelopment projects using super tax increment financing funds or Missouri Downtown Economic Stimulus Act (MODESA) funding.

License Collector – Used to account for the operating receipts and disbursements of the License Collector's office.

Public Safety Trust Fund – Used to account for revenues derived from an increase in the graduated business license to be used for enhanced public safety.

Public Safety Sales Tax – Used to account for revenues received from an increase of sales tax to be used for public safety.

Parks and Recreation – Used to account for revenues designated for parks and recreation.

Other Budgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are adopted.

Other Nonbudgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are not adopted.

Nonmajor Governmental Funds

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

City of St. Louis, Missouri
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015
 (dollars in thousands)

	Special revenue									
	Use Tax	Transportation	Convention and Tourism	Licensed Gaining Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Development Projects Financing	State Subsidized Redevelopment Projects	
Assets										
Cash and cash equivalents:										
Restricted	—	—	—	—	—	—	—	2,157	151	
Unrestricted	10,525	—	—	1,015	—	1,839	809	13,653	4,619	
Investments:										
Restricted	—	—	—	—	—	—	—	3,230	—	
Unrestricted	580	—	—	56	—	102	—	752	254	
Receivables, net of allowances:										
Taxes	4,632	5,997	3,530	619	—	—	—	17,413	1,180	
Licenses and permits	—	—	—	—	—	—	—	—	—	
Intergovernmental	—	—	—	—	—	—	—	153	414	
Charges for services	—	—	—	—	—	780	—	—	—	
Other	—	—	—	—	—	—	—	—	—	
Due from component unit	—	—	—	—	—	—	—	—	—	
Due from other funds	—	—	—	—	—	—	—	4,008	729	
Total assets	\$ 15,737	5,997	3,530	1,690	—	2,721	809	41,366	7,347	
Liabilities, Deferred Inflow of Resources, and Fund Balances										
Liabilities:										
Accounts payable and accrued liabilities	905	—	—	1	2	167	—	148	—	
Accrued salaries and other benefits	452	—	—	—	186	23	—	9	—	
Due to component units	—	—	—	—	—	—	—	—	—	
Due to other funds	4	387	236	—	—	—	—	—	—	
Unearned revenue	—	—	—	—	—	—	—	—	—	
Total liabilities	1,361	387	236	1	188	190	—	157	—	
Deferred inflow of resources	—	—	—	—	—	649	—	17,130	1,576	
Total liabilities and deferred inflow of resources	1,361	387	236	1	188	839	—	17,287	1,576	
Fund balances:										
Nonspendable	—	—	—	—	—	—	—	—	—	
Restricted	—	5,610	—	11	(188)	—	809	21,196	5,771	
Committed	12,926	—	3,294	—	—	1,882	—	—	—	
Assigned	1,450	—	—	1,678	—	—	—	2,883	—	
Unassigned	—	—	—	—	—	—	—	—	—	
Total fund balances	14,376	5,610	3,294	1,689	(188)	1,882	809	24,079	5,771	
Total liabilities, deferred inflow of resources, and fund balances	\$ 15,737	5,997	3,530	1,690	—	2,721	809	41,366	7,347	

(Continued)

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015
(dollars in thousands)

	Special revenue							Total Other Governmental Fund
	License Collector	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	
Assets								
Cash and cash equivalents:								
Restricted	—	—	—	775	—	—	3,083	6,284
Unrestricted	1,928	27	1,741	2,121	3,630	4,546	46,453	46,453
Investments:								
Restricted	—	—	96	—	—	639	3,230	6,930
Unrestricted	—	1	—	116	198	—	2,794	2,794
Receivables, net of allowances:								
Taxes	—	—	2,997	749	1,491	—	38,608	45,630
Licenses and permits	—	211	—	—	7	—	218	218
Intergovernmental	—	—	—	—	155	—	722	722
Charges for services	—	—	—	—	447	12	1,239	1,239
Other	—	—	—	—	189	285	474	474
Due from component unit	—	—	—	—	535	—	535	535
Due from other funds	—	—	—	—	—	—	4,737	4,737
	1,928	239	4,834	3,761	6,652	5,482	102,093	116,016
Liabilities, Deferred Inflow of Resources, and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	—	—	178	60	209	5	1,675	1,675
Accrued salaries and other benefits	—	27	2	157	272	16	1,144	1,144
Due to component units	—	—	—	—	—	625	625	625
Due to other funds	—	—	389	106	—	—	1,122	1,122
Unearned revenue	—	—	—	—	2,460	284	2,744	2,744
Total liabilities	—	27	569	323	2,941	930	7,310	7,310
Deferred inflow of resources	—	59	—	—	270	—	19,684	26,641
Total liabilities and deferred inflow of resources	—	86	569	323	3,211	930	26,994	33,951
Fund balances:								
Nonspendable	—	—	—	—	—	11	11	11
Restricted	1,928	—	—	1,688	541	939	38,305	45,271
Committed	—	153	4,265	1,750	2,854	3,280	30,404	30,404
Assigned	—	—	—	—	46	322	6,379	6,379
Unassigned	—	—	—	—	—	—	—	—
Total fund balances	1,928	153	4,265	3,438	3,441	4,552	75,099	82,065
Total liabilities, deferred inflow of resources, and fund balances	1,928	239	4,834	3,761	6,652	5,482	102,093	116,016

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended June 30, 2015
 (dollars in thousands)

	Special revenue									
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Development Projects Financing	State Subsidized Redevelopment Projects	
Revenues:										
Taxes	29,547	39,371	14,436	6,892	2,123	—	—	25,621	2,717	
Licenses and permits	—	—	—	—	417	—	—	—	—	
Intergovernmental	—	—	—	—	—	—	—	1,766	1,037	
Charges for services, net	(2)	—	—	—	1	2,654	8,778	—	—	
Investment income	—	—	—	—	—	1	6	3	(1)	
Miscellaneous	12	—	—	—	—	—	310	351	2,357	
Total	29,557	39,371	14,436	6,892	2,541	2,655	9,094	27,741	6,110	
Expenditures:										
General government	98	—	165	—	4,270	—	8,651	695	5	
Convention and tourism	—	—	—	—	—	—	—	—	—	
Parks and recreation	—	—	—	—	—	—	—	—	—	
Judicial	—	—	—	—	—	—	—	—	—	
Streets	539	—	—	—	—	—	—	—	—	
Public safety:										
Fire	—	—	—	5	—	—	—	—	—	
Police	10,232	—	—	2,681	—	—	—	—	—	
Other	3,104	—	—	—	—	—	—	—	—	
Health and welfare	16,338	—	—	—	—	—	—	—	—	
Public services	—	40,367	—	—	—	2,555	—	—	—	
Community development	—	—	—	—	—	—	—	—	—	
Capital outlay	—	—	—	7	—	—	—	47,960	136	
Debt service:										
Principal	—	—	—	—	—	—	—	—	—	
Interest and fiscal charges	—	—	—	—	—	—	—	6,584	3,080	
Total expenditures	30,311	40,367	165	2,693	4,270	2,555	8,651	73,538	2,230	
Excess (deficiency) of revenues over expenditures	(754)	(996)	14,271	4,199	(1,729)	100	443	(45,797)	659	
Other financing sources (uses):										
Issuance of tax increment revenue notes	—	—	—	—	—	—	—	49,917	—	
Payment of TIF notes	—	—	—	—	—	—	—	(3,442)	—	
Discount on TIF notes	—	—	—	—	1,450	—	—	(11)	—	
Transfers in	—	—	—	—	(49)	(5)	(78)	305	—	
Transfers out	(611)	—	(14,902)	(2,500)	—	—	—	(1,023)	(305)	
Total other financing sources (uses), net	(611)	—	(14,902)	(2,500)	1,401	(5)	(78)	45,746	(305)	
Net change in fund balances	(1,365)	(996)	(631)	1,699	(328)	95	365	(51)	354	
Fund balances:										
Beginning of year	15,741	6,606	3,925	(10)	140	1,787	444	24,130	5,417	
End of year	14,376	5,610	3,294	1,689	(188)	1,882	809	24,079	5,771	

(Continued)

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended June 30, 2015
 (dollars in thousands)

	License Collector	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Other Nontested Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Revenues:									
Taxes	—	—	19,140	4,771	18,362	—	162,980	6,590	169,570
Licenses and permits	—	3,005	—	—	3,800	—	6,805	—	6,805
Intergovernmental	—	—	—	—	505	50	3,775	—	3,775
Charges for services, net	2,016	—	—	—	3,816	838	18,103	—	18,103
Investment income	—	—	—	4	(1)	(2)	8	3	11
Miscellaneous	—	—	646	2,000	2,529	1,569	9,774	—	9,774
Total	2,016	3,005	19,786	6,775	29,011	2,455	201,445	6,593	208,038
Expenditures:									
General government	2,019	293	—	—	1,565	349	18,110	—	18,110
Convention and tourism	—	—	—	—	—	—	—	—	—
Parks and recreation	—	—	—	3,908	1,267	102	5,277	—	5,277
Judicial	—	435	189	—	2,177	399	3,200	—	3,200
Streets	—	—	—	—	206	71	816	—	816
Public safety:									
Fire	—	—	1,150	—	—	(4)	1,151	—	1,151
Police	—	2,428	8,770	—	278	(1)	24,388	—	24,388
Other	—	—	694	—	2,856	1,220	7,874	—	7,874
Health and welfare	—	—	—	—	285	31	16,654	—	16,654
Public services	—	—	—	—	—	32	42,954	—	42,954
Community development	—	—	—	—	—	—	48,096	—	48,096
Capital outlay	—	—	—	—	—	—	69	—	69
Debt service:									
Principal	—	—	3,531	1,110	429	—	14,734	5,120	19,854
Interest and fiscal charges	—	—	5,843	2,191	101	—	28,664	1,349	30,013
Total expenditures	2,019	3,156	20,177	7,209	9,226	2,199	211,987	6,469	218,456
Excess (deficiency) of revenues over expenditures	(3)	(151)	(391)	(434)	19,785	256	(10,542)	124	(10,418)
Other financing sources (uses):									
Issuance of tax increment revenue notes	—	—	—	—	—	—	49,917	—	49,917
Transfers in	—	—	—	—	—	—	(3,442)	—	(3,442)
Transfers out	—	—	—	—	—	—	(11)	—	(11)
	—	—	—	400	520	—	2,675	—	2,675
	(19)	(10)	(1)	(19)	(19,531)	(23)	(39,076)	—	(39,076)
Total other financing sources (uses), net	(19)	(10)	(1)	381	(19,011)	(23)	10,063	—	10,063
Net change in fund balances	(22)	(161)	(392)	(53)	774	233	(479)	124	(355)
Fund balances:									
Beginning of year	1,950	314	4,657	3,491	2,667	4,319	75,578	6,842	82,420
End of year	1,928	153	4,265	3,438	3,441	4,552	75,099	6,966	82,065

See accompanying independent auditors' report.

City of St. Louis, Missouri
Use Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 30,100	30,100	30,279	(179)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	50	50	12	38
Total revenues	<u>30,150</u>	<u>30,150</u>	<u>30,291</u>	<u>(141)</u>
Expenditures:				
Current:				
General government	98	98	110	(12)
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	700	700	549	151
Public safety:				
Fire	—	—	—	—
Police	9,032	10,232	10,232	—
Other	3,228	3,228	3,191	37
Health and welfare	25,896	25,896	16,404	9,492
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>38,954</u>	<u>40,154</u>	<u>30,486</u>	<u>9,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,804)</u>	<u>(10,004)</u>	<u>(195)</u>	<u>9,527</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(500)	(500)	(500)	—
	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>—</u>
Net change in fund balances	<u>\$ (9,304)</u>	<u>(10,504)</u>	<u>(695)</u>	<u>9,527</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Transportation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 40,130	40,130	40,367	237
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>40,130</u>	<u>40,130</u>	<u>40,367</u>	<u>237</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	40,302	40,302	40,367	(65)
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>40,302</u>	<u>40,302</u>	<u>40,367</u>	<u>(65)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(172)</u>	<u>(172)</u>	<u>—</u>	<u>172</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>172</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Convention and Tourism Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 14,765	14,765	14,134	(631)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>14,765</u>	<u>14,765</u>	<u>14,134</u>	<u>(631)</u>
Expenditures:				
Current:				
General government	165	165	165	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>165</u>	<u>165</u>	<u>165</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,600</u>	<u>14,600</u>	<u>13,969</u>	<u>(631)</u>
Other financing sources (uses):				
Transfers in				
Transfers out	14,600	(14,902)	(14,902)	—
	<u>14,600</u>	<u>(14,902)</u>	<u>(14,902)</u>	<u>—</u>
Net change in fund balances	<u>\$ 29,200</u>	<u>(302)</u>	<u>(933)</u>	<u>(631)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Licensed Gaming Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 7,400	7,400	7,031	(369)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>7,400</u>	<u>7,400</u>	<u>7,031</u>	<u>(369)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	25	—
Police	2,800	2,800	2,681	119
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	1,157	1,157	86	1,071
Debt service	—	—	—	—
Total expenditures	<u>3,982</u>	<u>3,982</u>	<u>2,792</u>	<u>1,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,418</u>	<u>3,418</u>	<u>4,239</u>	<u>821</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(2,500)	(2,500)	(2,500)	—
	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>—</u>
Net change in fund balances	<u>\$ 918</u>	<u>918</u>	<u>1,739</u>	<u>821</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Assessor's Office Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,178	2,178	2,123	(55)
Licenses and permits	—	—	—	—
Intergovernmental	420	420	417	(3)
Charges for service, net	7	7	1	(6)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,605</u>	<u>2,605</u>	<u>2,541</u>	<u>(64)</u>
Expenditures:				
Current:				
General government	4,300	4,300	4,297	3
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>4,300</u>	<u>4,300</u>	<u>4,297</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,695)</u>	<u>(1,695)</u>	<u>(1,756)</u>	<u>(61)</u>
Other financing sources (uses):				
Transfers in	1,450	1,450	1,450	—
Transfers out	—	—	—	—
	<u>1,450</u>	<u>1,450</u>	<u>1,450</u>	<u>—</u>
Net change in fund balances	<u>\$ (245)</u>	<u>(245)</u>	<u>(306)</u>	<u>(61)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Lateral Sewer Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,590	2,590	2,640	50
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,590</u>	<u>2,590</u>	<u>2,640</u>	<u>50</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,633	2,633	2,515	118
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,633</u>	<u>2,633</u>	<u>2,515</u>	<u>118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43)</u>	<u>(43)</u>	<u>125</u>	<u>168</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (43)</u>	<u>(43)</u>	<u>125</u>	<u>168</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Development Projects Financing Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 25,933	25,933	25,933	—
Licenses and permits	—	—	—	—
Intergovernmental	1,965	1,965	1,965	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	(4)	(4)
Miscellaneous	351	351	351	—
Total revenues	<u>28,249</u>	<u>28,249</u>	<u>28,245</u>	<u>(4)</u>
Expenditures:				
Current:				
General government	1,065	1,065	1,059	(6)
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	47,899	47,899	47,899	—
Capital outlay	—	—	—	—
Debt service	28,040	28,040	28,040	—
Total expenditures	<u>77,004</u>	<u>77,004</u>	<u>76,998</u>	<u>6</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,755)</u>	<u>(48,755)</u>	<u>(48,753)</u>	<u>2</u>
Other financing sources (uses):				
Proceeds net of refunding	49,917	49,917	49,917	—
Transfers in	305	305	305	—
Transfers out	(1,024)	(1,024)	(1,024)	—
Total other financing sources (uses)	<u>49,198</u>	<u>49,198</u>	<u>49,198</u>	<u>—</u>
Net change in fund balances	<u>\$ 443</u>	<u>443</u>	<u>445</u>	<u>2</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
State Subsidized Redevelopment Projects Financing Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,989	2,989	2,989	—
Licenses and permits	—	—	—	—
Intergovernmental	1,045	1,045	1,045	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	2,357	2,357	2,357	—
Total revenues	<u>6,391</u>	<u>6,391</u>	<u>6,391</u>	<u>—</u>
Expenditures:				
Current:				
General government	—	—	5	5
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	136	136	136	—
Capital outlay	—	—	—	—
Debt service	5,310	5,310	5,310	—
Total expenditures	<u>5,446</u>	<u>5,446</u>	<u>5,451</u>	<u>(5)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>945</u>	<u>945</u>	<u>940</u>	<u>(5)</u>
Other financing sources (uses):				
Proceeds net of refunding	—	—	—	—
Transfers in	—	—	—	—
Transfers out	(305)	(305)	(305)	—
	<u>(305)</u>	<u>(305)</u>	<u>(305)</u>	<u>—</u>
Net change in fund balances	<u>\$ 640</u>	<u>640</u>	<u>635</u>	<u>(5)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Public Safety Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	3,063	3,063	2,992	(71)
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>3,063</u>	<u>3,063</u>	<u>2,992</u>	<u>(71)</u>
Expenditures:				
Current:				
General government	314	314	302	12
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	526	526	448	78
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,535	2,535	2,428	107
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>3,375</u>	<u>3,375</u>	<u>3,178</u>	<u>197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(312)</u>	<u>(312)</u>	<u>(186)</u>	<u>126</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (312)</u>	<u>(312)</u>	<u>(186)</u>	<u>126</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Public Safety Sales Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 17,604	19,604	19,619	15
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>17,604</u>	<u>19,604</u>	<u>19,619</u>	<u>15</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	312	312	177	135
Streets	—	—	—	—
Public safety:				
Fire	850	1,150	1,150	—
Police	7,070	8,770	8,770	—
Other	688	688	688	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,728	2
Total expenditures	<u>17,650</u>	<u>19,650</u>	<u>19,513</u>	<u>137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46)</u>	<u>(46)</u>	<u>106</u>	<u>152</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (46)</u>	<u>(46)</u>	<u>106</u>	<u>152</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Parks & Recreation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 4,406	4,406	4,886	480
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	2,000	2,000	2,000	—
Total revenues	<u>6,406</u>	<u>6,406</u>	<u>6,886</u>	<u>480</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	4,599	4,599	3,987	612
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,291	3,291	2,643	648
Total expenditures	<u>7,890</u>	<u>7,890</u>	<u>6,630</u>	<u>1,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,484)</u>	<u>(1,484)</u>	<u>256</u>	<u>1,740</u>
Other financing sources (uses):				
Transfers in	400	400	400	—
Transfers out	—	—	—	—
	<u>400</u>	<u>400</u>	<u>400</u>	<u>—</u>
Net change in fund balances	<u>\$ (1,084)</u>	<u>(1,084)</u>	<u>656</u>	<u>1,740</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Other Budgeted Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,600	18,520	18,536	16
Licenses and permits	3,168	3,168	3,797	629
Intergovernmental	370	370	512	142
Charges for service, net	5,776	5,776	5,147	(629)
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	1,806	1,806	1,811	5
Total revenues	<u>24,720</u>	<u>29,640</u>	<u>29,803</u>	<u>163</u>
Expenditures:				
Current:				
General government	1,667	1,667	1,538	129
Convention and tourism	-	-	-	-
Parks and recreation	1,506	1,506	1,296	210
Judicial	2,942	2,942	2,196	746
Streets	401	401	300	101
Public safety:				
Fire	-	-	-	-
Police	763	763	310	259
Other	3,700	3,700	2,909	791
Health and welfare	564	564	297	267
Public service	692	692	-	692
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>12,235</u>	<u>12,235</u>	<u>8,846</u>	<u>3,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,485</u>	<u>17,405</u>	<u>20,957</u>	<u>3,552</u>
Other financing sources (uses):				
Transfers in	530	530	550	20
Transfers out	(15,900)	(21,400)	(20,732)	668
	<u>(15,370)</u>	<u>(20,870)</u>	<u>(20,182)</u>	<u>688</u>
Net change in fund balances	<u>\$ (2,885)</u>	<u>(3,465)</u>	<u>775</u>	<u>4,240</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Debt Service Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 6,194	6,194	6,595	401
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	1	1	4	3
Miscellaneous	—	—	—	—
Total revenues	<u>6,195</u>	<u>6,195</u>	<u>6,599</u>	<u>404</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	6,856	6,856	6,469	387
Total expenditures	<u>6,856</u>	<u>6,856</u>	<u>6,469</u>	<u>387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(661)</u>	<u>(661)</u>	<u>130</u>	<u>791</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (661)</u>	<u>(661)</u>	<u>130</u>	<u>791</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Capital Projects Fund – Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2015
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 22,178	22,178	24,174	1,996
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	317	317	222	(95)
Total revenues	<u>23,125</u>	<u>23,125</u>	<u>25,026</u>	<u>1,901</u>
Expenditures:				
Current:				
General government	548	548	—	548
Convention and tourism	—	—	—	—
Parks and recreation	3,151	3,338	682	2,656
Judicial	—	—	—	—
Streets	5,177	5,789	3,283	2,506
Public safety:	—	—	—	—
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	11,612	12,130	3,596	8,534
Capital outlay	18,669	22,880	7,651	15,229
Debt service	23,716	23,574	23,578	(4)
Total expenditures	<u>62,873</u>	<u>68,259</u>	<u>38,790</u>	<u>29,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,748)</u>	<u>(45,134)</u>	<u>(13,764)</u>	<u>31,370</u>
Other financing sources (uses):				
Sale of general fixed assets	350	350	161	(189)
Transfers in	12,902	18,402	19,051	649
Transfers out	(4,745)	(4,720)	(3,941)	779
	<u>8,507</u>	<u>14,032</u>	<u>15,271</u>	<u>1,239</u>
Net change in fund balances	<u>\$ (31,241)</u>	<u>(31,102)</u>	<u>1,507</u>	<u>32,609</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Schedule of Reconciling Items Between Change in Fund Balances—Budget Basis and Change in Fund Balances—GAAP Basis
 Year ended June 30, 2015
 (dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sales Program	Development Projects Financing	State Subsidized Recreation Projects	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Debt Sinks Fund	Capital Projects Fund	
Net change in fund balances—budget basis	\$ (695)	—	(933)	1,739	(306)	125	445	633	(186)	106	656	775	130	1,507	
Differences—budget to GAAP:															
Revenues are recorded when received in cash on a budget basis. However, revenues are recorded when measurable and available on a GAAP basis.	(734)	(996)	302	(139)	—	15	(380)	(280)	13	(479)	(739)	(1,248)	(6)	(544)	
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	64	—	—	99	(22)	(45)	(116)	(1)	12	(19)	50	1,247	—	15	
Certain activities and accounts, which are included within the funds on a GAAP basis, are not included within the annual operating budgets adopted by the Board of Aldermen.	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,925)	
Net change in fund balances—GAAP basis	\$ (1,365)	(996)	(631)	1,699	(328)	95	(51)	354	(161)	(392)	(53)	774	124	(3,947)	

See accompanying independent auditors' report.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Public Facilities Protection Corporation – Used to account for payment of workers' compensation and various other claims against legal actions on behalf of other funds.

Mailroom Services – Used to account for mail handling services provided to other funds.

Health – Used to account for payment of prescription drug claims for participants.

Equipment Services – Used to account for fuel services provided to other funds.

City of St. Louis, Missouri
Combining Statement of Net Position
Internal Service Funds
June 30, 2015
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 2,193	42	2,146	483	4,864
Investments – unrestricted	—	2	118	27	147
Receivables, net of allowances:					
Miscellaneous	362	—	—	—	362
Prepaid assets	693	47	—	—	740
Due from other funds	5,429	4	339	409	6,181
Due from component unit	—	4	—	—	4
Advance from other funds	40,917	—	—	—	40,917
Total current assets	<u>49,594</u>	<u>99</u>	<u>2,603</u>	<u>919</u>	<u>53,215</u>
Noncurrent assets:					
Capital assets	—	123	—	—	123
Less accumulated depreciation	—	(86)	—	—	(86)
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>37</u>	<u>—</u>	<u>—</u>	<u>37</u>
Total assets	<u>49,594</u>	<u>136</u>	<u>2,603</u>	<u>919</u>	<u>53,252</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	39	—	317	356
Due to other funds	—	—	—	—	—
Claims payable	49,594	—	685	—	50,279
Total current liabilities	<u>49,594</u>	<u>39</u>	<u>685</u>	<u>317</u>	<u>50,635</u>
Total liabilities	<u>49,594</u>	<u>39</u>	<u>685</u>	<u>317</u>	<u>50,635</u>
Net Position					
Net investment in capital assets	—	(37)	—	—	(37)
Unrestricted	—	134	1,918	602	2,654
Total net position	<u>\$ —</u>	<u>97</u>	<u>1,918</u>	<u>602</u>	<u>2,617</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year ended June 30, 2015
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 25,562	560	8,616	5,622	40,360
Miscellaneous	362	—	—	—	362
Total operating revenues	<u>25,924</u>	<u>560</u>	<u>8,616</u>	<u>5,622</u>	<u>40,722</u>
Operating expenses:					
Claims incurred	24,074	—	7,235	—	31,309
Premiums	1,850	—	—	—	1,850
Personnel services	—	306	—	—	306
Material and supplies	—	269	—	4,845	5,114
Depreciation	—	8	—	—	8
Total operating expenses	<u>25,924</u>	<u>583</u>	<u>7,235</u>	<u>4,845</u>	<u>38,587</u>
Operating income (loss)	<u>—</u>	<u>(23)</u>	<u>1,381</u>	<u>777</u>	<u>2,135</u>
Nonoperating revenues (expenses):					
Investment income (loss)	—	—	(1)	—	(1)
Total nonoperating revenues (expenses), net	<u>—</u>	<u>(23)</u>	<u>(1)</u>	<u>—</u>	<u>(1)</u>
Income (loss) before capital contributions	<u>—</u>	<u>(23)</u>	<u>1,380</u>	<u>777</u>	<u>2,134</u>
Changes in net position	<u>—</u>	<u>(23)</u>	<u>1,380</u>	<u>777</u>	<u>2,134</u>
Net position – beginning of year	<u>—</u>	<u>120</u>	<u>538</u>	<u>(175)</u>	<u>483</u>
Net position – end of year	<u>\$ —</u>	<u>97</u>	<u>1,918</u>	<u>602</u>	<u>2,617</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2015
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 20,012	563	8,570	5,610	34,755
Payments to suppliers of goods and services	(17,819)	(287)	(7,162)	(5,100)	(30,368)
Payments to employees		(304)			(304)
Net cash provided by (used in) operating activities	<u>2,193</u>	<u>(28)</u>	<u>1,408</u>	<u>510</u>	<u>4,083</u>
Cash flows from investing activities:					
Purchase of investments	—	3	(64)	(27)	(88)
Net cash (used in) provided by investing activities	<u>—</u>	<u>3</u>	<u>(64)</u>	<u>(27)</u>	<u>(88)</u>
Net increase (decrease) in cash and cash equivalents	2,193	(25)	1,344	483	3,995
Cash and cash equivalents beginning of year	—	67	802	—	869
Cash and cash equivalents end of year	<u>\$ 2,193</u>	<u>42</u>	<u>2,146</u>	<u>483</u>	<u>4,864</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(23)	1,380	777	2,134
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation		8			8
Change in assets and liabilities:					
Receivables, net	(362)				(362)
Due to/from other funds	(725)	3	(45)	(157)	(924)
Advance to other funds	(1,249)				(1,249)
Prepaid assets	148	(17)			131
Accounts payable and accrued liabilities		1		(110)	(109)
Claims payable	4,381		73		4,454
Total adjustments	<u>2,193</u>	<u>(5)</u>	<u>28</u>	<u>(267)</u>	<u>1,949</u>
Net cash provided by (used in) operating activities	<u>\$ 2,193</u>	<u>(28)</u>	<u>1,408</u>	<u>510</u>	<u>4,083</u>

See accompanying independent auditors' report.

Pension Trust Funds

Pension trust funds are used to account for the activity of the three public employee retirement systems for which the City acts as a trustee.

Firemen's System – The frozen single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters.

Firefighters' Plan - A single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters replacing the Firemen's System.

Police System – A single employer public employee retirement system fund used to account for the accumulation of resources to be used for pension and other benefit payments for City police officers.

Employees' System – A multi-employer public employee retirement system used to account for the accumulation of resources to be used for pension and other benefit payments for employees of the City (excluding firefighters and police officers) and other anticipating governmental agencies. City employees account for greater than 99% of total plan participants.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015
(dollars in thousands)

	Firemen's System (as of September 30, 2014*)	Firefighter's Plan (as of September 30, 2014*)	Police System (as of September 30, 2014*)	Employees' System (as of September 30, 2014*)	Total (as of September 30, 2014*)
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 3,735	1,098	7,398	217	12,448
Investments – unrestricted:					
Bonds	28,130	4,194	47,638	85,989	165,951
Domestic bond funds	—	—	—	78,424	78,424
Stocks	194,458	6,183	143,160	194,537	538,338
Limited partnerships	30,844	—	—	67,543	98,387
Government securities	—	—	14,418	—	14,418
Mortgage-backed securities	—	—	17,729	—	17,729
Collective investment funds	128,037	—	381,383	—	509,420
Real estate equities and investment trust	58,677	—	28,428	79,853	166,958
Investment property	—	—	1,204	—	1,204
Hedge funds of funds	48,891	—	30,342	77,332	156,565
Money market mutual funds and other short term investments	7,362	8,177	49,005	8,855	73,399
Partnership interests	—	—	9,074	—	9,074
Managed international equity funds	—	—	—	186,792	186,792
Total investments	496,399	18,554	722,381	779,325	2,016,659
Securities lending collateral	—	—	—	3,610	3,610
Receivables, net of allowances:					
Contributions	—	—	—	238	238
Accrued interest	947	—	929	750	2,626
Due from Firemen's Retirement System	—	54	—	—	54
Other	1,249	—	453	—	1,702
Capital assets, net	603	182	396	—	1,181
Total assets	502,933	19,888	731,557	784,140	2,038,518
Deferred Outflows of Resources					
Receiveable under forward foreign currency exchange contracts	—	—	—	678	678
Total deferred outflows of resources	—	—	—	678	678
Total assets and deferred outflows of resources	502,933	19,888	731,557	784,818	2,039,196
Liabilities					
Accounts payable and accrued liabilities	786	28	964	713	2,491
Deposits held for others	88	—	1,041	—	1,129
Securities lending collateral liability	—	—	—	3,610	3,610
Due to The Firefighter's Retirement Plan	54	—	—	—	54
Other liabilities	1,090	—	487	—	1,577
Total liabilities	2,018	28	2,492	4,323	8,861
Net position					
Net position held in trust for pension benefits	\$ 500,915	19,860	729,065	780,495	2,030,335

*See note 10.

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year ended June 30, 2015
(dollars in thousands)

	Firemen's System (as of September 30, 2014*)	Firefighter's Plan (as of September 30, 2014*)	Police System (as of September 30, 2014*)	Employees' System (as of September 30, 2014*)	Total (as of September 30, 2014*)
Additions:					
Contributions:					
Member	\$ —	2,813	4,203	49	7,065
Employer	1,008	8,942	32,560	36,868	79,378
Investment income:					
Interest and dividends	6,889	50	13,311	9,059	29,309
Net appreciation (depreciation) in fair value of investments	44,471	(120)	38,111	64,483	146,945
Investment income	51,360	(70)	51,422	73,542	176,254
Less investment expense	(2,484)	(22)	(3,328)	(3,466)	(9,300)
Net investment income	48,876	(92)	48,094	70,076	166,954
Total additions	49,884	11,663	84,857	106,993	253,397
Deductions:					
Benefits	34,417	48	58,303	56,317	149,085
Refunds of contributions	1,205	84	2,671	—	3,960
Administrative expense	1,424	207	1,095	671	3,397
Total deductions	37,046	339	62,069	56,988	156,442
Increase before transfer	12,838	11,324	22,788	50,005	96,955
Transfer in	—	6,883	—	—	6,883
Transfer out	(10,279)	—	—	—	(10,279)
	(10,279)	6,883	—	—	(3,396)
Net increase	2,559	18,207	22,788	50,005	93,559
Net position held in trust for pension benefits:					
Beginning of year	498,356	1,653	706,277	730,490	1,936,776
End of year	\$ 500,915	19,860	729,065	780,495	2,030,335

*See note 10.

See accompanying independent auditors' report.

Agency Funds

Agency funds are used to account for assets which the City holds on behalf of other entities. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Collector of Revenue – Used to account for the receipt and disbursement of various taxes and other charges that are collected by the Collector of Revenue and remitted to various City funds and other governmental agencies that levy taxes on residents of the City and on corporations located within the City limits and the employees.

Property Tax Escrow – Used to account for property taxes paid under protest whose disposition is still pending and duplicate payments of property taxes which have not been claimed.

General Insurance – Used to control funds for payroll withholdings and other City deposits to be used for the payment of insurance premiums due from employees and the City.

Bail Bonds – Used to account for bail bonds deposited by court defendants. The bonds are held until court orders are issued to refund the bonds to the defendants or others.

License Collector – Used to account for the receipt and disbursement of municipal manufacturer's and hotel taxes that are collected by the License Collector and remitted to various City funds and other governmental agencies.

Circuit Clerk – Used to account for funds held in a fiduciary capacity by the Circuit Clerk's Office. These funds include various litigation fees, garnishments, and bail bonds, in addition to funds related to the parent locator program.

Police Agency – Used to account for funds held for police athletic league.

Other Agency – Used to account for contracts and other deposits, union dues, land auction sales, circuit attorney and probate court funds.

City of St. Louis, Missouri
 Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2015
 (dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Police Agency	Other Agency	Total
ASSETS									
Cash and cash equivalents—unrestricted	\$ 2,454	1,673	—	510	3,651	3,010	3,362	7,490	22,150
Cash and cash equivalents—restricted	—	—	—	—	—	2,437	—	—	2,437
Investments—unrestricted	—	—	—	—	—	—	—	—	—
Receivables, net of allowances:									
Taxes	22,315	—	—	—	—	—	—	—	22,315
Other	—	—	1,741	—	—	—	—	—	1,741
Total assets	24,769	1,673	1,741	510	3,651	5,447	3,362	7,490	48,643
LIABILITIES									
Accounts payable and accrued liabilities	—	—	1,741	—	—	—	—	2,772	4,513
Deposits held for others	—	1,673	—	510	2,707	4,409	205	3,420	12,924
Due to other governmental agencies	24,769	—	—	—	944	1,038	3,157	1,298	31,206
Total liabilities	24,769	1,673	1,741	510	3,651	5,447	3,362	7,490	48,643
NET ASSETS	\$ —	—	—	—	—	—	—	—	—

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2015
(dollars in thousands)

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Collector of Revenue</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 2,545	373,768	(373,859)	2,454
Receivables, net of allowances—taxes	23,805	5,228	(6,718)	22,315
Total assets	<u>\$ 26,350</u>	<u>378,996</u>	<u>(380,577)</u>	<u>24,769</u>
Liabilities—due to other governmental agencies:				
Total liabilities	<u>\$ 26,350</u>	<u>378,996</u>	<u>(380,577)</u>	<u>24,769</u>
<u>Property Tax Escrow</u>				
Assets—cash and cash equivalents—unrestricted				
	<u>\$ 1,663</u>	<u>2,027</u>	<u>(2,017)</u>	<u>1,673</u>
Liabilities—deposits held for others				
	<u>\$ 1,663</u>	<u>2,027</u>	<u>(2,017)</u>	<u>1,673</u>
<u>General Insurance</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ —	36,055	(36,055)	—
Receivables, net of allowances—other	1,522	1,741	(1,522)	1,741
Total assets	<u>\$ 1,522</u>	<u>37,796</u>	<u>(37,577)</u>	<u>1,741</u>
Liabilities—accounts payable and accrued liabilities:				
	<u>\$ 1,522</u>	<u>37,796</u>	<u>(37,577)</u>	<u>1,741</u>
<u>Bail Bonds</u>				
Assets—cash and cash equivalents—unrestricted				
	<u>\$ 541</u>	<u>1,101</u>	<u>(1,132)</u>	<u>510</u>
Liabilities—deposits held for others				
	<u>\$ 541</u>	<u>1,101</u>	<u>(1,132)</u>	<u>510</u>
<u>License Collector</u>				
Assets—cash and cash equivalents—unrestricted				
	<u>\$ 5,535</u>	<u>19,453</u>	<u>(21,337)</u>	<u>3,651</u>
Liabilities:				
Deposits held for others	4,519	402	(2,214)	2,707
Due to other governmental agencies	1,016	19,051	(19,123)	944
Total liabilities	<u>\$ 5,535</u>	<u>19,453</u>	<u>(21,337)</u>	<u>3,651</u>
<u>Circuit Clerk</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 3,697	800,270	(800,957)	3,010
Cash and cash equivalents—restricted	1,762	876	(201)	2,437
Investment—unrestricted	—	—	—	—
Receivables, net of allowances - other	—	—	—	—
Total assets	<u>\$ 5,459</u>	<u>801,146</u>	<u>(801,158)</u>	<u>5,447</u>
Liabilities:				
Deposits held for others	4,419	668,155	(668,165)	4,409
Due to other governmental agencies	1,040	132,990	(132,992)	1,038
Total liabilities	<u>\$ 5,459</u>	<u>801,145</u>	<u>(801,157)</u>	<u>5,447</u>
<u>Police Agency</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 3,245	985	(868)	3,362
Cash and cash equivalents—restricted	—	—	—	—

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2015
(dollars in thousands)

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Investment—unrestricted	245	—	(245)	—
Receivables, net of allowances - other	—	—	—	—
Total assets	\$ 3,490	985	(1,113)	3,362
Liabilities:				
Deposits held for others	228	334	(357)	205
Due to other governmental agencies	3,262	651	(756)	3,157
Total liabilities	\$ 3,490	985	(1,113)	3,362
 <u>Other Agency</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 7,059	38,149	(37,718)	7,490
Investments—unrestricted	—	—	—	—
Total assets	\$ 7,059	38,149	(37,718)	7,490
Liabilities:				
Accounts payable and accrued liabilities	2,382	2,757	(2,367)	2,772
Deposits held for others	3,499	6,795	(6,874)	3,420
Due to other governmental agencies	1,178	28,972	(28,852)	1,298
Total liabilities	\$ 7,059	38,524	(38,093)	7,490
 <u>Total—All Agency Funds</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 24,285	1,271,808	(1,273,943)	22,150
Cash and cash equivalents—restricted	1,762	876	(201)	2,437
Investments—unrestricted	245	—	(245)	—
Receivables, net of allowances:				
Taxes	23,805	5,228	(6,718)	22,315
Other	1,522	1,741	(1,522)	1,741
Total assets	\$ 51,619	1,279,653	(1,282,629)	48,643
Liabilities:				
Accounts payable and accrued liabilities	3,904	40,553	(39,944)	4,513
Deposits held for others	14,869	678,814	(680,759)	12,924
Due to other governmental agencies	32,846	560,660	(562,300)	31,206
Total liabilities	\$ 51,619	1,280,027	(1,283,003)	48,643

See accompanying independent auditors' report.

**Solid Waste Management Development Corporation—
Discretely Presented Component Unit**

Solid Waste Management Development Corporation (SWMDC) owns a system of underground pressurized steam transport pipe in the downtown area commonly known as the steam loop. The steam loop is leased on a long term basis to a steam generating private entity unrelated to the City.

Separate financial statements are not prepared for SWMDC. Accordingly, a statement of revenues, expenses, changes in net position, and a statement of cash flows for SWMDC have been included within the City's comprehensive annual financial report.

City of St. Louis, Missouri
Statement of Revenues, Expenses, and Changes in Net Position
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2015
(dollars in thousands)

Operating revenues:		
Lease revenue		\$ <u>150</u>
Total operating revenues		<u>150</u>
Operating expenses:		
Depreciation		411
Professional fees and other operating expenses		<u>577</u>
Total operating expenses		<u>988</u>
Operating loss		<u>(838)</u>
Nonoperating revenues:		
Investment income		<u>1</u>
Total nonoperating revenues		<u>1</u>
Net loss before capital contributions		(837)
Capital contributions		<u>636</u>
Change in net position		(201)
Total net position —beginning of year		<u>8,356</u>
Total net position —end of year		<u>\$ <u>8,155</u></u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Statement of Cash Flows
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2015
(dollars in thousands)

Cash flows from operating activities:	
Receipts from customers and users	\$ 137
Payments to service providers	(605)
Net cash used in operating activities	<u>(468)</u>
Cash flows from capital and related:	
Financing activities:	
Construction of capital assets	(63)
Net cash used in capital and related financing activities	<u>(63)</u>
Cash flows from investing activities:	
Investment income	1
Net cash provided by investing activities	<u>1</u>
Net increase in cash and cash equivalents	(530)
Cash and cash equivalents beginning of year	<u>1,572</u>
Cash and cash equivalents end of year	<u>\$ 1,042</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (838)
Receivable, net	(13)
Accounts payable and accrued liabilities	(28)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	411
Net cash used in operating activities	<u>\$ (468)</u>
Supplemental disclosure of non cash activities:	
Contributed capital	<u>\$ 636</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

This part of the City of St. Louis' (the City'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.

Contents	Table Numbers
<i>Primary Government:</i>	
Financial Trends <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	1-4
Revenue Capacity <i>These tables contain information to help the reader assess the City's most significant local revenue sources.</i>	5-10
Debt Capacity <i>These tables 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.</i>	11-15
Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</i>	16
Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	17-20

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

Table 1
CITY OF ST. LOUIS, MISSOURI
Net Position by Component
Last Seven Fiscal Years
(dollars in thousands)
(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Primary government:							
Governmental activities:							
Net investments in capital assets	\$ 544,300	534,961	502,818	495,977	472,165	453,220	510,743
Restricted	22,284	32,344	30,799	31,822	34,179	29,390	32,784
Unrestricted	(1,040,449)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)	(366,224)
Total governmental activities net position	(473,865)	(149,928)	39,099	84,247	99,297	90,495	177,303
Business-type activities:							
Net investments in capital assets	1,055,441	1,033,787	1,033,922	1,014,901	1,075,403	1,071,899	1,094,296
Restricted	138,598	148,170	149,699	150,661	166,462	163,449	137,995
Unrestricted	108,841	108,851	104,834	100,521	18,072	23,375	10,456
Total business-type activities net position	1,302,880	1,290,808	1,288,455	1,266,083	1,259,937	1,258,723	1,242,747
Total primary government:							
Net investments in capital assets	1,599,741	1,568,748	1,536,740	1,510,878	1,547,568	1,525,119	1,605,039
Restricted	160,882	180,514	180,498	182,483	200,641	192,839	170,779
Unrestricted	(931,608)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)	(355,768)
Total primary government net position	\$ 829,015	1,140,880	1,327,554	1,350,330	1,359,234	1,349,218	1,420,050

Source: Basic financial statements.

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Position
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Expenses:							
Governmental activities:							
General government	\$ 58,679	94,791	73,204	72,063	79,871	84,330	85,680
Convention and tourism	5,775	5,711	5,513	4,979	4,563	4,507	4,504
Parks and recreation	30,111	31,765	30,818	28,529	29,416	32,778	33,431
Judicial	50,730	52,009	52,232	50,931	52,362	54,880	56,159
Streets	73,452	69,584	68,402	70,420	66,952	66,263	63,646
Public safety:							
Fire	64,658	86,085	75,460	69,062	66,637	67,334	70,572
Police	202,080	209,762	166,520	160,669	156,959	156,707	155,151
Other	58,714	59,323	61,264	59,068	52,182	55,980	60,020
Health and welfare	54,071	49,602	61,162	52,092	50,468	51,552	54,223
Public service	78,021	76,863	62,301	71,458	65,898	59,980	59,218
Community development	65,499	35,238	77,530	80,184	68,123	76,264	61,859
Interest and fiscal charges	60,580	58,009	57,674	59,750	58,612	57,933	54,684
Total governmental activities expenses	802,370	828,742	792,080	779,205	752,043	768,508	759,147
Business-type activities:							
Airport	160,233	175,058	173,968	171,574	187,449	181,775	175,758
Water division	46,799	50,184	45,799	43,637	44,530	43,479	47,500
Parking division	13,851	14,043	13,558	13,229	13,141	13,514	14,352
Total business-type activities expenses	220,883	239,285	233,325	228,440	245,120	238,768	237,610
Total primary government expenses	\$ 1,023,253	1,068,027	1,025,405	1,007,645	997,163	1,007,276	996,757

See accompanying notes to basic financial statements.

(continued)

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Position
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Program revenues:							
Governmental activities:							
Charges for services:							
General government	\$ 32,455	34,783	33,375	36,697	37,767	39,340	37,706
Convention and tourism	—	—	—	8	19	18	19
Parks and recreation	4,611	5,979	2,958	7,314	4,378	4,419	4,516
Judicial	12,042	23,076	21,542	18,996	20,524	20,791	18,952
Streets	26,898	26,110	26,012	27,514	34,842	17,644	17,734
Public safety:							
Fire	12,562	9,553	18,887	8,181	8,088	7,677	7,669
Police	6,228	5,260	—	—	—	—	—
Other	21,376	20,639	19,537	19,218	17,527	19,022	19,632
Health and welfare	875	1,631	1,041	992	1,255	591	494
Public service	6,974	6,037	2,906	5,265	309	1,487	253
Community development	5,907	4,412	5,332	5,367	4,819	4,528	5,524
Operating grants and contributions	60,792	57,173	64,782	71,513	75,281	98,270	73,563
Capital grants and contributions	7,987	5,628	14,882	31,623	33,666	7,548	12,726
Total governmental activities program revenues	198,707	200,281	211,254	232,688	238,475	221,335	198,788
Business-type activities:							
Charges for services:							
Airport	164,745	165,927	164,606	157,154	149,438	160,378	159,061
Water Division	54,399	56,647	56,902	58,631	56,039	50,983	48,709
Parking Division	16,129	15,804	14,657	14,999	13,813	12,428	13,897
Operating grants and contributions	1,277	706	751	1,069	1,513	1,615	2,683
Capital grants and contributions	23,627	16,726	21,615	10,050	8,267	31,815	35,122
Total business-type activities program revenues	260,177	255,810	258,531	241,903	229,070	257,219	259,472
Total primary government program revenues	\$ 458,884	456,091	469,785	474,591	467,545	478,554	458,260

***Fiscal years 2008 and 2009 Community development revenues reflect TIF revenues previously reported under General government in prior fiscal years.

(continued)

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Position
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Net program (expense) revenue:							
Governmental activities	\$ (603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)	(560,359)
Business-type activities	39,294	16,525	25,206	13,463	(16,050)	18,451	21,862
Total primary government net expense	\$ (564,369)	(611,936)	(555,620)	(533,054)	(529,618)	(528,722)	(538,497)
General revenues and other changes in net position:							
Governmental activities:							
Taxes							
Property taxes, levied for general purpose	\$ 77,365	75,136	73,234	68,531	66,767	67,291	67,562
Property taxes, levied for debt service	6,406	6,661	7,140	5,909	7,669	6,463	4,810
Sales tax	175,581	173,018	157,302	164,174	155,708	142,295	143,972
Earnings/payroll taxes	203,251	202,022	189,762	186,068	178,571	172,450	181,214
Gross receipt taxes (includes franchise tax)	92,160	97,344	94,721	93,587	97,327	90,291	108,178
Miscellaneous taxes	4,485	4,977	3,784	4,504	4,080	3,902	3,712
Unrestricted investment earnings	381	364	265	470	953	886	6,001
Gain/loss on sale of capital assets	—	—	—	(1,142)	2,528	62	83
Transfers	9,619	9,431	9,470	9,366	8,767	7,317	8,301
Total governmental activities	569,248	568,953	535,678	531,467	522,370	490,957	523,833
Business-type activities:							
Unrestricted investment earnings	2,956	1,818	2,336	2,049	2,941	3,878	5,188
Gain/loss on sale of capital assets	—	4,872	—	—	4	553	—
Extraordinary item – Natural disaster	1,737	2,730	4,300	—	23,086	—	—
Transfers	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)	(8,301)
Total business-type activities	(4,926)	(11)	(2,834)	(7,317)	17,264	(2,475)	(3,113)
Total primary government	\$ 564,322	568,942	532,844	524,150	539,634	488,482	520,720

(continued)

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Position
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Change in net position:							
Governmental activities:	\$ (34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)	(36,526)
Business-type activities	34,368	16,514	22,372	6,146	1,214	15,976	18,749
Total primary government	\$ (47)	(42,994)	(22,776)	(8,904)	10,016	(40,240)	(17,777)

Source: Basic financial statements.

Table 3
CITY OF ST. LOUIS, MISSOURI
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)
(modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Nonspendable	\$ 2,425	2,537	—	—	—	*	*	*	*	*
Restricted	14,852	16,008	14,784	16,755	16,723	*	*	*	*	*
Committed	9,134	8,054	8,054	8,063	6,895	*	*	*	*	*
Assigned	2,242	6,521	6,043	1,509	1,055	*	*	*	*	*
Unassigned	—	2,605	25,777	29,543	24,675	*	*	*	*	*
Reserved	—	—	—	—	—	31,284	26,484	21,150	21,079	23,139
Unreserved	—	—	—	—	—	22,132	35,570	33,721	53,649	57,155
Total general fund	\$ 28,653	35,725	54,658	55,870	49,348	53,416	62,054	54,871	74,728	80,294
All other governmental funds:										
Nonspendable	\$ 11	14	11	11	11	*	*	*	*	*
Restricted	84,500	96,160	71,117	79,573	131,102	*	*	*	*	*
Committed	49,199	65,536	57,127	54,553	54,678	*	*	*	*	*
Assigned	6,379	5,053	4,473	1,837	3,200	*	*	*	*	*
Unassigned	(18,229)	(24,025)	(24,648)	(20,103)	(26,752)	*	*	*	*	*
Reserved	—	—	—	—	—	181,410	173,407	191,062	76,378	82,979
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	19,342	30,104	42,304	56,508	49,041
Capital projects funds	—	—	—	—	—	(13,961)	(10,689)	(9,253)	12,724	(7,204)
Total all other governmental funds	\$ 121,860	142,738	108,080	115,871	162,239	186,791	192,822	224,113	145,610	124,816

* Effective July 1, 2011 the City adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes:	\$ 556,593	557,487	524,428	519,852	510,150	480,082	506,228	473,646	459,436	432,139
Licenses, fees and permits	26,743	26,004	24,359	21,259	21,716	24,214	22,238	22,208	24,395	23,708
Intergovernmental	97,684	88,069	107,289	130,079	138,141	117,084	116,693	119,197	123,119	122,332
Charges for services, net	47,222	49,867	52,347	46,166	44,659	30,906	28,316	28,752	29,592	28,373
Court fines and forfeitures	4,916	10,810	11,022	12,103	10,848	11,558	11,127	10,000	8,434	8,927
Investment income	381	364	265	470	953	886	6,001	12,159	12,094	9,492
Interfund services provided	858	3,464	5,531	4,293	4,631	3,043	6,354	3,868	4,094	4,009
Miscellaneous	19,234	19,584	13,514	17,651	15,845	15,987	12,865	13,902	14,303	11,148
	<u>753,631</u>	<u>755,649</u>	<u>738,755</u>	<u>751,873</u>	<u>746,943</u>	<u>683,760</u>	<u>709,822</u>	<u>683,732</u>	<u>655,467</u>	<u>640,128</u>
Total revenues										
Expenditures:										
General government	65,648	84,648	63,980	60,942	67,400	77,906	80,226	101,622	53,066	69,011
Convention and tourism	126	123	116	150	189	176	198	201	154	362
Parks and recreation	25,169	26,553	25,689	23,885	25,153	27,357	29,827	27,966	25,129	23,191
Judicial	50,058	51,491	51,849	50,821	52,498	53,985	55,222	50,806	46,633	46,837
Streets	40,645	37,867	37,378	40,772	39,498	37,356	37,500	38,086	35,320	37,415
Public Safety:										
Fire	68,415	74,261	71,595	69,887	68,518	66,590	62,010	115,605	53,547	53,959
Police	179,129	176,089	166,496	160,534	156,959	156,588	155,027	187,070	138,871	134,631
Other	58,242	58,736	60,178	58,741	51,899	54,653	57,443	62,743	59,253	55,804
Health and welfare	53,808	49,207	60,709	51,855	50,127	51,230	53,441	45,379	45,067	45,905
Public service	77,334	76,211	61,519	70,840	65,916	59,315	58,594	70,095	72,991	67,600
Community development	65,499	35,238	77,530	80,184	68,123	76,264	63,220	60,710	79,351	66,555
Capital outlay	31,560	35,444	36,914	90,065	94,653	51,175	67,615	51,103	43,591	35,290
Debt service:										
Principal	65,602	—	55,209	54,952	58,091	46,721	41,759	46,484	39,008	30,933
Interest and fiscal charges	48,510	64,316	47,154	47,256	46,283	54,555	47,350	44,741	29,865	28,288
Cost of issuance	—	44,375	—	—	—	1,178	1,290	—	—	—
Advance refunding escrow	—	—	—	—	—	—	—	—	—	—
Total expenditures	<u>829,745</u>	<u>814,559</u>	<u>816,316</u>	<u>860,884</u>	<u>845,307</u>	<u>815,049</u>	<u>810,722</u>	<u>902,611</u>	<u>721,846</u>	<u>695,781</u>
Deficiency of revenues over expenditures	<u>(76,114)</u>	<u>(58,910)</u>	<u>(77,561)</u>	<u>(109,011)</u>	<u>(98,364)</u>	<u>(131,289)</u>	<u>(100,900)</u>	<u>(218,879)</u>	<u>(66,379)</u>	<u>(55,653)</u>

See accompanying notes to basic financial statements.

(continued)

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other financing sources (uses):										
Sale of capital assets	\$ 1,849	207	3	345	3,216	62	83	47	175	514
Issuance of note payable	—	—	—	—	—	—	9,068	—	—	—
Issuance of SLMFC Certificates of participation	5,195	—	—	—	2,690	—	9,100	—	—	—
Issuance of refunding bonds-revenue refunding bonds	—	—	—	49,825	2,690	74,191	—	—	—	—
Issuance of refunding bonds-leasehold revenue bonds	31,695	26,000	—	—	9,250	16,960	21,850	2,479,967	23,725	15,485
Issuance of contractual obligation with component unit	—	—	—	—	—	396	—	653	4,178	504
Premium on leasehold revenue bonds	—	1,471	1,890	4,038	145	(384)	(525)	(3,965)	(467)	—
Discount on leasehold revenue bonds	—	—	—	—	—	—	—	—	13,000	—
Proceeds of general obligation bonds and revenue bonds	3,782	—	—	—	—	—	—	—	—	—
Premium on general obligation bonds and revenue bonds	—	—	—	—	—	—	—	—	—	—
Discount on general obligation bonds	—	—	—	—	—	—	—	—	—	—
Issuance of capital lease	—	16,605	—	2,384	11,150	704	5,600	1,478	10,014	1,990
Issuance of tax increment revenue notes	49,917	10,852	57,195	51,101	46,503	28,352	32,669	37,737	55,158	30,043
Payment of development and TIF notes	(3,442)	—	—	—	4,580	—	—	—	—	—
Discount on tax increment revenue bonds	(11)	—	—	—	—	—	—	—	—	—
Issuance of loan agreement	2,080	3,510	—	—	—	—	—	4,500	—	782
Issuance of joint venture financing agreement	—	—	—	—	—	—	—	—	49,585	—
Payment to refunded escrow agent-joint venture	—	—	—	—	—	—	—	—	(51,316)	—
Payment to refunded escrow agent-leasehold revenue bonds	(37,642)	—	—	(53,172)	(2,416)	(12,391)	—	(8,632)	(22,830)	(15,421)
Payment to refunded escrow agent-obligation with component unit	—	—	—	—	—	—	(9,354)	—	—	—
Payment of refunded escrow agent-capital lease	—	—	—	—	(11,931)	(341)	—	—	—	—
Fireman's Retirement EARN note proceeds	—	—	—	5,278	—	(16,961)	—	(11,000)	(7,500)	—
Advance refunding on TIF bonds and notes payable	—	—	—	—	—	—	—	—	—	—
Recovery of legal judgment	—	—	—	—	—	—	—	—	—	—
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	18,006	—	—	—	—
Transfers in	61,946	68,121	62,143	62,920	53,467	58,575	50,849	40,569	41,613	29,909
Transfers out	(52,327)	(38,690)	(52,673)	(53,554)	(46,910)	(50,549)	(42,548)	(31,829)	(33,728)	(22,508)
Total other financing sources, net	\$ 63,042	68,076	68,558	69,165	69,744	116,620	76,792	277,525	81,607	41,298
Net change in fund balances	\$ (13,072)	9,166	(9,003)	(39,846)	(28,620)	(14,669)	(24,108)	58,646	15,228	(14,355)
Debt service as a percentage of noncapital expenditures	14.3%	8.3%	13.1%	13.3%	13.9%	13.3%	12.0%	10.7%	10.2%	9.0%
Debt service expenditures	\$ 114,112	64,316	102,363	102,208	104,374	101,276	89,109	91,225	68,873	59,221
Non-capital expenditures	798,185	779,115	779,402	770,819	750,654	763,874	743,107	851,508	678,255	660,491

Table 5
CITY OF ST. LOUIS, MISSOURI
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Real Estate		Commercial	Personal Property	Manufacturer's Machinery, Tools & Equipment	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate	Taxable Assessed Value to Estimated Actual Taxable Value
	Residential	Real Estate								
2015	\$ 1,980,203	\$ 2,599,573		\$ 810,313	\$ 255,068	\$ 1,343,072	\$ 4,302,085	\$ 17,033,118	1.6063	25.3%
2014	1,968,547	2,528,334		753,790	255,595	1,273,384	4,232,882	16,787,744	1.6092	25.2%
2013	2,161,657	2,452,348		737,422	216,902	1,195,359	4,372,969	17,614,380	1.4848	24.8%
2012	2,197,419	2,499,166		705,441	238,661	1,282,753	4,357,935	17,543,141	1.4691	24.8%
2011	2,281,376	2,542,399		723,739	221,519	1,281,865	4,487,158	18,126,314	1.4224	24.8%
2010	2,206,698	2,688,333		781,557	254,873	1,381,310	4,550,151	18,144,398	1.3601	25.1%
2009	2,256,467	2,440,325		861,837	287,366	1,162,841	4,683,154	18,841,886	1.3225	24.9%
2008	2,195,159	2,548,206		805,298	292,371	1,283,851	4,557,183	18,401,969	1.3451	24.8%
2007	1,798,234	2,318,384		767,274	286,014	1,277,160	3,892,746	15,486,668	1.4590	25.1%
2006	1,700,324	2,199,992		789,536	290,523	1,097,633	3,882,742	15,370,507	1.4402	25.3%

Source: City of St. Louis Assessor's Office

NOTE:

Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property and manufacturer's machinery, tools and equipment assessed at 33-1/3%.

A complete reassessment is made on personal property by the Assessor every year and every odd year for real property.

Table 6
CITY OF ST. LOUIS, MISSOURI
Property Tax Rates Per \$100 Assessed Value - Direct and Overlapping Governments
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City of St. Louis:										
Municipal purposes	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500	0.8161	0.8059	0.8811	0.8687
County purposes	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064	0.2940	0.2903	0.3179	0.3134
Hospital purposes	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874	0.0839	0.0829	0.0908	0.0895
Public health purposes	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179
Recreation purposes	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179
Interest and public debt	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813	0.0949	0.1328	0.1328	0.1328
Total City of St. Louis	1.6063	1.6092	1.4848	1.4691	1.4224	1.3601	1.3225	1.3451	1.4590	1.4402
Overlapping governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943	3.8028	3.7533	4.0193	3.9720
St. Louis Community College	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233	0.2231
Metropolitan St. Louis Sewer District	0.0879	0.0874	0.0821	0.0818	0.0790	0.0000	0.0000	0.0667	0.0687	0.0686
Sheltered Workshop District	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346	0.1295	0.1278	0.1386	0.1368
St. Louis Public Library	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019	0.4938	0.4768	0.5171	0.5104
Community Mental Health	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800	0.0777	0.0767	0.0832	0.0821
Community Children's Service Fund	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827	0.1775	0.1752	0.1900	0.1900
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763
Art Museum Subdistrict	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763
Museum of Science and Natural History Subdistrict	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376
Botanical Garden Subdistrict	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376
Missouri History Museum Subdistrict	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376
Total overlapping governments	5.9787	5.9782	6.0126	5.7379	5.4963	5.2864	5.1470	5.1398	5.5313	5.4784
Total City of St. Louis and overlapping governments	\$ 7.5850	\$ 7.5874	\$ 7.4974	\$ 7.2070	\$ 6.9187	\$ 6.6465	\$ 6.4695	\$ 6.4849	\$ 6.9903	\$ 6.9186

Source: City Assessor's Office.

Table 7
CITY OF ST. LOUIS, MISSOURI
Principal Property Tax Payers Identified by Industry Classification
Current Calendar Year and Nine Years Ago
(dollars in thousands)

Tax Payer by Industry Classification (1)	Calendar Year 2014			Calendar Year 2005		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Telecommunications	\$ 111,475	1	2.75%	\$ 97,090	1	3.15%
Utilities	107,239	2	2.65%	86,363	2	2.80%
Gaming	74,831	3	1.85%			
Manufacturing	67,846	4	1.68%	84,808	3	2.75%
Financial Services	63,935	5	1.58%	26,454	6	0.86%
Property Management	39,126	6	0.97%			
Utilities	31,592	7	0.78%	63,798	4	2.07%
Property Management	29,482	8	0.73%			
Healthcare	28,463	9	0.70%	33,462	5	1.09%
Manufacturing	25,649	10	0.63%	21,338	7	0.69%
Financial Services	-			19,993	8	0.65%
Retail	-			10,692	9	0.35%
Manufacturing	-			10,526	10	0.34%
	<u>\$ 579,638</u>		<u>14.33%</u>	<u>\$ 454,524</u>		<u>14.76%</u>

Source: City Assessor's Office and Collector of Revenue

Note:

(1) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Table 8
CITY OF ST. LOUIS, MISSOURI
General and Debt Service Funds - Property Tax Levies And Collections -
Last Ten Fiscal Years
(dollars in thousands)

(1) Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the		Fiscal Year Collections Related to Prior Year Levies	Total Collections to Date	
		(2) Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 63,872	\$ 58,736	92.0%	\$ -	\$ 58,736	92.0%
2014	60,538	55,764	92.1%	2,857	58,621	96.8%
2013	58,797	53,545	91.1%	4,057	57,602	98.0%
2012	57,723	52,191	90.4%	4,349	56,540	98.0%
2011	57,990	52,223	90.1%	4,500	56,723	97.8%
2010	56,169	49,634	88.4%	5,507	55,141	98.2%
2009	56,104	49,487	88.2%	6,118	55,605	99.1%
2008 *	57,734	48,627	84.2%	8,427	57,054	98.8%
2007	51,446	46,475	90.3%	4,701	51,176	99.5%
2006	50,929	43,833	86.1%	6,488	50,321	98.8%

NOTES:

(1) Figures are based on the Collector of Revenue's fiscal year which begins the first Monday of March.

(2) Includes monies collected that were paid to the state for reassessment.

* Total collections does not reflect protest monies held in escrow of approximately \$4,100.

Source: Collector of Revenue, City of St. Louis.

Table 9
CITY OF ST. LOUIS, MISSOURI
Earnings and Payroll Tax
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Earnings						Payroll	
	Revenue Base		1% Tax		Total (1) Earnings Tax	Revenue Base	(1) 0.5% Tax	
	Business	Individual	Business	Individual				
2015	\$ 3,597,700	\$13,349,500	\$ 35,977	\$133,495	\$ 169,472	\$ 7,574,600	37,873	
2014	3,356,500	12,813,900	33,565	128,139	161,704	7,358,400	36,792	
2013	3,219,000	12,701,200	32,190	127,012	159,202	7,369,800	36,849	
2012	3,354,200	12,482,700	33,542	124,827	158,369	7,021,600	35,108	
2011	3,025,300	12,082,700	30,253	120,827	151,080	7,048,400	35,242	
2010	2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568	
2009	2,221,000	12,166,800	22,210	121,668	143,878	7,186,200	35,931	
2008	2,671,400	12,046,700	26,714	120,467	147,181	7,451,200	37,256	
2007	2,461,000	11,666,000	24,610	116,660	141,270	7,059,200	35,296	
2006	2,178,200	11,383,800	21,782	113,838	135,620	7,295,000	36,475	

Source: City of St. Louis Collector of Revenue

Note:

Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Table 10
CITY OF ST. LOUIS, MISSOURI
Principal Earnings and Payroll Tax Payers
Top Ten Companies' Current Fiscal Year and Nine Years Ago
By Industry Classification
(dollars in thousands)

Top Ten Companies by Industry Classification (2)	Fiscal Year 2015 (1)			Fiscal Year 2006 (1)		
	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax
Financial Services	\$ 8,931	1	6.69%	\$ 4,080	4	2.37%
Manufacturing	8,681	2	6.50%	7,753	1	4.51%
Education	7,807	3	5.85%	4,922	3	2.86%
Healthcare	5,498	4	4.12%	3,897	5	2.26%
Manufacturing	4,350	5	3.26%	-		
Government	3,881	6	2.91%	6,696	2	3.89%
Education	3,802	7	2.85%	-		
Telecommunications	3,764	8	2.82%	2,455	8	1.43%
Utilities	3,530	9	2.64%	3,066	6	1.78%
Government	3,185	10	2.39%	2,195	9	1.28%
Retail	-			3,026	7	1.76%
Government	-			2,117	10	1.23%
	\$ 53,429		40.02%	\$ 40,207		23.36%

Source: Collector of Revenue

Note:

(1) The percentages are calculated using total taxes from Table 9.

(2) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Table 11
CITY OF ST. LOUIS, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Governmental Activities						Business-Type Activities						(1)	(1)	Per Capita	
	General Obligation Bonds	Tax Incremental Revenue Bonds	Lease Revenue Bonds	(2) Capital Leases	Joint Venture Financing Agreement	Federal Section 108 Obligations	Other Obligations	Water Revenue Bonds	Airport Revenue Bonds	Parking Revenue Bonds	Unamortized Discounts and Premiums	Total Primary Government				Percentage of Personal Income
2015	\$ 23,010	\$ 340,342	\$ 435,005	\$ 71,157	\$ 33,434	\$ 31,370	\$ 11,935	\$ 2,288	\$ 726,010	\$ 73,488	\$ 38,843	1,786,882	14.31%	5,629		
2014	28,130	300,321	470,889	76,299	37,844	35,580	16,153	4,760	764,150	69,679	38,767	1,842,572	14.76%	5,787		
2013	35,050	296,122	473,403	66,713	42,085	39,530	15,502	7,585	794,615	70,527	11,910	1,853,042	14.84%	5,826		
2012	38,955	246,079	502,429	72,009	46,166	43,250	15,644	11,480	833,960	72,763	10,541	1,893,276	15.16%	5,935		
2011	42,685	200,202	548,958	75,993	50,092	46,750	11,353	16,000	869,980	74,892	8,811	1,945,716	15.58%	6,094		
2010	46,300	167,436	567,292	67,779	53,873	50,050	13,191	19,585	905,405	76,925	7,943	1,975,779	15.83%	5,541		
2009	49,790	163,554	531,615	53,131	57,516	53,160	14,373	23,025	797,105	78,854	9,606	1,831,729	15.74%	5,135		
2008	50,875	136,987	534,223	59,531	61,028	56,080	6,159	26,325	818,830	81,350	10,237	1,841,625	15.82%	5,163		
2007	54,820	114,251	308,824	61,050	65,116	58,820	2,204	29,175	843,920	70,120	13,563	1,621,863	15.34%	4,546		
2006	45,220	69,786	323,469	57,801	67,323	63,670	3,723	31,820	861,085	64,527	11,290	1,599,714	15.89%	4,484		

Source: Notes to Basic Financial Statements

Note:

(1) See Table 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Capital Leases include rolling stock and obligations with component units.

(3) Prior to fiscal year 2014, deferred amounts on refunding were included in these amounts

Table 12
CITY OF ST. LOUIS, MISSOURI
Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands except per capita)

Fiscal Year	General Bonded Debt Outstanding			Total Net Bonded Debt	(1)		(2)
	General Obligation Bonds	Less Debt Service Fund			Actual Taxable Value of Property	Percentage of Property	
2015	\$ 23,010	\$ 6,966	\$ 16,044	0.09%	\$ 51		
2014	28,130	6,842	21,288	0.13%	67		
2013	35,050	8,713	26,337	0.15%	83		
2012	38,955	8,137	30,818	0.17%	97		
2011	42,685	8,118	34,567	0.19%	108		
2010	46,300	7,331	38,969	0.21%	123		
2009	49,790	8,216	41,574	0.23%	131		
2008	50,875	9,008	41,867	0.27%	131		
2007	54,820	8,045	46,775	0.30%	144		
2006	45,220	7,239	37,981	0.29%	115		

Source: City Assessor's Office and Comptroller's Office

Note:

(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

Table 13
CITY OF ST. LOUIS, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1): General Obligation Debt	\$ 379,901	100.00%	\$ 379,901
Other debt			
Metropolitan St. Louis Sewer District (2)	58,337	9.55% *	5,569
St. Louis Public Library (3)	50,000	100.00% *	50,000
Junior College District of St. Louis (4)	<u>22,520</u>	19.75% *	<u>4,447</u>
Subtotal, overlapping debt	510,758		439,917
City of St. Louis direct debt (5)			<u>946,253</u>
Total direct and overlapping debt			<u>\$ 1,386,170</u>

Source:

- (1) Board of Education City of St. Louis.
- (2) Metropolitan St. Louis Sewer District
- (3) St. Louis Public Library
- (4) Junior College District of St. Louis
- (5) Notes to basic financial statements

Note:

* Based on assessed property value

Table 14
CITY OF ST. LOUIS, MISSOURI
Legal Debt Margin Calculation
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2015

Assessed Value	\$ 4,302,085
Debt limit (10% of assessed value)	430,209
Debt applicable to limit:	
General obligation bonds	23,010
Less: Amount set aside for repayment .	
of general obligation debt.	(6,966)
Total net debt applicable to limit	<u>16,044</u>
Legal Debt Margin	<u>\$ 414,165</u>

	Fiscal Year Ended June 30, 2012									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$ 430,209	\$ 423,288	\$ 423,933	\$ 420,253	\$ 426,565	\$ 455,015	\$ 468,315	\$ 455,718	\$ 389,274	\$ 388,274
Total net debt applicable to limit	<u>16,044</u>	<u>21,288</u>	<u>26,337</u>	<u>30,818</u>	<u>34,567</u>	<u>38,969</u>	<u>41,574</u>	<u>41,867</u>	<u>46,775</u>	<u>37,981</u>
Legal debt margin	<u>\$ 414,165</u>	<u>\$ 402,000</u>	<u>\$ 397,596</u>	<u>\$ 389,435</u>	<u>\$ 391,998</u>	<u>\$ 416,046</u>	<u>\$ 426,741</u>	<u>\$ 413,851</u>	<u>\$ 342,499</u>	<u>\$ 350,293</u>
Total net debt applicable to the limit as a percentage of debt limit	3.73%	5.03%	6.21%	7.33%	8.10%	8.56%	8.88%	9.19%	12.02%	9.78%

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds (1)										Airport Revenue Bonds (1)				
	Water Revenue	Less:			Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Aviation Revenue	Less:		Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
		Operating Expenses	Operating Expenses	Operating Expenses											
2015	\$ 53,842	\$ 41,357	\$ 12,485	\$ 4,019	\$ 43	3.07	3.07	170,315	\$ 74,041	\$ 96,274	\$ 44,095	\$ 32,922	1.25		
2014	56,647	44,645	12,002	3,765	86	3	3	178,365	86,524	91,841	30,465	46,318	1.20		
2013	56,902	40,590	16,312	3,895	143	4.04	4.04	174,394	83,237	91,157	30,655	41,804	1.26		
2012	58,631	38,126	20,505	3,740	650	4.67	4.67	161,518	81,872	79,646	19,985	41,501	1.30		
2011	56,044	38,535	17,509	3,585	809	3.98	3.98	165,405	91,993	73,412	29,970	46,942	0.95		
2010	51,295	37,549	13,746	2,440	959	4.04	4.04	170,429	87,385	83,044	21,670	44,157	1.26		
2009	49,173	41,425	7,748	3,300	1,100	1.76	1.76	169,961	86,054	83,907	21,725	40,575	1.35		
2008	46,709	39,414	7,295	2,850	1,469	1.69	1.69	178,960	93,600	85,360	25,090	39,664	1.32		
2007	45,697	36,816	8,881	2,645	1,286	2.26	2.26	157,918	89,023	68,895	13,960	47,118	1.13		
2006	46,266	34,405	11,861	2,500	1,444	3.01	3.01	126,037	76,833	49,204	34,090	34,949	0.71		

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Parking Revenue Bonds (1)										Tax Increment Financing Bonds (1) (2)			
	Parking/Project Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Coverage					Principal	Interest	Coverage	
2015	17,147	\$ 7,603	\$ 9,544	\$ 2,232	\$ 2,738	1.92	\$ 23,436	\$ 1,064	22,372	\$ 16,056	\$ 18,772	0.64		
2014	17,035	7,809	9,226	1,960	2,839	1.92	21,512	850	20,662	6,653	14,944	0.96		
2013	15,935	7,248	8,687	1,860	2,911	1.82	22,796	898	21,898	7,067	14,000	1.04		
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	\$ 5,776	\$ 12,800	0.93		
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84		
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83		
2009	15,601	8,691	6,910	1,275	3,246	1.53	12,327	401	11,926	5,384	8,793	0.84		
2008	15,945	8,331	7,614	1,475	3,756	1.46	9,449	324	9,125	4,000	7,409	0.80		
2007	16,515	7,472	9,043	257	2,308	3.53	7,459	201	7,258	2,593	3,946	1.11		
2006	16,676	7,586	9,090	1,727	3,400	1.77	5,632	126	5,506	3,705	4,138	0.70		

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Section 108 Downtown Convention Headquarters Hotel Project										
Fiscal Year	Tax Increment Revenue	\$	4,341	\$	356	Operating Expenses	Less:	Net		Coverage
								Available Revenue	Debt Service Principal Interest	
2015	\$	4,341	\$	3,985	\$	3,080	\$	404	1.14	
2014		4,278		3,928		2,890		572	1.13	
2013		4,044		3,643		2,720		581	1.10	
2012		4,629		4,269		2,560		1,381	1.08	
2011		4,576		4,316		2,410		2,387	0.90	
2010		3,701		270		2,270		2,523	0.72	
2009		5,403		280		2,130		2,645	1.07	
2008		5,219		286		2,000		2,756	1.04	
2007		6,092		296		1,890		2,859	1.22	
2006		4,655		303		1,770		2,952	0.92	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Justice Center Leasehold Revenue Bonds (1) (2)										
Fiscal Year	\$	Prisoner Housing		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage
		Reimbursement	Expenses	Operating	Expenses	Revenue	Available	Principal	Interest	
2015	\$	6,322		\$	6,322	\$	8,615	\$	2,008	0.60
2014		6,259			6,259		8,265		2,352	0.59
2013		4,620	-		4,620		7,190		2,653	0.47
2012		5,298	-		5,298		11,020		2,500	0.39
2011		4,494	-		4,494		7,465		3,659	0.40
2010		6,919	-		6,919		5,680		4,238	0.70
2009		6,535	-		6,535		6,620		4,507	0.59
2008		6,375	-		6,375		6,285		4,836	0.57
2007		7,857	-		7,857		5,980		5,144	0.71
2006		6,725	-		6,725		5,339		4,927	0.66

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Civil Courts/Carnahan Courthouse									
Leasehold Revenue Bonds (1) (2)									
Fiscal Year	Court Fees	Operating Expenses	Net Available Revenue	Debt Service			Coverage		
				Principal	Interest	Coverage			
2015	\$ 1,237	-	\$ 1,237	\$ 3,970	\$ 951		0.3		
2014	1,301	-	1,301	3,920	1,092		0		
2013	1,460	-	1,460	2,755	1,207		0.4		
2012	1,492	-	1,492	2,635	1,332		0.4		
2011	1,368	-	1,368	160	1,349		0.9		
2010	1,419	-	1,419	2,255	493		0.5		
2009	1,499	-	1,499	2,155	1,563		0.4		
2008	1,496	-	1,496	2,075	1,651		0.4		
2007	1,354	-	1,354	1,985	1,908		0.3		
2006	1,406	-	1,406	1,905	1,992		0.4		

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Forest Park Leasehold Revenue Bonds / Subordinate Leasehold Revenue Bonds										
	10.4% of the 1/2c capital Sales Tax		Less: Operating Expenses		Net Available Revenue		Debt Service		Coverage		
							Principal	Interest			
2015	\$	3,087	\$	-	\$	3,087	\$	2,470	\$	619	1.00
2014		3,152		-		3,152		1,720		527	1
2013		1,815		-		1,815		895		473	1.33
2012		1,905		-		1,905		865		508	1.39
2011		1,740		-		1,740		835		533	1.27
2010		1,722		-		1,722		805		563	1.26
2009		1,814		-		1,814		785		587	1.32
2008		1,849		-		1,849		760		610	1.35
2007		1,839		-		1,839		740		632	1.34
2006		1,789		-		1,789		715		653	1.31

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

		Recreation Sales Tax					
		Leasehold Revenue Bonds (1) (2)					
Fiscal Year	Parks and Recreation Sales Tax	Less:		Net Operating Revenue Available	Debt Service		Coverage
		Expenses	Revenue		Principal	Interest	
2015	\$ 4,886	\$ -	\$ 4,886	\$ 1,110	\$ 2,129	1.51	
2014	4,473	-	4,473	1,065	2,172	1.38	
2013	4,323	-	4,323	1,025	2,213	1.34	
2012	4,520	-	4,520	985	2,252	1.40	
2011	4,152	-	4,152	950	2,290	1.28	
2010	4,055	-	4,055	910	2,326	1.25	
2009	4,280	-	4,280	875	2,361	1.32	
2008	4,425	-	4,425	1,665	1,442	1.42	
2007	-	-	-	-	-	-	
2006	-	-	-	-	-	-	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)				City Parks Leasehold Revenue Bonds (1) (2)					
	10% of the 1/2c Capital Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service Principal Interest	6.6% of the 1/2c Capital Sales Tax, 15.5% of Metro Parks Sales Tax, and 60% of Metro Parks Arch Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service Principal Interest	Coverage	
2015	\$ 1,863	-	\$ 1,863	\$ 325	\$ 3,104	-	\$ 3,104	\$ 440	\$ 1,167	1.93
2014	1,889	-	1,889	315	-	-	-	-	-	-
2013	1,747	-	1,747	300	-	-	-	-	-	-
2012	1,830	-	1,830	290	-	-	-	-	-	-
2011	1,671	-	1,671	280	-	-	-	-	-	-
2010	1,654	-	1,654	265	-	-	-	-	-	-
2009	1,742	-	1,742	255	-	-	-	-	-	-
2008	1,777	-	1,777	1,120	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 16
CITY OF ST. LOUIS, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	(1)	(4)	(1)	(2)	(3)	
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Public School Enrollment	Unemployment Rate
2014	317,419	12,484,968	39,333	34.9	24,869	5.7%
2013	318,416	12,151,780	38,163	34.7	25,200	7.2%
2012	318,069	11,842,448	37,232	34.1	22,516	7.4%
2011	319,008	11,369,625	35,641	33.9	23,576	7.8%
2010	318,842	10,928,301	34,275	34.6	25,046	8.7%
2009	317,955	11,453,476	36,022	35.4	26,108	11.7%
2008	317,959	10,925,710	34,362	36.3	27,574	7.8%
2007	320,131	10,491,667	32,773	36.3	32,135	7.0%
2006	324,945	9,854,572	30,327	35.6	35,361	6.9%
2005	330,988	9,590,266	28,975	35.4	35,251	7.9%

NOTES:

- (1) Source: Census Bureau -Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records methodology whereas the City has used a Housing Unit methodology.* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003, and 2004.
- (2) Data provided by the Missouri Dept. of Elementary and Secondary Education
- (3) Data provided by the U. S. Bureau of Labor Statistics.
- (4) Source: U.S. Bureau of Economic Analysis-Calendar Year 2014 figures are estimates; actual statistics for this period are released in November 2015. Calendar Years 2005-2011 have been updated to reflect actual statistics released as of April 2013.

Table 17
CITY OF ST. LOUIS, MISSOURI
Principal Employers,
Current Calendar Year and Nine Years Ago

Employer	Calendar Year 2014			Calendar Year 2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	16,249	1	3.76%	12,572	2	2.94%
BJC Healthcare	13,670	2	3.16%	15,314	1	3.58%
St. Louis University	10,332	3	2.39%	9,331	3	2.18%
City of St. Louis	8,254	4	1.91%	8,969	4	2.10%
Defense Finance & Acct Services	6,484	5	1.50%	-	-	-
A G Edwards/Wells Fargo	5,759	6	1.33%	5,024	10	1.18%
St. Louis Board of Education	5,198	7	1.20%	7,072	5	1.66%
US Postal Service	4,542	8	1.05%	5,837	7	1.37%
State of Missouri	4,043	9	0.94%	5,602	8	1.31%
Anheuser Busch, Inc.	3,686	10	0.85%	5,098	9	1.19%
AT&T Services	-	-	-	6,612	6	1.55%
	<u>78,217</u>		<u>18.10%</u>	<u>81,431</u>		<u>19.06%</u>

Source: City Collector of Revenue

Table 18
CITY OF ST. LOUIS, MISSOURI
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Full-time equivalent employees as of June 30										
Function/Program:										
Primary Government Employees:										
General government	506	485	491	498	509	528	539	535	525	518
Convention and tourism	2	3	3	3	2	2	3	3	3	3
Parks and recreation	283	314	313	313	309	322	328	331	324	328
Judicial	653	681	679	706	714	709	721	717	705	717
Streets	451	455	455	455	455	464	463	458	452	454
Fire	776	781	778	813	829	830	830	830	831	831
Police	1,822	1,841	1,867	1,940	1,943	1,937	1,992	1,938	1,919	1,916
Other	752	749	750	709	716	774	814	804	753	756
Health and welfare	212	213	206	220	219	257	278	274	274	255
Public service	302	217	221	222	224	251	258	256	245	240
Community development	65	61	59	65	65	65	65	66	62	65
Business-Type Employees:										
Airport	530	537	540	555	580	583	637	637	634	623
Water Division	342	341	341	341	361	380	380	376	380	382
Parking Division	105	94	82	89	103	86	90	142	135	162
Total Employees	6,801	6,771	6,785	6,929	7,029	7,188	7,398	7,367	7,242	7,250

Table 19
CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Government</u>										
Payroll checks issued	179,431	180,873	183,489	185,338	191,837	201,642	202,802	269,186	250,945	200,939
Invoices processed	91,341	90,518	95,572	96,571	95,375	98,772	103,352	108,703	107,796	107,943
Deeds recorded	33,120	63,261	74,138	58,991	61,841	66,351	65,740	81,692	107,042	101,638
Birth and death certificate copies issued	68,357	60,780	54,552	55,773	57,898	61,836	65,874	69,107	73,205	76,618
Marriage licenses processed	2,962	2,680	2,358	2,318	2,548	2,570	2,523	2,453	2,739	2,566
Real property parcels	141,364	142,480	143,357	145,166	145,572	145,858	145,507	145,930	142,168	142,351
Personal property accounts	108,878	109,296	107,666	109,439	108,257	108,427	110,285	106,176	105,571	109,342
Problem properties cases heard*	4,894	5,555	7,911	8,942	8,981	8,491	7,932	9,793	6,050	7,954
Citizen Service Bureau (CSB) calls answered	126,780	131,129	119,504	124,637	122,470	102,964	119,531	175,339	223,776	230,541
CSB service requests issued	103,730	65,526	98,306	109,596	119,109	107,116	90,177	107,431	104,909	97,050
<u>Parks and Recreation and Forestry</u>										
Park use permits issued	3,484	3,212	3,056	3,066	3,170	3,727	3,283	3,434	3,251	2,999
Vacant lot grass cuttings	56,298	52,886	52,079	51,845	52,110	51,015	52,929	95,191	68,904	71,578
Vacant building grass cuttings	22,641	24,775	24,366	24,870	24,124	23,520	22,332	51,663	33,320	31,927
CSB service requests received	22,303	22,149	23,116	24,009	25,660	23,007	26,655	47,408	24,665	23,745
<u>Judicial</u>										
Juvenile cases-referrals *	2,297	2,395	2,702	3,031	3,444	3,540	4,282	4,840	5,450	6,686
Jurors summoned	120,629	112,881	55,105	59,650	58,230	65,805	71,187	74,450	74,850	71,300
Jurors who served	21,474	17,265	22,596	23,186	20,019	21,582	26,030	23,874	21,059	22,131
<u>Streets</u>										
Tons of waste placed in landfills	139,667	134,125	150,645	164,134	173,812	185,848	199,725	186,132	195,958	220,085
Tons of waste recycled	15,769	14,686	15,618	12,830	4,842	3,851	4,900	4,855	4,141	1,848
Vehicles towed	9,825	9,197	8,880	8,470	9,850	9,765	11,523	8,829	10,489	11,793
<u>Public Safety</u>										
<u>Fire</u>										
Suppression calls	50,067	56,623	46,959	48,159	59,683	51,464	45,855	45,137	44,751	41,513
EMS calls	54,118	68,772	58,213	61,401	74,929	73,771	60,062	59,241	59,209	58,112
<u>Police</u>										
Directed calls for service*	277,684	237,367	267,435	300,921	309,696	321,015	325,958	348,648	320,499	333,351
Felony arrests*	10,466	12,569	14,205	15,309	13,424	13,284	14,186	14,930	15,162	13,837
Misdemeanor arrests*	3,640	5,043	6,307	8,574	6,986	7,948	8,569	10,048	10,440	10,323
Police reports written*	68,400	66,104	65,337	72,057	76,204	83,339	86,316	94,539	106,086	100,007

Table 19
CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Service										
Contracts executed	115	125	78	108	81	298	252	205	164	189
Bridges inspected	41	41	44	40	44	33	36	37	36	35
Airport										
Major airlines	9	9	9	10	10	10	10	9	10	9
Commuter airlines	14	16	18	19	19	19	20	22	22	13
Air cargo carriers	3	3	3	3	3	3	3	4	5	6
Passengers	12,487,420	12,339,645	12,747,102	12,681,341	12,399,226	12,514,653	13,271,170	15,220,080	15,136,182	16,655,185
Aircraft operations	185,474	184,211	189,068	191,653	186,908	195,409	226,052	255,800	260,151	304,631
Water Division										
Bills issued - metered	51,327	51,625	51,512	52,000	52,128	52,432	53,208	53,324	53,388	56,452
Bills issued - flat rate	316,850	317,200	316,904	316,000	316,596	321,720	325,420	327,804	330,420	330,012
Billions of gallons of water purified	43,553	45,265	44,922	46,597	43,345	44,015	46,223	47,479	48,137	48,923

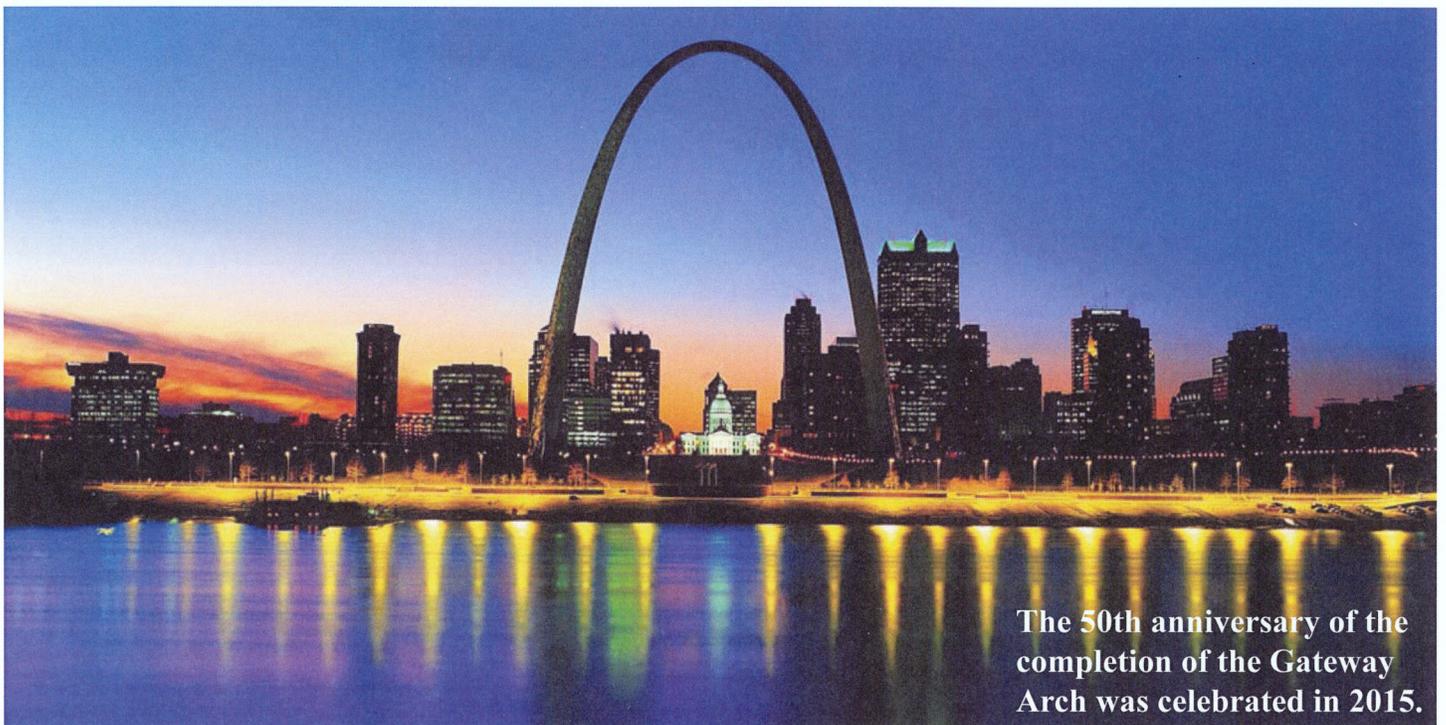
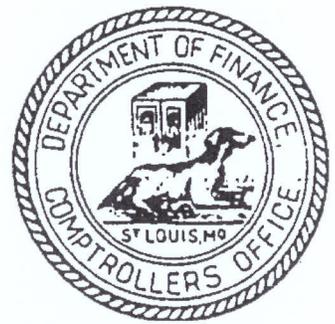
* Information based on calendar year

Table 20
CITY OF ST. LOUIS, MISSOURI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Parks and Recreation</u>										
Park acreage	3,249	3,248	3,248	3,248	3,243	2,960	2,722	2,717	2,717	2,717
Miles of bicycle paths	38	38	36	36	36	36	36	36	35	28
Athletic fields	153	153	153	153	152	152	152	152	152	188
Recreation centers	9	9	9	9	7	9	8	9	9	9
Neighborhood centers	-	-	-	-	-	-	1	1	1	1
Swimming pools	11	11	12	12	7	9	8	8	8	8
Golf courses	4	4	4	4	3	3	2	2	2	2
<u>Judicial</u>										
Court houses	3	3	3	3	3	3	3	3	3	3
<u>Streets</u>										
Alley containers	26,507	26,507	26,507	26,507	27,724	27,724	27,724	27,814	28,282	28,669
Rollout carts	39,952	39,952	39,952	39,952	34,770	21,202	21,202	19,899	20,379	
Recycling containers	5,744	5,744	5,744	5,744	3,434	125	136	130	135	116
Streets - paved (miles)	24	21	14	16	18	21	21	30	21	16
Streets - (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	450	450	450	450	450	450	450	450	450	400
Street, alley and easement lights	70,000	70,000	70,000	70,000	70,000	70,000	70,059	69,919	69,839	69,800
<u>Public Safety</u>										
<u>Fire</u>										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	122	122	122	122	122	114	114	144	144	178
<u>Police</u>										
Police stations	4	4	3	3	3	3	3	3	3	4
Police vehicles	675	757	759	757	694	710	703	703	700	651
<u>Public Service</u>										
Bridges structurally deficient	18	15	15	14	15	17	5	16	16	13
Bridges functionally obsolete	28	28	28	27	30	22	20	22	22	26
Total bridges	73	73	73	73	72	71	72	69	71	73
<u>Water Division</u>										
Miles of water mains	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Water storage capacity (gallons)	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000
Treatment Plants	2	2	2	2	2	2	2	2	2	2

Prepared by:
Office of the Comptroller
City of St. Louis, Missouri

The Honorable Darlene Green
Comptroller



The 50th anniversary of the completion of the Gateway Arch was celebrated in 2015.