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

Telephone 314 444 1400
Fax 314 444 1470

Independent Auditors' Report

To the Honorable Mayor and
Members of the Board of Aldermen
City of Saint Louis, Missouri:

We have audited the general purpose financial statements of the City of Saint Louis, Missouri, as of and for the year ended June 30, 2000 as listed in the Financial Section of the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the City of Saint Louis, Missouri. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the pension trust funds, St. Louis Development Corporation, and the Harry S. Truman Restorative Center. The assets and additions of the pension trust funds represent 100% of the reporting entity assets and additions of the pension trust funds. The assets of St. Louis Development Corporation and Harry S. Truman Restorative Center represent 35% and 1%, respectively, of the reporting entity assets of the discretely presented component units. The revenues of St. Louis Development Corporation and Harry S. Truman Restorative Center represent 67% and 23%, respectively, of the reporting entity revenues of the discretely presented component units. The financial statements of the pension trust funds, St. Louis Development Corporation, and Harry S. Truman Restorative Center were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for those funds and discretely presented component units, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Saint Louis, Missouri as of June 30, 2000, and the results of its operations, the cash flows of its proprietary fund types and discretely presented component units, and the changes in plan net assets of its pension trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2000 on our consideration of the City of Saint Louis, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed as supplementary data in the Financial Section of the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Saint Louis, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

KPMG LLP

December 8, 2000



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
A member of KPMG International, a Swiss association.

CITY OF SAINT LOUIS, MISSOURI

Combined Balance Sheet -

All Fund Types, Account Groups and

Discretely Presented Component Units

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
Cash and cash equivalents:						
Restricted	\$ 4,001	231	—	6,723	62,351	—
Unrestricted	8,581	7,741	3,076	12,117	18,268	96
Investments:						
Restricted	15,248	1,182	25	73,901	319,809	—
Unrestricted	27,148	22,557	2,094	105,693	17,085	—
Receivables, net of allowances:						
Taxes	22,750	6,971	669	2,304	—	—
Intergovernmental	164	23,740	—	1,688	—	—
Charges for services	—	—	—	—	21,522	—
Contributions	—	—	—	—	—	—
Accrued interest	—	—	—	—	3,690	—
Passenger facility charges	—	—	—	—	7,281	—
Notes and loans	—	35	—	—	—	—
Other	—	—	—	—	—	—
Due from primary government	—	—	—	—	—	—
Due from component units	1,476	4,675	—	—	—	—
Due from other funds	8,363	425	1,024	14,566	489	3,248
Due from other governmental entities	—	—	—	—	—	—
Prepaid assets	—	—	—	—	—	33
Inventories	—	—	—	—	4,261	—
Property, plant, and equipment, net of accumulated depreciation	—	—	—	—	957,871	86
Property held for development, net	—	—	—	—	—	—
Deferred charges and other assets	—	—	—	—	29,484	—
Amounts available in general, special revenue, debt service and capital projects funds for retirement of general long-term obligations	—	—	—	—	—	—
Amount to be provided for retirement of general long-term obligations	—	—	—	—	—	—
Total assets	\$ <u>87,731</u>	<u>67,557</u>	<u>6,888</u>	<u>216,992</u>	<u>1,442,111</u>	<u>3,463</u>

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type - Trust and Agency	<u>Account Groups</u>		Total (Memorandum Only) Primary Government	Component Units			Total (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long-Term Debt		<u>SLDC</u>	<u>SLPD</u>	<u>HSTRC</u>	
	-	-	-	73,306	2,678	8,144	2
32,418	-	-	82,297	10,482	131	33	92,943
-	-	-	410,165	471	26	-	410,662
1,660,323	-	-	1,834,900	-	-	-	1,834,900
26,860	-	-	59,554	-	-	-	59,554
-	-	-	25,592	-	915	-	26,507
-	-	-	21,522	-	-	779	22,301
3,184	-	-	3,184	-	-	-	3,184
8,164	-	-	11,854	-	-	-	11,854
-	-	-	7,281	-	-	-	7,281
-	-	-	35	8,479	-	-	8,514
20,528	-	-	20,528	801	401	-	21,730
-	-	-	-	3,915	5,617	-	9,532
-	-	-	6,151	-	-	-	6,151
-	-	-	28,115	122	5,163	-	33,400
-	-	-	-	1,961	-	-	1,961
-	-	-	33	225	-	21	279
-	-	-	4,261	-	-	56	4,317
-	428,804	-	1,386,761	20,126	62,054	1,640	1,470,581
-	-	-	-	18,848	-	-	18,848
-	-	-	29,484	612	-	-	30,096
-	-	29,882	29,882	-	1,373	-	31,255
-	-	506,892	506,892	-	41,354	-	548,246
<u>1,751,477</u>	<u>428,804</u>	<u>536,774</u>	<u>4,541,797</u>	<u>68,720</u>	<u>125,178</u>	<u>2,531</u>	<u>4,738,226</u>

Continued

CITY OF SAINT LOUIS, MISSOURI

Combined Balance Sheet -

All Fund Types, Account Groups and

Discretely Presented Component Units, Continued

June 30, 2000

(Dollars in thousands)

<u>Liabilities, Fund Equity, and Other Credits</u>	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,642	6,610	-	7,811	8,115	1
Accrued salaries and other benefits	6,541	128	-	-	1,915	5
Payable from restricted cash and investments:						
Contracts and retainage	-	-	-	-	9,543	-
Accrued interest	-	-	-	-	12,096	-
Current portion of revenue bonds	-	-	-	-	26,255	-
Workers' compensation	-	-	-	-	-	-
Deposits held for others	-	-	-	-	1,297	-
Due to primary government	-	-	-	-	-	-
Due to component units	5,617	3,856	-	-	-	-
Due to other funds	276	14,864	-	-	8,096	-
Accrued interest payable	-	-	-	-	1,097	-
Due to other governmental agencies	-	-	-	-	400	-
Deferred revenue	5,306	2,978	560	-	11,026	-
General obligation bonds payable	-	-	-	-	-	-
Revenue bonds payable, net	-	-	-	-	483,557	-
Federal Financing Bank advances	-	-	-	-	-	-
MTFC direct loan agreement	-	-	-	-	-	-
Master note purchase agreement	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-
Accrued vacation, compensatory and sick time benefits	499	-	-	-	4,405	-
Joint venture financing agreement	-	-	-	-	-	-
Joint venture cooperation agreement	-	-	-	-	-	-
Claims payable	-	-	-	-	-	9,267
Tax increment financing bonds payable	-	-	-	-	-	-
Contracts payable retained percentage	-	-	-	-	-	-
Leasehold revenue improvement and refunding bonds	-	-	-	-	-	-
Other liabilities	485	103	-	-	6,595	-
Total liabilities	<u>23,366</u>	<u>28,539</u>	<u>560</u>	<u>7,811</u>	<u>574,397</u>	<u>9,273</u>
Fund equity and other credits:						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital	-	-	-	-	240,898	418
Retained earnings (deficit):						
Reserved for revenue bond requirements	-	-	-	-	99,331	-
Unreserved	-	-	-	-	527,485	(6,228)
Fund balances:						
Reserved:						
Encumbrances	2,078	946	-	94,083	-	-
Employee retirement systems	-	-	-	-	-	-
Debt service	20,670	1,428	6,328	1,456	-	-
Capital projects	-	-	-	22,176	-	-
Unreserved:						
Designated	-	-	-	-	-	-
Undesignated	41,617	36,644	-	91,466	-	-
Total fund balances	<u>64,365</u>	<u>39,018</u>	<u>6,328</u>	<u>209,181</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>64,365</u>	<u>39,018</u>	<u>6,328</u>	<u>209,181</u>	<u>867,714</u>	<u>(5,810)</u>
Total fund equity and other credits	<u>64,365</u>	<u>39,018</u>	<u>6,328</u>	<u>209,181</u>	<u>867,714</u>	<u>(5,810)</u>
Total liabilities, fund equity and other credits	\$ <u>87,731</u>	<u>67,557</u>	<u>6,888</u>	<u>216,992</u>	<u>1,442,111</u>	<u>3,463</u>

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type - Trust and Agency	Account Groups		Total (Memorandum Only) Primary Government	Component Units			Total (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long-Term Debt		SLDC	SLPD	HSTRC	
3,549	-	-	30,728	2,525	925	437	34,615
-	-	-	8,589	-	3,054	178	11,821
-	-	-	9,543	-	-	-	9,543
-	-	-	12,096	-	-	-	12,096
-	-	-	26,255	-	-	-	26,255
-	-	-	-	-	778	-	778
25,614	-	-	26,911	-	-	-	26,911
-	-	-	-	4,675	1,476	-	6,151
59	-	-	9,532	-	-	-	9,532
4,879	-	-	28,115	122	5,163	-	33,400
-	-	-	1,097	407	-	-	1,504
33,155	-	-	33,555	11,245	1,407	-	46,207
-	-	-	19,870	12	181	-	20,063
-	-	62,870	62,870	-	-	-	62,870
-	-	-	483,557	13,810	-	-	497,367
-	-	925	925	-	-	-	925
-	-	636	636	-	-	-	636
-	-	1,250	1,250	-	-	-	1,250
-	-	-	-	11,417	-	70	11,487
-	-	21,870	21,870	-	9,825	-	31,695
-	-	14,036	18,940	-	17,783	187	36,910
-	-	84,661	84,661	-	-	-	84,661
-	-	2,885	2,885	-	-	-	2,885
-	-	-	9,267	-	15,119	-	24,386
-	-	12,410	12,410	-	-	-	12,410
-	-	2,409	2,409	-	-	-	2,409
-	-	332,822	332,822	-	-	-	332,822
65,036	-	-	72,219	3,011	-	45	75,275
<u>132,292</u>	<u>-</u>	<u>536,774</u>	<u>1,313,012</u>	<u>47,224</u>	<u>55,711</u>	<u>917</u>	<u>1,416,864</u>
-	428,804	-	428,804	2,684	62,054	-	493,542
-	-	-	241,316	4,544	-	-	245,860
-	-	-	99,331	2,514	-	-	101,845
-	-	-	521,257	(220)	-	1,614	522,651
-	-	-	97,107	-	199	-	97,306
1,618,938	-	-	1,618,938	-	-	-	1,618,938
-	-	-	29,882	518	1,373	-	31,773
-	-	-	22,176	-	-	-	22,176
-	-	-	-	-	1,516	-	1,516
247	-	-	169,974	11,456	4,325	-	185,755
<u>1,619,185</u>	<u>-</u>	<u>-</u>	<u>1,938,077</u>	<u>11,974</u>	<u>7,413</u>	<u>-</u>	<u>1,957,464</u>
<u>1,619,185</u>	<u>-</u>	<u>-</u>	<u>2,799,981</u>	<u>18,812</u>	<u>7,413</u>	<u>1,614</u>	<u>2,826,206</u>
<u>1,619,185</u>	<u>428,804</u>	<u>-</u>	<u>3,228,785</u>	<u>21,496</u>	<u>69,467</u>	<u>1,614</u>	<u>3,321,362</u>
<u>1,751,477</u>	<u>428,804</u>	<u>536,774</u>	<u>4,541,797</u>	<u>68,720</u>	<u>125,178</u>	<u>2,531</u>	<u>4,738,226</u>

CITY OF SAINT LOUIS, MISSOURI

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -

All Governmental Fund Types, Similar Expendable Trust Fund

and Discretely Presented Component Units

For the year ended June 30, 2000

(Dollars in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 311,310	53,803	6,082	20,198
Licenses and permits	15,891	2,608	-	-
Intergovernmental	8,255	73,795	-	7,595
Charges for services, net	14,668	12,193	-	-
Court fines and forfeitures	8,450	1,051	-	-
Investment income	4,729	1,519	3,086	8,916
Miscellaneous	3,155	1,861	-	4,960
Total revenues	<u>366,458</u>	<u>146,830</u>	<u>9,168</u>	<u>41,669</u>
Expenditures:				
Current:				
General government	37,461	18,412	-	-
Convention and tourism	1,936	163	-	-
Parks and recreation	16,275	1,929	-	-
Judicial	34,100	7,448	-	-
Streets	28,565	225	-	-
Public safety:				
Fire	45,729	7	-	-
Police	249	612	-	-
Other	29,963	6	-	-
Health and welfare	11,668	25,330	-	-
Public services	20,550	39,789	-	-
Community development	-	38,730	-	-
Capital outlay	3,920	48	-	74,193
Debt service:				
Principal	8,917	1,155	2,130	5,035
Interest and fiscal charges	20,236	1,594	2,209	5,023
Cost of issuance	888	-	-	-
Total expenditures	<u>260,457</u>	<u>135,448</u>	<u>4,339</u>	<u>84,251</u>
Excess (deficiency) of revenues over expenditures	<u>106,001</u>	<u>11,382</u>	<u>4,829</u>	<u>(42,582)</u>
Other financing sources (uses):				
Sale of general fixed assets	-	-	-	557
Proceeds from leasehold revenue bonds	2,773	-	-	19,252
Proceeds from capital lease	-	-	-	9,000
Proceeds from master note purchase agreement	-	1,250	-	-
Operating transfers in	13,439	14,434	45	24,783
Operating transfers from component units	125	250	-	-
Operating transfers from primary government	-	-	-	-
Operating transfers to component units	(114,458)	-	-	(1,317)
Operating transfers out	<u>(24,281)</u>	<u>(19,059)</u>	<u>-</u>	<u>(8,502)</u>
Total other financing sources (uses), net	<u>(122,402)</u>	<u>(3,125)</u>	<u>45</u>	<u>43,773</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(16,401)</u>	<u>8,257</u>	<u>4,874</u>	<u>1,191</u>
Fund balances:				
Beginning of year	80,523	31,004	1,454	207,990
Residual equity transfers	243	(243)	-	-
End of year	<u>64,365</u>	<u>39,018</u>	<u>6,328</u>	<u>209,181</u>

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type - Expendable Trust	Total (Memorandum Only)	Component Units		Total (Memorandum Only)
	Primary Government	SLDC	SLPD	Reporting Entity
-	391,393	-	-	391,393
-	18,499	-	-	18,499
-	89,645	13,449	2,325	105,419
-	26,861	6,609	-	33,470
-	9,501	-	1,636	11,137
-	18,250	470	394	19,114
101	10,077	5,024	-	15,101
<u>101</u>	<u>564,226</u>	<u>25,552</u>	<u>4,355</u>	<u>594,133</u>
-	55,873	-	-	55,873
75	2,174	-	-	2,174
-	18,204	-	-	18,204
-	41,548	-	-	41,548
-	28,790	-	-	28,790
-	45,736	-	-	45,736
-	861	-	115,446	116,307
-	29,969	-	-	29,969
-	36,998	-	-	36,998
-	60,339	-	-	60,339
-	38,730	19,634	-	58,364
-	78,161	2,535	3,383	84,079
-	17,237	-	840	18,077
-	29,062	1,056	475	30,593
-	888	-	-	888
<u>75</u>	<u>484,570</u>	<u>23,225</u>	<u>120,144</u>	<u>627,939</u>
<u>26</u>	<u>79,656</u>	<u>2,327</u>	<u>(115,789)</u>	<u>(33,806)</u>
-	557	(84)	-	473
-	22,025	-	-	22,025
-	9,000	-	-	9,000
-	1,250	-	-	1,250
-	52,701	1,638	-	54,339
-	375	-	-	375
-	-	-	115,775	115,775
-	(115,775)	-	-	(115,775)
<u>(2)</u>	<u>(51,844)</u>	<u>(1,551)</u>	<u>-</u>	<u>(53,395)</u>
<u>(2)</u>	<u>(81,711)</u>	<u>3</u>	<u>115,775</u>	<u>34,067</u>
24	(2,055)	2,330	(14)	261
223	321,194	9,644	7,427	338,265
-	-	-	-	-
<u>247</u>	<u>319,139</u>	<u>11,974</u>	<u>7,413</u>	<u>338,526</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Saint 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 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 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 generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

a. 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 general purpose financial statements. These standards identify the City's financial accountability for potential component units as the primary, but not only, criteria for inclusion. The City is financially accountable if it appoints a voting majority of a potential component unit governing body and is able to impose its will on that potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on the City. The City's financial reporting entity consists of the City of Saint Louis (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 and 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 or acquiring, leasing or subleasing real property and improvement thereon, and personal property to the City.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

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St. Louis Municipal Finance Corporation (SLMFC – II)

The SLMFC – II, established in 1993, is governed by a five member board of persons in designated City positions. The SLMFC – II 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 or acquiring, leasing or subleasing real property and improvements thereon, and personal property to the City.

2. Discretely Presented Component Units

The component units columns in the general purpose financial statements include the financial data of the City's three 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 activity of the City. SLDC combined 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, the St. Louis Industrial Development Authority, the Planned Industrial Expansion Authority, the Local Development Company, and the St. Louis Port Authority. SLDC is included as a component unit of the City due to its operational and financial relationship with the City. The City is able to impose its will on SLDC.

The Metropolitan Police Department of the City of St. Louis, Missouri (SLPD)

The SLPD, established by state statute, is administered by a five member Board of Commissioners, the Mayor and four members appointed by the Governor. The City is obligated to provide a minimum level of funding for the operations of the SLPD. SLPD's operating budget is prepared and submitted to the City for approval. SLPD has no authority to levy a tax or issue debt in its name, and therefore is dependent on the City for substantially all of its funding.

Harry S. Truman Restorative Center, James J. Wilson, City Counselor, Receiver (HSTRC)

The HSTRC is a 220-bed skilled nursing facility operated as a not-for-profit entity supported by the City and located in a City-owned building. Under court ordered receivership, the City has administrative oversight responsibility for HSTRC. This oversight is expressed in the form of an advisory board consisting of one representative from each of the offices of the Mayor, Comptroller, President of the Board of Aldermen and the City Counselor (the Receiver) as well as two executive employees of HSTRC.

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

St. Louis Development Corporation 1015 Locust Street St. Louis, Missouri 63101	The Metropolitan Police Department of the City of St. Louis 1200 Clark Avenue St. Louis, Missouri 63103-2845
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Harry S. Truman Restorative Center
5700 Arsenal Street
St. Louis, Missouri 63139-1699

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 does not extend beyond making the appointments. Thus, no financial data for these organizations are included in the City's general purpose financial statements. These organizations include the Mental Health Board, the St. Louis Housing Authority, the St. Louis Office for Mental Retardation & Development 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 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, County, and 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, County, and State. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 901 North Broadway, St. Louis, Missouri 63101.

b. Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, 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 general purpose financial statements. The following fund types and account groups are used by the City:

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

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

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 fund types.

General – 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.

Special Revenue – Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service – The debt service fund is used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal, interest and related costs.

Capital Projects – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

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 Lambert-St. Louis International Airport (Airport), the Water Division, and the Parking Division.

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 the PFPC and for the Mailroom Services of the City. At June 30, 2000, the PFPC has a retained deficit of \$6,321.

In reporting the financial activity of its proprietary funds, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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, other governmental units or other funds. These include pension trust, expendable trust, and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. Expendable trust and agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt as follows:

General Fixed Assets Account Group - This account group is established for all fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the City except debt accounted for in the proprietary funds.

c. Basis of Accounting

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

The City records transactions during the year on the basis of cash receipts and disbursements. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental funds types, expendable trust and agency funds, and the accrual basis of accounting for the proprietary fund types and pension trust 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 liabilities of the current period. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general obligation debt which is recognized when due.

Permits, court fines and forfeitures, charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. City earnings and payroll taxes are also recognized as revenue when received in cash since they are not generally measurable until remitted by the taxpayers. Interest on investments is recorded as earned since it is measurable and available. Licenses, sales and utilities gross receipts taxes are considered measurable and available when in the hands of intermediary collecting governments or agencies and are recognized as revenue at that time. Property taxes are considered measurable when levied and recognized as revenue

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

when they become available. "Available" means when due or past due and receivable within the current period and collected within the current period or expected to be collected within 60 days following the end of the current period.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues to the extent expenditures are incurred under the terms and conditions of the grant agreements. Any excess or deficiency of grant revenue received compared to expenditures incurred is recorded as deferred revenue or accounts receivable from the grantor.

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 Water Division based on estimated billings for services provided through the end of the current fiscal year.

Component Units – SLDC, SLPD, and HSTRC

The SLDC and HSTRC proprietary funds are recorded on the accrual basis of accounting. The governmental fund types and the fiduciary fund type - expendable trust funds of SLDC and SLPD follow the modified accrual basis of accounting.

d. 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. The City tax rate levied November 1999 was \$1.62 per \$100 of assessed valuation of which \$1.42 is for the general fund and \$.20 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.

e. Budgets

The City follows the procedures outlined below in establishing the budgetary data reflected in the general purpose financial statements.

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 for the general fund; the following special revenue funds: transportation, convention and tourism, licensed gaming, assessor, lateral sewer lines, tax increment financing, child support unit, victim assistance, communications division, health care trust, miscellaneous special funds; the debt service fund; and the following capital projects funds: capital improvements and capital improvement sales tax trust fund. 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 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, management with the approval of E&A, may transfer part or all of any encumbered appropriation balance among programs within a department, office or agency, without approval of the governing body. Legislative action is required 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. The amount of such supplemental appropriation for the year was not significant.
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.

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 Combined Statement of Revenues and Expenditures – Budget and Actual – Budget Basis – All Governmental Fund Types 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.
4. Rental payments for various capital lease arrangements are recorded as current expenditures when paid to third-party trustees for budget purposes rather than when the principal and interest on the related leasehold revenue bonds are due (GAAP).

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

f. 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 expendable trust and 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.

g. Inventories

Purchase of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. For the enterprise fund type, 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.

h. Property, Plant, and Equipment

General Fixed Assets

General fixed assets of the primary government, SLPD, and SLDC are those that have been acquired for general government purposes. Upon acquisition, such assets are recorded as expenditures in the appropriate governmental fund type or expendable trust fund and capitalized at historical cost or estimated historical cost in the general fixed asset account group. Assets donated are capitalized at fair market value at the time received. No depreciation has been provided on general fixed assets, except for SLDC general fixed assets which are net of accumulated depreciation.

Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, curbs and gutters, storm sewers, streets and sidewalks, bridges, wharves and docks, lighting systems and other immovable assets are not capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The valuation of general fixed assets purchased by the City's governmental fund types prior to May 1, 1982, is based upon a physical inventory taken in 1982, that was priced at original cost or estimated historical cost.

Airport

Property, plant, and equipment 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. The estimated useful lives of property, plant and equipment are as follows:

	<u>Years</u>
Pavings	18 to 25
Buildings and facilities	20 to 30
Equipment	2 to 20

Land is recorded at cost which, in addition to the purchase price, includes appraisal and legal fees, demolition and homeowner relocation costs.

Water Division

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

Additions to the utility plant subsequent to 1958 are recorded at cost. Provisions for depreciation of the utility plant are computed on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of depreciable assets are as follows:

	<u>Years</u>
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

Parking Division

Property, plant, and equipment 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 lives of property, plant, and equipment are as follows:

	<u>Years</u>
Buildings and structures	40
Equipment	5 to 15
Parking meters and lot equipment	5 to 10

Mailroom

Property, plant, and equipment 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 lives of property, plant, and equipment, other than computer equipment, are 10 years. The estimated useful life of computer equipment is 5 years.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Component Unit - SLDC

Property, plant, and equipment in the SLDC proprietary fund type are recorded at historical cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of property, plant, and equipment are as follows:

	<u>Years</u>
Buildings and structures	40
Improvements other than buildings	3 to 15
Equipment	3 to 10

Component Unit - HSTRC

Property, plant, and equipment are recorded at historical cost. Donated property and equipment is recorded at fair market value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

i. Other Liabilities

Airport

In June 1995, the Airport entered into a forward purchase agreement with certain financial institutions. Under this agreement, the Airport received a lump-sum interest payment of \$7,209 (present value of future interest earnings based on an interest rate of 6.34%) and deposited it into the debt service accounts related to the Airport Revenue Bonds, Series 1987 (Bond Series 1987), Airport Revenue Refunding and Improvement Bonds, Series 1992 (Bonds Series 1992), Taxable Airport Revenue Refunding Bonds, Series 1993 (Bonds Series 1993), and Taxable Airport Revenue Bonds, Series 1993A (Bonds Series 1993A). In exchange, the Airport has contracted to buy qualified, eligible securities (as defined in the agreement) from these institutions on the 15th of every month until the bonds mature, are called or are refinanced. The institutions receive the actual interest earned on the Airport securities purchased every month. The difference between the fixed interest rate earned by the Airport and the variable interest rate paid to the institutions is recorded as a net adjustment to interest expense. In April 1996, this agreement was amended to replace the Bonds Series 1987 with the Airport Revenue Refunding Bonds, Series 1996 (Bonds Series 1996). A \$95 termination payment was made in consideration for the amendment.

The Airport's obligation under the forward purchase agreement of \$3,971 at June 30, 2000 is recorded in other liabilities.

Water Division

In 1996, the Water Division entered into a forward purchase agreement with a financial institution. Under this agreement, the Water Division received a lump-sum interest payment of \$941 (present value future interest earnings based on an interest rate of 6.2%) and deposited it into the waterworks revenue account. In exchange, the Water Division has contracted to buy qualified eligible (as defined in the agreement) securities from this institution on the 10th of every month until the water revenue bonds mature, are called, or are refinanced. The institution, in turn, receives the actual interest earned on the Water Division securities purchased every month. During 1999, the forward purchase agreement was amended to include the 1998 Water Revenue Bonds revenue account. The Water Division's obligation under the forward purchase agreement of \$659 is recorded as other liabilities at June 30, 2000.

j. Passenger Facility Charges (PFCs)

The Airport collects a \$3 facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFC is 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 \$.08 per ticket operating fee retained by the airlines. PFC revenue is recognized when the earnings process is completed by the Airport and is classified as non operating revenue.

k. Contributed Capital

Contributed capital of the Airport and Water Division represents government grants and other aid used to fund capital projects. Such amounts are generally recognized as contributed capital when the expenditure is made and amounts become subject to claim for reimbursement. Depreciation recorded on property, plant, and equipment acquired with contributed funds is charged to operations and reclassified to the related contributed capital account. Depreciation recorded on all other property, plant, and equipment is charged to operations. The cost of renewal projects funded by government grants is charged to operations and reclassified to the related contributed capital account.

Contributed capital of the Parking Division represents funds contributed and fixed assets transferred from the general fixed assets account group to establish the Parking Division enterprise fund.

Contributed capital of the Mailroom represents the cost of lighting, electrical and other improvements to the office space occupied by the Mailroom. The improvements were paid for by the general fund of the City. It also includes the value of vehicles and equipment purchased by the general fund of the City.

Component Unit - SLDC

Component unit contributed capital represents funds contributed from the Fiduciary Fund Type Expendable Trust fund to the Proprietary Fund Type - Enterprise fund in connection with the development of the St. Louis Centre redevelopment area. The funds were used to acquire and construct a public parking garage on City Block 118 and for other development projects.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

l. Capitalization of Interest

Net interest costs on funds borrowed to finance the construction of property, plant and equipment are capitalized and depreciated over the life of the related asset for the proprietary fund types. Interest is not capitalized in the general fixed assets account group for assets related to the governmental fund types.

m. Amortization

In governmental fund types, bond discounts and issuance costs are recognized in the current period. In the proprietary fund type, bond discounts are recorded as a reduction of the debt obligation and bond issuance costs are recorded as a deferred charge. Such amounts are amortized using the interest method or bonds outstanding method over the term of the related revenue bonds. The deferred amount on refunding is amortized as a component of interest expense over the remaining life of the bonds using the bonds outstanding method.

n. Compensated Absences

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. Compensatory time is granted to certain employees for hours worked in excess of a normal week that are not taken within the current bi-weekly pay period. These benefits are allowed to accumulate and carry over, with limitations, into the next calendar year and will be paid to employees upon departure from service for any reason. The accrued benefit liability for vacation and compensatory time related to governmental fund types has been recorded in the general long-term debt account group as it is not expected to be liquidated with expendable available resources. The proprietary funds accrue vacation and compensatory time as earned.

Effective June 21, 1998, non-uniformed employees who have an unused sick leave balance may, at retirement, elect to receive payment for the sick leave balance. As no historical data exists to estimate the portion of sick leave that will result in termination payments, a liability has not been accrued on the accompanying general purpose financial statements except in the respective funds for those employees who retired in the first quarter of fiscal year 2001 who received termination payments as a result of accrued sick leave.

o. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the appropriation, is employed in the governmental fund types. Encumbrances outstanding at year-end do not constitute expenditures or liabilities for GAAP or budgetary basis financial statement purposes.

p. Interfund Transactions

The City has the following types of transactions among funds:

Operating Transfers

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

Residual Equity Transfers

Non-routine or nonrecurring transfers between funds are reported as additions to or deductions from the fund equity balance.

Quasi-External Transaction

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

q. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation and is legally segregated for a specific future use. In addition to encumbrances, donor restricted projects, and employee retirement systems, reserved fund balances at June 30, 2000, are comprised of the following:

General Fund

Cash and investments with trustees to be used for debt service related to the Convention Center, the Kiel Site Project, Civil Courts, Justice Center, and Firemen's System Revenue Bonds.

Special Revenue Fund

Cash and investments with a trustee to be used for debt service of the Scullin Tax Increment Financing Bonds.

Debt Service Fund

Cash and investments to be used for bond principal payments.

Capital Projects Fund

Cash and investments with trustees to be used for debt service and construction related to the Forest Park Redevelopment.

r. 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.

s. Use of Estimates

The preparation of general purpose financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

and liabilities at the date of the general purpose financial statements and the reported amounts of revenue, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

t. Total (Memorandum Only) Column

The total columns are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with GAAP; nor are such data comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

2. BUDGETARY BASIS OF ACCOUNTING

The combined Statement of Revenues and Expenditures – Budget and Actual – Budget Basis – All Governmental Fund Types presents comparisons of the legally adopted budgets, as amended, with actual data on a budgetary basis. As defined in Note 1, the budgetary data are presented on a basis that differs significantly from the modified accrual (GAAP) basis of accounting.

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:

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP basis	\$ (16,401)	8,257	4,874	1,191
Increase (decrease) due to :				
Revenue accruals	(10,994)	819	(713)	(1,139)
Expenditure accruals	11,190	(4,389)	-	(2,015)
Unbudgeted activities and funds	13,465	742	-	4,897
Budget basis	<u>\$ (2,740)</u>	<u>5,429</u>	<u>4,161</u>	<u>2,934</u>

For the year ended June 30, 2000, expenditures exceeded appropriations in the Convention and Tourism, Licensed Gaming, and Communications Division special revenue funds and the Capital Improvements capital project fund by \$3, \$207, \$258, and \$284 respectively, as a result of actual expenditures exceeding budget estimates.

3. DEPOSITS AND INVESTMENTS

Primary Government

While certificates of deposit are defined as investments for balance sheet classification and cash flow purposes, for proper custodial risk disclosure they are shown here as deposits. In addition, money market mutual funds are classified as cash deposits (for all funds except pension trust funds) on the balance sheet, but as investments for custodial risk disclosure.

At year-end, the carrying amount of cash deposits was \$85,223 and the bank balances totaled \$111,322. Of the bank balance, \$1,975 was insured by the Federal Depository Insurance Corporation (FDIC), \$103,316 was covered by collateral held by the pledging banks trust department or agent in the City's name, and \$4,973 was covered by collateral held by the pledging bank's trust department or agent in the pledging bank's name. The remaining \$1,058 was neither insured nor collateralized.

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. For City funds other than pension trust funds, investments may be made in obligations of the United States government or any agency or instrumentality thereof, or bonds of the State or any city within the state with a population of 400,000 inhabitants or more, certificates of deposit, commercial paper, bankers acceptances, money market mutual funds or state investment pools, provided that no such investment shall be purchased at a price in excess of par. In addition, the City may enter into a repurchase agreement maturing and becoming payable within 90 days secured by United States Treasury obligation or obligations of the United States government agencies or instrumentalities, of any maturity, as provided by law. Pension trust funds are authorized to invest in the following:

- United States government securities.
- Common stocks of corporations organized under the laws of the United States; however, the investment in common stock cannot exceed 45% of total investments at cost.
- Publicly issued corporation bonds, debentures, notes or other evidence of indebtedness assumed or guaranteed by corporations organized under the laws of the United States with ratings of "A" or better by Moody's Investors Service.
- Short-term securities with a maximum maturity of one-year including institutional liquid assets, United States Treasury obligations, federal agency obligations, discount and interest-bearing notes from corporations, and certificates of deposit.

The Firemen's Retirement System of St. Louis, a pension trust fund (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. Collateral consisting of cash, letter of credit or government securities is received and held by a financial institution. The collateral maintained is at least 100% 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 60% of the net lending fees generated by each loan of securities. At the Firemen's System's fiscal year end, outstanding loans to borrowers were \$23,627.

The Employee's Retirement System of St. Louis, a pension trust fund (the Employee's System), invests in global fixed income portfolio that includes foreign governmental obligations. To hedge the exchanged rate risk of holding foreign governmental obligations, the Employee's System also invests in forward foreign currency exchanged contracts. The net value of the forward foreign currency exchange contracts is reflected in the financial statements of the Employee's System as plan liability. The net gains and/or losses related to these contracts are reflected in the financial statements of the Employee System as a part of net appreciation (depreciation) in fair value of investments.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

City funds in the form of cash on deposit or certificates of deposit are required to be insured or collateralized by authorized investments held in the City’s name. Actual investment decisions are made by the City Treasurer, City Comptroller, Circuit Clerk and the City’s trustees and fiscal agents.

The City’s investments are categorized below to give an indication of the level of custodial risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by a counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by a counterparty, or by its trust department or agent, but not in the City’s name.

	Category			Total Carrying Value
	1	2	3	
Investments:				
U.S. government agency securities	\$ 3,388	83,429	484,242	571,059
Pension trust funds investments:				
U.S. government securities	–	–	157,009	157,009
Corporate bonds	–	–	306,066	306,066
Stocks	–	–	757,845	757,845
Foreign government obligation	–	–	40,161	40,161
Mortgage-backed securities	–	–	93,646	93,646
	\$ 3,388	83,429	1,838,969	1,925,786
Money market mutual funds				82,478
Investment agreements				11,004
Pension trust funds investments:				
FHA mortgages				95
Mortgages on real estate				41
Collective investment funds				203,473
Money market mutual funds				45,430
Managed international equity funds				47,138
Total investments (excluding certificates of deposit) – primary government				\$ 2,315,445

Component Unit - SLDC

At June 30, 2000, the carrying amount of SLDC’s cash deposits was \$13,160 and the bank balance was \$11,469. Of the bank balance, \$420 was covered by federal depository insurance and \$11,049 was covered by collateral held by the pledging institution’s trust departments or agent in SLDC’s name.

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.

SLDC's investments are categorized below to give an indication of the level of custodial risk assumed at June 30, 2000. These categories are the same as for the primary government.

	Category			Total Carrying Value
	1	2	3	
Stock	\$ <u> -</u>	<u> 27</u>	<u> -</u>	<u> 27</u>
Money market mutual funds				<u> 444</u>
Total investments - SLDC				\$ <u> 471</u>

At June 30, 2000, the market value of all investments approximates the carrying amount.

Component Unit - SLPD

At year-end, the carrying amount of SLPD's cash deposits was \$5,624 and the bank balances were \$6,297. Of the bank balances, \$100 was insured by the FDIC and the remainder was covered by collateral pledged by the bank and held by the pledging bank's trust department or the Federal Reserve Bank of St. Louis in SLPD's name.

State statutes and City investment policies are the same as for the primary government. SLPD funds in the form of cash on deposit or certificates are required to be insured or collateralized by authorized investments held in SLPD's name. Actual investment decisions are made by the Director of Budget and Finance, the Board of Commissioner, and SLPD's fiscal agents.

While repurchase agreements are classified as cash and cash equivalents on the balance sheet, they are defined as investments for custodial risk disclosure.

SLPD's investments are categorized below to give an indication of the level of risk assumed at year-end. These categories are the same as for the primary government.

	Category			Total Carrying Value
	1	2	3	
Investments:				
Repurchase agreement	\$ 1,372	1,279	-	2,651
U.S. Government securities	<u> 26</u>	<u> -</u>	<u> -</u>	<u> 26</u>
Total investments	\$ <u> 1,398</u>	<u> 1,279</u>	<u> -</u>	<u> 2,677</u>

Component Unit - HSTRC

At year-end, the carrying amount of HSTRC's cash deposits was \$35 and was uncollateralized.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

4. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with City ordinances and bond provisions, are as follows at June 30, 2000:

Airport Bond Fund:	
Debt Service Account	\$ 36,107
Debt Service Reserve Account	55,064
Airport Renewal and Replacement Fund	3,500
Passenger Facility Charge Fund	32,547
Airport Development Fund	49,949
Airport Construction Fund	166,026
Airport Contingency Fund	<u>3,160</u>
	<u>\$ 346,353</u>

City ordinances 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:

1. Unrestricted Airport Operation and Maintenance Fund: an amount sufficient to pay the estimated operation and maintenance expense 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 is to 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 fully pay all outstanding bonds.
4. 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 monies 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 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.

5. A subaccount in the 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 subaccount 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 subaccount 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.
6. Airport Contingency Fund: an amount determined at the discretion of Airport management, to be used for the purchase or redemption of any bonds; payments of principal or redemption price of interest on any subordinated debt; improvements, extensions, betterments, renewals, replacements, repairs, maintenance or reconstruction of any properties or facilities of the Airport, or the provision of one or more reserves. These funds can also be used for any other corporate purpose of the Airport, the local airport system or other local facilities which are owned or operated by the City and are directly related to the actual transportation of passengers or property.
7. 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.

City ordinances provide that in the event the sum on deposit in the Airport Bond Fund - Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal or both, the balance in the Airport Contingency Fund, 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 is to be restored thereto in the manner provided for in their original establishment. City ordinances also provide that 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 these ordinances.

b. Water Division

Cash and investments restricted in accordance with City ordinances at June 30, 2000, are as follows:

Bond Funds:	
Waterworks Bond and Interest Account	\$ 3,165
Water Revenue Bond Reserve Account	2,805
Water Replacement and Improvement Account	725
Total bond funds	6,695
Customer deposits	1,297
Service line maintenance account	309
Construction funds	16,718
	\$ 25,019

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

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

1994 Water Revenue Bond Funds

1. To the unrestricted Waterworks Operations and Maintenance Account, an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
2. To the Waterworks Bond and Interest Account, an amount at least equal to one-sixth of the amount of interest that will come due on the next interest payment date, plus an amount at least equal to one-twelfth of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account is to be used only for the payments of bonds principal and interest as the same shall become due.
3. To the Water Revenue Bond Reserve Account, a sum equal to the maximum principal and interest coming due on any fiscal year on the bonds.
4. To the Water Replacement and Improvement Account, an amount equal to \$25 per month until the account balance aggregates \$700. This account is to 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 to be deposited into the unrestricted Water Contingent Account. This account is to 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.

1998 Water Revenue Bond Funds

To the Water Revenue Bond Reserve Account, a sum equal to the maximum principal and interest coming due in any fiscal year on the bonds.

Construction Funds

City ordinances also provide that the principal proceeds from the sale of Series 1994 Revenue Bonds and amounts appropriated from the Water Contingent Account shall be held in the Construction Fund from which they shall be disbursed for the purposes contemplated in these ordinances.

Customer Deposits

City ordinances provide that amounts paid by customers as deposits on water meters, construction and unclaimed meter deposits be held in escrow until such time as they are returned to customers in the form of cash or as a credit on the applicable customer's water bill.

Service Line Maintenance

In accordance with a City ordinance, the Water Division collects a two dollar per quarter surcharge from flat rate and metered residential customers having six or less dwelling units. These funds are deposited in the service line maintenance account. This account, including interest earned, is used to pay for the repair of certain portions of the water lines for these customers.

c. Parking Division

Cash and investments restricted in accordance with revenue bond indentures at June 30, 2000, are as follows:

Debt Service Reserve Funds	\$ 4,211
Construction Funds	3,767
Debt Service Funds	485
Parking Trust Fund - Parking Division Accounts	1,717
Cost of Issuance Account	24
Other	584
	\$ 10,788

The June 30, 2000, restricted assets are required by the Series 1999, 1998, and 1996 bond indentures. Descriptions of the above funds are as follows:

1. Debt Service Reserve Funds - 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. Construction Funds - Used to pay construction costs to complete the respective projects.
3. Debt Service Funds - Monies deposited into this account pay principal and accrued and unpaid interest on the respective Bonds.
4. Parking Trust Fund - 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.
5. Cost of Issuance Account – Account maintained to pay issuance costs for the respective Bonds.

The Series 1999, 1998, and 1996 Bond indentures requires that net project revenues be deposited into the respective Parking Facility Debt Service Account. From this account, revenues are applied as follows to the respective Bond series funds:

1. To the Debt Service Funds, the amount of monies sufficient to meet the debt service requirements for at least one bond year.
2. To the Debt Service Reserve Fund, the amounts, if any, required to cure any deficiency in the Debt Service Reserve Fund.
3. To the Parking Trust Fund, any amounts withdrawn in connection with the respective refunded Bonds.
4. To the Parking Facilities Renewal and Replacement Account, any remaining net project revenues.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Project revenues in excess of the amounts previously described will be applied as follows to the respective Bond series funds:

1. To the Parking Trust Fund - Parking Division Accounts - Any amounts previously withdrawn by the trustee.
2. To the Renewal and Replacement Fund - One-half of any such excess Project revenues up to a maximum amount on deposit of \$750.
3. The remaining revenues will be transferred to the Parking Meter Fund, free of any restriction under the indenture.

On the fifteenth day of each month, the Treasurer of the City will pay to the trustee, to the extent of monies in the Parking Facilities Debt Service Account, an amount equal to (a) the amount required to make the amount on deposit with the trustee in the respective Interest Account equal to accrued and unpaid interest on the respective Bonds as of the first day of the immediately succeeding month (less any amounts on deposit in the Capitalized Interest Account of the Construction Fund), (b) one-twelfth of the principal amount (including mandatory sinking fund payments) due on the immediately succeeding December 15, (c) one-twelfth of the deficiency, if any, in the respective Reserve Fund Requirement as specified by the trustee in a notice given to the City pursuant to the Indenture, and (d) one-twelfth of the aggregate annual amount of any fees owing to the bank under the Reimbursement Agreement.

d. SLDC Bond Funds

Cash and investments restricted in accordance with the SLDC Parking Facilities Revenue Refunding Bonds, Series 1999, Bond Indenture consist of a Bond Reserve Account in the amount of \$2,514.

The revenue bonds indenture requires that gross operating revenues be paid to the bond trustee for deposit in the parking facility fund. From this fund, the revenues are to be applied, in part, as follows:

To the Bond Reserve Account of the Bond Fund: on the tenth day of any month when the amount on deposit is less than the bonds reserve requirements of \$500, an amount equal to the lesser of \$10 or an amount necessary to cause the amount on deposit to equal the bond reserve requirement.

SLDC is also required to maintain on deposit at a bank a minimum balance of \$500 in an interest trust account.

5. COMPONENT UNIT – SLDC NOTES AND LOANS RECEIVABLE

SLDC notes and loans receivable consist principally of Small Business Administration (SBA) loans and various other commercial loans made to third parties to facilitate development activities. The commercial loans were financed utilizing funds provided by the Community Development Agency (CDA) of the City, the Economic Development Administration, and the State of Missouri. Any repayment of these loans would be payable back to the funding source. Thus, a corresponding liability has been recorded as due to other governmental entities.

6. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts, which has been deducted from the related receivable in the combined balance sheet, consists of the following balances by fund:

Taxes receivable:	
General fund	\$ 164
Debt service fund	17
Agency fund	2,984
Services receivable – Enterprise funds	<u>2,149</u>
	<u>\$ 5,314</u>

7. PROPERTY, PLANT AND EQUIPMENT

Changes in General Fixed Assets – Primary Government

The following is a summary of changes in general fixed assets for the year ended June 30, 2000:

	Balance, June 30, 1999	Additions	Deductions	Transfers (to) from Component Unit	Balance, June 30, 2000
Land	\$ 63,839	3,693	-	-	67,532
Buildings and other structures	232,327	138	-	-	232,465
Improvements other than buildings	15,409	-	-	-	15,409
Equipment	85,171	13,252	4,442	760	94,741
Construction in progress	<u>6,471</u>	<u>12,186</u>	<u>-</u>	<u>-</u>	<u>18,657</u>
	<u>\$ 403,217</u>	<u>29,269</u>	<u>4,442</u>	<u>760</u>	<u>428,804</u>

Construction in progress consists primarily of the Transportation Center and Justice Center.

Proprietary Funds Fixed Assets

The following summarizes property, plant, and equipment held by the proprietary funds at June 30, 2000:

	<u>Enterprise Funds</u>				<u>Internal Service – Mailroom</u>
	<u>Airport</u>	<u>Water Division</u>	<u>Parking Division</u>	<u>Total</u>	
Buildings and other structures	\$ 354,093	31,046	20,750	405,889	25
Pavings	262,083	-	-	262,083	-
Water mains, lines and accessories	-	94,654	-	94,654	-
Equipment	58,059	36,889	4,984	99,932	153
Reservoirs	-	29,932	-	29,932	-
	<u>674,235</u>	<u>192,521</u>	<u>25,734</u>	<u>892,490</u>	<u>178</u>
Less accumulated depreciation	<u>(350,469)</u>	<u>(86,598)</u>	<u>(4,593)</u>	<u>(441,660)</u>	<u>(92)</u>
	323,766	105,923	21,141	450,830	86
Land	390,356	1,254	11,070	402,680	-
Construction in progress	<u>63,203</u>	<u>34,357</u>	<u>6,801</u>	<u>104,361</u>	<u>-</u>
	<u>\$ 777,325</u>	<u>141,534</u>	<u>39,012</u>	<u>957,871</u>	<u>86</u>

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Construction in progress at the Airport consists of various improvements to the airfield and terminal buildings, as well as property purchased on which the Airport's expansion facilities will be constructed. Construction in progress at the Water Division consists of costs incurred for various improvements to the Waterworks system. Construction in progress at the Parking Division consists of parking facilities.

Component Unit – SLDC

The following is a summary of changes in SLDC general fixed assets for the year ended June 30, 2000:

	Balance, June 30, 1999	Additions	Deductions	Balance, June 30, 2000
Improvements other than buildings	\$ -	2,523	-	2,523
Equipment	606	13	-	619
	606	2,536	-	3,142
Less accumulated depreciation	(302)	(156)	-	(458)
	<u>\$ 304</u>	<u>2,380</u>	<u>-</u>	<u>2,684</u>

The following summarizes property, plant, and equipment held by the SLDC enterprise fund at June 30, 2000:

Land	\$ 4,266
Buildings, equipment and structures	18,721
	22,987
Less accumulated depreciation	(5,545)
	<u>\$ 17,442</u>

Component Unit – SLPD

The following represents a summary of changes in SLPD general fixed assets for the year ended June 30, 2000:

	Balance, June 30, 1999	Additions	Deductions	Transfers to the City	Balance, June 30, 2000
Land	\$ 1,646	-	-	-	1,646
Buildings and improvements	28,976	452	-	-	29,428
Furniture and fixtures	3,584	310	-	-	3,894
Automotive equipment	8,926	1,882	23	250	10,535
Communication equipment	7,992	597	-	-	8,589
Computer equipment	7,530	198	-	-	7,728
Aircraft	219	15	-	-	234
	<u>\$ 58.873</u>	<u>3.454</u>	<u>23</u>	<u>250</u>	<u>62.054</u>

Component Unit – HSTRC

The following summarizes property, plant, and equipment held by the HSTRC at June 30, 2000:

Furniture and fixtures	\$	3,173
Less accumulated depreciation		<u>(1,533)</u>
	\$	<u><u>1,640</u></u>

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 the SLDC 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. At June 30, 2000, SLDC has established a reserve for impairment of \$6,841 on its properties held for development.

9. RETIREMENT PLANS

The City contributes to two single-employer defined benefit retirement plans, the Firemen’s Retirement System of St. Louis (Firemen’s System) and the Police Retirement System of St. Louis (Police System), and one cost-sharing multiple-employer defined benefit retirement plan, the Employees Retirement System of the City of St. Louis (Employees System). 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 pension trust funds of the City. Financial information for these funds has been included as of each System’s fiscal year end which falls within the City’s current fiscal year end as follows:

<u>System</u>	<u>System Fiscal Year End</u>
Firemen’s	August 31, 1999
Police	September 30, 1999
Employees	September 30, 1999

Firemen’s Retirement System of St. Louis

System Description

All firefighters qualify as members of the Firemen’s System and are thereby eligible to participate from their date of hire.

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 South Broadway, St. Louis, Missouri, 63104.

Firefighters may elect voluntary retirement after 20 or more years of service. The monthly retirement benefit is calculated at 40% of the final two year average monthly compensation at 20 or more years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of such final

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

average compensation for each additional year of service over 25 years with a maximum pension of 75%. Unused accrued sick pay may increase the maximum pension beyond the 75% limitation.

The Firemen's System also provides death and disability benefits. Benefits vest after 20 years of service. Such benefits are authorized by State statutes and adopted by City ordinance.

The Firemen's System, in accordance with Ordinance 62994 of the City, initiated during the System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (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 one percent from the normal eight percent. During participation in the DROP plan the member will not receive credit for City contributions or credit service. A member may participate in the DROP plan only once for any period up to five years. At retirement the funds in the member's DROP account plus interest is available to the member in a lump sum or in installments.

In August 1997, the Trustees of the Firemen's System approved a resolution to provide additional benefits for employees of the Firemen's System in the form of severance pay and a limited retirement package. The severance pay applies to employees who are dismissed for any reason other than for just cause based on the wrongful conduct of the employee. The dismissed employee would be entitled to one month's pay for each year or part year that the employee has been employed by the Firemen's System. The retirement package is for employees who have completed five years of service. Upon completing five years of service, the employee will have five months salary credited to him or her. Thereafter the employee will be credited with a month's salary upon completion of each additional year of service. The employees' accounts will be credited each anniversary date with interest on the account at the same rate as earned by the Firemen's System.

Funding Policy

Firefighters are required to contribute 8% of their compensation to the Firemen's System, as mandated per State statute and adopted by City ordinance. The City is required to contribute the remaining amounts necessary to fund the Firemen's System. Members of the Firemen's System are entitled to a lump-sum distribution of the entire amount of their contribution without interest upon service retirement. Members whose employment terminates prior to retirement are entitled to a lump-sum distribution of their contribution, plus interest thereon.

Annual Pension Cost

Contributions of \$2,837 were made to the Firemen's System by the City during the City's fiscal year ended June 30, 2000. The contributions consisted of \$2,837 of normal cost in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at September 1, 1999. Due to the differences in the fiscal years and timing of the actuarial valuation, the contribution requirements calculated as of September 1, 1999 are appropriated and paid in the City's fiscal year ending June 30, 2001.

Historical trend information about the City's participation in the Firemen's System is presented below to help readers assess the Firemen's System's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

System Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1999	\$ 2,837	100%	\$ —
1998	6,576	51.2	—
1997	9,263	100	—

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)
9/1/99	\$ 418,663	\$ 430,622	\$ 11,959	97.2%	\$ 29,749	40.2%
9/1/98	402,931	404,999	2,068	99.5	29,163	7.1
9/1/97	359,482	387,846	28,364	92.7	27,532	103.0

The Firemen's System's net pension assets at the beginning of the City's fiscal year were \$24,527.

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

Date of actuarial valuation	September 1, 1999
Actuarial cost method	Entry age-frozen liability method
Amortization method	30 years from establishment
Remaining amortization period	Various
Asset valuation method	3 year smoothed market
Inflation rate	3.500%, per year
Investment rate of return	8.125%, compounded annually
Projected salary increases	5.500%, per year to retirement age
Projected post-retirement benefit increases	5.000%

Police Retirement System of St. Louis

System Description

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; One South Memorial Drive, Suite 600; St. Louis, Missouri, 63102-2447.

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June 30, 2000

(Dollars in Thousands)

Police officers may elect voluntary retirement after 20 or more years of credited service regardless of age or upon attaining age 55. The monthly allowance consists of 40% of the three-year average final monthly compensation for the first 20 years of service, 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 at least 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. The Police System also provides death and disability benefits. Benefits vest after 20 years of service. Such benefits are established by State statute.

During the Police System year ended September 30, 1996, deferred retirement option plan (DROP) benefit provisions were added. 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. Members who elect DROP may continue to work for up to five years without accruing any additional retirement benefits. While they are working, their retirement allowance is accumulated in an account that earns interest at the same rate as the Police System, and the member's contribution to the system is eliminated.

During the Police System's year ended September 30, 1999, certain plan provisions were changed including 1) the widow's benefit, except for widows whose spouses die accidentally while in the line of duty, increased from 25% to 40% of the member's average final compensation. The benefit paid to widows whose spouses die accidentally while in the line of duty, increased from 50% to 75% of the member's average final compensation. 2) The dependent child's benefit upon the member's death or ordinary disability increased from 10% to 15% of the member's average final compensation. 3) The minimum monthly benefit for those participants and widows eligible to become special consultants increased from \$550 to \$650 (not in thousands). 4) the special advisor's benefit was extended to include current widows and future widows of current active and retired members. 5) The service retirement benefit for members with more than 30 years of service was increased to 75% of the member's average final compensation. The effect of these changes was to increase the present value of projected benefits by \$48,035.

Funding Policy

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. Members of the Police System are entitled to a lump sum distribution of the entire amount of their contribution without interest upon service retirement. Members whose employment terminates prior to retirement are entitled to a lump sum distribution of their contribution plus interest thereon.

Annual Pension Cost

No actuarially determined contributions were made to the Police System by the City during the City's fiscal year ended June 30, 2000.

Historical trend information about the City's participation in the Police System is presented below.

System Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1999	\$ -	100%	\$ -
1998	-	100	186
1997	-	100	357

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

Date of actuarial valuation	October 1, 1999
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarially accrued liabilities)
Asset valuation methods	5 year smoothed average of market value
Inflation rate	3.00%, per year
Investment rate of return	8.25%, per year
Projected salary increases	2.50 - 7.00%, varying by age
Projected post-retirement benefit increases	3.00% maximum per year, cumulative increase of 30%

Employees Retirement System of the City of St. Louis

System Description

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 City's participation in the Employees System is greater than 99% of total participation of all employers.

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; 1300 Convention Plaza, Suite 217; St. Louis, Missouri 63103-1935.

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 to employees covered by the Employees System after the employee has attained five years of creditable service. The Board of Trustees approves all withdrawals, benefits and termination refunds from the Employees System's assets. An employee is eligible for normal retirement at age 65 or if the employee's age and creditable service combined equal or exceeds 85. Early retirement is at age 60, with no minimum years of creditable service; age 55, with 20 years of creditable service; or at any age after 30 years of creditable service.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Funding Policy

Employer contribution rates are established annually by the Board of Trustees based on an actuarial study. In May 1987, and in each successive fiscal year through June 1995, the Board of Trustees elected to reduce the required employer contribution rate to zero as a result of the Employee System's overfunded status. The Board of Trustees elected to require employer contributions at a rate of 1% of active member payroll effective July 1995. The Board of Trustees then elected to reduce the required employer contribution rate back to zero effective July 1996. The 1% employer contribution rate was reinstated effective July 1997.

Employees who became members of the Employees System prior to October 14, 1977, may make voluntary contributions to the Employees System equal to 3% of the employee's compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act in effect on January 1 of the calendar year. Thereafter, voluntary employee contributions may be made equal to 6% of employee compensation. These voluntary contributions vest immediately.

For the City's fiscal year beginning July 1, 1999, the Board of Aldermen of the City did not appropriate funds to pay the requested contributions established by the Board of Trustees of the Employees System. By ordinance of the City, the Board of Trustees of the Employees System are to certify to employees of the Employees System the contribution amount for the upcoming fiscal year and the employees are to include the amounts so certified in the annual budget. On May 12, 2000, the Employee System filed a petition in the Missouri Circuit Court, Twenty-second Judicial Circuit requesting the court to issue an order requiring the City to include an amount equal to 1.9% of the City's covered payroll in the City's budget for the City's fiscal year beginning July 1, 2000. On June 30, 2000 the court ruled the Employees System's claim dismissed with prejudice.

Annual Pension Cost

Contributions of \$145 were made to the Employee's System by the City during the City's fiscal year ended June 30, 2000.

Historical trend information about the City's participation in the Employees System is presented below to help readers assess the System's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

System Fiscal Year		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
1999	\$	—	100 %	\$	—
1998		—	100		—
1997		—	100		—

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Funding Excess (FE) (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	FE as a Percentage of Covered Payroll (b-a/c)
9/30/99	\$ 482,750	\$ 415,595	\$ 67,155	116.16%	\$ 193,274	34.75%
9/30/98	460,683	390,781	69,902	117.89	188,141	37.15
9/30/97	415,346	381,346	34,000	108.92	176,908	19.22

The Employees System's net pension asset at the beginning of the City's fiscal year was \$4,435. As a result of the contribution made in excess of the actuarially required contribution during the City's fiscal year ended June 30, 2000 in the amount of \$145, the net pension asset at June 30, 2000 was \$4,580.

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

Date of actuarial valuation	October 1, 1999
Actuarial cost method	Projected unit credit
Amortization method	Level percent, open
Remaining amortization period	1 year
Asset valuation methods	The book value at beginning of year; plus, 25% of the difference between market value and book for the last four years; less the member savings fund
Investment rate of return	7.75%
Projected salary increases	4.50 - 8.50%, depending on age
Projected post-retirement benefit increases	5.00% per year, maximum cumulative increase of 25%

Component Unit - SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) is a defined contribution and became effective January 1, 1989. For the year ended June 30, 2000, required contributions of \$307 which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2000, SLDC's current covered payroll was \$3,415 and total payroll amounted to \$3,797. 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 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 three years 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 limitation of the plan.

10. COMPONENT UNIT - SLPD POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE

SLPD is obligated under Chapter 84.160 RSMo to provide healthcare and life insurance benefits for former civilian and commissioned employees who retired subsequent to 1969. Currently, SLPD provides healthcare

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

insurance for 1,155 retirees, while 1,254 retirees were provided life insurance benefits. Retirees under 65 years of age are obligated to cover \$45 (not in thousands) of the monthly premium under the Prudential Point of Service or Prudential Out of Area plan. SLPD covers all other costs of the healthcare and life insurance benefits for participants. These costs are accounted for on a pay-as-you-go basis and the cost to SLPD of providing these benefits to retirees was \$2,001 for healthcare and \$15 for life insurance coverage in 2000.

11. 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 and SLPD 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 general purpose financial statements.

12. GENERAL LONG-TERM OBLIGATIONS

a. Changes in General Long-Term Debt Account Group - Primary Government

Following is a summary of the changes in general long-term debt obligations for the year ended June 30, 2000:

	Balance, June 30, 1999	Additions	Deductions	Balance, June 30, 2000
General obligation bonds payable	\$ 65,000	-	(2,130)	62,870
Federal Financing Bank advances	950	-	(25)	925
MTFC Direct loan agreement	2,636	-	(2,000)	636
Tax increment financing bonds payable	13,005	-	(595)	12,410
Rolling stock capital lease	-	9,000	-	9,000
Master note purchase agreement	-	1,250	-	1,250
Obligations under capital leases with component units	13,195	-	(325)	12,870
Joint venture cooperation agreement	3,420	-	(535)	2,885
Accrued vacation, compensatory and sick time benefits	13,570	466	-	14,036
Joint venture financing agreement	87,157	-	(2,496)	84,661
Contracts payable retained percentage	539	1,870	-	2,409
Leasehold revenue improvement and refunding bonds	320,082	22,025	(9,285)	332,822
	<u>\$ 519,554</u>	<u>34,611</u>	<u>(17,391)</u>	<u>536,774</u>

b. General Obligation Bonds

In June 1999, the City issued \$65,000 Public Safety General Obligation Bonds, Series 1999. The series consisted of \$64,305 current interest serial bonds due in the years 2000 through 2008 and 2010 through 2019 with rates ranging from 4% to 5.125%. The 2009 maturity is entirely capital appreciation bonds in the amount of \$695 sold to yield 5.15% and mature at \$3,655 (Collectively the "Series 1999 bonds"). The proceeds of the Series 1999 bonds will be used as follows: (i) \$44,000 for new fire equipment, new fire communication equipment, reconstruction and renovation of various existing fire houses and new construction of fire houses; (ii) \$10,000 for new police laboratory equipment, reconstruction and renovation of existing police buildings, and; (iii) \$11,000 for demolition and abatement of various abandoned or condemned buildings under the control of the City. The Series 1999 bonds payable from ad valorem taxes to be levied without limitation as to rate or amount upon all taxable, tangible property, real and personal property within the City. The principal and interest on the Series 1999 bonds is guaranteed under a municipal bond new issue insurance policy issued by Financial Guaranty Insurance Company.

Principal and interest requirements are as follows:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 2,620	3,003	5,623
2002	2,725	2,898	5,623
2003	2,840	2,786	5,626
2004	2,965	2,667	5,632
2005	3,100	2,540	5,640
Thereafter	48,620	22,981	71,601
	<u>\$ 62,870</u>	<u>36,875</u>	<u>99,745</u>

c. Federal Financing Bank Advances

Federal Financing Bank Advances represent promissory notes issued by the Federal Financing Bank to the City for redevelopment projects. These notes were issued under Section 108 of the Housing and Community Development Act of 1974. Interest is payable semi-annually based on rates established by the Secretary of the Treasury on the dates the notes are made. These notes and the related interest will be repaid from intergovernmental revenues of the special revenue - government grants fund. The notes are recorded as obligations in the general long-term debt account group. In 1997, the City signed a new contract and loan agreement under Section 108 in the amount of \$1,000. The proceeds were used to fund a portion of a Multi Modal distribution center which integrates trucking, railway and waterway transportation and distribution channels. The loan initially consisted of twenty variable rate notes, due in July of each year, to be retired over the twenty years ending July 2016. Interest, payable semi-annually and calculated monthly, is based on the variable rate of LIBOR plus 0.2%. In October 1997, the notes were changed to fixed rates with interest due in February and August of each year. The notes currently bear interest at rates ranging from 5.87% to 7.08%.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 25	61	86
2002	25	60	85
2003	35	58	93
2004	35	56	91
2005	40	53	93
Thereafter	765	363	1,128
	<u>\$ 925</u>	<u>651</u>	<u>1,576</u>

d. Missouri Transportation Finance Corporation Direct Loan Agreement (MTFC)

In 1999, the City entered into a principal only loan arrangement with MTFC in the amount of \$10,900 to fund a portion of the costs of constructing the St. Louis Gateway Transportation Center (SLGTC). The City received \$5,450 from this loan agreement during 1999 and is to receive the remaining \$5,450 during 2001. The major source of repayment funds is the Proposition M local sales tax with the remainder coming from a combination of federal transfers (ISTEA) and project net revenue. The principal will be paid from the capital projects – capital projects fund. The remaining principal balance of \$636 is due in fiscal year ending June 30, 2001.

When complete, SLGTC will be a central downtown center for persons accessing urban buses, intercity buses, light rail, passenger rail (Amtrak, future commuter rail and high speed rail), the Lambert-St. Louis International Airport (via Metro Link) and provide parking and commercial space. The terminal building will include Amtrak and Greyhound terminal ticketing, baggage and handling, waiting area facilities, plus concessionaire/food service space.

e. Tax Increment Financing Bonds Payable

In 1991, the City issued \$15,000 in tax increment financing bonds (Series 91 TIF Bonds) to provide funds to enable the City to acquire certain land and, upon such land, among other things, to widen and improve an existing street. The Scullin Redevelopment Area special revenue fund is used to account for the revenues, expenditures including debt service and other activities related to the Series 91 TIF Bonds. The Series 91 TIF Bonds constitute special obligations of the City, are recorded as obligations in the general long-term debt account group and are payable from payments in lieu of taxes from owners or property within the Scullin Redevelopment Tax Increment Financing Area (the 91 Area). In the event these payments are not sufficient to meet the debt service requirements, the Series 91 TIF Bonds are payable first from the additional tax revenue generated by increases in economic activities in the 91 Area, other than personal property tax revenue, and second from any monies legally available in the City's general fund. During 2000, \$623 of payments in lieu of taxes were received. The Series 91 TIF Bonds bear interest at the rate of 10% per year, mature on August 1, 2010, and are subject to mandatory redemption prior to maturity.

In 1998 the City issued \$300 plus accrued interest for 25 months of Tax Increment Revenue Notes (Series 98 TIF Notes) for the 4548 West Pine Redevelopment Area (the 98 Area) in order to provide for

the demolition of the existing buildings on the site as well as additional infrastructure and site improvements. Townhouses will be constructed in the 98 Area. The Series 98 TIF Notes were acquired by the Washington University Medical Center at a 7% interest rate. During 2000, no of payments in lieu of taxes were received.

Principal and interest requirements for the two Tax Increment Financing debt issues are as follows:

	Series 91 TIF Bonds		Series 98 TIF Notes	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2001	\$ 655	1,178	\$ 7	40
2002	720	1,110	26	20
2003	795	1,034	28	19
2004	875	950	30	17
2005	960	859	31	15
Thereafter	8,105	2,648	178	37
	\$ 12,110	7,779	\$ 300	148

f. Rolling Stock Capital Lease

In March 2000, the City entered into a capital lease agreement with Banc One Leasing Corporation in the amount of \$9,000 at a rate of 5.8%. Proceeds of the lease are to be used to purchase certain rolling stock such as dump trucks and refuse trucks. Equal payments of \$2,099 are to be made annually with the final payment due March 7, 2005.

Year ending June 30:	
2001	\$ 2,099
2002	2,099
2003	2,099
2004	2,099
2005	2,099
Total future minimum lease payments	10,495
Amount representing interest	(1,495)
Present value of net minimum lease payments	\$ 9,000

g. Master Note Purchase Agreement

In February 2000, the St. Louis Municipal Finance Corporation (SLMFC), the City and the Federal National Mortgage Association (Fannie Mae) entered into a Master Note Purchase Agreement to provide a low interest second mortgage for use as down payment and/or to pay other purchase costs to those who buy a single family residence in the City. The City provided a deposit of \$250 into a note reserve account and SLMFC pledged all payments of interest and principal from the homeowner's as payment for the Fannie Mae \$1,250 loan. The SLMFC obligation is limited to the monies in the various accounts established by the agreement including the note reserve account. A trustee holds the loan proceeds to be

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

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used exclusively for the City of St. Louis Homebuyers Incentive Program (CHIPS). The program is designed to provide funding to assist homebuyers with a down payment and closing costs associated with the purchase of a home. The loan bears interest at the rate of 8.27% per annum and will mature on March 1, 2011 subject to prepayment based on the payment of the second loans to homeowner's.

h. Component Unit – SLDC Line of Credit

In March 2000, LCRA entered into a construction loan agreement set up as a line of credit for \$1,000. The loan agreement requires LCRA to deposit \$115 to interest reserve account prior to initial disbursement from the loan. All earnings on reserve account shall remain in the account which will be disbursed upon maturity of the loan. As of June 30, 2000, no disbursements had been made from the loan.

i. Component Unit – SLDC Notes Payable

At June 30, 2000, notes payable of SLDC consisted of the following:

SBA notes payable	\$	320
Bank and other notes payable		11,097
	\$	<u>11,417</u>

Maturities on the bank and other notes payable as of June 30, 2000 are as follows:

2001	\$	8,724
2002		517
2003		1,201
2004		537
2005		118
	\$	<u>11,097</u>

j. Component Unit – SLPD General Long-Term Debt Account Group

The following represents a summary of SLPD's general long-term debt account group transactions for the year ended June 30, 2000:

	Balance, June 30, 1999	Addition	Deduction	Balance, June 30, 2000
Accrued vacation, compensatory and sick time benefits	\$ 17,213	570	-	17,783
Obligations under capital leases	10,665	-	840	9,825
Claims payable	14,111	1,008	-	15,119
	\$ <u>41,989</u>	<u>1,578</u>	<u>840</u>	<u>42,727</u>

k. Component Unit – HSTRC Note Payable

At June 30, 2000, note payable of HSTRC in the amount of \$70 consist of an unsecured note payable, issued through the Missouri Department of Natural Resources, Local Government Program. The note payable bears interest of 2% and is payable through semi-annual installments through October 2002.

13. CAPITAL LEASES

Certain City services are provided by equipment financed under various capital lease agreements as follows:

a. Capital Lease – Kiel Site Project

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.

SLDC subleases the Kiel Premises back to the City. In 1998, SLDC issued two series of bonds for the purpose of refunding the outstanding bonds on which the City’s lease payments were based. Pursuant to the master lease agreement, the lease payments made by the City are to be used by SLDC to fund annual debt service payments for SLDC’s Kiel Site Lease Revenue Refunding Bonds, Series 1997A and B, in the original amount of \$13,605. The Series 1997 A and B bonds were issued by SLDC in September 1997, and the proceeds of which were used to retire SLDC’s Station East Redevelopment Project Lease Revenue Bonds, Series 1990 and 1992. The capital lease obligation is recorded in the general long-term debt account group as a capital lease with component unit. The City’s lease payments are payable from general fund revenues. The following is a schedule, by years, of the future minimum lease payments together with the present value of the net minimum payments for the Kiel Premises as of June 30, 2000.

Year ending June 30:		
2001	\$	974
2002		974
2003		973
2004		972
2005		974
Thereafter		<u>16,519</u>
Total future minimum lease payments		<u>21,386</u>
Amount representing interest		<u>(8,516)</u>
Present value of net minimum lease payments	\$	<u><u>12,870</u></u>

b. Component Unit - SLPD

Police Patrol Buildings

In December 1987, SLPD entered into a lease-purchase agreement with the Missouri Economic Development, Export and Infrastructure Board (Lessor). In June 1994, the Lessor issued \$13,725 of Leasehold Revenue Bonds, Series 1994 (SLPD Series 1994 Bonds). Proceeds from the bonds were used to defease the previously issued Leasehold Revenue Bonds, Series 1988 (SLPD Series 1988 Bonds).

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Proceeds from the SLPD Series 1988 Bonds were used to finance the purchase, construction, expansion, and improvement of real estate and buildings for SLPD’s police patrol buildings. The SLPD Series 1994 Bonds are not legal obligations of SLPD or the City, but are secured by the lease payments which were structured to provide sufficient funds over the lease term to pay the principal and interest related to the bonds. The full amount of the SLPD obligation under the terms of the lease agreement was recorded in the SLPD general long-term debt account group at the time the bonds were issued.

Lease payments are payable from tax proceeds generated from the capital improvements sales tax, a 1/2 cent City sales tax increase approved by the voters on August 3, 1993. These payments, made on behalf of the SLPD, are reflected as expenditures in the SLPD general fund. The lease payments are based on the systematic retirement of the SLPD Series 1994 Bonds which bear interest at rates ranging from 3.5% to 5.7% and mature through 2007. The SLPD future lease payments under these agreements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 885	514	1,399
2002	925	467	1,392
2003	970	418	1,388
2004	1,025	365	1,390
2005	1,070	309	1,379
Thereafter	4,950	508	5,458
	<u>\$ 9,825</u>	<u>2,581</u>	<u>12,406</u>

14. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

Civil Courts

The SLMFC-II issued \$32,505 in Leasehold Revenue Improvement Bonds, Series 1994 (Series 1994 Bonds). The Series 1994 Bonds include serial bonds in the principal amount of \$16,690, and term bonds in the principal amount of \$15,815. Interest is payable semiannually on all bonds. The term bonds are subject to mandatory sinking fund redemption prior to their stated maturity date of August 1, 2013. The mandatory redemption begins August 1, 2007 and each August 1st thereafter, including August 1, 2013. The proceeds of the Series 1994 Bonds are being used by the City to finance certain improvements, renovations, rehabilitation, remodeling and equipping of the Civil Courts Building.

The City’s payments are secured by a pledge agreement between the City and the Series 1994 Bonds trustee. The City’s payments are further insured by the Financial Guaranty Insurance Company (FGIC). The principal amount outstanding is recorded in the general long-term debt account group. The City’s payments for debt service requirements are payable from the capital projects – capital improvements revenues and are based on the Series 1994 Bonds with interest rates ranging from 3.75% to 5.75%.

Convention Center

On July 15, 1993, SLMFC issued \$153,607 Leasehold Revenue Refunding Bonds (Series 1993 A and B Bonds) in two series. The Series 1993 A and B Bonds were issued to refund bonds previously issued by SLDC (SLDC Bonds). Pursuant to the SLDC Bonds, SLDC held title to the Convention Center. Once the

proceeds of the Series 1993A and B Bonds were deposited in an irrevocable trust to pay the principal and interest on the outstanding SLDC Bonds and certain other conditions were satisfied, the Convention Center property was conveyed to SLMFC. The Series 1993 A Bonds consisted of current interest bonds (\$51,330 serial bonds and \$90,465 term bonds) ranging in rates from 3.0% to 6.0% and compound interest bonds with an initial offering price of \$2,567 and a final maturity amount on July 15, 2014, of \$9,615. The yield to maturity for the compound interest bonds at the initial offering price was 6.4%. The Series 1993 B Bonds in the amount of \$9,245 were taxable serial bonds with a final maturity on July 15, 2001, and interest rates ranging from 3.9% to 6.65%.

Lease payments calculated to meet the principal, interest and other costs related to the Series 1993 A and B Bonds are budgeted in the City's general fund.

Justice Center

In August 1996, the SLMFC issued \$75,705 Leasehold Revenue Improvement Bonds, Series 1996 A (Series 1996 A Bonds) and \$34,355 Leasehold Revenue Improvement and Refunding Bonds, Series 1996 B (Series 1996 B Bonds) (collectively the Justice Center Bonds). The Series 1996 A Bonds include serial bonds in the principal amount of \$20,155 and term bonds in the principal amount of \$55,550. The Series 1996 B Bonds include serial bonds in the principal amount of \$23,500 and term bonds in the principal amount of \$10,835. Interest is payable semiannually on all bonds. The term bonds are subject to mandatory sinking fund redemption prior to their stated maturity dates.

The City's payments are secured by a pledge between the City and the trustee for the Justice Center Bonds which authorizes the State to make direct payment to the trustee of the City's per diem reimbursement entitlements for costs incurred in boarding State prisoners. The City's payments are further insured by AMBAC. The principal amount of the bonds outstanding is recorded in the general long-term debt account group. The City's payments for debt service are payable from capital projects – capital improvements revenues. Interest rates on the Justice Center Bonds range from 4.25% to 6.0%.

Proceeds from the Series 1996 A Bonds are being used to construct the City Justice Center which will replace the existing municipal jail and house a total of seven hundred and thirty-two prisoners. When completed, the facility will be a major addition to the City's justice system bringing total detention capacity to over 1,500 beds. The City Justice Center site is located east of City Hall, south of the existing Federal Courthouse and west of the Federal Courthouse currently under construction. The City Justice Center is designed to meet standards established by the American Correctional Association.

In February 2000, the SLMFC issued \$22,025 City Justice Center Leasehold Revenue Improvement Bonds (Series 2000A Bonds) for the purpose of financing the completion of the City Justice Center, and funding the debt service reserve fund with respect to the Series 2000A Bonds, and paying costs of issuance of the Series 2000A Bonds. The Series 2000A Bonds bearing a stated maturity of February 15, 2010, are not subject to redemption prior to their stated maturities. The Series 2000A Bonds bearing a stated maturity of February 15, 2011 are subject to optional redemption and payment prior to their stated maturities at the election of SLMFC, upon direction and instruction by the City, on February 15, 2010, and at any time thereafter, as a whole at any time in part at any time, and if in part in such order as the SLMFC shall determine, upon the

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

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direction and instruction by the City in its sole discretion, at redemption prices ranging from 100% to 101% plus accrued interest thereon to the redemption date.

The principal amount of the bonds outstanding is recorded in the general long-term debt account group. The City's payments for debt service are payable from capital projects – capital improvement revenues. Interest rates on the Justice Center 2000A Bonds range from 4.75% to 6.0%.

Forest Park

On March 1, 1997, the SLMFC issued \$19,270 Forest Park Leasehold Revenue Improvement Bonds, Series 1997, (Series 1997 Bonds). The City has agreed, subject to annual appropriation, to make payments from the Forest Park Subaccount in the Capital Improvements Sales Tax Fund sufficient for the prompt payment when due of the principal, and interest on the Series 1997 Bonds. As long as any Series 1997 Bonds remain outstanding, the percentage of the one-half cent capital improvements sales tax approved by City voters on August 3, 1993 allocated to the Forest Park Subaccount may not be reduced. Payments of principal and interest on the Series 1997 Bonds is insured by a policy of municipal bond insurance issued by Financial Guaranty Insurance Company. Interest is payable February 15 and August 15 of each year and principal is payable February 15 of each year until final maturity in 2022. Interest rates on the serial bonds payable 1998 through 2012 range from 3.7% to 5.375% and the term bonds due in 2017 and 2022 have a rate of 5.5%. The City's debt service payments are made from the Capital Improvements Sales Tax Trust fund capital projects fund.

The proceeds of the Series 1997 Bonds are being used to fund a major portion of the City's contribution toward the estimated \$86,000 Forest Park Master Plan (Plan). Forest Park, owned by the City, is one of the largest urban parks in the United States, encompassing 1,293 acres in the western portion of the City. As home to most of the region's important cultural institutions, including the Missouri History Museum, the St. Louis Art Museum, the St. Louis Science Center, the Municipal Opera Theater, the World's Fair Pavilion, the Jewel Box, Steinberg Rink and the St. Louis Zoo, it is a regional magnet drawing 10 to 12 million visitors (five times the population of the region) per year. After two years of planning, the City adopted the Plan in 1995 to integrate Forest Park's natural and man-made systems into a cohesive and mutually beneficial ecosystem. The Plan emphasizes technical and environmental designs that are economical to maintain with a "river-like" flowing water system, simplified road system, and an added 7,500 trees. The Plan is expected to be completed in five phases by 2004, the 100-year anniversary of the 1904 St. Louis World's Fair which was held in Forest Park. Forest Park Forever, a nonprofit corporation unrelated to the City, has been selected to lead the campaign for raising the estimated \$43,000 needed from private individual and corporate donors to implement the Plan.

Firemen's System

On April 1, 1998, the SLMFC issued \$28,695 Firemen's Retirement Systems Lease Revenue Bonds, Series 1998, (Series 1998 Bonds). Interest is paid semi-annually on the Bonds at the rate of 5.6% to 6.55%. The Series 1998 Bonds are subject to mandatory sinking fund redemption prior to maturity.

The City has covenanted, subject to annual appropriation to pay rental payments at such times and in such amounts as are necessary to assure that no default in the payment of principal, premium, or interest on the Series 1998 Bonds occurs. The Series 1998 Bonds are further secured by a mortgage and deed of trust lien upon the facility (defined as the sites, building, structures, improvements, and fixtures occupied by the City's

Fire Department Headquarters Building and 30 neighborhood engine houses) pursuant to the Deed of Trust and Security Agreement dated as of April 1, 1998. The principal amount of the bonds outstanding is recorded in the general long-term account group. The City's payments for debt service are payable from general fund revenues.

The proceeds derived from the sale of the Series 1998 Bonds will be used to prepay a portion of the City's unfunded accrued actuarial liabilities in the form of a contribution to the Firemen's Retirement System and to pay cost of issuance for the Series 1998 Bonds.

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

	Civil Courts		Convention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2001	\$ 1,330	1,443	\$ 4,265	7,659
2002	1,395	1,376	4,930	7,410
2003	1,465	1,304	5,755	7,128
2004	1,540	1,226	6,075	6,813
2005	1,620	1,143	6,835	6,461
Thereafter	19,320	5,399	109,617	38,864
	\$ 26,670	11,891	\$ 137,477	74,335
	Justice Center		Forest Park	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2001	\$ 4,040	7,094	\$ 435	945
2002	4,275	6,856	450	927
2003	4,480	6,651	470	908
2004	4,700	6,430	490	887
2005	4,935	6,195	515	865
Thereafter	103,705	48,965	15,605	9,271
	\$ 126,135	82,191	\$ 17,965	13,803
	Firemen's System			
	Principal	Interest		
Year ending June 30:				
2001	\$ 1,625	1,513		
2002	1,720	1,412		
2003	1,825	1,304		
2004	1,935	1,187		
2005	2,055	1,062		
Thereafter	15,415	3,190		
	\$ 24,575	9,668		

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

15. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2000 are summarized as follows:

Bond Series 1992, interest rates ranging from 5.4% to 6.125%, payable in varying amounts through 2016	\$ 28,995
Bonds Series 1993, interest rates ranging from 5.7% to 6.2%, payable in varying amounts through 2006	70,195
Bond Series 1993A, interest rates ranging from 6.0% to 6.65%, payable in varying amounts through 2006	39,455
Bonds Series 1996, interest rates ranging from 4.75% to 6%, payable in varying amounts through 2008	28,730
Bonds Series 1997, interest rates ranging from 4.1% to 6%, payable in varying amounts through 2028	199,605
Bonds Series 1998, interest rates ranging from 3.4% to 5.125%, payable in varying amounts through 2016	<u>69,260</u>
	436,240
Unamortized discounts and premiums	(175)
Deferred amount on refunding	<u>9,579</u>
	<u>\$ 426,836</u>

On December 17, 1998 the Airport issued \$69,260 in Airport Revenue Refunding Bonds, Series 1998, with an average interest rate of 4.97% to advance refund \$66,815 of outstanding Series 1992 Revenue Bonds with an average interest rate of 5.85%. The net proceeds of \$71,005 (after the addition of an original issue premium of \$3,082 and the payment of \$1,337 in underwriting fees and other issuance costs) plus an additional \$2,368 of Series 1992 Debt Service Fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$66,815 Series 1992 Revenue Bonds. As a result, this portion of the Series 1992 Revenue Bonds are considered to be defeased and the liability for these bonds has been removed from the accompanying general purpose financial statements. At June 30, 2000, \$66,815 of the defeased Series 1992 Revenue Bonds are outstanding.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,084. This difference, reported in the accompanying financial statements as a reduction from revenue bonds payable, is being charged to operations through 2015 using the bonds outstanding method.

As of June 30, 2000, aggregate debt service requirements for the next five years and thereafter of the above issues are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 23,615	23,331	46,946
2002	25,940	21,933	47,873
2003	27,050	20,396	47,446
2004	29,365	18,724	48,089
2005	31,435	16,934	48,369
Thereafter	298,835	162,517	461,352
	\$ 436,240	263,835	700,075

Additionally, in prior years, the Airport advance funded \$154,900 of Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on the prior bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the general purpose financial statements. At June 30, 2000, \$56,760 of these bonds are considered defeased.

b. Water Division

Water revenue bonds outstanding at June 30, 2000 are payable solely from, and secured by, a pledge of net revenues from the operation of the Water Division and are summarized as follows:

Series 1994 Water Revenue Bonds, interest rates ranging from 5.4% to 7.0%, payable in varying amounts through 2006	\$ 15,695
Series 1998 Water Revenue Bonds, interest rates ranging from 4.1% to 4.75% payable in varying amounts through 2014	<u>29,175</u>
	44,870
Unamortized discount	(318)
Deferred amount on refunding of a portion of the 1994 Water Revenue Bonds	<u>(2,748)</u>
	\$ 41,804

Series 1994 Water Revenue Bonds

In April 1994, the Water Division issued \$51,570 in revenue refunding and improvement bonds (Series 1994 Bonds). The Series 1994 Bonds are payable solely from and secured by the revenues of the Waterworks System. The Series 1994 Bonds were issued as part of the \$170,000 of bonds approved by voters at an election held April 6, 1993. The Series 1994 Bond proceeds were principally used to finance the construction of improvements to the Waterworks System, to refund and defease all of the outstanding Series 1985 Bonds, and pay the costs of the Bonds' issuance. Proceeds of the Series 1994 Bonds were also used to pay the premiums of a municipal bond insurance policy issued by Financial Guaranty Insurance Company. This policy which guarantees the payment of principal and interest on the Series 1994 Bonds is noncancelable and extends for the term of the Series 1994 Bonds. The Water Division is subject to certain covenants under the Series 1994 Bonds.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

As noted above, a portion of the Series 1994 Bond proceeds will fund the construction of certain improvements to the Waterworks System. These projects are: (1) improvements to the Chain of Rocks treatment plant sedimentation basin; (2) the rehabilitation of the 60-inch Conduit No. 1 from the Howard Bend treatment plant; (3) chlorination system improvements at the Howard Bend and Chain of Rocks plants; and (4) the improvement of the Compton Hill Reservoir. These projects respond to changing environmental regulations and maintaining the integrity and reliability of the Waterworks System.

Construction on the Compton Hill Reservoir and the rehabilitation of the 60-inch Conduit No. 1 from the Howard Bend treatment plant were completed in 1999 for total costs of \$22,664 and \$10,714, respectively. Chlorination system improvements and improvements to the Chain of Rocks treatment plant sedimentation basins are still in progress as of June 30, 2000 and total costs to date on these projects is \$6,425 and \$22,770, respectively.

Series 1998 Water Revenue Bonds

In December 1998, the Water Division issued \$29,225 in Water Revenue Refunding Bonds (Series 1998 Bonds) with an average interest rate of 4.56 percent to advance refund \$27,775 of a portion of the outstanding Series 1994 Bonds, maturing between 2007 and 2014, with an average interest rate of 6.02 percent. The net proceeds of \$30,959, (after the subtraction of an original issue discount of \$190 and the payment of \$584 in underwriting fees and other issuance costs) plus an additional \$2,508 of Series 1994 Bonds debt service fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future payments on the \$27,775 principal of the Series 1994 Bonds. As a result, this portion of the Series 1994 Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. At June 30, 2000, \$27,775 of the defeased Series 1994 Bonds are outstanding.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,257. This difference, reported in the accompanying general purpose financial statements as a reduction from revenue bonds payable, is being charged to operations through the year 2014 using the bonds outstanding method.

Proceeds of the Series 1998 Bonds were also used to pay the premiums of a municipal bond insurance policy issued by AMBAC Assurance Corporation. This policy which guarantees the payment of principal and interest on the Series 1998 Bonds is noncancelable and extends for the term of the Series 1998 Bonds. The Water Division is subject to certain covenants under the Series 1998 Bonds.

Debt service requirements to maturity of the 1994 and 1998 Water Revenue Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 1,880	2,110	3,990
2002	1,980	2,001	3,981
2003	2,090	1,854	3,944
2004	2,235	1,727	3,962
2005	2,365	1,590	3,955
Thereafter	34,320	7,742	42,062
	<u>\$ 44,870</u>	<u>17,024</u>	<u>61,894</u>

c. Parking Division

Bonds outstanding at June 30, 2000 are summarized as follows:

Series 1996 Revenue Bonds, interest rates ranging from 3.6% to 5.375%, payable in varying amounts through 2021	\$ 24,855
Series 1998 Revenue Bonds, interest rates ranging from 3.7% to 6.375%, payable in varying amounts through 2023	7,820
Series 1999 Revenue Bonds, interest rates ranging from 5.75% to 7.375%, payable in varying amounts through 2023	<u>11,420</u>
	44,095
Unamortized discount and deferred loss on refunding	<u>(2,923)</u>
	<u>\$ 41,172</u>

On November 1, 1999, the Parking Division issued \$11,420 in Parking Revenue Bonds with interest rates ranging from 5.75% to 7.375%. The Bonds consist of \$5,840 Series 1999A Tax Exempt Bonds and \$5,580 Series 1999B Taxable Bonds. The net proceeds of the bonds, after payment of costs of issuance and the required deposits to the Series 1999 Debt Service Reserve Fund, together with other available funds, are to be used to design, construct and equip a public parking facility on land owned by the City.

On June 1, 1998, the Parking Division issued \$8,000 in Parking Revenue Bonds with interest rates ranging from 3.700% to 6.375%. The net proceeds of \$8,000 were used to construct and equip a parking facility at the Marquette Building location.

On December 5, 1996, the Parking Division issued \$25,820 in Parking Revenue Refunding Bonds with interest rates ranging from 3.600% to 5.375% to advance refund \$22,750 of outstanding 1992 Series bonds with interest rates ranging from 4.200% to 6.625%. The net proceeds of \$25,250 (after payment of \$570 of original issue discount) were used to pay underwriting fees, insurance and other issuance costs and the remaining proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 Series bonds. As a result, the 1992 Series bonds are considered defeased and the liability for those bonds have been removed from the financial statements. At June 30, 2000, \$21,655 of Series 1992 Bonds remained outstanding.

The Parking Division issued the Series 1996 Bonds with a par value of \$25,820 to (1) pay the remaining costs of completing the Project (acquisition of real estate, the construction of a multilevel public parking garage and other parking facilities), (2) retire the Series 1992 Bonds, (3) pay issuance costs and (4) fund the Debt Service Reserve Fund. The Series 1996 Bonds are payable from, and secured by, a pledge of (1) revenues to be generated from the operation of the project, (2) certain other parking revenues derived from the activities of the Parking Division, and (3) certain revenues from parking fines and penalties collected by the City's Traffic Violations Bureau.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Debt service requirements for the Parking Division revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 760	2,515	3,275
2002	890	2,389	3,279
2003	935	2,344	3,279
2004	980	2,297	3,277
2005	1,030	2,246	3,276
Thereafter	39,500	24,347	63,847
	<u>\$ 44,095</u>	<u>36,138</u>	<u>80,233</u>

The Parking Division has a Forward Delivery Agreement with the trustee and a securities supplier. The Parking Division makes a monthly payment to the trustee who then invests the funds. The agreement can be canceled at any time by either party, however, a penalty payment is required if the Parking Division cancels the agreement.

d. Component Unit – SLDC

Revenue bonds outstanding at June 30, 2000 consist of LCRA Parking Facility Revenue Bonds Series 1999A, Parking Facility Revenue Refunding Bonds Series 1999B, and Parking Facility Revenue Refunding and Improvement Bonds Series 1999C (Bonds). The Bonds are dated October 21, 1999.

The Series 1999A bonds with an original issue amount of \$2,470 are due at intervals until September 1, 2009. Bond proceeds are to repay an LCRA note payable. During the year ended June 30, 2000, no bonds were redeemed, leaving a balance of \$2,470 at June 30, 2000. These bonds carry rates of interest from 7.625% to 9.0%.

The Series 1999B bonds with an original issue amount of \$8,300 are due at intervals until September 1, 2019, and are payable solely from, and secured by, a pledge of gross revenues from the operation of SLDC Parking Facilities' St. Louis Centre East parking garage. The bonds may be redeemed prior to maturity at the option of LCRA and are subject to special mandatory redemption prior to maturity following the occurrence of a determination of taxability as defined in the bond indenture. During the year ended June 30, 2000, no bonds were redeemed, leaving a balance of \$8,300 at June 30, 2000. These bonds carry rates of interest from 6.5% to 7.0%. A reimbursement agreement requires LCRA to maintain an irrevocable letter of credit of \$8,300 to satisfy principal and interest in the event of maturity or redemption of the bonds.

The Series 1999C bonds with an original issue amount of \$3,040 are due September 1, 2024. Bond proceeds are to repay an LCRA note payable and construct a parking lot on a portion of the St. Louis Centre North Garage premises. The Bonds may be redeemed prior to maturity at the option of LCRA and are subject to special mandatory redemption prior to maturity following the occurrence of a determination of taxability as defined in the bond indenture. During the year ended June 30, 2000, no bonds were redeemed, leaving a balance of \$3,040 at June 30, 2000. These bonds carry a rate of interest of 7.05%.

16. JOINT VENTURE

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

In April 1990, the 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.

Series C 1991 Bonds and Series C 1997 Bonds (Series C Bonds)

On August 15, 1991, the City sponsored the issuance of \$60,075 in Convention and Sports Facility Project Bonds Series C 1991 (Series C 1991 Bonds). The Series C Bonds were issued by the Authority, together with the proceeds of the Authority's \$132,910 principal amount of Convention and Sports Facility Project Bonds, Series A 1991 (State, Sponsor) (Series A Bonds) and the Authority's \$65,685 principal amount of Convention and Sports Facility Bonds, Series B 1991 (County, Sponsor) (Series B Bonds). The Series A Bonds, the Series B Bonds and the Series C 1991 Bonds (collectively the Project Bonds) were issued for the purpose of providing funds to finance the costs of acquiring land and constructing thereon an eastward expansion of the Cervantes Convention Center to be used as a multipurpose convention and indoor sports facility (Project). On December 15, 1993, the Authority issued \$121,705 in Series A refunding bonds and \$60,180 in Series B refunding bonds to advance refund \$101,410 of Series A Bonds and \$50,275 of Series B Bonds, respectively.

During February 1997, the Authority issued Convention and Sports Facility Project and Refunding Bonds Series C 1997 (Series C 1997 Bonds) in the amount of \$61,285. The proceeds were used to refund, in advance of maturity, \$47,155 of the Series C 1991 bonds. A portion of the Series C 1991 Bonds maturing on August 15, 2021 are not subject to optional redemption and \$8,820 remain outstanding. Approximately \$2,100 of the proceeds were used for various project improvements.

The Authority entered into a Project Financing Construction and Operation Agreement dated August 1, 1991 (Financing Agreement) with the City, State and County (collectively the Sponsors) providing for the application of the proceeds of the Project Bonds, for the repayment of the Project Bonds, and for the operation and maintenance of the Project. Pursuant to the Financing Agreement, the Authority will lease the Project to the Sponsors who will sublease the project back to the Authority. The rental payments made by the Sponsors under the Financing Agreement are designed to be sufficient to pay the principal and interest on the Project Bonds. The Preservation payments to be made by the Sponsors under the Financing Agreement will be used to pay for repairs and replacement of major Project components and renovation necessary to maintain the Project. A portion of the preservation payments from each sponsor will be deposited to the Bond Fund of the Authority each year from 1994 through 1999, to pay principal and interest on the Project Bonds. 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, 2000, 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:

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

	<u>Principal</u>	<u>Interest</u>	<u>Preservation Payments</u>	<u>Total</u>
Year ending June 30:				
2001	\$ 1,565	3,383	1,052	6,000
2002	1,665	3,280	1,055	6,000
2003	1,770	3,169	1,061	6,000
2004	1,885	3,049	1,066	6,000
2005	2,010	2,939	1,051	6,000
Thereafter	54,920	28,519	15,561	99,000
	<u>\$ 63,815</u>	<u>44,339</u>	<u>20,846</u>	<u>129,000</u>

Series C Bonds' principal and the preservation payments are included in the City's general long-term debt account group as contractual obligations under a joint venture financing agreement.

Cooperation Agreement

Under the National Football League (NFL) Relocation Agreement, dated January 17, 1995, the Regional Convention and Visitors Commission (CVC), the Authority, Fans, Inc., a Missouri Corporation, St. Louis NFL Corporation, a Missouri Corporation, and the Los Angeles Rams Football Company, Inc. (Rams), and various public and private entities involved with the relocation of the Rams to St. Louis, agreed to assume certain obligations. One such matter was the provision of up to \$12,500 for construction of a training facility for the Rams. Under a Cooperation Agreement between the City, the Authority, and CVC, the Authority agreed to borrow \$5,000 at a rate of 6.5% for the purpose of meeting the obligations of CVC to deposit that amount in trust before November 1, 1995. The City agreed, subject to annual appropriation, to pay the Authority amounts equal to those due under the Authority's loan agreement from the receipts of the 5% tax on tickets for the Rams games in the City. The Authority agreed to apply payments received from the City to payments on the loan.

At June 30, 2000, the City's obligation for the Authority's loan payments payable from the special revenue fund under the Cooperation Agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2001	\$ 570	169	739
2002	610	131	741
2003	650	90	740
2004	690	46	736
2005	365	6	371
	<u>\$ 2,885</u>	<u>442</u>	<u>3,327</u>

The City's obligation to make principal payments is included in the City's general long-term debt account group as contractual obligations under a joint venture cooperation agreement.

17. OPERATING LEASES

- a. At June 30, 2000, the City was committed under miscellaneous operating leases for office space. Future minimum base rental payments under terms of the operating leases are as follows:

Year ending June 30:	
2001	\$ 382
2002	287
2003	268
2004	138
2005	23
	\$ 1,098

- b. The Airport has long-term use agreements and leases with signatory air carriers that expire on December 31, 2005. Under the terms of the use agreements and leases, 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 which is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue.
- 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 which is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue.
- Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2000, revenues from signatory air carriers accounted for 62% 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.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the year ended June 30, 2000:

	<u>Signatory</u>	<u>Nonsignatory</u>	<u>Total</u>
Airfield	\$ 38,091	4,065	42,156
Terminal and concourses	23,011	464	23,475
Hangars and other buildings	465	27	492
Cargo buildings	2,141	24	2,165
	<u>\$ 63,708</u>	<u>4,580</u>	<u>68,288</u>

The Airport also leases facilities and land with varying renewal privileges to various nonsignatory 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 noncancellable operating leases, other than leases with signatory airlines pursuant to long-term use agreements, as of June 30, 2000:

Year ending June 30:	
2001	\$ 16,889
2002	15,906
2003	16,547
2004	11,646
2005	2,827
Thereafter	<u>24,169</u>
Total minimum future rentals	<u>\$ 87,984</u>

The above amounts do not include contingent rentals which may be received under certain leases. Such contingent rentals amounted to \$28,106 for the year ended June 30, 2000.

The Airport leases computer and other equipment and has service agreements under noncancellable arrangements which expire at various dates through 2003. Expenses for operating leases and service agreements were \$1,254 for the year ended June 30, 2000. Future minimum payments (excluding payments for snow removal which are not determinable) are as follows:

Year ending June 30:	
2001	\$ 140
2002	101
2003	<u>32</u>
Total minimum future rentals	<u>\$ 273</u>

- c. The SLPD leases buildings, computer equipment, and other miscellaneous items under noncancelable operating leases. Total expenditures for such leases were \$158 for the year ended June 30, 2000. The future minimum lease payments for these leases are as follows:

Year ending June 30:	
2001	\$ 83
2002	<u>74</u>
	\$ <u>157</u>

- d. SLDC, in conjunction with the Community Development Agency (CDA), signed a five-year lease for office space which commenced March 1997. Future minimum base rents under the terms of the lease agreements, net of sublease rents received from CDA are as follows:

Year ending June 30:	
2001	\$ 267
2002	<u>178</u>
	\$ <u>445</u>

Rent expenditures, net of \$192 in rents received, were \$312 during the year ended June 30, 2000.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

18. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2000 are as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue – Assessor	\$ 298
	Enterprise:	
	Airport	2,203
	Water Division	712
	Parking Division	1,933
	Agency:	
	Collector of Revenue	1,492
	License Collector	53
	Circuit Clerk	252
	Other Agency	1,420
		8,363
Special Revenue:		
Government Grants	General	249
Convention and Tourism	Agency – License Collector	20
Lateral Sewer Lines	Agency – Collector of Revenue	37
Other Special Revenue	Agency – Collector of Revenue	119
		425
Debt Service	Agency – Collector of Revenue	1,024
Capital Projects:		
Capital Projects	Special Revenue – Government Grants	5,595
Capital Improvements	Special Revenue – Government Grants	4,239
Capital Improvements	Special Revenue –	
Sales Tax Trust Fund	Government Grants	4,732
		14,566
Enterprise:		
Enterprise – Water Division	Agency – Collector of Revenue	462
Enterprise – Airport	General	27
		489
Internal Service:		
PFPC	Enterprise:	
	Airport	1,240
	Water Division	1,858
	Parking Division	150
		3,248
		\$ 28,115

Individual fund residual equity transfers for the year ended June 30, 2000 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue - Other	\$ —	243
General	243	—
	\$ 243	243

19. ENTERPRISE FUNDS SEGMENT INFORMATION

The City maintains three enterprise funds; the Airport, the Water Division and the Parking Division. Segment information for these funds as of and for the year ended June 30, 2000, is as follows:

	<u>Airport</u>	<u>Water Division</u>	<u>Parking Division</u>	<u>Total</u>
Operating revenues	\$ 115,743	40,043	9,265	165,051
Operating expenses:				
Depreciation and amortization	(32,347)	(3,074)	(1,007)	(36,428)
Other	(63,042)	(30,897)	(4,644)	(98,583)
Income from operations	20,354	6,072	3,614	30,040
Nonoperating revenues (expenses):				
Investment income	17,293	1,545	962	19,800
Interest expense	(25,997)	(1,748)	(2,377)	(30,122)
Passenger facility charges	43,819	—	—	43,819
Miscellaneous, net	629	176	(53)	752
Operating transfers out	—	—	(857)	(857)
Net income	56,098	6,045	1,289	63,432
Capital contributions, net	17,113	(70)	—	17,043
Property, plant, and equipment additions (including construction in progress), net	106,599	6,450	9,226	122,275
Net working capital (excluding current restricted assets and liabilities payable from restricted assets)	21,007	8,227	2,408	31,642
Total assets	1,194,330	187,522	60,259	1,442,111
Bonds and other long-term liabilities – payable from operating revenues	407,905	41,835	40,412	490,152
Fund equity:				
Contributed capital	231,868	6,101	2,929	240,898
Retained earnings	490,020	127,609	9,187	626,816

The Airport's primary service is the operation and maintenance of the Airport. The Water Division provides water service to the general public. The Parking Division operates and maintains parking meters, public parking lots and a public parking garage. There were no operating grants, entitlements, shared revenues or tax revenues.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

20. 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 monies 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 monies. Through June 30, 2000, 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.

b. Commitments

At June 30, 2000, the Airport had outstanding commitments amounting to approximately \$46,012 resulting primarily from contracts for construction projects. In addition, the Airport has \$9,659 in outstanding commitments resulting from service agreements.

c. Trans World Airlines, Inc. (TWA)

TWA represents the major air carrier providing air passenger service at the Airport. TWA provided 43% of the Airport's total operating revenues and 67% of total revenues from signatory air carriers for the fiscal year ended June 30, 2000.

During the period from 1992 through 1995, TWA underwent two separate Chapter 11 reorganizations, the first in 1992-93 and the second in 1995.

The City purchased from TWA, all of TWA's leasehold interests relating to the use of certain gates, terminal support facilities, air cargo facilities and improvements at the Airport, together with related personal property, leasehold interest in a hangar and office building and a flight training facility (Purchased Assets).

TWA has a month-to-month lease covering the Purchased Assets with automatic renewals through December 31, 2005. If during any month TWA has an average of less than 190 regularly scheduled departures, the City has the right to reclaim and redesignate the use of gates and terminal support facilities and equipment to other airplanes so that TWA would retain only the number of gates which represents an average of 3.33 daily flight departures per gate. Also under the lease agreements, if TWA fails to make payment of any rents, fees or charges, the City may terminate all of TWA's airport agreements and retain ownership of all assets acquired under the purchase transaction.

Lease revenue from TWA was \$7,829 for the year ended June 30, 2000. Accounts receivable at June 30, 2000, includes \$9,870 relating to amounts owed to the Airport by TWA.

TWA's independent public accountants issued an unqualified opinion within their report dated January 28, 2000, on the financial statements of TWA as of and for the year ended December 31, 1999. TWA reported a net loss of \$353.4 million for the twelve months ended December 31, 1999, compared to a net loss of \$120.5 million for the same period in 1998. In addition, the reported net loss for the six

month period ended June 30, 2000, increased to \$80 million from a net loss of \$26 million posted during the six months ended June 30, 1999. TWA's management attributes these continued net losses to the competitive environment within the airline industry and the rapid growth of regional jet airline affiliates with lower operating costs. TWA's current business strategy includes, among other things, modernizing its fleet, reducing costs and improving productivity, implementing revenue-enhancing marketing initiatives and scheduling realignments to attract higher-yield business travelers, implementing employee-related initiatives to reinforce TWA's focus on operational performance, optimizing TWA's route structure through the opening of "focus cities" and the use of regional jet feed into TWA's system, and better coordination of commuter feed, turbo prop products and schedules. Although TWA has adopted various strategies designed to increase revenues and improve its results of operations, there can be no assurance that TWA will attain its objectives or return to profitability in the near future.

Various other factors could adversely affect TWA. The resolution of claims arising from the crash of TWA Flight 800 on July 17, 1996 and the availability of insurance to cover such claims could adversely affect TWA's financial condition or its public image. TWA is currently a defendant in a number of lawsuits related to the crash. Failure to implement successfully current plans to reduce the average age of TWA's planes and to meet federal noise reduction standards could adversely affect operations. Adverse results to ongoing litigation between TWA and Karabu Corporation and Carl C. Icahn related to an agreement to market and sell tickets to the public could have an adverse effect on TWA's revenue. Any or all of these or other factors could result in a material adverse affect on TWA's operations or financial condition and adversely affect its financial viability.

Should the Airport incur a substantial loss of revenue from TWA and any Airport contingency plan to replace such revenue prove unsuccessful, the City's ability to make payments of principal, premium, if any, and interest on the outstanding bonds could be adversely affected. However, payments of the principal and interest on outstanding bonds is insured by a bond insurance policy.

d. Airport Expansion

On September 30, 1998, the Airport received a favorable Record of Decision from the Federal Aviation Administration (FAA) for the W-1W expansion of the Airport, marking the beginning of a new economic era for aviation in St. Louis. The proposed \$2.6 billion program will provide the building blocks for a highly competitive "world class" aviation system for the 21st century, including:

- One additional 9,000 foot parallel runway to add capacity in all weather conditions;
- The modernization and renovation of existing terminal facilities;
- The addition of up to 25 new passenger gates;
- Additional terminal facilities, doubling the Airport's existing space;
- Renovation of Lambert's existing runway and taxiway system; and the
- Addition of more than 6,000 parking spaces.

The construction for this program will be funded with Airport Development Funds, Passenger Facilities Charges, FAA Improvement Program grants, and Airport Revenue Bonds.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

Lawsuits have been filed by the Cities of St. Charles and Bridgeton, Missouri but litigation has not delayed project implementation. In a local zoning case, the St. Louis Circuit Court ruled in favor of the City of St. Louis; this ruling was upheld by the Missouri Court of Appeals. In Federal Master Plan/EIS case, the Appellate Court upheld the FAA's Record of Decision. Land acquisition activities are underway with approximately 2,000 parcels to be acquired. As of October 20, 2000, 596 offers have been accepted; of these, 539 real estate transactions have been closed; of these, 488 properties have been vacated by the sellers and are in the possession of the Airport; of these, 272 of these houses have been demolished with others to follow in the coming months.

Several design packages have been solicited with others to follow. An injunction to stop progress on this project is not anticipated by management.

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. Component Units – SLPD and SLDC

SLPD and SLDC receive 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 requires compliance with terms and conditions specified in the contract and grant agreements and is subject to audit by the granting agencies. Any disallowed claims resulting from such audits could become an SLPD or SLDC liability. However, in the opinion of their respective management, any such disallowed claims will not have a material effect on the financial statements of SLPD or SLDC at June 30, 2000.

21. 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 worker's compensation, general liability, and unemployment benefits to its employees. 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 \$1,000 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 general purpose financial statements when it is probable that a liability has been incurred and the amount can be reasonably estimated. In the opinion of the City Counselor, the ultimate outcome of these matters will not have a material effect on the general purpose financial statements of the City.

The estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of \$9,267 at June 30, 2000, relating to these matters is recorded in the self insurance internal service fund - PFPC for worker's compensation and general liability. 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 maintains surety bonds on various employees that handle cash. In addition, the City purchases commercial insurance for other risks, including property damage and liability coverage applicable to the Airport and Cervantes Convention Center. There were no significant changes in coverage for the year ended June 30, 2000, and for the years ended June 30, 2000, 1999, and 1998, settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2000 and 1999 are as follows:

		Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2000	\$	11,297	5,649	(7,679)	9,267
1999		9,778	9,228	(7,709)	11,297

22. GRANT LOAN PROGRAMS

Primary Government

The City's general and special revenue fund types include the activities of the CDA which, 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 - 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, collectibility is not assured and, accordingly, the City reflects these loans as an expenditure of the special revenue fund in the year the loans are made. Any loan repayments are reflected as intergovernmental revenue (or deferred revenue if monies have not been spent) in the year of receipt.

23. PENDING LITIGATION

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 financial position or the results of operations of SLDC.

CITY OF SAINT LOUIS, MISSOURI

Notes to General Purpose Financial Statements, Continued

June 30, 2000

(Dollars in Thousands)

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.

24. TAX AND REVENUE ANTICIPATION NOTES

During 2000, the City issued and redeemed \$40,000 in Tax and Revenue Anticipation Notes (Notes). The Notes bore interest at the rate of 4.0% per year and matured June 30, 2000. Interest on the Notes of \$1,600 was paid from the general fund.

25. COMPONENT UNIT – SLDC CONDUIT DEBT

SLDC facilitates the issuance of tax exempt bonds for various private enterprises and government agencies. The bonds are sold to various banks and the proceeds are used to purchase real estate or fund capital improvements for the respective organization. These organizations enter into lease payments to satisfy the debt service requirements. After SLDC assigns the leases to the trusts, the properties are no longer under their control and they have no liability for the bonds. Therefore transactions related to the leases and the bond liability are not presented in SLDC's financial statements.

26. SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

In July 2000, the City issued \$42,000 in Tax and Revenue Anticipation Notes (2000 Notes) payable from the general fund. The 2000 Notes mature on June 28, 2001 and bear interest at the rate of 5.25% per year.

Joint Venture Cooperation Agreement

Subsequent to June 30, 2000, the City paid the outstanding balance relating to the joint venture cooperation agreement in the amount of \$2,885.

Component Unit – SLDC

In September 2000, SLDC offered all employees over the age of sixty an early retirement package. Six employees accepted the package, which offered severance pay as a percent of the current year's salary on a sliding scale based on years of service. The maximum received was 80% of the current year's salary. The total amount of severance for the six employees was \$160.

Since 1998, SLDC has been involved in litigation relating to the Hall Street Landfill. On September 25, 2000, a judgment was handed down against SLDC in the amount of \$1,900. The judgment was not final but will be final at the later of thirty days or a ruling of any post trial motions for a new trial or to amend or modify the judgment. No amount has been accrued in the accompanying general purpose financial statements due to SLDC's belief that state statute prohibits collection of the judgment and an appeal of the judgment on a number of grounds will be successful.

Enterprise Fund – Airport – Revenue Bonds

On July 15, 2000, the Airport issued \$87,165 in Series 2000 Letter of Intent Double Barrel Revenue Bonds with an average interest rate of 6.07%. The Series 2000 bonds are limited obligations of the Airport, payable solely from moneys to be received from the FAA pursuant to the Letter of Intent Number ACE-98-01 dated November 10, 1998 and amended May 1, 2000; moneys on deposit in the Airport Development Fund; and certain other funds pledged under the bond indenture. None of the general Airport revenues or properties of the Airport have been pledged or mortgaged to secure payment of the Series 2000 bonds. The proceeds of the Series 2000 bonds, together with other available funds, will be applied to pay a portion of the cost of the acquisition of certain land located adjacent to the Airport and the construction of certain improvements thereon.

GENERAL FUND

The general fund is the general operating fund of the City and accounts for all financial transactions not required to be accounted for in another fund. It is used to account for a wide range of municipal services such as: fire and other public safety; parks and recreation; forestry; health and other social service; street maintenance; refuse collection; public services; convention and tourism and general administrative services. It derives from a variety of sources such as: earnings, franchise, property and sales taxes; licenses and permits; and charges for services.

CITY OF SAINT LOUIS, MISSOURI
 Schedule of Revenues and Expenditures -
 Budget and Actual - Budget Basis - General Fund
 For the year ended June 30, 2000
 (Dollars in thousands)

	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues:			
Taxes:			
Gross receipts	\$ 9,011	9,375	364
Earnings	116,865	117,305	440
Franchise	53,774	50,646	(3,128)
Sales	46,750	48,135	1,385
Property	39,439	38,023	(1,416)
Payroll	30,673	31,435	762
Motor fuel	10,000	10,552	552
Motor vehicle	3,800	3,671	(129)
Other	841	846	5
Total taxes	<u>311,153</u>	<u>309,988</u>	<u>(1,165)</u>
Licenses and permits:			
Cigarette	1,995	2,063	68
Graduated business	7,161	7,501	340
Building	1,895	3,020	1,125
Automobile	1,425	1,460	35
Communication transmission	900	941	41
Liquor	391	374	(17)
Other	507	579	72
Total licenses and permits	<u>14,274</u>	<u>15,938</u>	<u>1,664</u>
Intergovernmental:			
Juvenile detention center	1,130	1,274	144
Emergency medical services	2,700	1,998	(702)
Other	550	372	(178)
Total intergovernmental	<u>4,380</u>	<u>3,644</u>	<u>(736)</u>
Charges for services, net:			
Parks and recreation	281	294	13
Streets	2,116	2,175	59
Public Safety	2,313	2,646	333
Health	1,064	1,112	48
Multigraph	10	4	(6)
Public Service	39	66	27

(Continued)

CITY OF SAINT LOUIS, MISSOURI
Schedule of Revenues and Expenditures -
Budget and Actual - Budget Basis - General Fund
For the year ended June 30, 2000
(Dollars in thousands)

	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues, continued:			
Charges for services, net, continued:			
Fee offices:			
Recorder of Deeds	\$ 1,649	2,397	748
Sheriff	1,147	1,143	(4)
Circuit Court	303	539	236
Probate Court	63	53	(10)
Medical Examiner	4	3	(1)
Services provided to other funds	3,754	4,135	381
Total charges for services, net	<u>12,743</u>	<u>14,567</u>	<u>1,824</u>
Court fines and forfeitures	4,722	5,199	477
Investment income	2,726	2,909	183
Miscellaneous	2,856	3,219	363
Total revenues	<u>352,854</u>	<u>355,464</u>	<u>2,610</u>
Expenditures (Schedule 2)	<u>255,323</u>	<u>249,267</u>	<u>6,056</u>
Excess of revenues over expenditures	<u>97,531</u>	<u>106,197</u>	<u>8,666</u>
Other financing sources (uses):			
Operating transfers in	19,585	18,362	(1,223)
Operating transfers to component units	(114,585)	(114,118)	467
Operating transfers out	(10,962)	(13,181)	(2,219)
Total other financing sources (uses), net	<u>(105,962)</u>	<u>(108,937)</u>	<u>(2,975)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (8,431)</u>	<u>(2,740)</u>	<u>5,691</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
Schedule of Expenditures - Budget and Actual
Budget Basis - General Fund
For the year ended June 30, 2000
(Dollars in thousands)

	Revised Budget	Actual			Variance - favorable (unfavorable)
		Personal Services	Other Expenditures	Total Expenditures	
General government:					
Board of Alderman	\$ 1,968	1,690	197	1,887	81
Mayor's Office	1,971	1,699	139	1,838	133
St. Louis Agency on Training and Employment	171	126	29	155	16
Department of Personnel	3,032	2,408	483	2,891	141
Registrar	114	100	8	108	6
Civil Rights Enforcement Agency	449	333	93	426	23
Division of the Budget	3,640	2,410	1,102	3,512	128
City Counselor	6,332	3,142	3,780	6,922	(590)
Comptroller	7,459	3,017	3,530	6,547	912
Municipal Garage	203	188	9	197	6
Microfilm Section	290	168	27	195	95
Supply Commissioner	507	462	29	491	16
Multigraph Section	1,106	442	568	1,010	96
City-Wide Accounts	9,932	4,409	5,426	9,835	97
Tax Equalization Board	16	16	-	16	-
Recorder of Deeds	1,533	1,340	134	1,474	59
Election and Registration	1,621	1,030	316	1,346	275
Treasurer	605	563	30	593	12
Prior Year Encumbrances	1,113	-	777	777	336
Total general government	<u>42,062</u>	<u>23,543</u>	<u>16,677</u>	<u>40,220</u>	<u>1,842</u>
Convention and tourism:					
Soldier's Memorial Building	163	131	8	139	24
Cervantes Convention Center	1,800	-	1,800	1,800	-
Total convention and tourism	<u>1,963</u>	<u>131</u>	<u>1,808</u>	<u>1,939</u>	<u>24</u>
Parks and recreation:					
Director of Parks, Recreation and Forestry	297	341	36	377	(80)
Division of Recreation	2,378	1,830	114	1,944	434
Division of Forestry	5,490	5,167	281	5,448	42
Division of Parks	7,702	6,910	541	7,451	251
Tower Grove Park	647	-	647	647	-
Prior Year Encumbrances	250	-	224	224	26
Total parks and recreation	<u>16,764</u>	<u>14,248</u>	<u>1,843</u>	<u>16,091</u>	<u>673</u>
Judicial:					
Circuit Court (Circuit Judges)	1,636	106	1,285	1,391	245
Circuit Court (General)	6,103	2,523	1,967	4,490	1,613
Circuit Attorney	4,548	4,094	361	4,455	93
Board of Jury Supervisors	1,409	334	940	1,274	135
Probate Court	102	-	86	86	16
Sheriff	6,588	5,701	328	6,029	559
City Courts	2,558	1,373	1,082	2,455	103
City Marshal	1,057	1,023	13	1,036	21
Probation Department and Juvenile Detention Center	11,764	9,583	1,722	11,305	459
Prior Year Encumbrances	1,383	-	756	756	627
Total judicial	<u>37,148</u>	<u>24,737</u>	<u>8,540</u>	<u>33,277</u>	<u>3,871</u>

(Continued)

CITY OF SAINT LOUIS, MISSOURI
Schedule of Expenditures - Budget and Actual
Budget Basis - General Fund
For the year ended June 30, 2000
(Dollars in thousands)

	Revised Budget	Actual			Variance - favorable (unfavorable)
		Personal Services	Other Expenditures	Total Expenditures	
Streets:					
Director of Streets	\$ 769	738	13	751	18
Transportation and Traffic Division	7,056	3,600	3,199	6,799	257
Auto Towing and Storage	1,350	1,042	282	1,324	26
Street Division	6,243	4,827	823	5,650	593
Refuse Division	14,575	5,864	7,899	13,763	812
Prior Year Encumbrances	210	—	170	170	40
Total streets	<u>30,203</u>	<u>16,071</u>	<u>12,386</u>	<u>28,457</u>	<u>1,746</u>
Public safety - fire					
Fire Department Operations	41,005	41,550	1,662	43,212	(2,207)
Firemen's Retirement System	2,553	2,554	—	2,554	(1)
Prior Year Encumbrances	51	—	30	30	21
Total public safety - fire	<u>43,609</u>	<u>44,104</u>	<u>1,692</u>	<u>45,796</u>	<u>(2,187)</u>
Public safety - other					
Emergency Management	232	243	23	266	(34)
Director of Public Safety	399	306	54	360	39
Excise Commissioner	271	242	10	252	19
Police Retirement System	268	249	—	249	19
Building Commissioner	8,063	7,657	307	7,964	99
Neighborhood Stabilization	1,994	1,758	201	1,959	35
Division of Adult Services - Medium Security Institution	17,490	13,615	4,877	18,492	(1,002)
Prior Year Encumbrances	249	—	149	149	100
Total public safety - other	<u>28,966</u>	<u>24,070</u>	<u>5,621</u>	<u>29,691</u>	<u>(725)</u>
Health and welfare:					
Medical Examiner	1,320	462	574	1,036	284
Division of Air Pollution	305	285	14	299	6
Director, Heath and Hospitals	884	709	96	805	79
Heath Commissioner	212	193	58	251	(39)
Communicable Disease Control	1,524	1,188	244	1,432	92
School Health Program	880	792	18	810	70
Laboratory Section	681	403	110	513	168
Rabies Control	586	475	63	538	48
Community Sanitation and Vector Control	1,555	1,407	63	1,470	85
Lead Poison Control Section	362	276	11	287	75
Biostatistics - Vital Records	379	320	64	384	(5)
Immunization	388	327	64	391	(3)
Food Control Section	478	441	16	457	21
Health Promotion and Education	339	297	11	308	31
Director of Human Services	2,095	1,085	913	1,998	97
Prior Year Encumbrances	618	—	973	973	(355)
Total health and welfare	<u>12,606</u>	<u>8,660</u>	<u>3,292</u>	<u>11,952</u>	<u>654</u>
Public services:					
Soulard Market	275	124	111	235	40
President's Office, Board of Public Services	3,748	2,992	341	3,333	415
Building Operations	7,721	3,047	4,420	7,467	254
Equipment Services Division	8,016	3,900	5,065	8,965	(949)
Prior Year Encumbrances	926	—	353	353	573
Total public services	<u>20,686</u>	<u>10,063</u>	<u>10,290</u>	<u>20,353</u>	<u>333</u>
Debt service:					
Principal	7,532	—	7,532	7,532	—
Interest and fiscal charges	13,784	—	13,959	13,959	(175)
Total debt service	<u>21,316</u>	<u>—</u>	<u>21,491</u>	<u>21,491</u>	<u>(175)</u>
Total expenditures	<u>\$ 255,323</u>	<u>165,627</u>	<u>83,640</u>	<u>249,267</u>	<u>6,056</u>

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of special revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The special revenue funds maintained by the City are as follows:

Transportation – Used to record sales tax revenue and expenditures for transportation purposes.

Government Grants – Used to account for financial assistance received from federal and state agencies and their contractual arrangements. These funds are used to record expenditures of monies received from the granting agencies in accordance with the specific terms of the contracts and grant agreements.

Convention and Tourism – Used to record revenue received from the one-cent restaurant tax, three and one-half percent hotel tax, and football admission gross receipts and expenditures made to promote convention and tourism activities.

Licensed Gaming – Used to record revenue received from adjusted gross receipts and admissions taxes imposed on riverboat gaming excursion boats.

Assessor – 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 Lines – 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 disbursement of the Collector of Revenue’s office.

Tax Increment Financing – Used to account for the revenues, expenditures and other activities relating to the tax increment financing bonds.

License Collector – Used to account for the operating receipts and disbursements of the License Collector’s office.

Other Special Revenue – Used to account for the activities of other less significant special revenue sources. These funds include both budgeted and unbudgeted activities as follows:

Budgeted

Child Support Unit
Victim Assistance
Communications Division
Health Care Trust
Miscellaneous Special

Unbudgeted

Election and Registration
Victim Assistance
Demolition and Board-Up
Miscellaneous Special
Special Tax Districts

CITY OF SAINT LOUIS, MISSOURI

Combining Balance Sheet -

Special Revenue Funds

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	<u>Transportation</u>	<u>Government Grants</u>	<u>Convention and Tourism</u>	<u>Licensed Gaming</u>	<u>Assessor</u>	<u>Lateral Sewer Lines</u>	<u>Collector of Revenue</u>	<u>Tax Increment Financing</u>	<u>License Collector</u>	<u>Other Special Revenue</u>	<u>Total</u>
Cash and cash equivalents:											
Restricted	-	-	-	-	-	-	-	-	-	231	231
Unrestricted	\$ 42	-	571	394	-	545	103	293	2,835	2,958	7,741
Investments:											
Restricted	-	-	-	-	-	-	-	-	-	1,182	1,182
Unrestricted	133	1,100	1,809	1,238	-	3,893	-	2,373	-	12,011	22,557
Receivable, net of allowances:											
Taxes	3,431	-	1,989	472	-	-	-	-	-	1,079	6,971
Intergovernmental	-	22,210	-	-	737	-	-	-	-	793	23,740
Notes and loans	-	-	-	-	-	-	-	-	-	35	35
Due from component units	-	-	-	-	-	-	-	-	-	4,675	4,675
Due from other funds	-	249	20	-	-	37	-	-	-	119	425
Total assets	<u>\$ 3,606</u>	<u>23,559</u>	<u>4,389</u>	<u>2,104</u>	<u>737</u>	<u>4,475</u>	<u>103</u>	<u>2,666</u>	<u>2,835</u>	<u>23,083</u>	<u>67,557</u>
<u>Liabilities and Fund Balances</u>											
Liabilities:											
Accounts payable and accrued liabilities	-	6,162	-	90	-	39	-	-	-	319	6,610
Accrued salaries and other benefits	-	-	-	-	128	-	-	-	-	-	128
Due to component units	-	-	-	-	-	-	-	-	-	3,856	3,856
Due to other funds	-	14,566	-	-	298	-	-	-	-	-	14,864
Deferred revenue	-	2,752	-	-	-	-	-	-	-	226	2,978
Other liabilities	-	-	-	-	-	-	103	-	-	-	103
Total liabilities	<u>-</u>	<u>23,480</u>	<u>-</u>	<u>90</u>	<u>426</u>	<u>39</u>	<u>103</u>	<u>-</u>	<u>-</u>	<u>4,401</u>	<u>28,539</u>
Fund balances:											
Reserved for:											
Encumbrances	-	-	38	41	40	240	-	-	-	587	946
Debt service	-	-	-	-	-	-	-	1,428	-	-	1,428
Unreserved - undesignated	<u>3,606</u>	<u>79</u>	<u>4,351</u>	<u>1,973</u>	<u>271</u>	<u>4,196</u>	<u>-</u>	<u>1,238</u>	<u>2,835</u>	<u>18,095</u>	<u>36,644</u>
Total fund balances	<u>3,606</u>	<u>79</u>	<u>4,389</u>	<u>2,014</u>	<u>311</u>	<u>4,436</u>	<u>-</u>	<u>2,666</u>	<u>2,835</u>	<u>18,682</u>	<u>39,018</u>
Total liabilities and fund balances	<u>\$ 3,606</u>	<u>23,559</u>	<u>4,389</u>	<u>2,104</u>	<u>737</u>	<u>4,475</u>	<u>103</u>	<u>2,666</u>	<u>2,835</u>	<u>23,083</u>	<u>67,557</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Special Revenue Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Transportation	Government Grants	Convention and Tourism	Licensed Gaming	Assessor	Lateral Sewer Lines	Collector of Revenue	Tax Increment Financing	License Collector	Other Special Revenue	Total
Revenues:											
Taxes	\$ 26,468	—	9,423	5,141	1,074	—	—	2,888	—	8,809	53,803
Licenses and permits	—	—	—	—	—	—	—	—	—	2,608	2,608
Intergovernmental	—	71,246	—	—	824	—	—	—	—	1,725	73,795
Charges for services, net	—	—	—	—	—	2,810	4,150	—	1,756	3,477	12,193
Court fines and forfeitures	—	—	—	—	—	—	—	—	—	1,051	1,051
Investment income	64	—	36	15	10	124	935	57	—	278	1,519
Miscellaneous	—	—	—	—	—	—	130	100	—	1,631	1,861
Total revenues	<u>26,532</u>	<u>71,246</u>	<u>9,459</u>	<u>5,156</u>	<u>1,908</u>	<u>2,934</u>	<u>5,215</u>	<u>3,045</u>	<u>1,756</u>	<u>19,579</u>	<u>146,830</u>
Expenditures:											
Current:											
General government	—	4,190	—	610	3,402	—	5,215	17	1,417	3,561	18,412
Convention and tourism	—	—	163	—	—	—	—	—	—	—	163
Parks and recreation	—	—	—	—	—	—	—	—	—	1,929	1,929
Judicial	—	6,319	—	—	—	—	—	—	—	1,129	7,448
Streets	—	—	—	225	—	—	—	—	—	—	225
Public safety:											
Fire	—	—	—	7	—	—	—	—	—	—	7
Police	—	—	—	498	—	—	—	—	—	114	612
Other	—	—	—	—	—	—	—	—	—	6	6
Health and welfare	—	13,644	—	—	—	—	—	—	—	11,686	25,330
Public services	26,402	8,275	—	—	—	2,907	—	—	—	2,205	39,789
Community development	—	38,730	—	—	—	—	—	—	—	—	38,730
Capital outlay	—	—	—	—	—	—	—	48	—	—	48
Debt service:											
Principal	—	25	535	—	—	—	—	595	—	—	1,155
Interest and fiscal charges	—	63	205	—	—	—	—	1,270	—	56	1,594
Total expenditures	<u>26,402</u>	<u>71,246</u>	<u>903</u>	<u>1,340</u>	<u>3,402</u>	<u>2,907</u>	<u>5,215</u>	<u>1,930</u>	<u>1,417</u>	<u>20,686</u>	<u>135,448</u>
Excess (deficiency) of revenues over expenditures	<u>130</u>	<u>—</u>	<u>8,556</u>	<u>3,816</u>	<u>(1,494)</u>	<u>27</u>	<u>—</u>	<u>1,115</u>	<u>339</u>	<u>(1,107)</u>	<u>11,382</u>
Other financing sources (uses):											
Proceeds from master note purchase agreement	—	—	—	—	—	—	—	—	—	1,250	1,250
Operating transfers in	173	—	11	—	1,150	—	—	—	—	13,100	14,434
Operating transfers from component units	—	—	—	—	—	—	—	—	—	250	250
Operating transfers out	(64)	—	(8,300)	(3,000)	—	—	—	(942)	—	(6,753)	(19,059)
Total other financing sources (uses), net	<u>109</u>	<u>—</u>	<u>(8,289)</u>	<u>(3,000)</u>	<u>1,150</u>	<u>—</u>	<u>—</u>	<u>(942)</u>	<u>—</u>	<u>7,847</u>	<u>(3,125)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>239</u>	<u>—</u>	<u>267</u>	<u>816</u>	<u>(344)</u>	<u>27</u>	<u>—</u>	<u>173</u>	<u>339</u>	<u>6,740</u>	<u>8,257</u>
Fund balances:											
Beginning of year	3,367	79	4,122	1,198	655	4,409	—	2,493	2,496	12,185	31,004
Residual equity transfers out	—	—	—	—	—	—	—	—	—	(243)	(243)
End of year	<u>\$ 3,606</u>	<u>79</u>	<u>4,389</u>	<u>2,014</u>	<u>311</u>	<u>4,436</u>	<u>—</u>	<u>2,666</u>	<u>2,835</u>	<u>18,682</u>	<u>39,018</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
Combining Schedule of Revenues and Expenditures -
Budget and Actual - Budget Basis - Special Revenue Funds
For the year ended June 30, 2000
(Dollars in thousands)

	Transportation			Convention and Tourism			Licensed Gaming			Assessor		
	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues:												
Taxes	\$ 29,383	26,399	(2,984)	9,129	9,572	443	4,200	5,009	809	998	1,074	76
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	839	839	-
Charges for service, net	-	-	-	-	-	-	-	-	-	-	-	-
Court fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	75	64	(11)	-	23	23	-	15	15	61	10	(51)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>29,458</u>	<u>26,463</u>	<u>(2,995)</u>	<u>9,129</u>	<u>9,595</u>	<u>466</u>	<u>4,200</u>	<u>5,024</u>	<u>824</u>	<u>1,898</u>	<u>1,923</u>	<u>25</u>
Expenditures:												
Current:												
General government	-	-	-	-	-	-	600	600	-	3,454	3,286	168
Convention and tourism	-	-	-	200	213	(13)	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	225	(225)	-	-	-
Public safety:												
Fire	-	-	-	-	-	-	25	7	18	-	-	-
Police	-	-	-	-	-	-	498	498	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Public service	29,383	26,402	2,981	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	750	740	10	-	-	-	-	-	-
Total expenditures	<u>29,383</u>	<u>26,402</u>	<u>2,981</u>	<u>950</u>	<u>953</u>	<u>(3)</u>	<u>1,123</u>	<u>1,330</u>	<u>(207)</u>	<u>3,454</u>	<u>3,286</u>	<u>168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75</u>	<u>61</u>	<u>(14)</u>	<u>8,179</u>	<u>8,642</u>	<u>463</u>	<u>3,077</u>	<u>3,694</u>	<u>617</u>	<u>(1,556)</u>	<u>(1,363)</u>	<u>193</u>
Other financing sources (uses):												
Operating transfers in	-	173	173	-	11	11	-	-	-	1,150	1,150	-
Operating transfers out	(75)	(64)	11	(8,300)	(8,300)	-	(3,000)	(3,000)	-	-	-	-
Total other financing sources (uses), net	<u>(75)</u>	<u>109</u>	<u>184</u>	<u>(8,300)</u>	<u>(8,289)</u>	<u>11</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>1,150</u>	<u>1,150</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>170</u>	<u>170</u>	<u>(121)</u>	<u>353</u>	<u>474</u>	<u>77</u>	<u>694</u>	<u>617</u>	<u>(406)</u>	<u>(213)</u>	<u>193</u>

CITY OF SAINT LOUIS, MISSOURI
Combining Schedule of Revenues and Expenditures -
Budget and Actual - Budget Basis - Special Revenue Funds
For the year ended June 30, 2000
(Dollars in thousands)

	Lateral Sewer Lines			Tax Increment Financing			Other Special Revenue Funds			Totals		
	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues:												
Taxes	\$ -	-	-	2,000	2,888	888	6,005	5,770	(235)	51,715	50,712	(1,003)
Licenses and permits	-	-	-	-	-	-	50	60	10	50	60	10
Intergovernmental	-	-	-	-	-	-	1,750	1,427	(323)	2,589	2,266	(323)
Charges for service, net	2,750	2,818	68	-	-	-	433	604	171	3,183	3,422	239
Court fines and forfeitures	-	-	-	-	-	-	212	281	69	212	281	69
Investment income	225	107	(118)	60	57	(3)	-	102	102	421	378	(43)
Miscellaneous	-	-	-	-	100	100	105	68	(37)	105	168	63
Total revenues	<u>2,975</u>	<u>2,925</u>	<u>(50)</u>	<u>2,060</u>	<u>3,045</u>	<u>985</u>	<u>8,555</u>	<u>8,312</u>	<u>(243)</u>	<u>58,275</u>	<u>57,287</u>	<u>(988)</u>
Expenditures:												
Current:												
General government	-	-	-	40	17	23	5	5	-	4,099	3,908	191
Convention and tourism	-	-	-	-	-	-	-	-	-	200	213	(13)
Parks and recreation	-	-	-	-	-	-	385	123	262	385	123	262
Judicial	-	-	-	-	-	-	1,170	1,144	26	1,170	1,144	26
Streets	-	-	-	-	-	-	-	-	-	-	225	(225)
Public safety:												
Fire	-	-	-	-	-	-	-	-	-	25	7	18
Police	-	-	-	-	-	-	60	114	(54)	558	612	(54)
Health and welfare	-	-	-	-	-	-	8,250	8,250	-	8,250	8,250	-
Public service	3,556	2,883	673	-	-	-	1,655	1,913	(258)	34,594	31,198	3,396
Capital outlay	-	-	-	144	48	96	-	-	-	144	48	96
Debt service	-	-	-	1,873	1,865	8	-	-	-	2,623	2,605	18
Total expenditures	<u>3,556</u>	<u>2,883</u>	<u>673</u>	<u>2,057</u>	<u>1,930</u>	<u>127</u>	<u>11,525</u>	<u>11,549</u>	<u>(24)</u>	<u>52,048</u>	<u>48,333</u>	<u>3,715</u>
Excess (deficiency) of revenues over expenditures	<u>(581)</u>	<u>42</u>	<u>623</u>	<u>3</u>	<u>1,115</u>	<u>1,112</u>	<u>(2,970)</u>	<u>(3,237)</u>	<u>(267)</u>	<u>6,227</u>	<u>8,954</u>	<u>2,727</u>
Other financing sources (uses):												
Operating transfers in	-	-	-	-	-	-	13,100	13,100	-	14,250	14,434	184
Operating transfers out	-	-	-	-	(942)	(942)	(5,613)	(5,653)	(40)	(16,988)	(17,959)	(971)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(942)</u>	<u>(942)</u>	<u>7,487</u>	<u>7,447</u>	<u>(40)</u>	<u>(2,738)</u>	<u>(3,525)</u>	<u>(787)</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>(581)</u>	<u>42</u>	<u>623</u>	<u>3</u>	<u>173</u>	<u>170</u>	<u>4,517</u>	<u>4,210</u>	<u>(307)</u>	<u>3,489</u>	<u>5,429</u>	<u>1,940</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
Combining Schedule of Revenues and Expenditures -
Budget and Actual - Budget Basis - Other Special Revenue Funds
For the year ended June 30, 2000
(Dollars in thousands)

	Child Support Unit			Victim Assistance		
	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues:						
Taxes	\$ -	-	-	-	-	-
Licenses and permits	-	-	-	50	60	10
Intergovernmental	1,750	1,427	(323)	-	-	-
Charges for service, net	-	-	-	-	-	-
Court fines and forfeitures	-	-	-	110	162	52
Investment income	-	-	-	-	14	14
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,750</u>	<u>1,427</u>	<u>(323)</u>	<u>160</u>	<u>236</u>	<u>76</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Judicial	1,045	1,023	22	-	-	-
Public safety -						
Police	-	-	-	-	-	-
Health and welfare	-	-	-	150	150	-
Public services	-	-	-	-	-	-
Total expenditures	<u>1,045</u>	<u>1,023</u>	<u>22</u>	<u>150</u>	<u>150</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>705</u>	<u>404</u>	<u>(301)</u>	<u>10</u>	<u>86</u>	<u>76</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(800)	(450)	350	(63)	(63)	-
Total other financing sources (uses), net	<u>(800)</u>	<u>(450)</u>	<u>350</u>	<u>(63)</u>	<u>(63)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ <u>(95)</u>	<u>(46)</u>	<u>49</u>	<u>(53)</u>	<u>23</u>	<u>76</u>

See accompanying independent auditors' report.

Communications Division			Health Care Trust			Miscellaneous Special			Totals		
Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)
1,350	1,462	112	-	-	-	4,655	4,308	(347)	6,005	5,770	(235)
-	-	-	-	-	-	-	-	-	50	60	10
-	-	-	-	-	-	-	-	-	1,750	1,427	(323)
-	-	-	-	-	-	433	604	171	433	604	171
-	-	-	-	-	-	102	119	17	212	281	69
-	-	-	-	-	-	-	88	88	-	102	102
-	-	-	-	-	-	105	68	(37)	105	68	(37)
<u>1,350</u>	<u>1,462</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,295</u>	<u>5,187</u>	<u>(108)</u>	<u>8,555</u>	<u>8,312</u>	<u>(243)</u>
-	-	-	-	-	-	5	5	-	5	5	-
-	-	-	-	-	-	385	123	262	385	123	262
-	-	-	-	-	-	125	121	4	1,170	1,144	26
-	-	-	-	-	-	60	114	(54)	60	114	(54)
-	-	-	8,100	8,100	-	-	-	-	8,250	8,250	-
<u>1,655</u>	<u>1,913</u>	<u>(258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,655</u>	<u>1,913</u>	<u>(258)</u>
<u>1,655</u>	<u>1,913</u>	<u>(258)</u>	<u>8,100</u>	<u>8,100</u>	<u>-</u>	<u>575</u>	<u>363</u>	<u>212</u>	<u>11,525</u>	<u>11,549</u>	<u>(24)</u>
<u>(305)</u>	<u>(451)</u>	<u>(146)</u>	<u>(8,100)</u>	<u>(8,100)</u>	<u>-</u>	<u>4,720</u>	<u>4,824</u>	<u>104</u>	<u>(2,970)</u>	<u>(3,237)</u>	<u>(267)</u>
-	-	-	8,100	8,100	-	5,000	5,000	-	13,100	13,100	-
-	-	-	-	-	-	(4,750)	(5,140)	(390)	(5,613)	(5,653)	(40)
-	-	-	8,100	8,100	-	250	(140)	(390)	7,487	7,447	(40)
<u>(305)</u>	<u>(451)</u>	<u>(146)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,970</u>	<u>4,684</u>	<u>(286)</u>	<u>4,517</u>	<u>4,210</u>	<u>(307)</u>

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The capital projects funds maintained by the City are as follows:

Capital Projects – Used to account for appropriated proceeds of bonded debt issued and other monies appropriated by City ordinance to be used for the acquisition or construction of major capital projects.

Capital Improvements – Used to account for monies received from the sale of City assets and other financial resources to be used for the acquisition or construction of major capital projects.

Convention Center Construction – Used to account for monies received from the proceeds of capital lease obligations to be used for the construction of the Cervantes Convention Center expansion.

Forest Park Redevelopment – Used to account for monies received from the proceeds of capital lease obligations to be used for the construction, renovation, replacement, equipping and installation of site furnishings and improvements to Forest Park.

City Jail, Civil Courts, and Justice Center – Used to account for monies received from the proceeds of capital lease obligations to be used for construction of a new city jail, improvements in the existing city courts building and acquisition of certain equipment. Also, used to account for monies received from the proceeds of capital lease obligations to be used for the acquisition of real and personal property, equipping, construction, and installation of furnishings and equipment for the City Justice Center.

Capital Improvements Sales Tax Trust Fund – Used to account for all revenue received by the City from a 1/2 cent sales tax for the purpose of funding capital improvements, including the operation and maintenance of capital improvements.

Civil Courts – Used to account for monies received from the proceeds of capital lease obligations to be used for improvements, renovations, rehabilitation, remodeling and equipping of the Civil Courts Building.

CITY OF SAINT LOUIS, MISSOURI

Combining Balance Sheet -

Capital Projects Funds

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	<u>Capital Projects</u>	<u>Capital Improvements</u>	<u>Convention Center Construction</u>	<u>Forest Park Redevelop- ment</u>	<u>City Jail, Civil Courts, and Justice Center</u>	<u>Capital Improvements Sales Tax Trust Fund</u>	<u>Civil Courts</u>	<u>Total</u>
Cash and cash equivalents:								
Restricted	\$ -	-	-	-	6,723	-	-	6,723
Unrestricted	-	-	-	8,093	-	1,627	2,397	12,117
Investments:								
Restricted	-	-	-	-	73,753	148	-	73,901
Unrestricted	72,097	13,427	-	188	-	19,981	-	105,693
Receivable, net of allowances:								
Taxes	-	-	-	-	-	2,304	-	2,304
Intergovernmental	1,688	-	-	-	-	-	-	1,688
Due from other funds	5,595	4,239	-	-	-	4,732	-	14,566
Total assets	\$ <u>79,380</u>	<u>17,666</u>	<u>-</u>	<u>8,281</u>	<u>80,476</u>	<u>28,792</u>	<u>2,397</u>	<u>216,992</u>
<u>Liabilities and Fund Balances</u>								
Accounts payable and accrued liabilities	3,446	1,034	-	871	1,273	1,187	-	7,811
Fund balances:								
Reserved:								
Encumbrances	23,828	2,596	-	3,712	61,666	2,281	-	94,083
Debt service	-	-	-	1,456	-	-	-	1,456
Capital projects	-	-	-	2,242	17,537	-	2,397	22,176
Unreserved - undesignated	52,106	14,036	-	-	-	25,324	-	91,466
Total fund balances	<u>75,934</u>	<u>16,632</u>	<u>-</u>	<u>7,410</u>	<u>79,203</u>	<u>27,605</u>	<u>2,397</u>	<u>209,181</u>
Total liabilities and fund balances	\$ <u>79,380</u>	<u>17,666</u>	<u>-</u>	<u>8,281</u>	<u>80,476</u>	<u>28,792</u>	<u>2,397</u>	<u>216,992</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances -
Capital Projects Funds
For the year ended June 30, 2000
(Dollars in thousands)

	Capital Projects	Capital Improvements	Convention Center Construction	Forest Park Redevelop- ment	City Jail, Civil Courts, and Justice Center	Capital Improvements Sales Tax Trust Fund	Civil Courts	Total
Revenues:								
Taxes	\$ -	1,750	-	-	-	18,448	-	20,198
Intergovernmental	6,947	-	-	648	-	-	-	7,595
Investment income	132	871	2	718	5,885	1,208	100	8,916
Miscellaneous	2,456	72	-	2,432	-	-	-	4,960
Total revenues	<u>9,535</u>	<u>2,693</u>	<u>2</u>	<u>3,798</u>	<u>5,885</u>	<u>19,656</u>	<u>100</u>	<u>41,669</u>
Expenditures:								
Capital outlay	30,755	10,609	160	9,119	13,441	10,096	13	74,193
Debt service:								
Principal	2,000	2,620	-	-	-	415	-	5,035
Interest and fiscal charges	-	4,062	-	231	-	730	-	5,023
Total expenditures	<u>32,755</u>	<u>17,291</u>	<u>160</u>	<u>9,350</u>	<u>13,441</u>	<u>11,241</u>	<u>13</u>	<u>84,251</u>
Excess (deficiency) of revenues over expenditures	<u>(23,220)</u>	<u>(14,598)</u>	<u>(158)</u>	<u>(5,552)</u>	<u>(7,556)</u>	<u>8,415</u>	<u>87</u>	<u>(42,582)</u>
Other financing sources (uses):								
Sale of general fixed assets	-	557	-	-	-	-	-	557
Proceeds from leasehold revenue bonds	-	-	-	-	19,252	-	-	19,252
Proceeds from capital lease	9,000	-	-	-	-	-	-	9,000
Operating transfers in	8,600	16,010	-	-	-	173	-	24,783
Operating transfers to component unit	-	-	-	-	-	(1,317)	-	(1,317)
Operating transfers out	(955)	(1,594)	-	-	(2,977)	(2,875)	(101)	(8,502)
Total other financing sources (uses), net	<u>16,645</u>	<u>14,973</u>	<u>-</u>	<u>-</u>	<u>16,275</u>	<u>(4,019)</u>	<u>(101)</u>	<u>43,773</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(6,575)</u>	<u>375</u>	<u>(158)</u>	<u>(5,552)</u>	<u>8,719</u>	<u>4,396</u>	<u>(14)</u>	<u>1,191</u>
Fund balances:								
Beginning of year	<u>82,509</u>	<u>16,257</u>	<u>158</u>	<u>12,962</u>	<u>70,484</u>	<u>23,209</u>	<u>2,411</u>	<u>207,990</u>
End of year	\$ <u>75,934</u>	<u>16,632</u>	<u>-</u>	<u>7,410</u>	<u>79,203</u>	<u>27,605</u>	<u>2,397</u>	<u>209,181</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Schedule of Revenues and Expenditures -
Budget and Actual - Budget Basis - Capital Projects Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Capital Improvements			Capital Improvements Sales Tax Trust Fund			Total		
	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)
Revenues:									
Taxes	\$ 1,750	1,750	–	17,050	17,465	415	18,800	19,215	415
Investment income	–	813	813	–	1,110	1,110	–	1,923	1,923
Miscellaneous	75	72	(3)	–	–	–	75	72	(3)
Total revenues	<u>1,825</u>	<u>2,635</u>	<u>810</u>	<u>17,050</u>	<u>18,575</u>	<u>1,525</u>	<u>18,875</u>	<u>21,210</u>	<u>2,335</u>
Expenditures:									
Capital outlay	7,000	11,802	(4,802)	11,075	9,601	1,474	18,075	21,403	(3,328)
Debt service:									
Principal	3,610	2,620	990	1,255	1,255	–	4,865	3,875	990
Interest and fiscal charges	7,590	4,062	3,528	1,875	1,207	668	9,465	5,269	4,196
Total expenditures	<u>18,200</u>	<u>18,484</u>	<u>(284)</u>	<u>14,205</u>	<u>12,063</u>	<u>2,142</u>	<u>32,405</u>	<u>30,547</u>	<u>1,858</u>
Excess (deficiency) of revenues over expenditures	<u>(16,375)</u>	<u>(15,849)</u>	<u>526</u>	<u>2,845</u>	<u>6,512</u>	<u>3,667</u>	<u>(13,530)</u>	<u>(9,337)</u>	<u>4,193</u>
Other financing sources (uses):									
Sale of general fixed assets	675	557	(118)	–	–	–	675	557	(118)
Operating transfers in	16,325	16,010	(315)	–	173	(173)	16,325	16,183	(142)
Operating transfers out	<u>(1,594)</u>	<u>(1,594)</u>	<u>–</u>	<u>(2,875)</u>	<u>(2,875)</u>	<u>–</u>	<u>(4,469)</u>	<u>(4,469)</u>	<u>–</u>
Total other financing sources (uses), net	<u>15,406</u>	<u>14,973</u>	<u>(433)</u>	<u>(2,875)</u>	<u>(2,702)</u>	<u>(173)</u>	<u>12,531</u>	<u>12,271</u>	<u>(260)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ <u>(969)</u>	<u>(876)</u>	<u>93</u>	<u>(30)</u>	<u>3,810</u>	<u>3,840</u>	<u>(999)</u>	<u>2,934</u>	<u>3,933</u>

See accompanying independent auditors' report.

ENTERPRISE FUNDS

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 cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The City's operations for enterprise are as follows:

Lambert – St. Louis International Airport – Used to account for the activities of the Airport. The principal services provided are financed primarily through landing fees and terminal concession revenues.

Water Division – Used to account for sale of water to the general public and the operation of the water delivery system.

Parking Division – Used to account for the operations of public parking facilities and parking meters.

CITY OF SAINT LOUIS, MISSOURI

Combining Balance Sheet

Enterprise Funds

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	Lambert - St. Louis			<u>Total</u>
	<u>International Airport</u>	<u>Water Division</u>	<u>Parking Division</u>	
Cash and cash equivalents:				
Restricted	\$ 49,577	6,396	6,378	62,351
Unrestricted	15,050	1,461	1,757	18,268
Investments:				
Restricted	296,776	18,623	4,410	319,809
Unrestricted	-	10,062	7,023	17,085
Receivables, net of allowances:				
Charges for services	15,374	6,052	96	21,522
Accrued interest	3,690	-	-	3,690
Passenger facility charges	7,281	-	-	7,281
Due from other funds	27	462	-	489
Inventories	2,432	1,829	-	4,261
Property, plant, and equipment	674,235	192,521	25,734	892,490
Less accumulated depreciation	(350,469)	(86,598)	(4,593)	(441,660)
	<u>323,766</u>	<u>105,923</u>	<u>21,141</u>	<u>450,830</u>
Land	390,356	1,254	11,070	402,680
Construction in progress	63,203	34,357	6,801	104,361
Property, plant and equipment, net	<u>777,325</u>	<u>141,534</u>	<u>39,012</u>	<u>957,871</u>
Deferred charges and other assets	26,798	1,103	1,583	29,484
Total assets	<u>\$ 1,194,330</u>	<u>187,522</u>	<u>60,259</u>	<u>1,442,111</u>

See accompanying independent auditors' report.

<u>Liabilities and Fund Equity</u>	Lambert - St. Louis			<u>Total</u>
	<u>International Airport</u>	<u>Water Division</u>	<u>Parking Division</u>	
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,049	1,601	1,465	8,115
Accrued salaries and other benefits	1,150	614	151	1,915
Payable from restricted cash and investments:				
Contracts and retainage	9,141	–	402	9,543
Accrued interest	11,995	–	101	12,096
Current portion of revenue bonds	23,615	1,880	760	26,255
Deposits held for others	–	1,297	–	1,297
Due to other funds	3,443	2,570	2,083	8,096
Accrued interest payable	–	1,097	–	1,097
Due to other governmental agencies	–	–	400	400
Deferred revenue	7,281	1,503	2,242	11,026
Revenue bonds payable, net	403,221	39,924	40,412	483,557
Accrued vacation, compensatory and sick time benefits	2,863	1,415	127	4,405
Other liabilities	4,684	1,911	–	6,595
Total liabilities	<u>472,442</u>	<u>53,812</u>	<u>48,143</u>	<u>574,397</u>
Fund equity:				
Contributed capital:				
Other governmental agencies	207,823	–	2,929	210,752
Municipality	24,045	–	–	24,045
Developers	–	6,101	–	6,101
Total contributed capital	<u>231,868</u>	<u>6,101</u>	<u>2,929</u>	<u>240,898</u>
Retained earnings:				
Reserved for revenue bond requirements	91,020	6,695	1,616	99,331
Unreserved	399,000	120,914	7,571	527,485
Total retained earnings	<u>490,020</u>	<u>127,609</u>	<u>9,187</u>	<u>626,816</u>
Total fund equity	<u>721,888</u>	<u>133,710</u>	<u>12,116</u>	<u>867,714</u>
Total liabilities and fund equity	<u>\$ 1,194,330</u>	<u>187,522</u>	<u>60,259</u>	<u>1,442,111</u>

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Revenues, Expenses
and Changes in Fund Equity - Enterprise Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Lambert - St. Louis			
	International Airport	Water Division	Parking Division	Total
Operating revenues:				
Aviation revenues	\$ 68,288	-	-	68,288
Concessions	37,126	-	-	37,126
Water sales	-	38,507	-	38,507
Lease revenue	7,829	-	-	7,829
Parking	2,500	-	9,265	11,765
Miscellaneous	-	1,536	-	1,536
Total operating revenues	<u>115,743</u>	<u>40,043</u>	<u>9,265</u>	<u>165,051</u>
Operating expenses:				
Personal services	30,653	12,353	3,724	46,730
Materials and supplies	3,661	5,389	107	9,157
Purchased power	-	2,193	-	2,193
Contractual services	14,694	1,877	282	16,853
Miscellaneous	14,034	9,085	531	23,650
Depreciation and amortization	32,347	3,074	1,007	36,428
Total operating expenses	<u>95,389</u>	<u>33,971</u>	<u>5,651</u>	<u>135,011</u>
Income from operations	<u>20,354</u>	<u>6,072</u>	<u>3,614</u>	<u>30,040</u>
Nonoperating revenues (expenses):				
Investment income	17,293	1,545	962	19,800
Interest expense	(25,997)	(1,748)	(2,377)	(30,122)
Passenger facility charges	43,819	-	-	43,819
Miscellaneous, net	629	176	(53)	752
Total nonoperating revenues (expenses), net	<u>35,744</u>	<u>(27)</u>	<u>(1,468)</u>	<u>34,249</u>
Income before operating transfers	<u>56,098</u>	<u>6,045</u>	<u>2,146</u>	<u>64,289</u>
Operating transfers out	<u>-</u>	<u>-</u>	<u>(857)</u>	<u>(857)</u>
Net income	<u>56,098</u>	<u>6,045</u>	<u>1,289</u>	<u>63,432</u>
Depreciation on contributed assets	5,206	142	-	5,348
Increase in retained earnings	<u>\$ 61,304</u>	<u>6,187</u>	<u>1,289</u>	<u>68,780</u>
Fund equity				
Retained earnings:				
Beginning of year	\$ 428,716	121,422	7,898	558,036
Increase in retained earnings	<u>61,304</u>	<u>6,187</u>	<u>1,289</u>	<u>68,780</u>
End of year	<u>490,020</u>	<u>127,609</u>	<u>9,187</u>	<u>626,816</u>
Contributed capital:				
Beginning of year	214,755	6,171	2,929	223,855
Depreciation on contributed assets	(5,206)	(142)	-	(5,348)
Government grants and other aid	22,319	-	-	22,319
Contributed assets	<u>-</u>	<u>72</u>	<u>-</u>	<u>72</u>
End of year	<u>231,868</u>	<u>6,101</u>	<u>2,929</u>	<u>240,898</u>
Total fund equity	<u>\$ 721,888</u>	<u>133,710</u>	<u>12,116</u>	<u>867,714</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Cash Flows -
Enterprise Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Lambert - St. Louis International <u>Airport</u>	Water <u>Division</u>	Parking <u>Division</u>	<u>Total</u>
Cash flows from operating activities:				
Income from operations	\$ 20,354	6,072	3,614	30,040
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation and amortization	32,347	3,074	1,007	36,428
Loss on disposal of property, plant, and equipment	-	15	-	15
Cash received for customer deposits	-	(68)	-	(68)
Change in assets and liabilities:				
(Increase) decrease in receivables, net	2,776	(1,184)	(38)	1,554
Decrease in due from other funds	-	414	-	414
Decrease in inventories	183	12	-	195
(Increase) decrease in deferred charges and other assets	(615)	1	(558)	(1,172)
Decrease in accounts payable and accrued liabilities	(2,834)	(494)	(44)	(3,372)
Increase (decrease) in due to other funds	(107)	845	399	1,137
Increase (decrease) in other liabilities	(7,043)	(909)	2,214	(5,738)
Total adjustments	<u>24,707</u>	<u>1,706</u>	<u>2,980</u>	<u>29,393</u>
Net cash provided by operating activities	<u>45,061</u>	<u>7,778</u>	<u>6,594</u>	<u>59,433</u>
Cash flows from noncapital financing activities:				
Operating transfers out	-	-	(797)	(797)
Cash paid for financing of retirement plan	(311)	-	-	(311)
Net cash used in noncapital financing activities	<u>(311)</u>	<u>-</u>	<u>(797)</u>	<u>(1,108)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(110,361)	(5,170)	(9,385)	(124,916)
Principal paid on revenue bonds and capital lease obligations	(21,990)	(1,835)	(580)	(24,405)
Contributed capital	-	72	-	72
Interest paid on revenue bonds and capital lease obligations	(24,240)	(2,362)	(2,134)	(28,736)
Cash collections from passenger facility charges	43,819	-	-	43,819
Proceeds from sale of property and equipment	956	-	175	1,131
Receipts from federal financial assistance	23,375	-	-	23,375
Proceeds from issuance of revenue bonds	-	-	11,296	11,296
Net cash used in capital and related financing activities	<u>(88,441)</u>	<u>(9,295)</u>	<u>(628)</u>	<u>(98,364)</u>
Cash flows from investing activities:				
Purchase of investments	(672,012)	(69,749)	(11,284)	(753,045)
Proceeds from sales and maturities of investments	691,635	57,658	8,010	757,303
Investment income on cash and investments	19,108	1,481	946	21,535
Net cash provided by (used in) investing activities	<u>38,731</u>	<u>(10,610)</u>	<u>(2,328)</u>	<u>25,793</u>
Net increase (decrease) in cash and cash equivalents	(4,960)	(12,127)	2,841	(14,246)
Cash and cash equivalents, beginning of year	69,587	19,984	5,294	94,865
Cash and cash equivalents, end of year	<u>\$ 64,627</u>	<u>7,857</u>	<u>8,135</u>	<u>80,619</u>

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Internal service funds are use 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. The internal service funds maintained by the City are as follows:

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.

CITY OF SAINT LOUIS, MISSOURI
 Combining Balance Sheet - Internal Service Funds
 June 30, 2000
 (Dollars in thousands)

<u>Assets</u>	Public Facilities Protection Corporation	Mailroom Services	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ 68	28	96
Due from other funds	3,248	-	3,248
Prepaid assets	-	33	33
Property, plant, and equipment	-	178	178
Less accumulated depreciation	-	92	92
Property, plant, and equipment, net	<u>-</u>	<u>86</u>	<u>86</u>
Total assets	<u>\$ 3,316</u>	<u>147</u>	<u>3,463</u>
<u>Liabilities and Fund Equity</u>			
Accounts payable and accrued liabilities	-	1	1
Accrued salaries and other benefits	-	5	5
Claims payable	<u>9,267</u>	<u>-</u>	<u>9,267</u>
Total liabilities	<u>9,267</u>	<u>6</u>	<u>9,273</u>
Fund equity:			
Contributed capital	370	48	418
Retained earnings (deficit) - unreserved	<u>(6,321)</u>	<u>93</u>	<u>(6,228)</u>
Total fund equity	<u>(5,951)</u>	<u>141</u>	<u>(5,810)</u>
Total liabilities and fund equity	<u>\$ 3,316</u>	<u>147</u>	<u>3,463</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Revenues, Expenses and
Changes in Fund Equity - Internal Service Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Total
Operating revenues - charges for services	\$ 8,995	543	9,538
Operating expenses:			
Claims incurred	5,649	-	5,649
Premiums	2,155	-	2,155
Personal services	-	107	107
Materials and supplies	-	371	371
Contractual services	-	8	8
Depreciation and amortization	-	23	23
Total operating expenses	<u>7,804</u>	<u>509</u>	<u>8,313</u>
Income from operations	1,191	34	1,225
Depreciation on contributed assets	-	14	14
Increase in retained earnings	<u>\$ 1,191</u>	<u>48</u>	<u>1,239</u>
Fund equity:			
Retained earnings (deficit):			
Beginning of year	\$ (7,512)	45	(7,467)
Increase in retained earnings	1,191	48	1,239
End of year	<u>(6,321)</u>	<u>93</u>	<u>(6,228)</u>
Contributed capital:			
Beginning of year	370	62	432
Depreciation on contributed assets	-	(14)	(14)
End of year	<u>370</u>	<u>48</u>	<u>418</u>
Total fund equity	<u>\$ (5,951)</u>	<u>141</u>	<u>(5,810)</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Cash Flows -

Internal Service Funds

For the year ended June 30, 2000

(Dollars in thousands)

	Public Facilities		
	Protection	Mailroom	
	<u>Corporation</u>	<u>Services</u>	<u>Total</u>
Cash flows from operating activities:			
Income from operations	\$ 1,191	34	1,225
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	23	23
Change in assets and liabilities:			
(Increase) decrease in due from other funds	(310)	11	(299)
Decrease in prepaid assets	-	37	37
Increase in accounts payable and accrued liabilities	-	2	2
Decrease in due to other funds	-	(79)	(79)
Decrease in claims payable	<u>(2,030)</u>	<u>-</u>	<u>(2,030)</u>
Total adjustments	<u>(2,340)</u>	<u>(6)</u>	<u>(2,346)</u>
Net cash provided by (used in) operating activities	<u>(1,149)</u>	<u>28</u>	<u>(1,121)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,149)</u>	<u>28</u>	<u>(1,121)</u>
Cash and cash equivalents, beginning of year	<u>1,217</u>	<u>-</u>	<u>1,217</u>
Cash and cash equivalents, end of year	<u>\$ 68</u>	<u>28</u>	<u>96</u>

See accompanying independent auditors' report.

TRUST AND AGENCY FUNDS

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, other governmental units and other funds. These include pension trust, expendable trust and agency funds. Pension trust funds are accounted for and reported similarly to proprietary funds. Expendable trust and agency funds are accounted for and reported similarly to governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The trust and agency funds maintained by the City are as follows:

Pension Trust Funds

Firemen's System – 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.

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 multiemployer 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.

Expendable Trust Funds

Other Trust – Used to account for donations and other resources of the Rosalie Tilles Fund, Treemembrance Fund, and other miscellaneous funds to be used for various restricted activities.

Agency Funds

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 of St. Louis 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.

Other Agency – Used to account for contracts and other deposits, union dues and land auction sales.

CITY OF SAINT LOUIS, MISSOURI

Combining Balance Sheet -

Trust and Agency Funds

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	Pension <u>Trust</u>	Expendable <u>Trust</u>	<u>Agency</u>	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ 3,238	59	29,121	32,418
Investments - unrestricted	1,650,904	188	9,231	1,660,323
Receivable, net of allowances:				
Taxes	-	-	26,860	26,860
Contributions	3,184	-	-	3,184
Accrued interest	8,164	-	-	8,164
Other	19,861	-	667	20,528
Total assets	<u>\$ 1,685,351</u>	<u>247</u>	<u>65,879</u>	<u>1,751,477</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	1,323	-	2,226	3,549
Deposits held for others	54	-	25,560	25,614
Due to component units	-	-	59	59
Due to other funds	-	-	4,879	4,879
Due to other governmental agencies	-	-	33,155	33,155
Other liabilities	65,036	-	-	65,036
Total liabilities	<u>66,413</u>	<u>-</u>	<u>65,879</u>	<u>132,292</u>
Fund balances:				
Reserved for employees retirement systems	1,618,938	-	-	1,618,938
Unreserved - undesignated	-	247	-	247
Total fund balances	<u>1,618,938</u>	<u>247</u>	<u>-</u>	<u>1,619,185</u>
Total liabilities and fund balances	<u>\$ 1,685,351</u>	<u>247</u>	<u>65,879</u>	<u>1,751,477</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
Combining Statement of Plan Net Assets
June 30, 2000
(Dollars in thousands)

<u>Assets</u>	<u>Firemen's System</u>	<u>Police System</u>	<u>Employees System</u>	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ 2,432	60	746	3,238
Investments - unrestricted	434,966	727,105	488,833	1,650,904
Receivables:				
Contributions	2,919	-	265	3,184
Accrued interest	1,206	3,809	3,149	8,164
Other	1,090	18,771	-	19,861
Total assets	<u>442,613</u>	<u>749,745</u>	<u>492,993</u>	<u>1,685,351</u>
<u>Liabilities and Net Assets</u>				
Accounts payable and accrued liabilities	492	94	737	1,323
Deposits held for others	54	-	-	54
Other liabilities	3,567	61,469	-	65,036
Total liabilities	<u>4,113</u>	<u>61,563</u>	<u>737</u>	<u>66,413</u>
Net assets held in trust for employee pension benefits	<u>\$ 438,500</u>	<u>688,182</u>	<u>492,256</u>	<u>1,618,938</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Changes in Plan Net Assets

For the year ended June 30, 2000

(Dollars in thousands)

	Firemen's <u>System</u>	Police <u>System</u>	Employees <u>System</u>	<u>Total</u>
Additions:				
Contributions	\$ 4,840	4,409	1,929	11,178
Investment income:				
Interest and dividends	7,816	24,503	15,548	47,867
Net appreciation in fair value of investments	<u>63,262</u>	<u>55,020</u>	<u>48,286</u>	<u>166,568</u>
	71,078	79,523	63,834	214,435
Less investment expense	<u>(1,369)</u>	<u>(2,458)</u>	<u>(1,836)</u>	<u>(5,663)</u>
Net investment income	<u>69,709</u>	<u>77,065</u>	<u>61,998</u>	<u>208,772</u>
Total additions	<u>74,549</u>	<u>81,474</u>	<u>63,927</u>	<u>219,950</u>
Deductions:				
Benefits	22,880	29,021	22,739	74,640
Inducement bonuses	-	-	10	10
Refunds of contributions	2,445	3,644	23	6,112
Administrative expense	<u>721</u>	<u>781</u>	<u>432</u>	<u>1,934</u>
Total deductions	<u>26,046</u>	<u>33,446</u>	<u>23,204</u>	<u>82,696</u>
Net increase	48,503	48,028	40,723	137,254
Net assets held in trust for employee pension benefits:				
Beginning of year	<u>389,997</u>	<u>640,154</u>	<u>451,533</u>	<u>1,481,684</u>
End of year	<u>\$ 438,500</u>	<u>688,182</u>	<u>492,256</u>	<u>1,618,938</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Balance Sheet -

Agency Funds

June 30, 2000

(Dollars in thousands)

<u>Assets</u>	<u>Collector of Revenue</u>	<u>Property Tax Escrow</u>	<u>General Insurance</u>	<u>Bail Bonds</u>	<u>License Collector</u>	<u>Circuit Clerk</u>	<u>Other Agency</u>	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ 3,543	6,112	1,437	958	4,771	6,810	5,490	29,121
Investments - unrestricted	-	-	-	-	-	9,186	45	9,231
Receivable, net of allowances:								
Taxes	26,860	-	-	-	-	-	-	26,860
Other	-	-	667	-	-	-	-	667
Total assets	<u>\$ 30,403</u>	<u>6,112</u>	<u>2,104</u>	<u>958</u>	<u>4,771</u>	<u>15,996</u>	<u>5,535</u>	<u>65,879</u>
<u>Liabilities</u>								
Accounts payable and accrued liabilities	-	-	2,104	-	-	-	122	2,226
Deposits held for others	-	6,112	-	958	3,456	13,131	1,903	25,560
Due to component units	-	-	-	-	-	-	59	59
Due to other funds	3,134	-	-	-	73	252	1,420	4,879
Due to other governmental agencies	27,269	-	-	-	1,242	2,613	2,031	33,155
Total liabilities	<u>\$ 30,403</u>	<u>6,112</u>	<u>2,104</u>	<u>958</u>	<u>4,771</u>	<u>15,996</u>	<u>5,535</u>	<u>65,879</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities - Agency Funds
For the year ended June 30, 2000
(Dollars in thousands)

	Balance, June 30, 1999	Additions	Deductions	Balance, June 30, 2000
<u>Collector of Revenue</u>				
Assets:				
Cash and cash equivalents - unrestricted	\$ 3,282	449,986	(449,725)	3,543
Receivables, net of allowances - taxes	24,326	257,018	(254,484)	26,860
Total assets	<u>\$ 27,608</u>	<u>707,004</u>	<u>(704,209)</u>	<u>30,403</u>
Liabilities:				
Due to other funds	5,011	220,485	(222,362)	3,134
Due to other governmental agencies	22,597	486,519	(481,847)	27,269
Total liabilities	<u>\$ 27,608</u>	<u>707,004</u>	<u>(704,209)</u>	<u>30,403</u>
<u>Property Tax Escrow</u>				
Assets - cash and cash equivalents - unrestricted	<u>\$ 3,511</u>	<u>19,797</u>	<u>(17,196)</u>	<u>6,112</u>
Liabilities - deposits held for others	<u>\$ 3,511</u>	<u>19,797</u>	<u>(17,196)</u>	<u>6,112</u>
<u>General Insurance</u>				
Assets:				
Cash and cash equivalents - unrestricted	\$ 1,604	20,400	(20,567)	1,437
Receivables, net of allowances - other	478	667	(478)	667
Total assets	<u>\$ 2,082</u>	<u>21,067</u>	<u>(21,045)</u>	<u>2,104</u>
Liabilities - accounts payable and accrued liabilities	<u>\$ 2,082</u>	<u>21,067</u>	<u>(21,045)</u>	<u>2,104</u>
<u>Bail Bonds</u>				
Assets - cash and cash equivalents - unrestricted	<u>\$ 1,091</u>	<u>1,803</u>	<u>(1,936)</u>	<u>958</u>
Liabilities - deposits held for others	<u>\$ 1,091</u>	<u>1,803</u>	<u>(1,936)</u>	<u>958</u>
<u>License Collector</u>				
Assets - cash and cash equivalents - unrestricted	<u>\$ 3,153</u>	<u>67,003</u>	<u>(65,385)</u>	<u>4,771</u>
Liabilities:				
Deposits held for others	2,156	12,726	(11,426)	3,456
Due to other funds	452	35,324	(35,703)	73
Due to other governmental agencies	545	18,953	(18,256)	1,242
Total liabilities	<u>\$ 3,153</u>	<u>67,003</u>	<u>(65,385)</u>	<u>4,771</u>

<u>Circuit Clerk</u>	Balance, June 30, <u>1999</u>	<u>Additions</u>	<u>Deductions</u>	Balance, June 30, <u>2000</u>
Assets:				
Cash and cash equivalents - unrestricted	\$ 5,232	351,594	(350,016)	6,810
Investment - unrestricted	9,188	-	(2)	9,186
Total assets	<u>\$ 14,420</u>	<u>351,594</u>	<u>(350,018)</u>	<u>15,996</u>
Liabilities:				
Deposits held for others	11,842	287,490	(286,201)	13,131
Due to other funds	227	5,643	(5,618)	252
Due to other governmental agencies	2,351	58,461	(58,199)	2,613
Total liabilities	<u>\$ 14,420</u>	<u>351,594</u>	<u>(350,018)</u>	<u>15,996</u>
 <u>Other Agency</u>				
Assets:				
Cash and cash equivalents - unrestricted	\$ 3,471	24,696	(22,677)	5,490
Investments - unrestricted	15	30	-	45
Total assets	<u>\$ 3,486</u>	<u>24,726</u>	<u>(22,677)</u>	<u>5,535</u>
Liabilities:				
Accounts payable and accrued liabilities	96	684	(658)	122
Deposits held for others	1,504	10,263	(9,864)	1,903
Due to component units	-	815	(756)	59
Due to other funds	315	1,105	-	1,420
Due to other governmental agencies	1,571	11,859	(11,399)	2,031
Total liabilities	<u>\$ 3,486</u>	<u>24,726</u>	<u>(22,677)</u>	<u>5,535</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and cash equivalents - unrestricted	\$ 21,344	935,279	(927,502)	29,121
Investments - unrestricted	9,203	30	(2)	9,231
Receivables, net of allowances:				
Taxes	24,326	257,018	(254,484)	26,860
Other	478	667	(478)	667
Total assets	<u>\$ 55,351</u>	<u>1,192,994</u>	<u>(1,182,466)</u>	<u>65,879</u>
Liabilities:				
Accounts payable and accrued liabilities	2,178	21,751	(21,703)	2,226
Deposits held for others	20,104	332,079	(326,623)	25,560
Due to component units	-	815	(756)	59
Due to other funds	6,005	262,557	(263,683)	4,879
Due to other governmental agencies	27,064	575,792	(569,701)	33,155
Total liabilities	<u>\$ 55,351</u>	<u>1,192,994</u>	<u>(1,182,466)</u>	<u>65,879</u>

See accompanying independent auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

CITY OF SAINT LOUIS, MISSOURI

Schedule of General Fixed Assets

by Source -- General Fixed Assets

Account Group

June 30, 2000

(Dollars in thousands)

General fixed assets:	
Land	\$ 67,532
Buildings and other structures	232,465
Improvement other than buildings	15,409
Equipment	94,741
Construction in progress	18,657
Total general fixed assets	\$ <u>428,804</u>
Investment in general fixed assets:	
General fund	369,285
Special revenue funds	4,251
Capital project funds	42,514
Donations	12,754
Total investment in general fixed assets	\$ <u>428,804</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
Schedule of General Fixed Assets
by Function and Activity --
General Fixed Assets Account Group
June 30, 2000
(Dollars in thousands)

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Other Structures and Construction in Progress</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
General government	\$ 18,664	159,815	9,904	11,218	199,601
Convention and tourism	15,739	33,998	726	3,042	53,505
Parks and recreation	29,262	9,934	3,665	12,929	55,790
Judicial	183	4,117	74	4,941	9,315
Streets	1,841	4,108	456	29,877	36,282
Public safety:					
Fire	782	5,057	18	22,382	28,239
Other	230	23,760	422	2,583	26,995
Health and welfare	633	9,029	121	4,326	14,109
Public services	198	1,304	23	3,443	4,968
Total general fixed assets	\$ <u>67,532</u>	<u>251,122</u>	<u>15,409</u>	<u>94,741</u>	<u>428,804</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI

Schedule of Changes in General Fixed Assets

by Function and Activity --

General Fixed Assets Account Group

For the year ended June 30, 2000

(Dollars in thousands)

		Balance June 30, <u>1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance June 30, <u>2000</u>
General government	\$	183,931	16,758	812	(276)	199,601
Convention and tourism		53,158	345	–	2	53,505
Parks and recreation		54,506	1,682	522	124	55,790
Judicial		8,614	892	109	(82)	9,315
Streets		35,755	1,709	1,273	91	36,282
Public safety:						
Fire		21,786	6,995	542	–	28,239
Other		26,751	520	668	392	26,995
Health and welfare		14,399	121	399	(12)	14,109
Public services		<u>4,317</u>	<u>247</u>	<u>117</u>	<u>521</u>	<u>4,968</u>
Total general fixed assets	\$	<u>403,217</u>	<u>29,269</u>	<u>4,442</u>	<u>760</u>	<u>428,804</u>

See accompanying independent auditors' report.

CITY OF SAINT LOUIS, MISSOURI
 General Fund Expenditures by Function -
 Last Ten Fiscal Years
 (Dollars in thousands)

Function	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
General government	\$ 37,461	\$ 38,331	\$ 40,986	\$ 33,035	\$ 31,392	\$ 37,215	\$ 29,342	\$ 30,786	\$ 27,667	\$ 23,889
Convention and tourism	1,936	2,042	2,027	1,035	4,758	1,044	1,360	1,943	924	1,803
Parks and recreation	16,275	15,916	14,166	15,231	13,833	13,628	12,403	12,112	10,799	10,301
Judicial	34,100	32,480	31,523	29,233	28,918	28,179	26,329	24,879	24,187	23,529
Streets	28,565	29,470	28,593	29,136	29,341	28,471	26,112	24,524	24,011	22,233
Public safety:										
Fire	45,729	44,736	76,106	(2) 39,683	39,214	37,762	32,902	34,414	34,205	30,483
Police	249	446	2,868	-	-	-	-	(1) 84,796	85,296	86,400
Other	29,963	28,520	26,241	24,210	23,320	19,636	19,297	16,908	16,932	16,217
Health and welfare	11,668	11,046	16,111	18,392	16,496	16,353	16,297	32,101	32,569	34,092
Public services	20,550	20,992	18,678	19,125	18,413	16,928	17,050	15,728	15,387	16,486
Capital outlay	3,920	649	1	464	4	4	1,221	3,636	1,041	1,527
Debt service	<u>30,041</u>	<u>23,567</u>	<u>21,399</u>	<u>21,974</u>	<u>18,600</u>	<u>23,809</u>	<u>21,658</u>	<u>20,641</u>	<u>20,309</u>	<u>17,973</u>
Total	<u>\$ 260,457</u>	<u>\$ 248,195</u>	<u>\$ 278,699</u>	<u>\$ 231,518</u>	<u>\$ 224,289</u>	<u>\$ 223,029</u>	<u>\$ 203,971</u>	<u>\$ 302,468</u>	<u>\$ 293,327</u>	<u>\$ 284,933</u>

NOTES:

- (1) During 1994, the City changed its method of reporting expenditures from the police department under GASB 14.
- (2) In 1998, the City made a payment in the amount of \$27,943 in excess of the actuarially required pension contribution.

Source: General purpose financial statements.

CITY OF SAINT LOUIS, MISSOURI

General Fund Revenues by Source -

Last Ten Fiscal Years

(Dollars in thousands)

Source	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Taxes	\$ #####	\$ 306,628	\$ 297,000	\$ 289,466	\$ 281,237	\$ 281,745	\$ 269,293	\$ 249,555	\$ 240,783	\$ 239,464
Licenses and permits	15,891	19,792	15,033	14,965	13,498	13,584	14,952	19,592	16,954	14,769
Intergovernmental	8,255	3,139	5,550	4,155	4,826	3,035	6,317	7,640	7,870	4,518
Charges for services, net	14,668	13,683	11,904	12,210	11,791	11,592	11,681	11,629	11,199	12,515
Court fines and forfeitures	8,450	7,535	8,070	4,327	6,435	6,365	5,850	6,055	6,500	6,575
Interest	4,729	2,846	6,890	5,973	6,037	3,984	2,845	2,848	3,181	3,097
Miscellaneous	<u>3,155</u>	<u>2,724</u>	<u>8,820</u>	<u>7,307</u>	<u>2,917</u>	<u>2,976</u>	<u>2,963</u>	<u>2,757</u>	<u>2,276</u>	<u>2,580</u>
Total	\$ <u>#####</u>	\$ <u>356,347</u>	<u>#####</u>	\$ <u>338,403</u>	\$ <u>326,741</u>	\$ <u>323,281</u>	\$ <u>313,901</u>	\$ <u>300,076</u>	\$ <u>288,763</u>	\$ <u>283,518</u>

Source: General purpose financial statements.

CITY OF SAINT LOUIS, MISSOURI

General and Debt Service Funds - Property Tax Levies And Collections -

Last Ten Fiscal Years

(Dollars in thousands)

(1) Fiscal Year	Total Tax Levy	(2) Current tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
1991	\$ 30,807	\$ 26,657	86.5%	\$ 3,774	\$ 30,431	98.8%	\$ 7,954	25.8%
1992	30,363	26,156	86.1%	3,134	29,290	96.5%	8,510	28.0%
1993	32,942	28,906	87.7%	3,967	32,873	99.8%	7,959	24.2%
1994	34,616	30,392	87.8%	3,998	34,390	99.3%	8,196	23.7%
1995	36,083	32,137	89.1%	3,659	35,796	99.2%	8,048	22.3%
1996	37,105	31,920	86.0%	3,212	35,132	94.7%	7,426	20.0%
1997	38,067	34,041	89.4%	4,248	38,289	100.6%	7,601	20.0%
1998	39,544	34,271	86.7%	3,316	37,587	95.1%	9,057	22.9%
1999	(3) 38,197	33,704	88.2%	4,632	38,336	100.4%	9,563	25.0%
2000	43,073	37,070	86.1%	3,576	40,646	94.4%	9,927	23.0%

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.

(3) No levy was charged for debt service during fiscal year 1999.

Source: Collector of Revenue, City of St. Louis.

CITY OF SAINT LOUIS, MISSOURI

Assessed and Estimated Actual Value of Taxable Property -

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal Year	Real Property		Personal Property		Total		Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1991	\$ 1,761,663	\$ 7,424,811	\$ 664,109	\$ 1,994,322	\$ 2,425,772	\$ 9,419,133	25.8%
1992	1,780,496	7,431,006	666,341	2,001,023	2,446,837	9,432,029	25.9%
1993	1,801,414	7,495,500	673,523	2,040,979	2,474,937	9,536,479	26.0%
1994	1,826,336	7,576,616	678,513	2,056,099	2,504,849	9,632,715	26.0%
1995	1,836,918	7,610,241	770,926	2,315,093	2,607,844	9,925,334	26.3%
1996	1,791,104	7,543,672	766,625	2,302,177	2,557,729	9,845,849	26.0%
1997	1,765,203	7,457,159	784,576	2,356,085	2,549,779	9,813,244	26.0%
1998	1,788,722	7,539,338	795,179	2,387,926	2,583,901	9,927,264	26.0%
1999	1,804,666	7,594,278	842,767	2,530,831	2,647,433	10,125,109	26.1%
2000	1,912,874	8,012,687	769,882	2,311,957	2,682,756	10,324,644	26.0%

NOTE:

Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property 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.

Source: City Assessor's Office.

CITY OF SAINT LOUIS, MISSOURI

Property Tax Rates Per \$100 Assessed Value - Direct and Overlapping - Governments

Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
City of St. Louis:										
Municipal purposes	\$ 0.94	\$ 0.96	\$ 0.94	\$ 0.93	\$ 0.90	\$ 0.86	\$ 0.85	\$ 0.80	\$ 0.74	\$ 0.75
County purposes	0.34	0.35	0.34	0.33	0.32	0.31	0.30	0.29	0.27	0.27
Hospital purposes	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.08	0.08
Public health purposes	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Recreation purposes	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Interest and public debt	0.20	-	0.11	0.11	0.11	0.11	0.11	0.11	0.12	0.13
Total City of St. Louis	1.62	1.45	1.53	1.51	1.47	1.42	1.40	1.34	1.25	1.27
Overlapping governments:										
State Blind Pension Fund	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Board of Education of the City of St. Louis	4.30	4.30	4.30	4.25	4.19	4.25	4.18	4.31	3.98	3.70
St. Louis Community College	0.24	0.24	0.24	0.24	0.24	0.24	0.22	0.22	0.19	0.19
Metropolitan St. Louis Sewer District	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.11
Sheltered Workshop District	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
St. Louis Public Library	0.56	0.56	0.56	0.56	0.56	0.56	0.38	0.38	0.38	0.38
Community Mental Health	0.09	0.09	0.09	0.09	0.09	0.09	0.09	-	-	-
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.062	0.063	0.063	0.063	0.062	0.061	0.06	0.058	0.053	0.053
Art Museum Subdistrict	0.062	0.063	0.063	0.063	0.062	0.061	0.06	0.058	0.053	0.053
Museum of Science and Natural History Subdistrict	0.032	0.033	0.033	0.033	0.032	0.031	0.03	0.029	0.027	0.027
Botanical Garden Subdistrict	0.032	0.033	0.033	0.033	0.032	0.031	0.03	0.029	0.027	0.027
Missouri History Museum Subdistrict	0.039	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.038	0.038
Total overlapping governmental	5.687	5.692	5.692	5.642	5.578	5.644	####	5.404	5.028	4.758
Total City of St. Louis and overlapping governmental	\$ 7.307	\$ 7.142	\$ 7.222	\$ 7.152	\$ 7.048	\$ 7.064	\$ #####	\$ 6.744	\$ 6.278	\$ 6.028

Source: City Assessor's Office.

CITY OF SAINT LOUIS, MISSOURI

Principal Taxpayers

June 30, 2000

(Dollars in thousands)

Taxpayer	1999 Assessed Valuation	Percentage of Total Assessed Valuation	(1) Total Taxes
Anheuser Busch Companies, Inc.	\$ 72,166	2.69 %	\$ 12,072
Southwestern Bell	68,927	2.57	9,702
Ameren UE	66,971	2.50	8,220
A. G. Edwards & Sons, Inc.	43,646	1.63	7,192
Laclede Gas Company	68,466	2.55	6,981
Tenet Health Systems	35,764	1.33	5,714
Mercantile Bank	18,231	0.68	4,904
BJC Health Systems	NP	0.00	3,730
Bank of America	13,571	0.51	3,161
Washington University	NP	0.00	2,986
	\$ <u>387,742</u>	<u>14.45</u> %	\$ <u>64,662</u>

NOTE:

(1) Represents total of payroll, earnings and property taxes paid.

Source: Office of the Comptroller.

CITY OF SAINT LOUIS, MISSOURI

Computation Of Legal Debt Margin

June 30, 2000

(Dollars in thousands)

	<u>City purposes Basis Limit (1)</u>	<u>Streets and Sewers Additional Limit (2)</u>
Assessed value for calendar year 1999:		
Real property	\$ 1,912,874	
Personal property	769,882	
Manufacturer's, machinery tools and equipment	265,997	
	<u>\$ 2,948,753</u>	
Authorized debt limit-10% of assessed value	\$ 294,875	\$ 294,875
Subtract total outstanding debt:		
General Obligation Bonds	\$ 62,870	
Water Revenue Bonds	44,870	
Parking Revenue Bonds	44,095	
Airport Revenue Bonds	<u>436,240</u>	
	588,075	
Add exemptions:		
Water Revenue Bonds	44,870	
Parking Revenue Bonds	44,095	
Airport Revenue Bonds	<u>436,240</u>	
	525,205	
	<u>\$ 232,005</u>	<u>\$ 294,875</u>

NOTES:

- (1) The Charter of the City of St. Louis permits the City, by vote of two-thirds of the qualified electors thereof voting thereon to incur and indebtedness for City purposes not to exceed 10% of the value of taxable tangible property therein as shown by the last completed assessment.
- (2) The Charter of the City of St. Louis permits the City, by vote of two-thirds of the qualified property for the purpose of acquiring right-of-way, constructing, extending and improving sanitary or storm sewer systems.

CITY OF SAINT LOUIS, MISSOURI

Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita -
Last Ten Fiscal Years
(Dollars in thousands)

Fiscal Year	(1) Population	(2) Assessed Value	(3) Gross Bonded Debt	(3) Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita (in dollars)
1991	396,685	\$2,425,772	\$ 31,980	\$ 12,347	\$ 19,633	0.8%	49
1992	387,900	2,446,837	28,525	11,205	17,320	0.7%	45
1993	380,800	2,474,938	24,825	9,871	14,954	0.6%	39
1994	377,700	2,504,849	17,075	4,351	12,724	0.5%	34
1995	364,200	2,607,844	14,625	4,500	10,125	0.4%	28
1996	355,600	2,557,729	12,075	4,851	7,224	0.3%	20
1997	355,600	2,549,779	7,200	3,095	4,105	0.2%	12
1998	351,000	2,583,901	2,000	2,299	(299)	0.0%	(0)
1999	342,900	2,647,433	65,000	1,454	63,546	2.4%	185
2000	333,960	2,682,756	62,870	6,328	56,542	2.1%	169

NOTES:

- (1) Population figures were taken from the Greater St. Louis Executive Summary.
- (2) Source: City Assessor's Office.
- (3) Source: Comptroller's Office.

CITY OF SAINT LOUIS, MISSOURI

Ratio of Annual Debt Service Expenditures for General Obligation

Bonded Debt to Total General Fund Expenditures -

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal Year	Debt Service Fund			Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
	Principal	Interest and Fiscal Charges	Total		
1991	\$ 3,210	\$ 2,244	\$ 5,454	\$ 284,933	1.9%
1992	3,455	2,032	5,487	293,327	1.9%
1993	3,700	1,829	5,529	302,468	1.8%
1994	7,750	1,602	9,352	203,971	4.6%
1995	2,450	1,398	3,848	223,029	1.7%
1996	2,550	950	3,500	224,289	1.6%
1997	4,875	790	5,665	231,518	2.4%
1998	5,200	454	5,654	278,699	2.0%
1999	2,000	172	2,172	248,195	0.9%
2000	2,130	2,209	4,339	260,457	1.7%

CITY OF SAINT LOUIS, MISSOURI

Computation of Direct and Overlapping Bonded Debt -
General Obligation Bonds

(Dollars in thousands)

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of St. Louis	Amount Applicable to City of St. Louis
Direct - City of St. Louis	\$ 56,542	100.00%	\$ 56,542
Overlapping:			
Metropolitan St. Louis Sewer District- Mississippi River Subdistrict (1)	4,059	30.60%	1,242
Board of Education of the City of St. Louis (2)	<u>117,110</u>	100.00%	<u>117,110</u>
	121,169		118,352
Total	\$ <u>177,711</u>		\$ <u>174,894</u>

Source:

- (1) Metropolitan St. Louis Sewer District - St. Louis.
- (2) Board of Education City of St. Louis.

CITY OF SAINT LOUIS, MISSOURI

Schedule of Revenue Bond Coverage -

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal Year	(1) Gross Revenues	(1) Operating Expenses	(1) Net Revenue Available for Debt Service	Debt Service Requirements	Coverage Ratio
WATER REVENUE BONDS					
1991	\$ 31,751	22,770	8,981	1,402	6.41
1992	30,404	23,459	6,945	1,459	4.76
1993	30,608	24,264	6,344	1,460	4.35
1994	29,830	25,222	4,608	321 (3)	14.36
1995	35,204	27,802	7,402	2,257	3.28
1996	38,970	29,155	9,815	4,438	2.21
1997	41,113	28,951	12,162	4,434	2.74
1998	40,763	30,316	10,447	4,057	2.58
1999	39,486	29,883	9,603	4,271	2.25
2000	41,588	30,897	10,691	4,197	2.55
AIRPORT REVENUE BONDS					
1991	\$ 74,881	34,137	40,744	29,310	1.39
1992	83,801	36,811	46,990	24,326	1.93
1993	80,161	40,909	39,252	32,471	1.21
1994	84,875	38,207	46,668	27,371	1.71
1995	97,880	42,579	55,301	27,823	1.99
1996	102,749	37,204	65,545	34,391	1.91
1997	102,533	55,554	46,979	36,629	1.28
1998	119,983	57,872	62,111	41,234	1.51
1999	125,691	63,457	62,234	44,548	1.40
2000	133,036	63,042	69,994	46,230	1.51
PARKING REVENUE BONDS					
1991	\$ 522	5	517	155	3.34
1992	300	12	288	155	1.86
1993 (2)	4,531	2,878	1,653	826	2.00
1994	4,821	2,895	1,926	1,532	1.26
1995	6,947	3,175	3,772	1,850	2.04
1996	7,961	3,592	4,369	1,742	2.51
1997	8,195	3,905	4,290	1,504	2.85
1998	8,877	4,660	4,217	1,478	2.85
1999	8,936	5,028	3,908	2,181	1.79
2000	10,227	4,644	5,583	2,714	2.06

NOTES:

(1) As defined by the bond indenture.

(2) During 1993, certain activities from the trust and agency fund and the parking special revenues fund were combined to form the Parking Division enterprise fund.

(3) Only one semiannual interest payment is reflected for 1994, as the Water Division defeased the Series 1985 Water Revenue Bonds.

CITY OF SAINT LOUIS, MISSOURI

Demographic Statistics -
Last Ten Calendar Years

Year	(1) Population	(2) Estimated Buying Income Per Capita	(2) Median Age	(3) Public School Enrollment	(4) Unemployment Rate	(2) Retail Sales (000s)
1990	399,400	\$ 12,308	32.9	43,860	8.3%	\$ 2,395,030
1991	396,685	13,108	33.5	42,264	9.1%	2,410,317
1992	387,900	11,802	32.8	42,722	8.0%	2,723,287
1993	380,800	12,467	34.3	42,692	9.3%	2,943,671
1994	377,700	13,002	33.8	46,622	7.1%	2,590,349
1995	364,200	13,915	33.5	41,711	7.6%	2,843,604
1996	355,600	13,029	34.7	44,012	7.5%	2,692,407
1997	351,000	13,481	35.1	44,128	7.2%	2,681,488
1998	342,900	13,695	35.6	45,675	6.2%	2,733,585
1999	333,960	14,073	35.8	44,522	5.9%	3,559,630

NOTES:

- (1) Population figures were taken from the Statistical Abstract for Missouri; amounts represent estimates calculated by using an average percentage rate.
- (2) Source: Sale and marketing management, survey of buying power.
- (3) Data provided by the Board of Education of the City of St. Louis.
- (4) Data provided by the Missouri Division of Employment Security.

CITY OF SAINT LOUIS, MISSOURI

Property Value, Construction and Bank Deposits -
Last Ten Fiscal Years
(Dollars in thousands)

Fiscal Year	(1) Property Value		(2) Construction				Bank Deposits (in millions)	
	Real Estate	Personal Property	Value of Commercial, Industrial or Other Nonhousing	Value of Housing	Number of Permits	Total Value	(3) Banks-Metropolitan Statistical Area	(3&4) Savings and Loans-Metropolitan Area
1991	\$ 7,424,811	\$ 1,994,322	\$ 265,476	\$ 11,908	3,226	\$ 277,384	\$ 26,460	\$ 5,988
1992	7,431,006	2,001,023	268,654	17,366	3,220	286,020	24,589	5,081
1993	7,495,500	2,040,979	221,234	18,025	3,858	239,259	25,902	5,451
1994	7,576,616	2,056,099	326,531	12,865	3,201	339,396	27,487	6,291
1995	7,610,241	2,315,093	274,221	17,631	3,397	291,852	30,041	6,686
1996	7,543,672	2,302,177	263,294	33,820	3,284	297,114	27,650	6,752
1997	7,457,159	2,356,085	217,505	49,897	2,968	267,402	34,776	7,929
1998	7,539,338	2,387,926	177,983	35,229	4,019	213,212	30,670	1,740
1999	7,595,278	2,530,831	234,447	39,826	4,347	274,273	34,358	1,896
2000	8,012,687	2,311,957	205,603	50,794	4,420	256,397	35,358	2,420

NOTES:

- (1) City Assessor's Office.
- (2) St. Louis Building Division.
- (3) Federal Reserve Bank of St. Louis.
- (4) Federal Home Loan Bank of Des Moines.

CITY OF SAINT LOUIS, MISSOURI

Miscellaneous Statistics

June 30, 2000

Date of Incorporation	1823
City Charter Adopted	1914
Form of Government	Mayor/Council
Area of City	61.38 Square Miles
City Government:	
Wards	28
Precincts	374
Registered voters	180,071
Polling sites	216
Handicapped accessible polls	153
Elections:	
Last General Election April 6, 1999:	
Persons registered	186,686
Number of voters cast	69,192
Percentage of registered votes cast	37.26%
Last State General Election November 3, 1998:	
Persons registered	180,882
Number of votes cast	81,782
Percentage of registered votes cast	45.21%
Employees:	
Civil Service	5,002
County offices	1,081
Fire/EMS Protection:	
Firefighters	631
Fire stations	30
Fire Department vehicles	118
EMS Vehicles	41
Activity:	
Responses-Fire	41,169
Responses-EMS	82,385
Rescues	19
Police Protection:	
Police officers	1,604
Police patrol buildings (Including Police headquarters)	4
Police vehicles	640
Streets and Alleys (in miles):	
Streets-paved	11,000
Alleys	400

Lighting:	
Streets	51,500
Alleys	16,000
Easements	2,200
Recreation:	
Parks	105
Recreation centers	10
Neighborhood centers	1
Swimming pools	8
Golf courses	3
Enterprise:	
Water:	
Treatment plants	2
Plant's capacity per day	340
Storage capacity per gallons (in millions), (28 under construction)	128
Average demand per day, per gallon (in millions)	140
Lambert-St. Louis International Airport:	
Major airlines	10
Commuter airlines	9
Air Cargo Carriers	6
Number of passengers	30,519,575
Aircraft operations	494,564

Source: City of St. Louis, various departments.
St. Louis Public Library

Major Employers

Company	Number of Full Time Equivalent Employees
Tenet Health Systems	6,964
Southwestern Bell Telephone Co.	6,452
Anheuser-Busch Companies, Inc.	6,244
May Department Stores Co.	5,896
A. G. Edwards	5,011
Bank of America	4,767
Schnucks	4,623
Sigma Chemical	3,039
Mercantile Bank of St. Louis	2,656
AmerenUE	2,507

Major noncommercial employers, employing in excess of 3,500 employees, include the City of Saint Louis, United States Post Office, Board of Education of the City of Saint Louis, Washington University, St. Louis University, State of Missouri and BJC Health Systems.

Source: Collector of Revenue
City of St. Louis, Missouri

Metropolitan Statistical Overview	1999	1998	1997	1996
Area (square miles)	6,397	6,397	6,397	6,397
Population	2,600,300	2,582,500	2,569,900	2,561,400
Population-Market Area (100 miles)	2,972,300	2,957,900	2,957,900	2,966,300
Households	981,800	972,400	972,400	963,600
Effective Buying Income:				
Per Household	\$ 41,602	38,920	\$ 38,920	\$ 37,415
(in billions)	\$ 49	45.3	\$ NA	\$ 43.0
Labor force	1,366,695	1,355,687	1,352,800	1,362,800
Employment	1,312,630	1,299,511	1,299,300	1,301,500
Retail sales (in billions)	\$ 32.8	24	\$ 24	\$ 24
How St. Louis Ranks:				
Population	17th largest			
Households	14th largest			
Manufacturing	18th largest			
Corporate headquarters	4th largest			
Airport (flights)	11th largest in the world			
Rail hub	2nd largest in jobs			
Inland port	2nd largest-- northmost ice-free			
Motor vehicle assembled	2nd largest			
Quality of life	In top 10% of all metro areas			
Renovation	1st			
Crime rate	4th lowest of 28 metro areas			
Cost of living	3rd lowest of all large U.S. metro areas			
Housing affordability	16th lowest			
Meeting and lodging costs	5th lowest of 23 largest metro areas			
Climate:				
Normal Temperature:				
January: daily minimum	20.8 degrees			
July: daily maximum	89.3 degrees			
Precipitation:				
Normal rainfall per year	37.51 inches			
Normal snowfall per year	19.5 inches			

Source: Regional Commerce and Growth Association.