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2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of St. Louis, Missouri
Office of the Comptroller

Year ended June 30

business

Work...

attractions

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CITY OF ST. LOUIS, MISSOURI
COMPTROLLER



COMPLIMENTS OF THE COMPTROLLER
DARLENE GREEN

*The City of
Saint Louis, Missouri*



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

Prepared by
Office of the Comptroller

Darlene Green
Comptroller

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



DARLENE GREEN
Comptroller

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December 29, 2011

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

The Comprehensive Annual Financial Report of the City of St. Louis, Missouri (City) for the fiscal year ended June 30, 2011 is hereby submitted.

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

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operation. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by KPMG LLP, an independent certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2011, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

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

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

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

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

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

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

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

BUDGET PROCESS

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

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

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

ECONOMOIC OUTLOOK

The City, 61.4 square miles, is the center of the St. Louis Consolidated Standard Metropolitan Statistical Area. The Metropolitan Area is the 18th largest metropolitan area in the United States in terms of population. In the last decade, Downtown St. Louis' population has drastically increased by 155%. This is a direct result of dozens of former manufacturing buildings being converted into lofts and apartments and the continuing growth of employment opportunities. The City represents 8.3% of Missouri's job base. The service sector has been the main source of the City's job growth. The City strongly anticipates growth in other sectors, such as medical and business services, education and the tourism and convention business, in the coming years.

MAJOR INITIATTVES

In 2010, St. Louis Development Corporation (SLDC) secured its fourth allocation of \$21 million to continue its revitalization plans for various areas of the City in conjunction with The Planning and Urban Design Agency, the Land Clearance for Redevelopment Authority and the Board of Alderman. After the completion of the City Garden in 2009, the Gateway Foundation is providing funding for a plan for the entire Gateway Mall, which is an 18-block green space that runs through the center of downtown. In January 2011, the City Arch River 2015 Foundation selected Michael Van Valkenburgh Associates (MVVA) of New York to design and improve the overall appearance and functionality of the riverfront, which will also expand to East St. Louis. For 2011, the City of St. Louis has \$1.5 billion in major building developments and infrastructure projects underway with an estimated \$300 million initiated this year. A few of these projects include \$150 million upgrades to the Procter and Gamble manufacturing plant in north downtown, \$145 million Laurel project, which includes development of residential units, a hotel, an art theater and retail/commercial offices, and a \$70 million renovation and expansion of the 1912 Central Public Library. In addition, the historic Peabody Opera House was included in this major redevelopment plan reopening its doors in Fall 2011 to a variety of events.

LONG TERM FINANCIAL PLANNING

The City continues to address the challenges of the current economic climate in the fiscal year 2012 budget. Even though the City's major tax revenues have seen a return to growth in the past Fiscal Year, the continued pace of this growth is uncertain. In order to maintain the balanced budget, the City will continue its effort to contain payroll costs and will need to address the increase in commodity costs used to support City services, such as fuel and street maintenance supplies. Overall, there will be a reduction in the budget. However, the City will meet all of its fixed obligations. In April 2011, St. Louis voters voted to retain the Earning Tax with represented approximately 33% of the total revenues for the Fiscal Year ending June 30, 2011. This tax revenue will contribute to the sustainability of the budget in the future.

INTERNAL AUDIT

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

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

CERTIFICATE OF ACHIEVEMENT

The City's CAFR for the fiscal year ended June 30, 2010 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the twenty-fourth year the City has received this prestigious award.

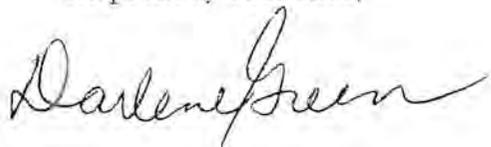
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENT

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Darlene Green". The signature is written in black ink and is positioned to the left of the typed name.

Darlene Green
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Louis
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

The City of St. Louis, Missouri
Elected Officials
June 30, 2011



BOARD OF ALDERMEN

(Aldermen listed to numerical order by ward)

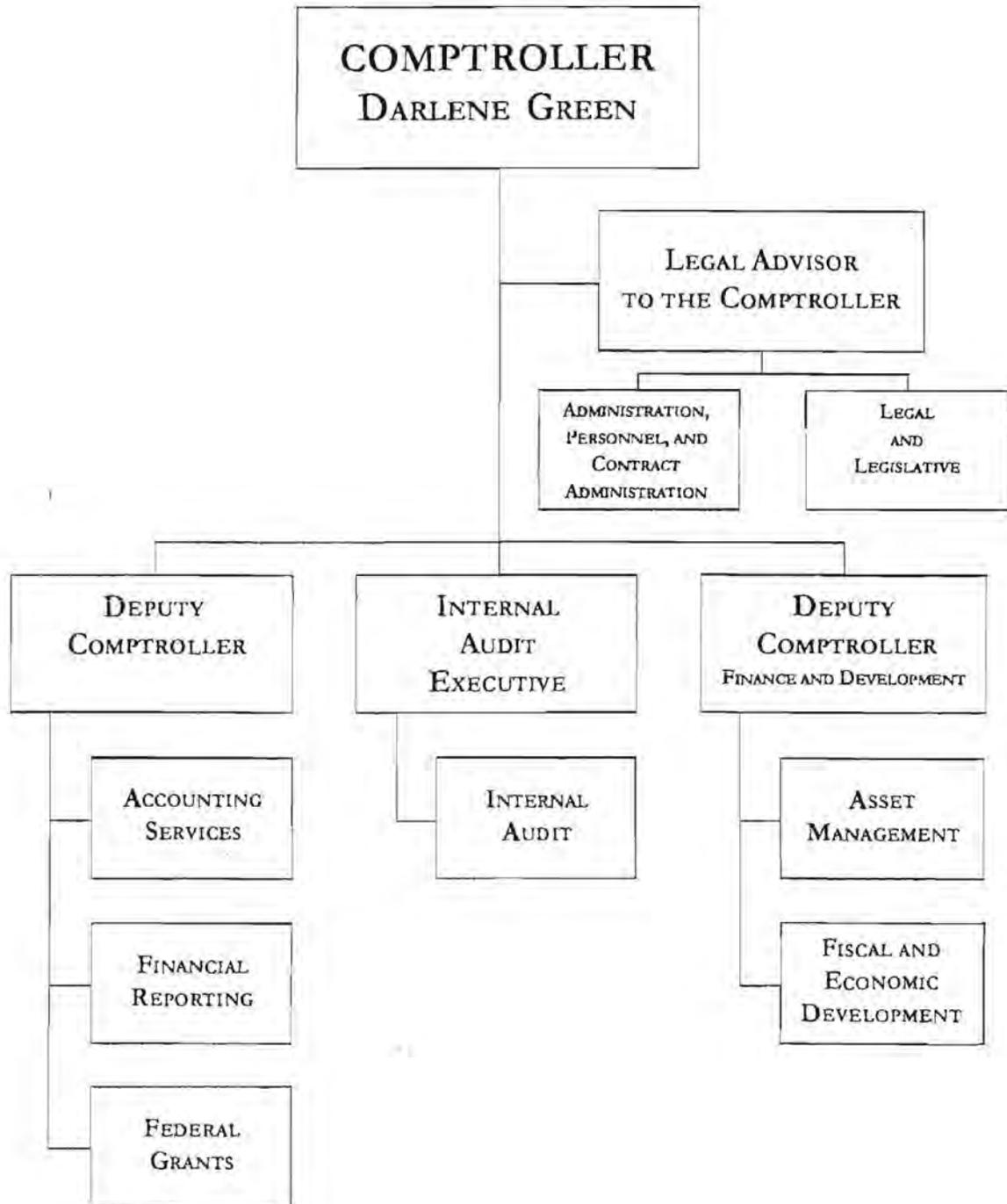
FRANCIS G. SLAY
Mayor

DARLENE GREEN
Comptroller

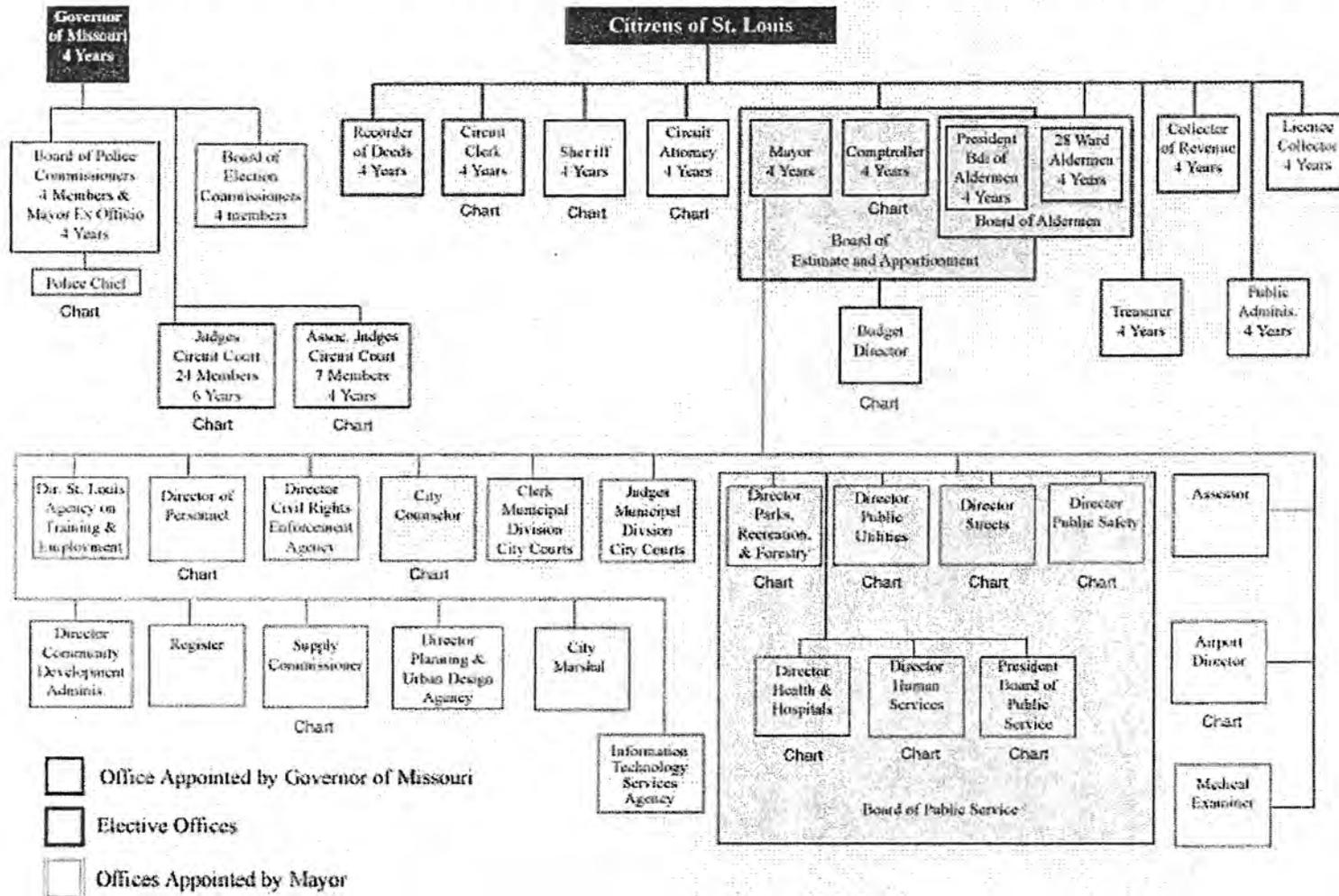
LEWIS REED
President, Board of Aldermen

Charles Quincy Troupe	Jennifer Florida
Dionne Flowers	Donna Baringer
Freeman Bosley, Sr.	Joseph D. Roddy
Samuel L. Moore	Terry Kennedy
April Ford-Griffin	Marlene E. Davis
Kacie Starr Triplett	Craig N. Schmid
Phyllis Young	Antonio D. French
Stephen Conway	Jeffrey L. Boyd
Kenneth Ortmann	Joe Vaccaro
Joseph Vollmer	Scott Ogilvie
Thomas Albert Villa	Shane Cohn
Larry Arnowitz	Frank Williamson
Alfred Wessels, Jr.	Gregory Carter
Carol Howard	Lyda Krewson

THE CITY OF ST. LOUIS, MISSOURI
OFFICE OF THE COMPTROLLER



Government of the City of St. Louis, Missouri



- Office Appointed by Governor of Missouri
- Elective Offices
- Offices Appointed by Mayor

Chart Agency Organizational Chart





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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of and for the year ended June 30, 2011, which collectively comprise the City of St. Louis, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of St. Louis, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 52% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 54% and 13% of the assets and revenues, respectively, of the aggregate discretely presented component units. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those funds and discretely presented component unit, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Louis, Missouri's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Effective July 1, 2010, the City of St. Louis, Missouri implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011, on our consideration of the City of St. Louis, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 17, the Budgetary Comparison Information on pages 131 through 136, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 137 through 138 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Louis, Missouri's basic financial statements. The combining and individual fund financial statements and schedules – additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

St. Louis, Missouri
December 29, 2011

**CITY OF ST. LOUIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2011**

As management of City of St. Louis, Missouri (the City), we offer readers of the City's Comprehensive Annual Financial Report this narrative overview and analysis of the City for the fiscal year ended June 30, 2011. The information presented here should be read in conjunction with our letter of transmittal and the City's financial statements including footnotes. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (excluding discretely presented component units)

- On a government-wide basis, the City's total assets exceeded its liabilities for the current fiscal year by \$1.4 billion.
- Governmental activities and business-type activities had net assets of \$99.3 million and \$1.3 billion, respectively.
- The cost of services for the City's governmental activities was \$693.4 million in fiscal year 2011 (excluding interest and fiscal charges).
- As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$211.6 million. Of this amount, (\$2.1) million is unassigned fund balance.
- The unassigned fund balance for the general fund was \$24.7 million, or 5.0%, of total general fund expenditures.
- In fiscal year 2011, the City issued \$74.1 million in long-term debt to finance projects and refund debt. There was a net increase of \$11.0 million in debt during the current fiscal year.
- Net pension obligations/assets changed by \$0.5 million due to the difference between the actuarial determined pension contributions to the three pension funds and the amounts actually contributed.
- Tax increment financing (TIF) debt increased liabilities in the amount of \$33.4 million. There is no related asset for TIF debt, so net increases in TIF debt reduce unrestricted net assets by an equal amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accounting methods similar to those used by private sector business.

The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Increases and decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

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

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

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

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and grants fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

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

Notes to the Financial Statements

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

Required Supplementary Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets. The City's combined net assets for fiscal year 2011 were \$1.4 billion, the same as fiscal year 2010. Looking at the net assets of governmental and business-type activities separately provides additional information.

The City of St. Louis, Missouri
Condensed Summary of Net Assets
June 30, 2011 and 2010
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 437.4	455.9	449.4	485.1	886.8	941.0
Capital assets	825.7	808.3	1,853.9	1,873.9	2,679.6	2,682.2
Total assets	<u>1,263.1</u>	<u>1,264.2</u>	<u>2,303.3</u>	<u>2,359.0</u>	<u>3,566.4</u>	<u>3,623.2</u>
Liabilities:						
Long-term liabilities	1,038.7	1,022.5	985.5	1,041.6	2,024.2	2,064.1
Other liabilities	125.1	120.6	57.9	58.7	183.0	179.3
Total liabilities	<u>1,163.8</u>	<u>1,143.1</u>	<u>1,043.4</u>	<u>1,100.3</u>	<u>2,207.2</u>	<u>2,243.4</u>
Net assets:						
Invested in capital assets net of related debt	472.2	453.2	1,075.4	1,071.9	1,547.6	1,525.1
Restricted	34.1	29.4	166.4	163.4	200.5	192.8
Unrestricted	(407.0)	(392.1)	18.1	23.4	(388.9)	(368.7)
Total net assets	<u>\$ 99.3</u>	<u>90.5</u>	<u>1,259.9</u>	<u>1,258.7</u>	<u>1,359.2</u>	<u>1,349.2</u>

ANALYSIS OF NET ASSETS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$1.4 billion at the close of the most recent fiscal year.

During the fiscal year ended June 30, 2011, the City determined that certain capital assets of approximately \$30.6 million were erroneously recorded within the governmental activities of the City. Management has corrected the governmental activities' net assets as of June 30, 2010 to adjust for this immaterial error.

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

Included in the City's total net assets at the end of fiscal year 2011 and fiscal 2010, respectively, is \$200.5 million and \$192.8 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net assets decreased by \$20.2 million for the year ended June 30, 2011. Unrestricted governmental activities net assets showed a \$407.0 million deficit at the end of 2011 as compared with a \$392.1 million deficit in 2010. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims and amounts to pay for unused employee vacation and sick days. The City will continue to include these amounts in future year's budgets as they come due.

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

- Section 108 loan agreements, \$46.8 million
- Joint venture financing agreement for the expansion of the convention center, \$50.1 million
- Obligations with component unit for the convention center hotel, \$40.0 million
- Obligations with component units for downtown development, \$17.0 million
- Tax increment financing debt for economic development projects in the amount of \$200.8 million

Although the net assets of the business-type activities account for 92.7% of overall net assets, these resources cannot be used to make up for the unrestricted net asset deficit in governmental activities. The City generally can only use these net assets to finance the continuing operations of the Airport, Water Division, and the Parking Division.

The City of St. Louis, Missouri
Condensed Summary of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Years ended June 30, 2011 and 2010
(dollars in millions)

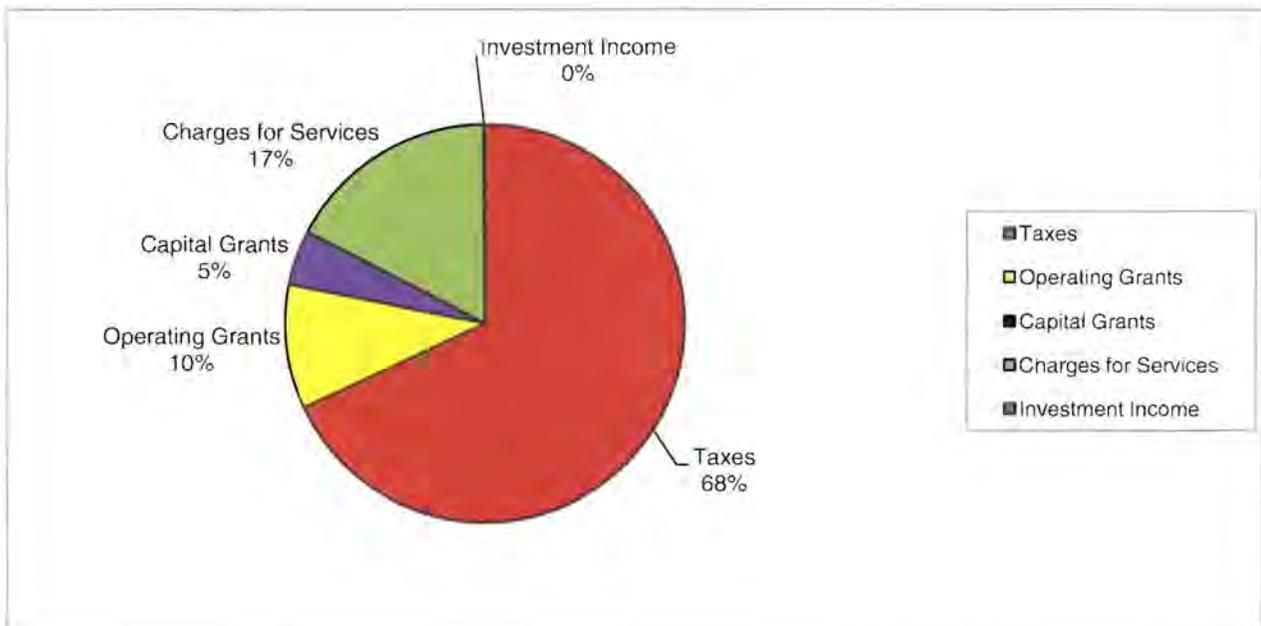
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 129.5	115.5	219.3	223.8	348.8	339.3
Operating grants and contributions	75.3	98.3	1.5	1.6	76.8	99.9
Capital grants and contributions	33.7	7.5	8.3	31.8	42.0	39.3
General revenues:						
Taxes	510.0	482.7	—	—	510.0	482.7
Investment income	1.0	0.9	2.9	3.9	3.9	4.8
Total revenues	<u>749.5</u>	<u>704.9</u>	<u>232.0</u>	<u>261.1</u>	<u>981.5</u>	<u>966.0</u>
Expenses:						
General government	79.9	84.3	—	—	79.9	84.3
Convention and tourism	4.6	4.5	—	—	4.6	4.5
Parks and recreation	29.4	32.8	—	—	29.4	32.8
Judicial	52.3	54.9	—	—	52.3	54.9
Streets	67.0	66.2	—	—	67.0	66.2
Public safety:						
Fire	66.6	67.3	—	—	66.6	67.3
Police – Payment to the Police	139.0	141.8	—	—	139.0	141.8
Police Pension	17.9	14.9	—	—	17.9	14.9
Other	52.2	56.0	—	—	52.2	56.0
Health and welfare	50.5	51.6	—	—	50.5	51.6
Public service	65.9	60.0	—	—	65.9	60.0
Community development	68.1	76.3	—	—	68.1	76.3
Interest and fiscal charges	58.6	57.9	—	—	58.6	57.9
Airport	—	—	187.5	181.8	187.5	181.8
Water Division	—	—	44.5	43.5	44.5	43.5
Parking Division	—	—	13.1	13.5	13.1	13.5
Total expenses	<u>752.0</u>	<u>768.5</u>	<u>245.1</u>	<u>238.8</u>	<u>997.1</u>	<u>1,007.3</u>
Excess (deficiency) before extraordinary item and transfers	(2.5)	(63.6)	(13.1)	22.3	(15.6)	(41.3)
Gain on sale of capital assets	2.5	0.1	—	0.6	2.5	0.7
Extraordinary item – natural disaster	—	—	23.1	—	23.1	—
Transfers	8.8	7.3	(8.8)	(6.9)	0.0	0.4
Change in net assets	<u>8.8</u>	<u>(56.2)</u>	<u>1.2</u>	<u>16.0</u>	<u>10.0</u>	<u>(40.2)</u>
Net assets – beginning	90.5	146.7	1,258.7	1,242.7	1,349.2	1,389.4
Net assets – ending	<u>\$ 99.3</u>	<u>90.5</u>	<u>1,259.9</u>	<u>1,258.7</u>	<u>1,359.2</u>	<u>1,349.2</u>

Changes in net assets. The City's total revenue on a government-wide basis was \$981.5 million, an increase of \$15.5 million over the previous year. Taxes represent 52.0% of the City's revenue as compared with 50.0% last year. Additionally, 35.5% comes from fees charged for services, as compared to 35.1% of the previous year's revenue. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

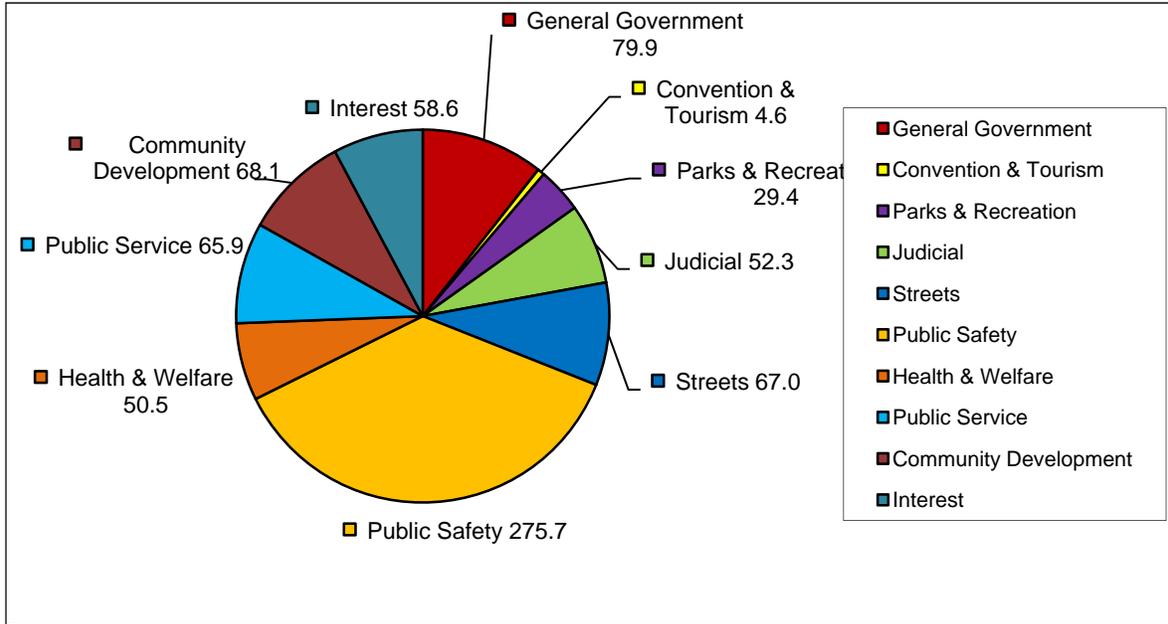
The total cost of all programs and services was \$997.1 million, a decrease from \$1,007.3 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

Governmental activities. As a result of this year's operations, the net assets of governmental activities increased by \$8.8 million, or 9.7%. The net asset increase is primarily related to the anticipated level of spending over the expected growth in revenues. Revenues increased by \$44.6 million, or 6.3%. Charges for services increased primarily due to a new fee enacted for trash pickup. Taxes increased primarily due to an increase in the MetroLink Transportation Sales tax rate. The increase in capital grants and contributions was attributable to federal awards related to the American Recovery and Reinvestment Act of 2009, a federal economic recovery stimulus program. Total expenses decreased by \$16.5 million or 2.2%.

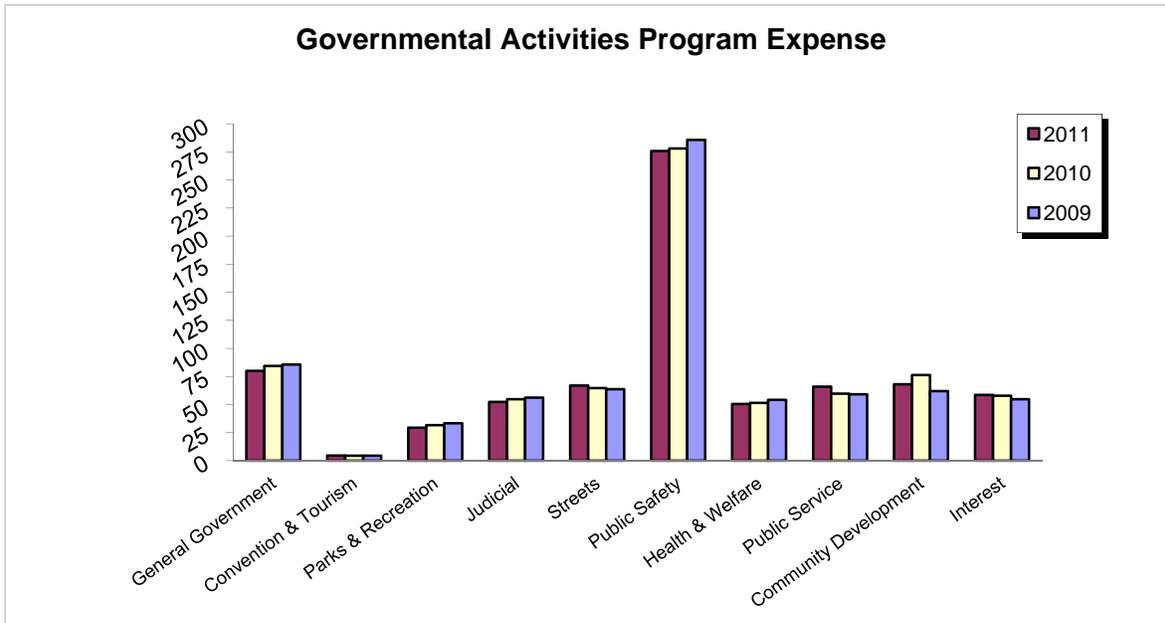
The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2011:



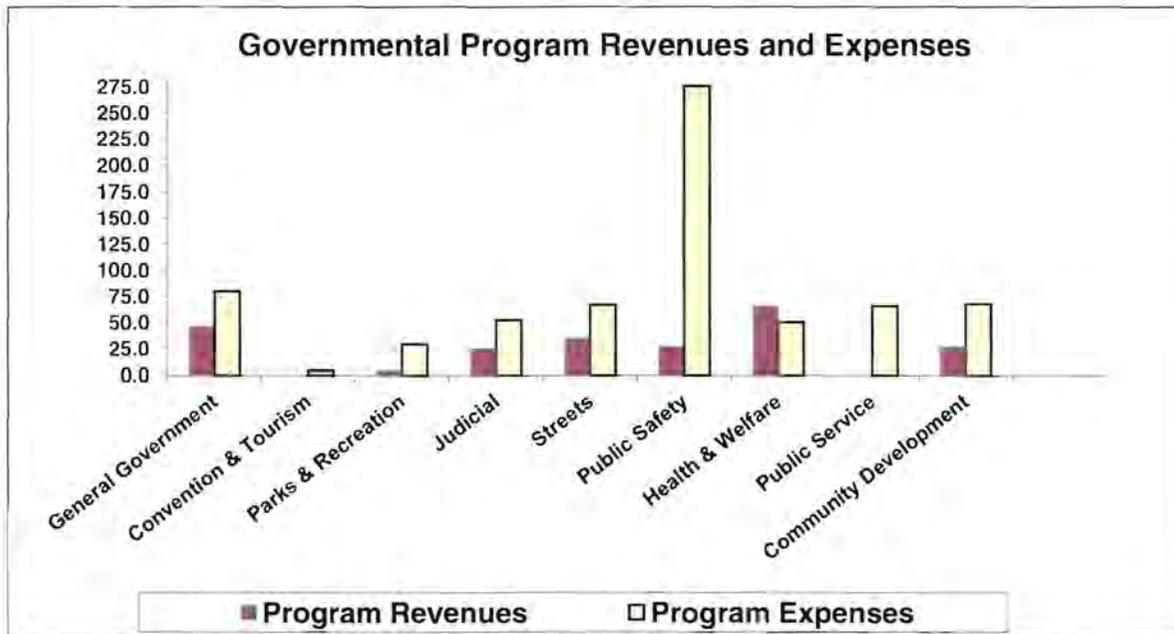
The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was \$752.0 million, a decrease of \$16.5 million, or 2.2%, over the prior year. As shown, public safety is the largest function in expense (37.0%). The majority of the spending was the result of funding the Police Department \$139.0 million and the Fire Department \$66.6 million:



The following chart is a comparison of expense of governmental activities for fiscal years ended 2011, 2010, and 2009:



The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2011:



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

	Total Cost of Services		Net Costs of Services	
	2011	2010	2011	2010
General Government	\$ 79.9	84.3	33.5	31.0
Convention and tourism	4.6	4.5	4.5	4.5
Parks and recreation	29.4	32.8	25.0	28.3
Judicial	52.3	54.9	26.6	30.7
Streets	67.0	66.2	31.7	48.5
Public Safety:				
Fire	66.6	67.3	58.6	59.7
Police – Payment to Police	139.0	141.8	139.0	141.8
Police pension	17.9	14.9	17.9	14.9
Other	52.2	56.0	32.8	36.6
Health and welfare	50.5	51.6	12.3	21.4
Public service	65.9	60.0	55.3	48.3
Community development	68.1	76.3	17.6	23.5
Totals	\$ 693.4	710.6	454.8	489.2

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$693.4 million compared with \$710.6 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$454.8 million. The primary difference of \$238.5 million comprises charges for services (\$129.5 million), operating grants and contributions (\$75.3 million), and capital grants and contributions (\$33.7 million).

Business-Type activities. Business-type activities reflect an increase in net assets of \$1.2 million, or 0.1%.

Lambert - St. Louis International Airport. The net assets of the Airport decreased by \$8.6 million, or 0.8%. The operating loss was \$14.5 million this year versus an operating gain of \$1.1 million in 2010. Total operating revenues for 2011 was \$124.8 million. Of this amount, major sources of operating revenue included aviation revenue (66.2%), concession revenue (17.1%), parking (13.5%), and lease revenue (3.2%). A significant nonoperating revenue is passenger facility charges, which accounts for \$24.7 million.

At June 30, 2011, the capital assets balance was \$1,623.8 million. This amount includes buildings and facilities (net of accumulated depreciation) with \$193.2 million, pavings with \$628.9 million, and equipment with \$23.1 million, all net of accumulated depreciation. Balance related to land is \$751.1 million, construction in progress is \$24.0 million, and easements is \$3.5 million.

At June 30, 2011, the Airport had bonded debt of \$855.1 million.

Water Division. The net assets of the Water Division increased by \$8.3 million, or 5.8%. Operating income was \$12.0 million this year versus an operating income of \$8.1 million in 2010. Total operating revenues for 2011 were \$55.3 million. Of this amount, major sources of operating revenue included metered revenue (44.4%) and flat rate revenue (45.6%).

At June 30, 2011, the capital assets balance was \$151.8 million. This amount includes buildings and structures (net of accumulated depreciation) with \$17.7 million, reservoirs and water mains with \$91.6 million, equipment with \$37.2 million, land with \$1.2 million, and construction-in-progress with \$4.1 million.

At June 30, 2011, the Water Division had bonded debt of \$16.0 million.

Parking Division. The net assets of the Parking Division increased by \$1.5 million, or 5.5%. Operating income was \$4.3 million in fiscal years 2011 and \$2.7 in fiscal year 2010. Total operating revenues for 2011 were \$13.8 million. Of this amount, major sources of operating revenue included parking meter revenue (16.4%), parking violations notices revenue (29.6%), and parking facilities revenue (50.3%).

At June 30, 2011, the capital assets balance was \$78.3 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$55.4 million, parking meters and lot equipment with \$0.9 million, equipment with \$0.7 million, and land with \$21.3 million.

At June 30, 2011, the Parking Division had bonded debt of \$74.9 million.

The City of St. Louis, Missouri
Summary of Total Assets, Liabilities, and Fund Balance
Governmental Funds
June 20, 2011
(Dollars in millions)

	<u>2011</u>	<u>2010</u>	<u>2011 vs. 2010</u> <u>\$ Change</u>	<u>2011 vs. 2010</u> <u>% Change</u>
Total Assets	\$ 392.5	409.6	(17.1)	-4.2%
Total Liabilities	180.9	169.3	11.6	6.9%
Fund Balance:				
Nonspendable:				
Restricted	147.8	—		
Committed	61.6	—		
Assigned	4.3	—		
Unassigned	(2.1)	—		
Reserved	—	212.8		
Unreserved:				
General fund	—	22.1		
Special Revenues	—	19.4		
Capital projects	—	(14.0)		
Total Fund Balance	<u>211.6</u>	<u>240.3</u>	<u>(28.7)</u>	
Total Liabilities and Fund Balance	\$ <u>392.5</u>	<u>409.6</u>	<u>(17.1)</u>	-4.2%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows, outflows, and balances of current financial resources that are available for spending. Effective July 1, 2011 the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

At the end of the current fiscal year, the unassigned fund balance of the general fund was \$24.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers-out. Unassigned fund balance of \$24.7 million represents 5.3% of total general fund expenditures and transfers-out of \$468 million.

The total fund balance in the City's general fund decreased by \$4.1 million, or 8.2%, in the current fiscal year. The City's general fund decreased by \$8.6 million, or 13.9%, in the prior fiscal year.

The total fund balance in the City's capital projects fund decreased by \$35.0 million, or 28.2%, in the current fiscal year. The City's capital projects fund increased by \$10.2 million, or 9.0%, in the prior fiscal year.

The grants fund received \$75.3 million in intergovernmental revenues that funded community development in the amount of \$29.4 million, or 39.0%, and health and welfare in the amount of \$30.1 million, or 39.9%.

The total fund balance in the City's other governmental funds increased by \$11.0 million, or 17.7%, in the current fiscal year. The City's other governmental funds decreased by \$16.3 million, or 20.6%, in the prior fiscal year.

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net assets for the Airport were \$3.4 million, the Water Division were \$8.2 million, and the Parking Division were \$6.6 million, as compared with \$17.5 million, \$1.1 million, and \$4.8 million, respectively in 2010. The total increase in net assets for the enterprise funds was \$1.2 million in the current year and increase of \$14.9 million the previous year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Police Retirement System, and the Employee's Retirement System. As of the end of the current fiscal year, the net assets of the pension funds totaled \$1.6 billion an increase of \$84.8 million from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there are no net assets to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled \$56.4 million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, and circuit clerk, and other miscellaneous agency activities.

General Fund Budgetary Highlights

The final budget for the City's General Fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments) plus any additional supplemental appropriations that may occur during the fiscal year. The general fund budget includes appropriations for the Police Department that is a component unit of the City. This discussion presents the budget information on the budgetary basis as the Board of Alderman approves the budget.

In the fiscal year, \$6.3 million had been set aside for prior year encumbrances and commitments, and there were no supplemental appropriations. The original general fund budget for revenues and transfers in totaled \$451.2 million. Actual results for the fiscal year had revenues and transfers-in were slightly above the original estimates by \$1.7 million, totaling \$452.9 million.

Actual expenditures and transfers-out totaled \$447.3 million. This includes expenditures of \$4.8 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2011 budget total \$6.4 million. A transfer-out of \$1.7 million was made to a 27th Pay Reserve. The General Fund ended the fiscal year with a budget-basis operating surplus of \$5.6 million. As of June 30, 2011, the unreserved fund balance of the General Fund was \$6.5 million on a cash basis.

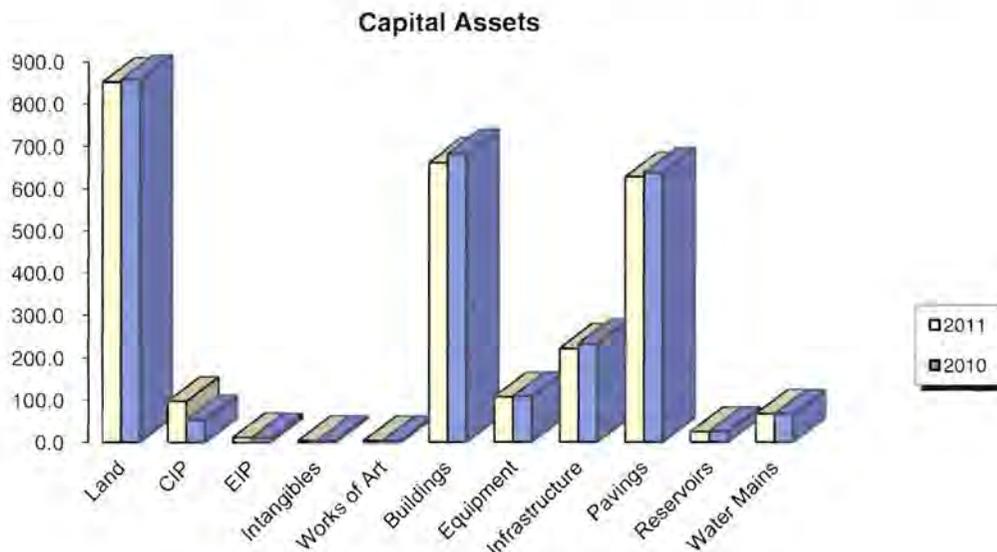
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had invested \$2.7 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways, and water systems. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$28.0 million, or 1.0%, over last year.

The City of St. Louis, Missouri
Schedule of Changes in Capital Assets
Net of Accumulated Depreciation
(dollars in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Land	\$ 78.8	73.8	773.7	773.4	852.5	847.2
Construction in progress	69.2	16.8	28.1	36.8	97.3	53.6
Equipment in progress	11.7	10.4	—	—	11.7	10.4
Intangibles	0.5	0.5	3.5	3.5	4.0	4.0
Works of art	3.4	3.3	—	—	3.4	3.3
Buildings and improvements	395.5	398.2	266.4	266.3	661.9	664.5
Equipment	45.3	42.6	61.8	64.2	107.1	106.8
Infrastructure	221.3	232.1	—	—	221.3	232.1
Pavings	—	—	628.8	638.2	628.8	638.2
Reservoirs	—	—	24.5	25.2	24.5	25.2
Water mains, lines, and accessories	—	—	67.1	66.3	67.1	66.3
Total	\$ 825.7	777.7	1,853.9	1,873.9	2,679.6	2,651.6



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

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

Long-Term Debt

At the end of fiscal year 2011, the City had outstanding long-term debt obligations for governmental activities in the amount of \$963.0 million compared with \$952.0 million in fiscal year 2011. Of this amount, \$42.7 million are general obligation bonds and \$200.8 million are tax increment financing bonds. Leasehold revenue obligations outstanding totaled \$535.0 million.

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

	Fiscal Year <u>2011</u>	Fiscal Year <u>2010</u>	<u>\$ change</u>	<u>% change</u>
General obligation bonds payable	\$ 42.7	46.3	(3.6)	-7.8%
Section 108 Loan Guarantee				
Assistance Programs	46.8	50.1	(3.3)	-6.6%
Federal Financing Bank advances	0.0	0.5	(0.5)	-100.0%
Tax increment financing bonds				
and notes payable	200.8	167.4	33.4	20.0%
Master note purchase agreement	0.1	0.1	0.0	0.0%
Loan agreement with Missouri				
Department of Natural Resources	0.1	0.3	(0.2)	-66.7%
Loan agreement with Missouri Transportation	3.4	3.8	(0.4)	-10.5%
Finance Corporation				
Capital lease – rolling stock	19.0	10.8	8.2	75.9%
Certificates of participation	8.0	8.5	(0.5)	-5.9%
Obligations with component units	57.0	57.0	0.0	0.0%
Leasehold revenue improvement and				
refunding bonds	535.0	553.3	(18.3)	-3.3%
Joint venture financing agreement	50.1	53.9	(3.8)	-7.1%
Total	\$ <u>963.0</u>	<u>952.0</u>	<u>11.0</u>	1.2%

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for calendar year 2011 was \$426,565 million. The City's effective legal debt margin as of June 30, 2011 was \$391,998 million. For additional information on long-term debt, refer to the notes 13 to 16 to the basic financial statements.

The City's underlying general obligation credit ratings remained unchanged for fiscal year 2011. The City ratings on uninsured general obligation bonds as of June 30, 2011 were as follows:

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

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

	Fiscal Year 2011	Fiscal Year 2010	\$ change	% change
Airport	\$ 855.0	905.4	(50.4)	-5.57%
Water Division	16.0	19.6	(3.6)	-18.37%
Parking Division	74.9	76.9	(2.0)	-2.60%
Total	\$ 945.9	1,001.9	(56.0)	-5.59%

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2011 and June 30, 2010 were \$945.9 million and \$1,001.9 million, respectively. The amount reflects a decrease of \$56.0 million, or 5.59%. This amount includes Airport bonds of \$855.0 million, Water Division bonds of \$16.0 million, and Parking Division bonds of \$74.9 million. For additional information on revenue bonds of the business-type activities, refer to note 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2012 annual operating budget allocates \$937.6 million among all budgeted funds, consistent with the previous year's budget.
- The fiscal year 2012 general fund budget is \$450.0 million compared with \$451.2 million in the prior year. This amount reflects a decrease of \$1.2 million, or 0.3%.
- Total positions for fiscal year 2012 are 6,835, a decrease of 125 positions mainly in the public safety division and airport.

Requests for Information

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

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





City of St. Louis, Missouri
Statement of Net Assets
June 30, 2011
(dollars in thousands)

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	SLDC	SLPD	SWMDC
ASSETS						
Cash and cash equivalents	\$ 55,276	39,166	94,442	9,323	6	1,353
Investments	4,188	—	4,188	—	—	1,500
Receivables, net	181,132	28,634	209,766	18,162	1,709	—
Inventories	—	3,918	3,918	—	1,258	—
Restricted cash and investments	128,458	366,215	494,673	1,956	3,474	—
Bond issuance costs	17,592	17,456	35,048	—	—	—
Internal balances	8,500	(8,500)	—	—	—	—
Other assets	46	2,507	2,553	547	985	—
Receivable from primary government	—	—	—	921	6,462	—
Receivable from component unit	1,882	—	1,882	—	—	—
Net pension asset	40,234	—	40,234	—	—	—
Property held for development, net	—	—	—	19,135	—	—
Capital assets, net:						
Non-depreciable	163,601	805,281	968,882	4,914	4,931	—
Depreciable	662,143	1,048,627	1,710,770	9,751	27,034	6,077
Total assets	<u>1,263,052</u>	<u>2,303,304</u>	<u>3,566,356</u>	<u>64,709</u>	<u>45,859</u>	<u>8,930</u>
LIABILITIES						
Accounts payable and accrued liabilities	29,009	20,708	49,717	3,060	922	—
Accrued salaries and other benefits	7,873	9,404	17,277	—	3,387	—
Accrued interest payable	72,703	22,428	95,131	247	—	—
Unearned revenue	2,977	5,311	8,288	—	150	—
Other liabilities	5,046	—	5,046	—	—	—
Payable to primary government	—	—	—	—	1,882	—
Payable to component units	7,383	—	7,383	—	—	—
Payable to other government agencies	—	71	71	—	—	—
Long-term liabilities:						
Due within one year	82,719	25,799	108,518	16,264	20,072	—
Due in more than one year	956,045	959,646	1,915,691	29,462	92,789	—
Total liabilities	<u>1,163,755</u>	<u>1,043,367</u>	<u>2,207,122</u>	<u>49,033</u>	<u>119,202</u>	<u>—</u>
NET ASSETS						
Invested in capital assets, net of related debt	472,165	1,075,403	1,547,568	3,975	31,965	6,077
Restricted:						
Debt service	1,486	105,227	106,713	1,957	—	—
Airport improvement program	—	3,232	3,232	—	—	—
Capital projects	—	27,096	27,096	—	—	—
Passenger facility charges	—	30,907	30,907	—	—	—
Statutory restrictions	32,693	—	32,693	—	3,185	—
Unrestricted (deficit)	(407,047)	18,072	(388,975)	9,744	(108,493)	2,853
Total net assets	<u>\$ 99,297</u>	<u>1,259,937</u>	<u>1,359,234</u>	<u>15,676</u>	<u>(73,343)</u>	<u>8,930</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2011
(dollars in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	SLDC	SLPD	SWMDC
Primary Government:										
Governmental activities:										
General government	\$ 79,871	37,767	8,597	—	(33,507)	—	(33,507)	—	—	—
Convention and tourism	4,563	19	—	—	(4,544)	—	(4,544)	—	—	—
Parks and recreation	29,416	4,378	—	—	(25,038)	—	(25,038)	—	—	—
Judicial	52,362	20,524	5,223	—	(26,615)	—	(26,615)	—	—	—
Streets	66,952	34,842	387	—	(31,723)	—	(31,723)	—	—	—
Public safety:										
Fire	66,637	8,088	—	—	(58,549)	—	(58,549)	—	—	—
Police—payment to SLPD	139,010	—	—	—	(139,010)	—	(139,010)	—	—	—
Police pension	17,949	—	—	—	(17,949)	—	(17,949)	—	—	—
Other	52,182	17,527	1,830	—	(32,825)	—	(32,825)	—	—	—
Health and welfare	50,468	1,255	36,940	—	(12,273)	—	(12,273)	—	—	—
Public service	65,898	309	—	10,303	(55,286)	—	(55,286)	—	—	—
Community development	68,123	4,819	22,304	23,363	(17,637)	—	(17,637)	—	—	—
Interest and fiscal charges	58,612	—	—	—	(58,612)	—	(58,612)	—	—	—
Total governmental activities	752,043	129,528	75,281	33,666	(513,568)	—	(513,568)	—	—	—
Business-type activities:										
Airport	187,449	149,438	1,513	8,267	—	(28,231)	(28,231)	—	—	—
Water Division	44,530	56,039	—	—	—	11,509	11,509	—	—	—
Parking Division	13,141	13,813	—	—	—	672	672	—	—	—
Total business-type activities	245,120	219,290	1,513	8,267	—	(16,050)	(16,050)	—	—	—
Total primary government	\$ 997,163	348,818	76,794	41,933	(513,568)	(16,050)	(529,618)	—	—	—
Component Units:										
SLDC	\$ 26,356	10,005	15,525	—	—	—	—	(826)	—	—
SLPD	183,303	5,565	24,442	1,279	—	—	—	—	(152,017)	—
SWMDC	335	348	—	251	—	—	—	—	—	264
Total component units	\$ 209,994	15,918	39,967	1,530	—	—	—	(826)	(152,017)	264
General revenues:										
Taxes:										
Property taxes, levied for general purpose					\$ 66,767	—	66,767	—	—	—
Property taxes, levied for debt service					7,669	—	7,669	—	—	—
Sales taxes					155,708	—	155,708	—	—	—
Earnings/payroll taxes					178,571	—	178,571	—	—	—
Gross receipts taxes (includes franchise tax)					97,327	—	97,327	—	—	—
Miscellaneous taxes					4,080	—	4,080	—	—	—
Unrestricted investment earnings					953	2,941	3,894	185	2	4
Support provided by City of St. Louis, Missouri					—	—	—	—	139,010	—
Extraordinary item - Natural disaster					—	23,086	23,086	—	—	—
Gain on sale of capital assets					2,528	4	2,532	—	—	—
Transfers					8,767	(8,767)	—	—	—	—
Total general revenues, extraordinary item, gains, and transfers					522,370	17,264	539,634	185	139,012	4
Change in net assets					8,802	1,214	10,016	(641)	(13,005)	268
Net assets—beginning of year					90,495	1,258,723	1,349,218	16,317	(60,338)	8,662
Net assets—end of year	\$				99,297	1,259,937	1,359,234	15,676	(73,343)	8,930

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2011
(dollars in thousands)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	
ASSETS					
Cash and cash equivalents	\$ 14,653	24,650	—	53,134	92,437
Investments	11,986	69,797	2,831	6,331	90,945
Receivables, net of allowances:					
Taxes	91,751	3,197	—	41,877	136,825
Licenses and permits	2,212	—	—	238	2,450
Intergovernmental	3,709	11,245	17,598	644	33,196
Charges for services	4,407	456	—	1,848	6,711
Notes and loans	—	—	—	46	46
Other	486	—	—	341	827
Due from component units	1,882	—	—	331	2,213
Due from other funds	23,705	—	—	3,162	26,867
Total assets	<u>\$ 154,791</u>	<u>109,345</u>	<u>20,429</u>	<u>107,952</u>	<u>392,517</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,536	12,323	6,986	3,392	28,237
Accrued salaries and other benefits	6,447	110	576	740	7,873
Due to component units	6,462	—	—	1,247	7,709
Due to other funds	2,290	6,466	12,929	1,510	23,195
Advance from other funds	19,025	—	—	—	19,025
Deferred revenue:					
Property taxes	58,393	—	—	20,512	78,905
Other taxes	1,144	—	—	—	1,144
Other revenue	3,768	1,316	—	1,730	6,814
Unearned revenue	71	—	—	2,906	2,977
Other liabilities	2,307	—	—	2,744	5,051
Total liabilities	<u>105,443</u>	<u>20,215</u>	<u>20,491</u>	<u>34,781</u>	<u>180,930</u>
Fund balances:					
Nonspendable	—	—	—	11	11
Restricted	16,723	80,465	—	50,637	147,825
Committed	6,895	29,641	—	25,037	61,573
Assigned	1,055	—	—	3,200	4,255
Unassigned	24,675	(20,976)	(62)	(5,714)	(2,077)
Total fund balances	<u>49,348</u>	<u>89,130</u>	<u>(62)</u>	<u>73,171</u>	<u>211,587</u>
Total liabilities and fund balances	<u>\$ 154,791</u>	<u>109,345</u>	<u>20,429</u>	<u>107,952</u>	<u>392,517</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011
(dollars in thousands)

Total fund balances—governmental funds—balance sheet \$ 211,587

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

Capital assets and certain other assets used in governmental activities, which exceed capitalization threshold amounts (excluding internal service fund capital assets), are not financial resources and, therefore, are not reported in the fund financial statements. 825,720

The City reports a net pension asset on the statement of net assets to the extent actual contributions to the City's retirement plans exceed the annual actuarial required contribution. This asset is not reported in the fund financial statements. Changes in net pension assets are reported in the statement of activities. 40,234

Various taxes and other revenues related to fiscal year 2011 will be collected beyond the 60-day period used to record revenue in the fund financial statements. Revenue for this amount is recognized in the government-wide financial statements. 7,958

Property taxes are assessed by the City on January 1st of each calendar year, but are not due until December 31st. Taxes assessed on January 1, 2011 and payable on December 31, 2011 are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 78,905

Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds, generally on a cost-reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 3,979

Bond issuance costs are reported in the governmental funds financial statements as expenditures when debt is issued, whereas the amounts are deferred and amortized over the life of the debt on the government-wide financial statements. 17,592

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

Balances as of June 30, 2011 are:

Accrued compensated absences	(26,699)
Net pension obligation	(29,436)
Accrued interest payable	(72,703)
Joint venture financing agreement	(50,092)
Certificates of participation	(7,950)
Obligations with component unit	(56,960)
Capital leases-rolling stock	(19,033)
Leasehold revenue bonds	(534,930)
TIF bonds and notes payable	(200,754)
General obligation bonds	(42,685)
Section 108 Loan Guarantee	(46,750)
Other long-term debt	(3,598)
Unamortized discounts	5,185
Unamortized premiums	(9,698)
Unamortized deferred amounts on refunding	9,425

Total net assets—governmental activities—statement of net assets \$ 99,297

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2011
(dollars in thousands)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 335,915	19,193	—	155,042	510,150
Licenses and permits	16,770	—	—	4,946	21,716
Intergovernmental	24,592	33,666	75,281	4,602	138,141
Charges for services, net	28,766	302	—	15,591	44,659
Court fines and forfeitures	10,848	—	—	—	10,848
Investment income	353	527	—	73	953
Interfund services provided	4,631	—	—	—	4,631
Miscellaneous	4,736	1,025	—	10,084	15,845
Total revenues	<u>426,611</u>	<u>54,713</u>	<u>75,281</u>	<u>190,338</u>	<u>746,943</u>
EXPENDITURES					
Current:					
General government	41,951	—	7,888	17,561	67,400
Convention and tourism	142	—	—	47	189
Parks and recreation	17,111	3,456	—	4,586	25,153
Judicial	45,512	—	4,124	2,862	52,498
Streets	31,848	5,005	289	2,356	39,498
Public Safety:					
Fire	68,166	—	—	352	68,518
Police	125,288	—	—	13,722	139,010
Police-pension	15,399	—	—	2,550	17,949
Other	43,605	—	1,309	6,985	51,899
Health and welfare	2,861	—	30,071	17,195	50,127
Public services	24,929	5,504	—	35,483	65,916
Community development	—	—	29,351	38,772	68,123
Capital outlay	—	93,572	—	1,081	94,653
Debt service:					
Principal	26,917	14,114	1,415	15,645	58,091
Interest and fiscal charges	15,922	4,229	834	25,298	46,283
Total expenditures	<u>459,651</u>	<u>125,880</u>	<u>75,281</u>	<u>184,495</u>	<u>845,307</u>
(Deficiency) excess of revenues over expenditures	<u>(33,040)</u>	<u>(71,167)</u>	<u>—</u>	<u>5,843</u>	<u>(98,364)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	—	3,216	—	—	3,216
Issuance of leasehold revenue bonds	450	8,800	—	—	9,250
Issuance of leasehold revenue refunding bonds	2,690	—	—	—	2,690
Bond premium on debt issuances	145	—	—	—	145
Issuance of capital lease-Rolling Stock	—	11,150	—	—	11,150
Issuance of tax increment financing bonds	—	—	—	4,580	4,580
Issuance of tax increment financing notes	—	—	—	46,503	46,503
Payment to refunded escrow agent-leasehold revenue bonds	(2,416)	—	—	—	(2,416)
Payment to redeem tax increment financing note	—	—	—	(11,931)	(11,931)
Transfers in	35,856	14,173	—	3,438	53,467
Transfers out	(8,314)	(1,187)	—	(37,409)	(46,910)
Total other financing sources (uses), net	<u>28,411</u>	<u>36,152</u>	<u>—</u>	<u>5,181</u>	<u>69,744</u>
Net change in fund balances	<u>(4,629)</u>	<u>(35,015)</u>	<u>—</u>	<u>11,024</u>	<u>(28,620)</u>
Fund balances:					
Beginning of year, as restated (see note 10)	53,977	124,145	(62)	62,147	240,207
End of year	<u>\$ 49,348</u>	<u>89,130</u>	<u>(62)</u>	<u>73,171</u>	<u>211,587</u>

See accompanying notes to basic financial statements.

City of St Louis, Missouri
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**
Year ended June 30, 2011
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances	\$	(28,620)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets, meeting the capitalization threshold, is allocated over their estimated useful lives and recorded as depreciation expense. Additionally, contributions of capital assets to the City are recorded as capital contributions on the statement of activities. This is the amount by which capital outlays and capital contributions, meeting the capitalization threshold, exceeded depreciation expense in the current year. Details of the reported amounts are as follows:		
Capital outlay		94,653
Capital contribution		1,053
Loss on disposal of capital assets		(688)
Depreciation expense		<u>(46,982)</u>
		48,036
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts are attributable to the following factors:		
Change in revenues received after the 60-day accrual period		651
Property taxes due in the fiscal year following the fiscal year in which they were assessed		<u>903</u>
		1,554
Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds. The net income of internal service funds attributable to governmental activities is reported on the statement of activities.		
		1,425
Adjustment to record effect of internal service fund activities adjustment within business-type activities		
The City reports a net pension obligation/asset on the statement of net assets to the extent actual contributions to the City's retirement plans fall below/exceed the annual required contribution. This obligation/asset is not reported in the fund financial statements. Fluctuations in net pension obligations/assets are reported in the statement of activities.		
		(499)
Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayments of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net assets.		
Debt issued during the current year:		
Leasehold revenue bonds:		
Series 2010 Civil Courts Leasehold Revenue Refunding Bonds		(2,690)
Series 2011A 1520 Market Leasehold Revenue Bonds		(4,625)
Series 2011B 1520 Market Leasehold Revenue Bonds		(4,625)
Capital lease rolling stock		(11,150)
Tax increment financing notes payable		(51,083)
Repayments during the current year:		
Advance refunding of Series 2003 Civil Courts Leasehold Revenue Bonds		2,360
Advance refunding of Railway Exchange tax increment financing notes		3,800
Advance refunding of Grand Center tax increment financing notes		8,131
Annual principal payments on bonds and notes payable		41,726
Annual principal payments on joint venture financing agreement		3,781
Annual principal payments on capital leases		2,936
Annual principal payments on SLMFC Lease Certificates of Participation		580
Principal payment on Justice Center debt service reserve note		<u>9,068</u>
		(1,791)
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.		
This adjustment combines the net changes of the following:		
Accrued compensated absences		1,115
Accrued interest payable		(12,096)
Discounts on debt issuances, net of amortization		(209)
Premiums on debt issuances, net of amortization		1,588
Deferred bond issuance costs, net of amortization		(247)
Deferred amounts on refundings, net of amortization		<u>(1,454)</u>
		(11,303)
Change in net assets—governmental activities—statement of activities	\$	<u>8,802</u>
See accompanying notes to basic financial statements.		

City of St. Louis, Missouri
Statement of Fund Net Assets
Proprietary Funds
June 30, 2011
(dollars in thousands)

	Major Funds—Enterprise Funds				Internal Service Funds
	Lambert— St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 82,212	8,876	4,552	95,640	—
Unrestricted cash and cash equivalents	11,865	15,790	11,511	39,166	4,540
Receivables, net of allowances:					
Intergovernmental	1,657	—	—	1,657	1,077
Charges for services	4,937	8,633	107	13,677	—
Insurance recovery	10,000	—	—	10,000	—
Passenger facility charges	2,917	—	—	2,917	—
Accrued interest	383	—	—	383	—
Prepaid assets	—	—	—	—	46
Due from other funds	—	—	—	—	4,923
Advance to other funds	—	—	—	—	19,025
Inventories	2,122	1,796	—	3,918	—
Other current assets	2,487	—	20	2,507	—
Total current assets	<u>118,580</u>	<u>35,095</u>	<u>16,190</u>	<u>169,865</u>	<u>29,611</u>
Noncurrent assets:					
Investments – restricted	261,751	2,028	6,796	270,575	—
Capital assets:					
Property, plant, and equipment	1,546,650	278,619	80,547	1,905,816	151
Less accumulated depreciation	(701,441)	(132,169)	(23,579)	(857,189)	(127)
	<u>845,209</u>	<u>146,450</u>	<u>56,968</u>	<u>1,048,627</u>	<u>24</u>
Land and easements	754,611	1,238	21,338	777,187	—
Construction-in-progress	23,990	4,070	34	28,094	—
Capital assets, net	<u>1,623,810</u>	<u>151,758</u>	<u>78,340</u>	<u>1,853,908</u>	<u>24</u>
Deferred charges and other assets	15,741	72	1,643	17,456	—
Total noncurrent assets	<u>1,901,302</u>	<u>153,858</u>	<u>86,779</u>	<u>2,141,939</u>	<u>24</u>
Total assets	<u>2,019,882</u>	<u>188,953</u>	<u>102,969</u>	<u>2,311,804</u>	<u>29,635</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	7,808	1,463	215	9,486	772
Accrued salaries and other benefits	1,600	2,320	160	4,080	—
Accrued vacation and compensatory time benefits	3,519	1,666	139	5,324	—
Contracts and retainage payable	11,222	—	—	11,222	—
Accrued interest payable	21,880	420	128	22,428	—
Current portion of revenue bonds	19,985	3,740	2,074	25,799	—
Due to other funds	3,902	3,446	1,152	8,500	95
Due to other government agencies	—	—	71	71	—
Claims payable	—	—	—	—	24,789
Deferred revenue	1,055	2,417	1,839	5,311	—
Total current liabilities	<u>70,971</u>	<u>15,472</u>	<u>5,778</u>	<u>92,221</u>	<u>25,656</u>
Noncurrent liabilities:					
Revenue bonds payable, net	854,053	12,247	67,576	933,876	—
Customer deposits - payable from restricted assets	—	1,745	—	1,745	—
Other liabilities	15,906	6,401	1,718	24,025	—
Total noncurrent liabilities	<u>869,959</u>	<u>20,393</u>	<u>69,294</u>	<u>959,646</u>	<u>—</u>
Total liabilities	<u>940,930</u>	<u>35,865</u>	<u>75,072</u>	<u>1,051,867</u>	<u>25,656</u>
NET ASSETS					
Invested in capital assets, net of related debt	929,634	135,771	9,998	1,075,403	24
Restricted:					
Debt service	88,853	5,026	11,348	105,227	—
Capital projects	22,964	4,132	—	27,096	—
Airport improvement program	3,232	—	—	3,232	—
Passenger facility charges	30,907	—	—	30,907	—
Unrestricted	3,362	8,159	6,551	18,072	3,955
Total net assets	<u>\$ 1,078,952</u>	<u>153,088</u>	<u>27,897</u>	<u>1,259,937</u>	<u>3,979</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2011
(dollars in thousands)

	Major Funds—Enterprise Funds				
	Lambert— St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Aviation revenues	\$ 82,604	—	—	82,604	—
Concessions	21,319	—	—	21,319	—
Water sales	—	52,785	—	52,785	—
Lease revenue	4,016	—	—	4,016	—
Parking, net	16,819	—	13,288	30,107	—
Charges for services	—	—	—	—	19,252
Intergovernmental revenue	—	—	—	—	1,072
Miscellaneous	—	2,467	516	2,983	—
Total operating revenues	<u>124,758</u>	<u>55,252</u>	<u>13,804</u>	<u>193,814</u>	<u>20,324</u>
OPERATING EXPENSES					
Claims incurred	—	—	—	—	19,048
Premiums	—	—	—	—	1,517
Personal services	39,970	14,772	4,912	59,654	264
Material and supplies	6,712	9,106	198	16,016	280
Purchased power	—	2,742	—	2,742	—
Contractual services	42,608	5,593	940	49,141	—
Miscellaneous	50	3,218	749	4,017	—
Depreciation and amortization	47,288	4,991	2,669	54,948	14
Interfund services used	2,653	2,814	75	5,542	—
Total operating expenses	<u>139,281</u>	<u>43,236</u>	<u>9,543</u>	<u>192,060</u>	<u>21,123</u>
Operating income (loss)	<u>(14,523)</u>	<u>12,016</u>	<u>4,261</u>	<u>1,754</u>	<u>(799)</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	1,513	—	—	1,513	—
Investment income	2,632	(11)	320	2,941	—
Interest expense	(45,454)	(1,265)	(3,598)	(50,317)	—
Passenger facility charges	24,680	—	—	24,680	—
Amortization of bond issue costs	(1,503)	(25)	—	(1,528)	—
Gain (loss) on disposal of capital assets	(63)	(4)	4	(63)	—
Miscellaneous, net	(1,148)	787	9	(352)	—
Total nonoperating revenues (expenses), net	<u>(19,343)</u>	<u>(518)</u>	<u>(3,265)</u>	<u>(23,126)</u>	<u>—</u>
Income (loss) before transfers, capital contributions, and extraordinary item, net	<u>(33,866)</u>	<u>11,498</u>	<u>996</u>	<u>(21,372)</u>	<u>(799)</u>
Transfers in	—	—	864	864	2,210
Transfers out	(6,079)	(3,157)	(395)	(9,631)	—
Capital contributions	8,267	—	—	8,267	14
Extraordinary item — Natural disaster	23,086	—	—	23,086	—
Change in net assets	<u>(8,592)</u>	<u>8,341</u>	<u>1,465</u>	<u>1,214</u>	<u>1,425</u>
Total net assets—beginning of year	<u>1,087,544</u>	<u>144,747</u>	<u>26,432</u>	<u>1,258,723</u>	<u>2,554</u>
Total net assets—end of year	<u>\$ 1,078,952</u>	<u>153,088</u>	<u>27,897</u>	<u>1,259,937</u>	<u>3,979</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2011
(dollars in thousands)

	Major Funds—Enterprise Funds				
	Lambert— St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 130,969	52,650	13,647	197,266	19,334
Other operating cash receipts	—	—	78	78	—
Payments to suppliers of goods and services	(40,446)	(16,962)	(1,954)	(59,362)	(19,562)
Payments to employees	(40,060)	(14,950)	(4,949)	(59,959)	(260)
Payments for interfund services used	(2,299)	(4,911)	—	(7,210)	—
Net cash provided by (used in) operating activities	48,164	15,827	6,822	70,813	(488)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interest paid on share of bond pension liability	—	(270)	—	(270)	—
Transfers from the State of Missouri	—	—	9	9	—
Transfers from other funds	—	—	864	864	2,210
Transfers to other funds	(6,079)	(3,157)	(395)	(9,631)	—
Net cash (used in) provided by noncapital financing activities	(6,079)	(3,427)	478	(9,028)	2,210
CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash collections from passenger facility charges	24,956	—	—	24,956	—
Receipts from federal financing assistance	15,544	—	—	15,544	—
Acquisition and construction of capital assets	(32,465)	(2,847)	(277)	(35,589)	—
Insurance recoveries and expenditures	15,254	—	8	15,262	—
Proceeds from sale of surplus property	(1,338)	—	—	(1,338)	—
Cash paid for bond refunding	(51,095)	—	—	(51,095)	—
Proceeds from issuance of bond	30,943	—	—	30,943	—
Principal paid on revenue bond maturities	(29,970)	(3,585)	(2,033)	(35,588)	—
Cash paid for interest	(47,725)	(1,000)	(3,295)	(52,020)	—
Other capital and financing activities	—	1,001	—	1,001	—
Net cash used in capital and related financing activities	(75,896)	(6,431)	(5,597)	(87,924)	—
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(410,094)	(8,110)	(14,306)	(432,510)	—
Proceeds from sales and maturities of investments	459,887	11,826	17,840	489,553	—
Investment income	2,794	(8)	320	3,106	—
Net cash provided by (used in) investing activities	52,587	3,708	3,854	60,149	—
Net increase in cash and cash equivalents	18,776	9,677	5,557	34,010	1,722
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	9,346	9,888	9,845	29,079	2,818
Restricted	65,955	5,101	661	71,717	—
	75,301	14,989	10,506	100,796	2,818
End of year:					
Unrestricted	11,865	15,790	11,511	39,166	4,540
Restricted	82,212	8,876	4,552	95,640	—
	\$ 94,077	24,666	16,063	134,806	4,540
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (14,523)	12,016	4,261	1,754	(799)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	47,288	4,991	2,669	54,948	14
Changes in assets and liabilities:					
Receivables, net	6,210	(1,831)	(40)	4,339	(547)
Inventories	97	400	—	497	—
Other assets, net	10,740	—	20	10,760	2
Accounts payable, accrued liabilities, accrued salaries and other benefits	(1,664)	1,469	(263)	(458)	(699)
Claims payable	—	—	—	—	2,153
Deferred revenue	330	202	(39)	493	—
Due to/from other funds	355	(1,195)	251	(589)	(623)
Advance to other funds	—	—	—	—	11
Customer deposits	—	(106)	—	(106)	—
Other long-term liabilities	(669)	(119)	(37)	(825)	—
Total adjustments	62,687	3,811	2,561	69,059	311
Net cash provided by (used in) operating activities	\$ 48,164	15,827	6,822	70,813	(488)
Supplemental disclosure for noncash activities:					
Loss on disposal of surplus property	\$ (63)	\$ —	\$ —	\$ (63)	
Unrealized (loss) gain on investments	\$ (118)	\$ (4)	\$ 117	\$ (5)	

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011
(dollars in thousands)

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 11,886	27,515
Pension trust investments:		
Bonds	244,876	—
Domestic bond funds	53,804	—
Stocks	568,331	—
Mortgage-backed securities	22,157	—
Collective investment funds	310,325	—
Guaranteed fixed income securities	1,657	—
Real estate equities and investment trust	119,824	—
Investment property	1,390	—
Hedge funds	44,920	—
Money market mutual funds and other short-term investments	103,148	—
Managed international equity funds	148,015	—
Total investments	1,618,447	—
Securities lending collateral	77,984	—
Receivables, net of allowances:		
Taxes	—	27,777
Contributions	1,793	—
Accrued interest	2,156	—
Other	38,058	1,067
Capital assets, net	888	—
Total assets	1,751,212	56,359
LIABILITIES		
Accounts payable and accrued liabilities	1,637	575
Deposits held for others	379	22,175
Due to other governmental agencies	—	33,609
Securities lending collateral liability	77,984	—
Other liabilities	39,772	—
Total liabilities	119,772	56,359
NET ASSETS		
Net assets held in trust for pension benefits	\$ 1,631,440	—

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year ended June 30, 2011
(dollars in thousands)

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Members	\$ 7,687
Employers	62,581
Investment income:	
Interest and dividends	26,859
Net depreciation in fair value of investments	135,353
Investment income	<u>162,212</u>
Less investment expense	(6,704)
Net investment income	<u>155,508</u>
Total additions	<u>225,776</u>
DEDUCTIONS	
Benefits	134,167
Refunds of contributions	3,983
Administrative expense	2,839
Total deductions	<u>140,989</u>
Net decrease	84,787
Net assets held in trust for pension benefits:	
Beginning of year	<u>1,546,653</u>
End of year	<u>\$ 1,631,440</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 basic financial statements. The City's financial reporting entity consists of the City of St. 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, judgments, and other related legal matters including workers' compensation.

St. Louis Municipal Finance Corporation (SLMFC)

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

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

impose its will on SLPCFC. The SLPCFC provides services entirely to the Parking Division and is reported as if it were part of the Parking Division because its sole purpose is to lessen the burden on the Parking Division by coordinating real property transactions.

Grand Center Municipal Parking Finance Corporation (MPFC)

The MPFC was established during the year ended June 30, 2008. The MPFC is a legally separate not-for-profit public benefit corporation with the Parking Commission as the sole member of the MPFC. Because the Parking Division appoints all of MPFC's directors and is able to impose its will on the MPFC, it is considered to be a component unit of the Parking Division. The MPFC's goal is to employ innovative public parking programs, services, technology, and products to strengthen the economic vitality and competitiveness of arts and entertainment venues and supporting enterprises operating in the Grand Center area. An additional goal is to improve the coordination of public parking regulations and enforcement, along with the quality marketability, availability, and accessibility of public parking spaces in the Grand Center area.

2) Discretely Presented Component Units

The component unit columns in the statement of net assets and statement of activities 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 (LCRA), 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 because the City is financially accountable for SLDC, as SLDC is fiscally dependent upon the City. SLDC is considered to be fiscally dependent on the City because SLDC may not legally issue bonded debt or implement a budget for its redevelopment activities until the City's Board of Alderman has approved the redevelopment project and declared the redevelopment area blighted.

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 fiscally dependent on the City for substantially all of its funding.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

Solid Waste Management and Development Corporation (SWMDC)

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

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

St. Louis Development Corporation
1015 Locust Street
St. Louis, Missouri 63101

The Metropolitan Police Department of the City
of St. Louis, Missouri
1200 Clark Avenue
St. Louis, Missouri 63103

3) Related Organizations

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

4) Joint Venture

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

b. Government-wide and Fund Financial Statements

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

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

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

1) Governmental Fund Types

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

The following are the City's major governmental funds:

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

Capital Projects Fund—The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. This fund accounts for acquisition or construction of capital improvements, renovations, remodeling, and replacement for the City's major capital projects.

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

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

2) Proprietary Fund Types

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

The following are the City's major proprietary fund types:

Airport—The Airport is used to account for the activities of the Airport. The principal services provided are financed through landing fees and terminal concession revenues.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

Water—The Water Division is used to account for sale of water to the general public and the operation of the water delivery system.

Parking—The Parking Division is used to account for the operation of public parking facilities and parking meters. Each of the enterprise funds is a major fund in the fund financial statements.

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

In the government-wide and proprietary fund financial statements, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as the following private-sector 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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

3) Fiduciary Fund Types

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

c. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund, pension trust fund, and discretely

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

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

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

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

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

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

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

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

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

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

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

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

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 in November 2010 was \$1.4224 per \$100 (in dollars) of assessed valuation of which \$1.2996 (in dollars) is for the general fund and \$0.1228 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

e. Cash and Investments

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

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.

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

f. 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.

g. Capital Assets

1) Governmental Activities Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure assets (for example, roads, bridges, docks, promenade, traffic signals, and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of one year with an initial, individual cost of \$5 or more, infrastructure with a cost of \$500 or more, building improvements with a cost of \$100 or more, and all land, land improvements, and buildings.

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

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

- Held for public exhibition and education
- Protected, cared for, and preserved

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- Subject to an organizational policy that requires the proceeds from the sale to be used to acquire other items for the collection

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

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

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

	<u>Years</u>
Buildings	40 to 99
Improvements other than buildings	20 to 40
Equipment	5 to 20
Infrastructure	18 to 50

City management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred. Such events or changes in circumstances that were considered by the City management to be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

2) Business-type Activities Capital Assets

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

3) Airport

Capital assets are recorded at cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Land is recorded at cost, which, in addition to the purchase price, includes appraisal and legal fees, demolition, and homeowner relocation costs. Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and amortized over the life of the related asset. For fiscal year 2011, the City

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capitalized \$343 of net interest costs. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Pavings	5 to 30
Buildings and facilities	5 to 30
Equipment	3 to 20

4) Water Division

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

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

5) Parking Division

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

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

6) Mailroom

Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful life

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of equipment, other than computer equipment, is 10 years. The estimated useful life of computer equipment is five years.

7) Component Unit—SLDC

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

	<u>Years</u>
Buildings and structures	40
Improvements other than buildings (includes infrastructure)	3 to 15
Furniture, fixtures, and equipment	3 to 10

8) Component Unit—SLPD

Capital assets are capitalized at cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value as of the date received. Major outlays for capital assets and improvements are capitalized when projects are operational or useful. All capital assets over the capitalization levels are depreciated. SLPD's capitalization threshold is \$5.

Depreciation is computed using the straight-line method (with the 1/2-year convention election applied in the first and last year) over the following estimated useful lives:

	<u>Years</u>
Buildings	50 – 100
Building improvements	5 – 25
Furniture and fixtures and other equipment	5 – 8
Automotive equipment	3 – 5
Communication equipment	5 – 8
Computer and software	3 – 5
Internally generated computer software	3 – 8

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9) Component Unit—SWMDC

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

h. Long-term Liabilities

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

i. Passenger Facility Charges (PFCs)

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

j. Capital Contributions

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

k. Capitalization of Interest

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

l. Bond Premiums, Discounts, and Issuance Costs

In government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts are recorded as a reduction of the debt obligation, bond premiums are recorded as an addition to 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

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sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. 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 entire accrued benefit liability related to the City's compensated absences has been recorded in the government-wide financial statements and in the proprietary funds in the fund financial statements. Certain amounts have been recorded in the governmental fund financial statements as part of accrued salaries and other benefits, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2011.

Non-uniformed employees retiring after June 30, 2001 who have an unused sick leave balance may, at retirement, elect to receive payment for one-half of the sick leave balance. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments in the future are eligible. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., Social Security and Medicare).

Component Unit—SLPD

Banked overtime is granted to certain employees for hours worked in excess of their normal workday that are not taken within the current bi-weekly pay period. Banked overtime is allowed to accumulate up to 40 hours and will be paid to employees upon resignation, retirement, or death. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., Social Security and Medicare).

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

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

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

n. Interfund Transactions

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

1) Transfers

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

2) Interfund Services Provided/Used

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

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

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

o. Fund Balance

Effective July 1, 2010 the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires fund balance for governmental funds be reported in classifications that primarily comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Adoption of GASB Statement No. 54 effects the City's fund financial statements.

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

- **Nonspendable:** This consists of resources not in spendable form or are legally or contractually required to remain intact.
- **Restricted for:** This consists of amounts that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.

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- **Committed to:** This consists of amounts that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance which can only be modified or rescinded by a subsequent formal action.
- **Assigned to:** This consists of amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Assigned balances are a result of the Board of Estimate and Apportionment approval of projects or actions prior to July 1, 2011.
- **Unassigned:** This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned.

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

As a result of the implementation of GASB Statement No. 54, the City reclassified the fund balance of the non-major Communications special revenue fund to the general fund as the Communications fund no longer met the definition of a special revenue fund under GASB Statement No. 54. The City has reclassified the fund balance to conform to the provisions of the statement as follows:

	General Fund	Other Governmental Funds
Fund Balance June 30, 2010, as previously reported	\$ 53,416	62,708
Communications Fund - fund balance	561	(561)
Fund balance June 30, 2010, as restated	\$ 53,977	62,147

p. Net Assets

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

1) Invested in Capital Assets, Net of Related Debt

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

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2) Restricted

This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net assets restricted by statutory restrictions represent tax and other revenue sources that are required by statute to be expended only for a specific purpose or purposes.

3) Unrestricted

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

q. 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.

r. Use of Estimates

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

s. Individual Fund Deficit

At June 30, 2011, the grants fund has a deficit fund balance of \$(62). This amount will be offset by future commissions. The other budgeted special revenue fund has deficit fund balance of \$(1,322). This amount will be offset by license and permit revenues in future years as well as charges to services to vendors.

t. Reclassifications

Certain 2010 amounts within the accompanying footnotes have been reclassified to conform with the fiscal year 2011 presentation.

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u. Immaterial Correction of an Error

During the fiscal year ended June 30, 2011, the City determined that certain capital assets of approximately \$30,592 were erroneously recorded within the governmental activities of the City. Management has corrected the governmental activities' net assets as of June 30, 2010 to adjust for this immaterial error as follows:

	<u>Net assets at June 30, 2010, as previously reported</u>	<u>Capital assets recorded in error</u>	<u>Net assets at June 30, 2010, as revised</u>
Invested in capital assets, net of related debt	\$ 483,812	(30,592)	453,220
Restricted:			
Debt service	1,490	—	1,490
Statutory restrictions	27,900	—	27,900
Unrestricted (deficit)	<u>(392,115)</u>	<u>—</u>	<u>(392,115)</u>
Total net assets	<u>\$ 121,087</u>	<u>(30,592)</u>	<u>90,495</u>

In addition, as a result of the adjustment above, certain footnotes have also been revised.

2. DEPOSITS AND INVESTMENTS

a. Primary Government

As the investment strategies and associated risks for the Firemen's Retirement System of St. Louis (Firemen's System), Police Retirement System of St. Louis (Police System), and Employees' Retirement System of the City of St. Louis (Employees' System) are substantially different than those of the remainder of the primary government, the deposit and investment disclosures for the Firemen's System, Police System, and Employees' System are presented separately from those of the remainder of the primary government.

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The following is a reconciliation of the City's deposit and investment balances as of June 30, 2011:

	Cash and Cash Equivalents	Investments	Restricted Cash and Investments	Total
Government-wide statement of net assets	\$ 94,442	4,188	494,673	593,303
Fiduciary statement of fiduciary net assets —agency funds	<u>27,515</u>	<u>—</u>	<u>—</u>	<u>27,515</u>
Total primary government excluding pension trust funds	<u>121,957</u>	<u>4,188</u>	<u>494,673</u>	<u>620,818</u>
Fiduciary statement of fiduciary net assets —pension trust funds:				
Firemen's System	3,727	392,009	—	395,736
Police System	8,038	633,225	—	641,263
Employees' System	<u>121</u>	<u>593,213</u>	<u>—</u>	<u>593,334</u>
Total pension trust funds	<u>11,886</u>	<u>1,618,447</u>	<u>—</u>	<u>1,630,333</u>
Total primary government	<u>\$ 133,843</u>	<u>1,622,635</u>	<u>494,673</u>	<u>2,251,151</u>

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1) Primary Government Excluding Pension Trust Funds

Investments are recorded at fair value. Fair value for investments is determined by closing market prices at year-end.

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

As of June 30, 2011, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$	83,960
Federal Home Loan Mortgage Corp.		79,908
Federal Home Loan Bank		99,806
Federal Farm Credit Discount Note		17,291
Federal National Mortgage Pool		28,855
Resolution Funding Federal Bank Coupon Strip		6,521
United States Treasuries		45,591
Government Backed Trusts		970
Money Market Mutual Funds		88,258
Certificates of Deposit		3,644
Other Cash Deposits		166,014
	\$	620,818

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. Investments may be made in obligations of the U.S. Government or any agency or instrumentality thereof; bonds of the State, the City, or any city within the state with a population of 400,000 inhabitants or more; or time certificates of deposit; provided, however, that no such investment shall be purchased at a price in excess of par. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of the U.S. Government agencies or instrumentalities of any maturity as provided by law. City funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the City's name.

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

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years, and up to 30 years with the approval of the Treasurer.

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2011:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Federal National Mortgage Association	\$ 83,960	46,916	37,044	—	—
Federal Home Loan Mortgage Corp.	79,908	64,683	15,225	—	—
Federal Home Loan Bank	99,806	75,509	24,297	—	—
Federal Farm Discount Notes	17,291	17,291	—	—	—
Federal National Mortgage Pool	28,855	28,855	—	—	—
Resolution Funding Federal Bank Coupon Strip	6,521	6,521	—	—	—
United States Treasuries	45,591	44,548	1,043	—	—
Government Backed Trusts	970	—	970	—	—
Money Market Mutual Funds	88,258	88,258	—	—	—
	<u>\$ 451,160</u>	<u>372,581</u>	<u>78,579</u>	<u>—</u>	<u>—</u>

Credit Risk

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

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The investments of the primary government (excluding the pension trust funds) were rated as follows by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service as of June 30, 2011:

	<u>Fair Value</u>	<u>AAA</u>	<u>A-1+</u>	<u>Not Rated</u>
Federal National Mortgage Association	\$ 83,960	34,016	48,513	1,431
Federal Home Loan Mortgage Corp.	79,908	19,524	60,384	—
Federal Home Loan Bank	99,806	37,867	61,939	—
Federal Farm Discount Notes	17,291	10,003	3,377	3,911
Federal National Mortgage Pool	28,855	28,855	—	—
Resolution Funding Federal Bank Coupon Strip	6,521	—	—	6,521
United States Treasuries* Government Backed	45,591	43,094	—	2,497
Trusts	970	970	—	—
Money Market Mutual Funds	88,258	88,258	—	—
	<u>\$ 451,160</u>	<u>262,587</u>	<u>174,213</u>	<u>14,360</u>

Custodial Credit Risk

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

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the United States or an agency or instrumentality of the United States, bonds of the State or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. At June 30, 2011, the City had two cash compensation accounts at JP Morgan Chase that were uncollateralized. The total amount that was uncollateralized and exposed to custodial credit risk was \$8,957. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2011, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$11,679 of Federal National Mortgage Association securities, \$9,086 of Federal Home Loan Mortgage Corporation securities, \$14,457 Federal

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Home Loan Bank securities, \$699 of Federal Farm Credit Bank securities, and \$4,256 of U.S. Treasury securities. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities, no more than 35% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

At June 30, 2011, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	13.52	%
Federal Home Loan Mortgage Corp.	12.87	
Federal Home Loan Bank	16.07	
Federal Farm Credit Discount Notes	2.79	
Federal National Mortgage Pool	4.65	
Resolution Funding Federal Bank Coupon Strip	1.05	
United States Treasuries	7.34	
Government Backed Trusts	0.16	
Money Market Mutual Funds	14.22	
Certificates of Deposit	0.59	
Other Cash Deposits	26.74	
	100.00	%

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

As of September 30, 2010, the Firemen's System had the following cash deposits and investments:

Common stock	\$	207,453
Collective investment—equity		37,719
Hedge funds—equity		13,889
Corporate obligations		13
Collective investment—bonds		78,574
Real estate investment trust		32,371
Money market funds		21,990
Other cash deposits		3,727
	\$	395,736

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

The Firemen's System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Firemen's System's development and continual monitoring of

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sound investment policies. The investment maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented to provide an illustration of the Firemen's System's current level of exposure to various risks.

The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2010:

	Fair Value	No Maturity	Investment maturities (in years)			
			Less than 1	1-5	6-10	More than 10
Common stock	\$ 207,453	207,453	—	—	—	—
Collective investment - equity	37,719	37,719	—	—	—	—
Hedge fund - equity	13,889	13,889	—	—	—	—
Corporate obligation	13	—	—	—	—	13
Collective investment- bonds	78,574	—	—	39,820	28,699	10,055
Real estate investment trust	32,371	32,371	—	—	—	—
Money market funds	21,990	21,990	—	—	—	—
	<u>\$ 392,009</u>	<u>313,422</u>	<u>—</u>	<u>39,820</u>	<u>28,699</u>	<u>10,068</u>

The Firemen's System's current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2010:

Credit Rating Level	Common Stock	Collective Investment	Hedge Fund	Corporate Obligations	Real Estate Investment	Money Market
AAA	\$ —	45,884	—	13	—	—
AA	—	5,400	—	—	—	—
A	—	9,061	—	—	—	—
BBB	—	13,688	—	—	—	—
N/A	207,453	—	—	—	—	—
Not Rated	—	42,260	13,889	—	32,371	21,990
	<u>\$ 207,453</u>	<u>116,293</u>	<u>13,889</u>	<u>13</u>	<u>32,371</u>	<u>21,990</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen's System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Firemen's System's current level of foreign currency exposure as of September 30, 2010:

	Money Market	Equities	Fixed Income	Hedge Fund	Real Estate Investment Trust	Total
Australian Dollar	\$ —	1,895	—	—	—	1,895
Brazilian Real	—	240	—	—	—	240
British Pound Sterling	—	5,065	—	—	—	5,065
Canadian Dollar	1	1,466	—	—	—	1,467
Danish Krone	—	313	—	—	—	313
Euro	—	19,822	—	—	—	19,822
Hong Kong Dollar	—	1,089	—	—	—	1,089
Indonesian Rupiah	—	526	—	—	—	526
Japanese Yen	—	8,418	—	—	—	8,418
Malaysian Ringgit	—	195	—	—	—	195
Mexican Peso	—	500	—	—	—	500
Norwegian Krone	—	348	—	—	—	348
Singapore Dollar	—	925	—	—	—	925
South Korean Won	—	1,422	—	—	—	1,422
Swedish Krona	—	1,766	—	—	—	1,766
Swiss Franc	—	4,694	—	—	—	4,694
Total Foreign Currency	1	48,684	—	—	—	48,685
U.S. Dollar	21,989	196,488	78,587	13,889	32,371	343,324
Total	\$ 21,990	245,172	78,587	13,889	32,371	392,009

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

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

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

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

Asset Class as a Percent of Total Assets

Asset Class	Minimum	Target Mix	Maximum
Domestic Equity:			
Large Cap	24%	29%	34%
Small Cap	10	15	20
Domestic Fixed Income	25	20	35
International Equities	16	21	26
Real estate trust	—	10	15
Hedge fund	—	5	10

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

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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2010 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	\$	71,516
The Principal US Property Account		32,371
Artisan International Stock Fund		37,719

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession—but not title—of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System

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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. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2009, the Firemen's System has recorded a liability of \$574 due to collateral deficiency resulting from a borrower's bankruptcy. During fiscal year 2010, the financial institution recognized the entire collateral deficiency as a realized loss. At September 30, 2010, \$45,765 in loans were outstanding to borrowers. The Firemen's System earned income of \$113 for its participation in the securities lending program for the year ended September 30, 2010.

3) Primary Government—Pension Trust Fund—Police System

As of September 30, 2010, the Police System had the following cash deposits and investments:

Equities:	
Common Stock	\$ 127,378
Collective Investment Funds	194,000
Real Estate Securities Fund	36,803
Mortgaged-Backed Securities-Government	10,409
Mortgaged-Backed Securities-Non-Government	11,749
Fixed Income Collective Investment Fund	31
Corporate Bonds	100,575
Guaranteed Fixed Income Securities	1,657
Hedge Fund of Funds	24,129
Government Securities	55,518
Short-Term Notes and Commercial Paper	11,050
Money Market Funds	58,536
Investment Property	1,390
Other Cash Deposits	8,038
	\$ 641,263

Marketable securities are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date. Investment property is reported at estimated fair value as determined by an independent real estate appraisal of the property.

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

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The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2010:

	Fair Value	No Maturity	Investment maturities (in years)			
			Less than 1	1 – 5	6 – 10	More than 10
Equities	\$ 358,181	358,181	—	—	—	—
Mortgaged-Backed Securities—						
Government	10,409	—	—	47	1,616	8,746
Mortgaged-Backed Securities—						
Nongovernment	11,749	—	—	2,399	2,817	6,533
Corporate Bonds	100,575	—	64,848	19,786	15,440	501
Collective investment funds	31	31	—	—	—	—
Guaranteed Fixed Income Securities	1,657	—	504	1,153	—	—
Hedge Fund of Funds	24,129	24,129	—	—	—	—
Government Securities	55,518	—	27,391	9,300	18,629	198
Short-Term Notes and Commercial Paper	11,050	—	11,050	—	—	—
Money Market Funds	58,536	58,536	—	—	—	—
Investment Property	1,390	1,390	—	—	—	—
	<u>\$ 633,225</u>	<u>442,267</u>	<u>103,793</u>	<u>32,685</u>	<u>38,502</u>	<u>15,978</u>

The Police System's current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2010:

Credit Rating Level	Equities	Government Mortgage-Backed Securities	Nongovernment Mortgage-Backed Securities	Corporate Bonds	Collective Investment Funds	Guaranteed Fixed Income Securities	Government Securities	Hedge Fund of Funds	Short-term Notes and Commercial Paper	Money Market Fund	Investment Property
AAA	\$ —	10,409	6,913	670	—	1,657	52,146	—	10,050	—	—
AA	—	—	200	3,886	—	—	384	—	—	—	—
A	—	—	1,011	25,604	—	—	1,428	—	—	—	—
BBB	—	—	297	7,954	—	—	391	—	—	—	—
BB	—	—	20	315	—	—	—	—	—	—	—
B	—	—	—	—	—	—	—	—	—	—	—
CCC	—	—	786	—	—	—	—	—	—	—	—
N/A	358,181	—	—	—	—	—	—	—	—	—	1,390
Not Rated	—	—	2,522	62,146	31	—	1,169	24,129	1,000	58,536	—
	<u>\$ 358,181</u>	<u>10,409</u>	<u>11,749</u>	<u>100,575</u>	<u>31</u>	<u>1,657</u>	<u>55,518</u>	<u>24,129</u>	<u>11,050</u>	<u>58,536</u>	<u>1,390</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Police System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Police System's current level of foreign currency exposure as of September 30, 2010:

	Money Money Market/ Commercial Paper	Investment Property	Equities	Fixed Income	Hedge Fund of Funds	Total
Australian Dollar	\$ —	—	—	247	—	247
British Pound Sterling	—	—	2,316	425	—	2,741
Canadian Dollar	—	—	972	238	—	1,210
Chilean Peso	—	—	158	—	—	158
Chinese Yuan	—	—	287	—	—	287
Euro	—	—	1,088	1,648	—	2,736
Indian Rupee	—	—	578	—	—	578
Israeli Shekel	—	—	1,209	—	—	1,209
Mauritian Rupee	—	—	5	—	—	5
Norwegian Krone	—	—	159	—	—	159
Korean Won	—	—	—	368	—	368
South Africa Rand	—	—	—	391	—	391
Swiss Franc	—	—	1,198	191	—	1,389
Venezuelan Bolivar	—	—	—	251	—	251
Total Foreign Currency	—	—	7,970	3,759	—	11,729
U.S. Dollar	69,586	1,390	350,211	176,180	24,129	621,496
Total	\$ 69,586	1,390	358,181	179,939	24,129	633,225

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

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

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

Asset Class as a Percent of Total Assets

<u>Asset Class</u>	<u>Minimum</u>	<u>Target Mix</u>	<u>Maximum</u>
Fixed Income	25%	28%	31%
Real Estate Equity	3	4	5
Large Cap Domestic Equities	17	21	25
Small Cap Domestic Equities	4	5	6
Foreign Equities:			
Non-U.S. Developing Markets	20	26	32
Emerging Markets	4	7	10
Non-Directional Hedge Funds of Funds	3	4	5
Other	—	5	5

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

EnTrust Capital Diversified Fund QP, Ltd.
GAM US Institutional Diversity, Inc.
Bank of New York Mellon EB Global Real Estate Securities Funds

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

Collective Funds:

Bank of New York Mellon EB Global Real estate Securities Fund	\$	36,803
International Group Trust I		49,353
J.P. Morgan CB Emerging Market Equity Focused Fund		50,706
TBC Index & Blue Chip		51,304
MFB Daily S&P 500 Equity Index Fund		42,635

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession—but not title—of the security to the borrower. Collateral consisting of cash, letter of credit, or government

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securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 60% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 40% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2009, the Police System has recorded a liability of \$1,330 due to collateral deficiency resulting from a borrower's bankruptcy. During fiscal year 2010, the financial institution recognized the entire collateral deficiency as a realized loss. Outstanding loans to borrowers at September 30, 2010 were \$59,329. The Police System earned income of \$57 for its participation in the securities lending program for the year ended September 30, 2010.

4) Primary Government—Pension Trust Fund—Employees' System

As of September 30, 2010, the Employees' System had the following cash deposits and investments:

Common Stocks	\$ 233,500
Managed International Equity Funds	148,015
Bonds	88,770
Domestic Bond Funds	53,804
Real Estate Funds	50,651
Temporary Cash Investments	11,572
Managed Hedge Fund of Funds	6,902
Other Cash Deposits	121
	\$ 593,335

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

Foreign Currency Risk

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

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	Short- Term	Debt	Total
British Pound	\$ 41	1,773	1,814
Brazilian Real	—	208	208
Canadian Dollar	15	765	780
Euros	25	9,385	9,410
Mexican Peso	—	184	184
Japanese Yen	21	4,743	4,764
Swedish Krona	—	2,431	2,431
Total	\$ 102	19,489	19,591

Credit Risk of Debt Securities

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

<u>Quality Rating</u>	
Aaa/U.S. Governments	\$ 88,065
Aa	15,153
A	23,383
Baa	14,567
Below Baa	3,613
Total	\$ 144,781

All temporary cash investments held by the Employees' Retirement System at September 30, 2010 were unrated.

Interest Rate Risk

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

<u>Investment</u>	<u>Fair Value</u>	<u>Effective Duration</u>
Payden and Rygel	\$ 32,849	5.90 years
Allegiant	58,128	5.60 years
SSGA	29,125	4.67 years
Vanguard	24,679	4.90 years
	\$ 144,781	

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The Employees' System participates in a securities lending program administered by a financial institution. Brokers who borrow the securities provide collateral, usually in the form of cash valued at 102% for domestic securities loaned, resulting in no credit risk for the system. During 2009, the Board of Trustees decided to reduce the amount of securities that can be loaned at one time. At September 30, 2010, the term to maturity of the securities on loan is matched with the term to maturity of the investment of the cash collateral. These loans can be terminated on demand by either the lender or borrower. The Employees' System cannot pledge or sell non-cash collateral unless the borrower defaults. As of September 30, 2010, the Employees' System has lending arrangements outstanding with a market value for securities lent of \$76,091.

Concentration of Credit Risk

At September 30, 2010, the Employees' System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent five percent or more of total investments to the Employees' System:

Silchester International Investors International Value Equity Group Trust	\$ <u>90,604</u>
Walter Scott & Partners Limited Group Trust International	\$ <u>57,411</u>
Principal Global Investors Real Estate Group Annuity Contract	\$ <u>50,651</u>

b. Component Unit—SLDC

State statutes and SLDC investment policies are the same as for the primary government. SLDC funds, in the form of cash on deposit or certificates of deposit, are required to be insured or collateralized by authorized investments held in SLDC's name. At June 30, 2011, all of SLDC's cash deposits were covered by federal depository insurance or collateral held by the pledging institution's trust department or agent in SLDC's name. At June 30, 2011, the market value of investments approximates the carrying value of \$133.

c. Component Unit—SLPD

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

As of June 30, 2011, the SLPD had the following cash and deposits:

Other cash deposits	\$ <u>3,480</u>
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State statutes and SLPD investment policies are the same as for the primary government. SLPD funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the SLPD's name. Actual investment decisions are made by the director of budget and finance, the Board of Police Commissioners, and the SLPD's fiscal agents.

Interest Rate Risk

The SLPD seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Board of Police Commissioner's (Investment Policy). The Investment Policy provides that, to the extent possible, the SLPD shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the SLPD will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the SLPD for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years, and up to 30 years with the approval of the Treasurer.

Credit Risk

The Investment Policy provides that investments of the SLPD be rated in one of the three highest ratings categories by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service.

Custodial Credit Risk

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

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

At June 30, 2011, all collateral securities pledged against SLPD deposits are held by the counterparty's trust department or agent in the SLPD's name.

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Concentration of Credit Risk

The SLPD has no investment policy related to the concentration of credit risk, but utilizes the policy established by the City.

d. Component Unit—SWMDC

At June 30, 2011, all of SWMDC’s cash deposits were covered by federal depository insurance or collateral held by the pledging institution’s trust department or agent in the City’s name. SWMDC’s investments of \$1,500 at year-end consisted entirely of Federal Home Loan Discount Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Discount Notes with less than one year to maturity and rated A-1+ by Standard & Poor’s Corporation.

3. RECEIVABLES, NET

	<u>Taxes</u>	<u>Intergovern- mental</u>	<u>Charges for Services</u>	<u>Notes and Loans</u>	<u>Insurance Recovery</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities:							
General fund	\$ 91,751	3,709	4,407	—	—	2,698	102,565
Capital projects fund	3,197	11,245	456	—	—	—	14,898
Grants fund	—	17,598	—	—	—	—	17,598
Other governmental funds	41,877	644	1,848	46	—	579	44,994
Internal service funds	—	1,077	—	—	—	—	1,077
Total governmental activities	<u>\$ 136,825</u>	<u>34,273</u>	<u>6,711</u>	<u>46</u>	<u>—</u>	<u>3,277</u>	<u>181,132</u>
Business-type activities:							
Airport	\$ —	1,657	4,937	—	10,000	3,300	19,894
Water Division	—	—	8,633	—	—	—	8,633
Parking Division	—	—	107	—	—	—	107
Total business-type activities	<u>\$ —</u>	<u>1,657</u>	<u>13,677</u>	<u>—</u>	<u>10,000</u>	<u>3,300</u>	<u>28,634</u>

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

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4. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

Governmental activities:

Taxes receivable—general fund	\$	1,245
Taxes receivable—other governmental funds		109
License and permits receivable—general fund		22
Charges for services receivable—general fund		111
Charges for services receivable—other governmental funds		210

Business-type activities:

Charges for services receivable—Airport		54
Charges for services receivable—Water Division		2,620
	\$	4,371

5. COMPONENT UNIT—SLDC RECEIVABLES

SLDC receivables consist principally of small business commercial loans to facilitate business growth. The commercial loans were financed utilizing funds provided by the Community Development Agency (CDA) of the City, the Economic Development Administration, and the State. The proceeds from any repayment of these loans are payable back to the funding source or re-loaned in accordance with the lending program. Thus, a corresponding liability has been recorded.

6. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2011:

Airport bond fund:		
Debt service account	\$	42,255
Debt service reserve account		46,215
Airport renewal and replacement fund		3,500
Passenger facility charge fund		27,990
Airport development fund		93,825
Airport construction fund		127,850
Drug enforcement agency funds		2,328
	\$	343,963

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

- 1) *Unrestricted Airport Operation and Maintenance Fund*: an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
- 2) *Airport Bond Fund*: for credit to the Debt Service Account, if and to the extent required, so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.
- 3) *Airport Bond Fund*: for credit to the Debt Service Reserve Account, an amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to fully pay all outstanding bonds.
- 4) *Arbitrage Rebate Fund*: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.
- 5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.
- 6) *Airport Renewal and Replacement Fund*: an amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.
- 7) *A sub-account in the Airport Revenue Fund*: an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.
- 8) *Airport Debt Service Stabilization Fund and the Airport Development Fund*: various amounts for Airport fiscal years 2006 through 2011, achieving a balance of \$38,211 at the end of fiscal year 2011. Beginning in Airport fiscal year 2012, the Airport will allocate an amount sufficient to

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bring the amount on deposit in the Debt Stabilization Fund equal to the Debt Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).

- 9) The remaining balance in the Revenue Fund shall be deposited into the Airport Development Fund. This fund shall be used for extensions and improvements to the Airport, including equipment acquisition.

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

b. Water Division

Cash and investments restricted in accordance with City ordinances and the bond provision for the bond and construction funds at June 30, 2011 are as follows:

Bond funds:		
Waterworks bond fund	\$	4,196
Water replacement and improvement account		830
Total bond funds		5,026
Construction funds		3,541
Customer deposits		1,745
Service line maintenance		592
Total restricted cash and investments	\$	10,904

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

- 1) 1998 Water Revenue Bond Funds
 - a. To the unrestricted *Waterworks Operations and Maintenance Fund*, an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
 - b. To the *Waterworks Bond Fund*, an amount at least equal to 1/6 of the amount of interest that will come due on the next interest payment date, plus an amount at least equal to 1/12 of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account shall be used only for the payment of bonds principal and interest, as the same shall become due.

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- c. To the *Water Revenue Debt Service Reserve Account*, a sum equal to the Debt Service Reserve Fund Requirement or a debt service reserve fund policy or a surety bond shall be provided by a Bond Issuer in such amount or a letter of credit shall be provided by a bank acceptable to the City in such amount. All amounts paid and credited to this account shall be used solely to prevent any default in the payment of the principal of and interest on the Bonds.
- d. To the *Water Replacement and Improvement Fund*, an amount equal to \$25 per month until the account balance aggregates \$750. This account shall be used for making replacements, extensions, and improvements to the Waterworks System, and for the purpose of meeting unforeseen contingencies and emergencies arising in the operation of the Waterworks System of the City.
- e. The remaining balance in the *Waterworks Revenue Fund* is to be deposited into the unrestricted Water Contingent Fund. This money shall be used for paying the cost of the operation, maintenance, and repair of the Waterworks System; paying the cost of extending, improving, or making replacements to the Waterworks System; preventing default in, anticipating payments into, or increasing the amounts in the other accounts; paying any gross receipts tax now or hereafter levied by the City; paying the principal or the interest on any subordinate or junior lien bonds; paying any redemption premium due on the bonds; or any other lawful purpose for use by the Waterworks System.

2) Construction Funds

City ordinances also provide that the principal proceeds from the sale of Series 1998 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.

3) 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.

4) Service Line Maintenance

In accordance with a City ordinance, the Water Division collects a \$3.00 (in dollars) 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.

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c. Parking Division

Cash and investments restricted in accordance with revenue bond indentures at June 30, 2011 are as follows:

Series 2007 and 2006 bonds:

Debt service reserve	\$	4,943
Debt Service		1,139
Repair and replacement		2,848
Net project revenues		120
Parking trust—Parking Division accounts		1,922
		1,922
Total series 2007 and 2006 bonds		10,972

Series 2003A and 2003B bonds:

Gross revenues		69
Bond		170
Repair and replacement		18
Operating reserve		100
Redemption		19
		376
Total series 2003A and 2003B bonds		376
	\$	11,348

Descriptions of the above funds required by the Series 2007 and 2006 bond indentures are as follows:

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

Descriptions of the funds required by the Series 2003A and 2003B bond indenture are as follows:

- 1) *Gross Revenues* – Maintains revenues resulting from the operations of the Cupples Garage and uses these to pay the operating and debt service costs associated with the Cupples Garage.
- 2) *Bond* – Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B Bonds.

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- 3) *Repair and Replacement* – Provides for the repair and upkeep of the Cupples Garage.
- 4) *Operating Reserve* – Maintains operating reserve as required by the Bond indenture.
- 5) *Redemption* – Maintains funds set aside for the future redemption of the Series 2003A and 2003B Bonds.

d. Component Unit—SLDC

Restricted cash and investments at June 30, 2011 are as follows:

Bond funds	\$ <u>1,956</u>
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Cash and investments are restricted in accordance with the SLDC Parking Facilities Revenue Refunding Bonds, Series 1999, Bond Indenture. The revenue bond 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 by the trustee to various reserve accounts including principal and interest, repair and replacement, and operating reserve up to specified limits. Amounts received above the required limits are remitted by the Trustee to SLDC.

e. Component Unit—SLPD

Restricted cash at June 30, 2011 consists of cash and legally restricted by outside parties through the provisions of grant programs or contractual agreements.

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7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements	Transfers	Balance June 30, 2011
Governmental activities:					
<i>Capital assets not being depreciated:</i>					
Land	\$ 73,843	4,986	—	—	78,829
Construction in progress	16,780	58,918	—	(6,461)	69,237
Equipment in progress	10,356	1,314	—	—	11,670
Intangibles	483	31	—	—	514
Works of art	3,351	—	—	—	3,351
Total capital assets not being depreciated	<u>104,813</u>	<u>65,249</u>	<u>—</u>	<u>(6,461)</u>	<u>163,601</u>
<i>Capital assets being depreciated:</i>					
Buildings	497,543	4,486	(2,319)	5,137	504,847
Improvements other than buildings	81,054	2,188	—	213	83,455
Equipment	105,613	10,822	(4,900)	—	111,535
Infrastructure	537,472	12,961	—	1,111	551,544
Total capital assets being depreciated	<u>1,221,682</u>	<u>30,457</u>	<u>(7,219)</u>	<u>6,461</u>	<u>1,251,381</u>
<i>Less accumulated depreciation:</i>					
Buildings	155,060	12,684	(2,055)	—	165,689
Improvements other than buildings	25,355	1,770	—	—	27,125
Equipment	63,000	7,673	(4,476)	—	66,197
Infrastructure	305,372	24,855	—	—	330,227
Total accumulated depreciation	<u>548,787</u>	<u>46,982</u>	<u>(6,531)</u>	<u>—</u>	<u>589,238</u>
Total capital assets being depreciated, net	<u>672,895</u>	<u>(16,525)</u>	<u>(688)</u>	<u>6,461</u>	<u>662,143</u>
Governmental activities capital assets, net	<u>\$ 777,708</u>	<u>48,724</u>	<u>(688)</u>	<u>—</u>	<u>825,744</u>

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

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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2011. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2011</u>
Business-type activities:					
Combined:					
<i>Capital assets not being depreciated:</i>					
Land	\$ 773,394	358	(71)	—	773,681
Construction-in-progress	36,763	25,737	(6,034)	(28,372)	28,094
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>813,663</u>	<u>26,095</u>	<u>(6,105)</u>	<u>(28,372)</u>	<u>805,281</u>
<i>Capital assets being depreciated:</i>					
Buildings and structures	602,406	10,924	(4,918)	7,472	615,884
Equipment	89,045	3,619	(1,677)	9	90,996
Pavings	952,919	—	(428)	20,891	973,382
Parking meters and lot equipment	6,472	60	—	—	6,532
Reservoirs	34,513	—	—	—	34,513
Boiler plant equipment	661	—	—	—	661
Pumping equipment	10,382	—	—	—	10,382
Purification basins and equipment	42,761	—	—	—	42,761
Water mains, lines, and accessories	119,995	2,259	(89)	—	122,165
Motor vehicle equipment	8,700	27	(187)	—	8,540
Total capital assets being depreciated	<u>1,867,854</u>	<u>16,889</u>	<u>(7,299)</u>	<u>28,372</u>	<u>1,905,816</u>
<i>Less accumulated depreciation for:</i>					
Buildings and structures	336,152	16,684	(3,388)	—	349,448
Equipment	59,171	4,415	(1,615)	—	61,971
Pavings	314,741	29,864	(44)	—	344,561
Parking meters and lot equipment	5,316	312	—	—	5,628
Reservoirs	9,304	665	—	—	9,969
Boiler plant equipment	632	3	—	—	635
Pumping equipment	8,336	196	—	—	8,532
Purification basins and equipment	14,014	839	—	—	14,853
Water mains, lines, and accessories	53,665	1,514	(86)	—	55,093
Motor vehicle equipment	6,295	391	(187)	—	6,499
Total accumulated depreciation	<u>807,626</u>	<u>54,883</u>	<u>(5,320)</u>	<u>—</u>	<u>857,189</u>
Total capital assets being depreciated, net	<u>1,060,228</u>	<u>(37,994)</u>	<u>(1,979)</u>	<u>28,372</u>	<u>1,048,627</u>
Business-type activities capital assets, net	<u>\$ 1,873,891</u>	<u>(11,899)</u>	<u>(8,084)</u>	<u>—</u>	<u>1,853,908</u>

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

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

Governmental activities:	
General government	\$ 6,356
Convention and tourism	4,374
Parks and recreation	4,401
Judicial	255
Streets	27,858
Public safety:	
Fire	2,186
Other	774
Health and welfare	378
Public service	400
General government - internal service fund	<u>14</u>
Total depreciation expense, governmental activities	<u>\$ 46,996</u>
Business-type activities:	
Airport	\$ 47,288
Water Division	4,991
Parking Division	<u>2,604</u>
Total depreciation expense, business-type activities	<u>\$ 54,883</u>

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b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 4,914	—	—	4,914
Total capital assets not being depreciated	<u>4,914</u>	<u>—</u>	<u>—</u>	<u>4,914</u>
Capital assets being depreciated:				
Leasehold improvements	3,000	2,140	—	5,140
Equipment	664	—	—	664
Parking facilities	18,990	—	—	18,990
Total capital assets being depreciated	<u>22,654</u>	<u>2,140</u>	<u>—</u>	<u>24,794</u>
Less accumulated depreciation for:				
Leasehold improvements	1,900	200	—	2,100
Equipment	662	1	—	663
Parking facilities	11,663	617	—	12,280
Total accumulated depreciation	<u>14,225</u>	<u>818</u>	<u>—</u>	<u>15,043</u>
Total capital assets being depreciated, net	<u>8,429</u>	<u>1,322</u>	<u>—</u>	<u>9,751</u>
SLDC capital assets, net	<u>\$ 13,343</u>	<u>1,322</u>	<u>—</u>	<u>14,665</u>

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c. Component Unit—SLPD

The following represents a summary in SLPD's capital assets for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,646	428	—	2,074
Construction in progress	328	2,498	—	2,826
Software in progress	—	31	—	31
Total capital assets not being depreciated	<u>1,974</u>	<u>2,957</u>	<u>—</u>	<u>4,931</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	40,564	819	—	41,383
Furniture, fixtures, and other equipment	5,985	184	(120)	6,049
Automotive equipment	12,790	1,125	(1,370)	12,545
Communications equipment	5,957	126	—	6,083
Computers and software	4,087	352	—	4,439
Internally generated computer software	—	342	—	342
Total capital assets being depreciated	<u>69,383</u>	<u>2,948</u>	<u>(1,490)</u>	<u>70,841</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(19,266)	(915)	—	(20,181)
Furniture, fixtures, and other equipment	(4,287)	(674)	120	(4,841)
Automotive equipment	(10,169)	(1,529)	1,344	(10,354)
Communications equipment	(4,165)	(324)	—	(4,489)
Computers and software	(3,445)	(435)	—	(3,880)
Internally generated computer software	—	(62)	—	(62)
Total accumulated depreciation	<u>(41,332)</u>	<u>(3,939)</u>	<u>1,464</u>	<u>(43,807)</u>
Total capital assets being depreciated, net	<u>28,051</u>	<u>(991)</u>	<u>(26)</u>	<u>27,034</u>
SLPD capital assets, net	<u>\$ 30,025</u>	<u>1,966</u>	<u>(26)</u>	<u>31,965</u>

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d. Component Unit—SWMDC

The following represents a summary in SWMDC's capital assets for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
<i>Capital assets being depreciated:</i>				
Infrastructure	\$ 9,799	405	—	10,204
Total capital assets being depreciated	9,799	405	—	10,204
<i>Less accumulated depreciation for:</i>				
Infrastructure	3,801	326	—	4,127
Total accumulated depreciation	3,801	326	—	4,127
SWMDC capital assets, net	\$ 5,998	79	—	6,077

8. COMPONENT UNIT—SLDC PROPERTY HELD FOR DEVELOPMENT

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC's financial statements based on management's intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. At June 30, 2011, SLDC has established a reserve for impairment of \$7,841 on its properties held for development.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 5,529	7	5,536
Capital projects fund	7,460	4,863	12,323
Grants fund	6,986	—	6,986
Other governmental funds	3,310	82	3,392
Internal service	772	—	772
Total governmental activities	\$ 24,057	4,952	29,009
Business-type activities:			
Airport	\$ 7,808	11,222	19,030
Water Division	1,463	—	1,463
Parking Division	215	—	215
Total business-type activities	\$ 9,486	11,222	20,708

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10. RETIREMENT PLANS

The City contributes to three 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) are single-employer plans. The Employees' Retirement System of the City of St. Louis (Employees' System) is a cost-sharing multiple-employer plan. However, due to the City's participation in the Employees' System being greater than 90% of the total participation of all employers, the disclosures provided for the Employees' System are those for a single-employer plan. Each system is administered by a separate board of trustees, who are partially appointed by City officials, plan participants, and the governor of the State (Police System only). For financial reporting purposes, these retirement systems are included as fiduciary pension trust funds of the City. Financial information for these funds has been included within the accompanying basic financial statements as of each System's fiscal year-end, which falls within the City's current fiscal year-end as follows:

<u>System</u>	<u>System Fiscal Year-end</u>
Firemen's	September 30, 2010
Police	September 30, 2010
Employees'	September 30, 2010

a. Firemen's Retirement System of St. Louis

1) 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.

The Firemen's System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service. The monthly allowance consists of 40% of the final two-year average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service over 25 years with a maximum pension of 75%. Unused accrued sick pay may increase the maximum pension beyond the 75% limitation. 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 Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP option is available to members of the Firemen's System who have achieved at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the DROP, the member will not receive credit for City contributions or credit for service. A member may

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participate in the DROP only once for any period up to five years. At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, is available to the member in a lump sum or in installments.

2) Funding Policy

Covered members contribute 8% of their salary to the Firemen's System, as mandated per the 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.

3) Funded Status

The funded status of the Firemen's System as of October 1, 2010, the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
October 1, 2010	\$ 407,028	\$ 439,352	\$ 32,324	92.6%	\$ 40,789	79.2%

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

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the Firemen's System for the year ended June 30, 2011 are as follows:

Annual required contribution	\$ (13,609)
Interest on net pension asset	2,561
Adjustment to annual required contribution	(2,879)
Annual pension cost	<u>(13,927)</u>
Contributions made	<u>17,855</u>
Increase in net pension asset	3,928
Net pension asset, beginning of year	<u>33,593</u>
Net pension asset, end of year	<u><u>\$ 37,521</u></u>

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The net pension asset of \$37,521 as of June 30, 2011 is reflected as a net pension asset within governmental activities in the government-wide financial statements.

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.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2011	\$ 13,927	128 %	\$ 37,521
2010	8,949	136	33,593
2009	12,923	58	30,348

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

Date of actuarial valuation	October 1, 2010
Actuarial cost method	Entry age-frozen liability method
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market
Inflation rate	3.5%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	4.0%, per year to retirement age
Projected postretirement benefit increases:	
Under age 60:	
20-24 service years	1.5%, per year
25-29 service years	2.25%, per year
30 or more service years	3.0%, per year
Over age 60	3% with a maximum of 25% in increases after age 60

5) Other

In fiscal year 2008, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying past unfunded actuarially determined annual contributions in connection with the three Retirement Systems. During fiscal year 2008, SLMFC issued Taxable Leasehold Revenue and Refunding Bonds Series 2007 and Taxable Public Safety Sales Tax Leasehold Revenue Bonds Series 2008A to fund the Firemen's System in the amounts of \$49,405 and \$12,800, respectively (see note 14).

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b. Police Retirement System of St. Louis

1) 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; 2020 Market Street, St. Louis, Missouri 63103.

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

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

2) 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. Upon leaving employment due to service retirement, death, or disability due to an accident in the actual performance of duty, the member's contributions are refunded. Members whose employment terminates prior to retirement are entitled to a lump-sum distribution of their contribution plus interest thereon.

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3) Funding Status

The funded status of the Police System as of October 1, 2010, the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
October 1, 2010	\$ 718,137	\$ 814,927	\$ 96,790	88.1%	\$ 71,095	136.1%

The aggregate actuarial cost method is used to determine the annual required contribution of the employer (ARC) for the Police System. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the plan.

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

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the Police System for the year ended June 30, 2011 are as follows:

Annual required contribution	\$ (17,476)
Interest on net pension asset	219
Adjustment to annual required contribution	(333)
Annual pension cost	<u>(17,590)</u>
Contributions made	<u>17,476</u>
Decrease in net pension asset	(114)
Net pension asset, beginning of year	2,827
Net pension asset, end of year	<u><u>\$ 2,713</u></u>

The net pension asset of \$2,713 is reflected as a net pension asset within governmental activities in the government-wide financial statements.

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
2011	\$ 17,590	99 %	\$ 2,713
2010	14,437	99	2,827
2009	10,508	99	2,946

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

Date of actuarial valuation	October 1, 2010
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarial accrued liabilities)
Asset valuation method	5-year smoothed average of market value
Inflation rate	3.00%, per year
Investment rate of return	7.75%, per year
Projected salary increases	3.50% - 7.00%, varying by age
Projected postretirement benefit increases	3.00% maximum per year, cumulative 30% cap

5) Other

In fiscal year 2008, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying past unfunded actuarially determined annual contributions in connection with the three Retirement Systems. During fiscal year 2008, SLMFC issued Taxable Leasehold Revenue and Refunding Bonds Series 2007 and Taxable Public Safety Sales Tax Leasehold Revenue Bonds Series 2008A to fund the Police's System in the amounts of \$29,587 and \$6,000, respectively (see note 14).

c. Employees Retirement System of the City of St. Louis

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

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

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10 year U.S. Treasury Bond yield as of September 30, for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. The Board of Trustees established the required employer contributions rate based on active member payroll of 10.92% effective July 1, 2009, and 10.95% of active member payroll effective July 1, 2008.

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

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3) Funded Status

The funded status of the Employees System for the actuarial valuation as of September 30, 2010 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
September 30, 2010	\$ 671,609	\$ 820,670	\$ 149,061	81.8%	\$ 232,452	64.1%

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

4) Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the Employees System for the year ended June 30, 2011 are as follows:

Annual required contribution	\$ (28,499)
Interest on net pension obligation	(2,581)
Adjustment to annual required contribution	<u>2,866</u>
Annual pension cost	(28,214)
Contributions made	<u>24,017</u>
Increase in net pension obligation	(4,197)
Net pension obligation, beginning of year	<u>(32,264)</u>
Net pension obligation, end of year	<u><u>\$ (36,461)</u></u>

The net pension obligation of \$(36,461) is reflected as a long-term liability within the accompanying basic financial statements as follows:

Governmental activities	\$ (29,436)
Business-type activities	(3,878)
Component unit—SLPD	<u>(3,147)</u>
	<u><u>\$ (36,461)</u></u>

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 28,214	85 %	\$ (36,461)
2010	25,813	89	(32,264)
2009	25,053	93	(29,425)

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

Date of actuarial valuation	October 1, 2010
Actuarial cost method	Projected unit credit method
Amortization method	Level dollar open amortization period
Remaining amortization period	30 years
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years, but no earlier than October 1, 2005. Initial unrecognized return is equal to the difference between the actual market return and expected market return, and is recognized over a five-year period. The actuarial asset value is further adjusted, if necessary, to be within 20% of the market value. The actuarial asset value was initialized at the market value as of October 1, 2005.
Inflation	3.125%
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.500% to 7.0174%
Cost of living adjustments	3.125% simple with a 25% lifetime cap

5) Other

In fiscal year 2008, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying past unfunded actuarially determined annual contributions in connection with the three Retirement Systems. During fiscal year 2008, SLMFC issued Taxable Leasehold Revenue and Refunding Bonds Series 2007 of which \$46,699 was used to fund the Employees' System. (see note 14).

d. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) is a defined contribution plan and became effective January 1, 1989. Required year-ended June 30, 2011 contributions of \$302, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2011,

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SLDC's current covered payroll was \$3,355 and total payroll amounted to \$3,546. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5½% 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 have completed at least six months of active service. The employees vest at a rate of 33% per annum with full vesting occurring after the end of their third year of service. The SLDC Plan does not hold any employer or related-party securities. All plan investments are self-directed by the respective plan participants, within the limitations of the plan.

11. COMPONENT UNIT—SLPD OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

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

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

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

SLPD has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the result of the most recent valuation. During fiscal year 2011, SLPD determined that the discount rate utilized in the July 1, 2009 actuarial valuation of 5% was too high based on current economic conditions, and therefore, SLPD recalculated the annual required contribution shown below based on a discount rate of 4%.

At July 1, 2009, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,518
Terminated plan members entitled to, but not yet receiving benefits	104
Active members	1,909
Total plan members	3,531

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Funding Policy

Contributions made to the SLPD's OPEB plan are established and may be amended by Board of Police Commissioners. For the year ended June 30, 2011, the SLPD contributed \$9,545, which was based upon pay-as-you-go financing requirements.

Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligation

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

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

Annual required contribution	\$	26,727
Interest on net OPEB obligation		1,824
Adjustment to annual required contribution		(2,637)
Annual OPEB cost		25,914
Contributions made		9,545
Increase in net OPEB obligation		16,369
Net OPEB obligation, beginning of year		45,609
Net OPEB obligation, end of year	\$	61,978

Historical trend information about SLPD's participation in the OPEB Plan is as follows:

Fiscal year	Annual OPEB cost (AOC)	Percentage of AOC contributed	Net OPEB obligation
2011	\$ 25,914	36.8%	\$ 61,978
2010	22,385	40.1	45,609
2009	23,760	33.3	32,262

Funding Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The July 1, 2009 actuarial valuation stated the actuarial accrual liability for benefits was \$243,709, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$95,706, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 254.6%. SLPD estimates the impact on the actuarial accrued liability from changing the discount rate from 5% to 4% is an increase of \$24,400.

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Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made throughout the future.

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

Actuarial Methods and Assumptions

The projection of future benefit payments for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, as amended for significant changes to the plan that would impact the valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after five-years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a 30-year amortization period. SLPD did not obtain an actuarial valuation as of July 1, 2010, but adjusted the discount rate to 4% for the calculation of the net OPEB obligation.

12. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City 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 basic financial statements.

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13. LONG-TERM LIABILITIES

a. Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2011:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds payable	\$ 46,300	—	(3,615)	42,685	3,730
Section 108 Loan Guarantee Assistance Programs	50,050	—	(3,300)	46,750	3,500
Federal Financing Bank advances	525	—	(525)	—	—
Tax increment financing bonds and notes payable	167,436	51,083	(17,765)	200,754	7,254
Master note purchase agreement	37	—	(4)	33	—
Loan agreement with Missouri Department of Natural Resources	320	—	(125)	195	128
Loan agreement with MTFC	3,779	—	(409)	3,370	426
Capital lease—rolling stock	10,819	11,150	(2,936)	19,033	3,645
Certificates of participation	8,530	—	(580)	7,950	595
Obligations with component unit	56,960	—	—	56,960	2,056
Leasehold revenue improvement and refunding bonds	553,264	11,940	(30,274)	534,930	30,567
Joint venture financing agreement	53,873	—	(3,781)	50,092	3,927
Unamortized discounts, premiums, and deferred amounts on refunding	(4,987)	89	(14)	(4,912)	—
Net pension obligation	25,123	4,313	—	29,436	—
Accrued compensated absences	27,814	12,953	(14,068)	26,699	13,870
Claims and judgments payable	22,636	17,683	(15,530)	24,789	13,021
Governmental activities long-term liabilities	<u>\$ 1,022,479</u>	<u>109,211</u>	<u>(92,926)</u>	<u>1,038,764</u>	<u>82,719</u>

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

In past fiscal years, the City has advance refunded various leasehold revenue improvement and refunding bonds and general obligation bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2011, \$21,750 of outstanding leasehold revenue improvement and refunding bonds and general obligation bonds are considered defeased.

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	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 905,405	29,535	(79,880)	855,060	19,985
Net pension obligation	1,790	—	(15)	1,775	—
Pension funding project	5,510	—	(83)	5,427	89
Other	651	—	(128)	523	—
Accrued compensated absences	5,979	3,946	(4,021)	5,904	3,946
Unamortized discounts, premiums, and deferred amounts on refunding	18,813	3,079	(2,914)	18,978	—
Due to the City of Bridgeton	3,500	—	(3,500)	—	—
Deferred lease revenues	6,594	—	(282)	6,312	—
Total Airport	<u>948,242</u>	<u>36,560</u>	<u>(90,823)</u>	<u>893,979</u>	<u>24,020</u>
Water Division:					
Revenue bonds payable	19,585	—	(3,585)	16,000	3,740
Customer deposits	1,851	—	(106)	1,745	—
Net pension obligation	1,471	1,653	(1,674)	1,450	—
Pension funding project	3,269	—	(98)	3,171	—
Other	133	27	(54)	106	—
Accrued compensated absences	3,431	26	(117)	3,340	1,666
Unamortized discounts and deferrals	(334)	—	321	(13)	—
Total Water Division	<u>29,406</u>	<u>1,706</u>	<u>(5,313)</u>	<u>25,799</u>	<u>5,406</u>
Parking Division:					
Revenue bonds payable	76,925	—	(2,033)	74,892	2,074
Net pension obligation	677	—	(4)	673	—
Pension funding project	887	—	(13)	874	—
Other	404	50	(212)	242	71
Accrued compensated absences	149	139	(149)	139	139
Unamortized discounts, premiums, and deferred amounts on refunding	(5,549)	—	307	(5,242)	—
Total Parking Division	<u>73,493</u>	<u>189</u>	<u>(2,104)</u>	<u>71,578</u>	<u>2,284</u>
Business-type activities long-term liabilities	<u>\$ 1,051,141</u>	<u>38,455</u>	<u>(98,240)</u>	991,356	31,710
Less amounts recorded in:					
Accrued salaries and other benefits				\$ (5,751)	(5,751)
Due to other governmental agencies				(71)	(71)
				<u>\$ 985,534</u>	<u>25,888</u>

b. General Obligation Bonds

On June 15, 2005, the City issued \$37,555 in General Obligation Refunding Bonds, Series 2005, with an average interest rate of 4.48% to refund \$37,710 in outstanding Series 1999 General Obligation Bonds with an average interest rate of 5.09%. The net proceeds of \$39,621 (after the addition of a \$2,645 premium and less a payment of \$550 in issuance costs and a \$29 discount), along with \$642 of

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City funds, were deposited with the Escrow Agent to be applied on June 16, 2005 to the redemption of the Series 1999 bonds.

In November 2006, the City issued \$13,000 General Obligation Bonds, Series 2006. The series consists of current interest serial bonds due 2008 through 2026 with rates ranging from 3.75% to 4.2%. The Series 2006 bonds were issued for the purpose of providing funds to (i) replace, improve, and maintain the City's radio system used by the Police Department, Fire Department, Emergency Medical Services, and other City departments; (ii) reconstruct, repair, and improve major streets, bridges, and the City's flood wall where federal funding is available and local funding is required. The City shall levy an ad valorem tax on all taxable, tangible property in the City, without limit as to rate or amount, for the payment of the principal of and interest on the Series 2006 bonds. The principal and interest on the Series 2006 bonds is guaranteed under a municipal bond new issue insurance policy issued by MBLA Insurance Corporation. Principal payments are made from other governmental funds.

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2012	\$ 3,730	1,940	5,670
2013	3,905	1,779	5,684
2014	4,090	1,590	5,680
2015	4,275	1,413	5,688
2016	4,485	1,210	5,695
2017 – 2021	16,795	2,865	19,660
2022 – 2026	5,405	701	6,106
	<u>\$ 42,685</u>	<u>11,498</u>	<u>54,183</u>

c. Section 108 Loan Guarantee Assistance Programs

During 2001, the City entered into contracts with the U.S. Department of Housing and Urban Development for Section 108 loan guarantee assistance for the following maximum amounts:

- \$50,000 for Downtown Convention Headquarters Hotel project
- \$20,000 for Darst-Webbe Housing Redevelopment project

During 2001, the City issued a note in the amount of \$50,000 for the Downtown Convention Headquarters Hotel project. Additionally, during 2001, the City received \$5,000 in an advance funding draw for the Darst-Webbe Housing Redevelopment project. The \$50,000 note is intended to spur redevelopment in the downtown area. The \$50,000 note is a 20-year note at a variable rate of interest. The \$5,000 received during 2001 was an advance funding draw note related to the \$20,000 Darst-Webbe Housing Redevelopment project. During 2002, the City finalized each of the loans at fixed rates ranging from 3.66% to 6.62%, and received the remaining \$15,000 draw for the Darst-Webbe Housing Redevelopment project. The Darst-Webbe note is a 20-year note with final payment due in fiscal 2021.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2012	\$ 3,500	2,855	6,355
2013	3,720	2,642	6,362
2014	3,950	2,410	6,360
2015	4,210	2,160	6,370
2016	4,460	1,891	6,351
2017 – 2021	26,910	4,623	31,533
	<u>\$ 46,750</u>	<u>16,581</u>	<u>63,331</u>

d. 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 semiannually 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 grants fund. 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 20 variable rate notes, due in July of each year, to be retired over the 20 years ending July 2016. Interest, payable semiannually 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 bear interest at rates ranging from 5.87% to 7.08%. During fiscal year 2011, the City elected to redeem the notes in full.

e. Tax Increment Financing Bond and Notes Payable

The City issues tax increment financing bonds and notes payable to developers in conjunction with various redevelopment projects throughout the City. These are special limited obligations of the City, payable solely from the payments in lieu of taxes and increased economic activity taxes generated by the redevelopment areas. No other City moneys are pledged to repay these bonds and notes and, should these financing sources be insufficient to repay the bonds and notes prior to their stated maturity dates, the City's obligation under the bonds and notes will cease. As of June 30, 2011, the City had \$200,754 in TIF bonds and notes payable outstanding, at interest rates ranging from 5.5% to 10.0%, payable in various installments through 2032. The City issued \$51,083 in TIF bonds and notes payable during fiscal year 2011.

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

Year(s) ending June 30:	TIF Bonds and Notes	
	Principal	Interest
2012	\$ 7,254	13,805
2013	7,743	13,316
2014	8,265	12,793
2015	8,824	12,234
2016	9,421	11,637
2017 – 2021	57,620	47,672
2022 – 2026	70,212	25,903
2027 – 2031	29,108	5,341
2032 – 2033	2,307	246
	\$ 200,754	142,947

f. Master Note Purchase Agreement

In February 2000, the SLMFC, the City, and the Federal National Mortgage Association (Fannie Mae) entered into a Master Note Purchase Agreement (Series 2000 Note) 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 homeowners as payment for the Fannie Mae \$1,250 loan. The SLMFC obligation is limited to the moneys in the various accounts established by the agreement including the note reserve account. A trustee holds the loan proceeds to be 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 matured on March 1, 2011 subject to prepayment based on the payment of the second loans to homeowners.

In November 2001, the SLMFC, the City, and Fannie Mae amended the Series 2000 Note. Under the amendment, Fannie Mae purchased a Series 2001 Note in the amount of \$460 from SLMFC. The amendment required the City to provide an additional deposit of \$130 into a Series 2001 Note reserve account, and required SLMFC to pledge all payments of principal and interest from the homeowners as payment for the Series 2001 Note. A portion of the proceeds of the Series 2001 Note, along with a portion of the Series 2000 Note reserve account, was used to prepay a portion of the Series 2000 Note in the amount of \$650. A portion of the Series 2001 Note provided additional funds for the CHIPS. The Series 2001 Note bears interest at the rate of 5.21% per annum and will mature on December 1, 2012, subject to prepayment based upon the payment of the second loans to homeowners. As of June 30, 2011, the balance of the note outstanding is \$33.

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g. Loan Agreement with Missouri Department of Natural Resources (DNR)

In December 2005, the City entered into another agreement with the Missouri DNR (pursuant to the Energy Efficiency Leverage Loan Program) for the amount of \$782 of which \$9 was loan origination fee and the remaining \$773 was the actual proceeds. The proceeds will be utilized for the purchase and installation of signal and walk lights throughout various locations in the City. The payments are due in semi-annual installments from 2007 to 2013 with an annual interest rate of 2.85%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2012	\$ 127	5	132
2013	68	1	69
	<u>\$ 195</u>	<u>6</u>	<u>201</u>

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

In October 2007, the City entered into a loan agreement with the MTFC in the amount of \$4,500 at an annual interest rate of 4.2%. The proceeds of the loan are to be used for the construction of a transportation center to consolidate urban buses, intercity buses, light rail, passenger rail, commercial space and parking at one location. Annual payments are \$567 which began January 2009 and will end January 2018.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2012	\$ 426	142	568
2013	444	124	568
2014	463	105	568
2015	482	85	567
2016	502	65	567
2017-2018	1,053	66	1,119
	<u>\$ 3,370</u>	<u>587</u>	<u>3,957</u>

i. Capital Lease—Rolling Stock

In June 2003, the City amended its capital lease agreement with Banc One Leasing Corporation to increase the capital lease by \$4,002 in order to finance the acquisition of additional rolling stock. This portion of the capital lease is due in annual installments from 2004 through 2018 with an annual interest rate of 4.78%.

In September 2006, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of \$6,014. The proceeds of the lease are to be used to purchase additional rolling

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stock. This portion of the capital lease is due in semi annual installments from 2007 through 2012 with an annual interest rate of 4.0534%.

In March 2008, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of \$653. The proceeds of the lease are to be used to purchase microwave communication system equipment. This portion of the capital lease is due in semi annual installments from 2008 through 2018 with an annual interest rate of 3.96%.

In December 2008, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of \$5,600. The proceeds of the lease are to be used to purchase rolling stock. This portion of the capital lease is due in semi annual installments from 2009 through 2014 with an annual interest rate of 4.97%.

In February 2010, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of \$705. The proceeds of the debt were used to buy additional rolling stock as well as pay off \$341 of the lease debt issued in February 2006 used for the 911 system.

In August 2010, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of \$11,150. The proceeds of the debt were used to buy additional rolling stock for the fire department and the street department as well as way finding signage.

Principal payments of \$2,936 were made on these lease agreements in fiscal year 2011. The following is a schedule of future minimum lease payments as of June 30, 2011.

Year(s) ending June 30:		
2012	\$	4,337
2013		3,645
2014		2,953
2015		2,407
2016		1,862
2017 – 2018		<u>6,512</u>
Total future minimum lease payments		21,716
Amount representing interest		<u>(2,683)</u>
Present value of net minimum lease payments	\$	<u><u>19,033</u></u>

Capital assets (equipment) of \$7,604 are recorded by the City on its statement of net assets in conjunction with these capital leases.

j. Certificates of Participation

The City has a master lease agreement with SLDC, whereby the City has leased Stadium East Redevelopment Project and related property and portions of the City Block 210 (the Kiel Premises) to SLDC.

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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 1997A and B bonds were issued by SLDC in September 1997, and the proceeds were used to retire SLDC's Station East Redevelopment Project Lease Revenue Bonds, Series 1990 and 1992.

On September 9, 2008, the SLMFC issued Lease Certificates of Participation Series 2008 in the amount of \$9,100. The Series 2008 Certificates were used to refund the LCRA's Kiel Site Lease Revenue Refunding Bonds, Series 1997A and Series 1997B, in the amount of \$9,205. The Series 2008 Certificates are due in installments through July 2021 and bear an interest rate ranging from 2.15% to 4.55%.

The obligation is recorded as a long-term liability. The City's payments are payable from the general fund.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation, which supports the Kiel Premises, as of June 30, 2011.

Year(s) ending June 30:		
2012	\$	896
2013		897
2014		891
2015		894
2016		895
2017 – 2021		4,522
2022		905
Total future minimum obligation payments		9,900
Amount representing interest		(1,950)
Present value of net minimum obligation payments	\$	7,950

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

k. Obligations with Component Unit

1) Convention Center – SLDC Series 2000 Bonds

The City is subject to a Third Supplemental and Restated Lease Purchase Agreement (the Agreement) between the City, SLMFC, and SLDC, whereby SLMFC leases the Convention Center to the City. In 2000, SLDC issued Series 2000 Compound Interest Leasehold Revenue Bonds (Series 2000 Bonds) in the amount of \$40,000 for the purpose of providing funding for the construction of a convention center hotel within the vicinity of the Convention Center. Under the Agreement, SLMFC has assigned its

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rights under the lease relative to the Series 2000 Bonds to SLDC. The City is required, beginning on July 15, 2011, to make lease payments to SLDC to fund the annual debt service payments for the Series 2000 Bonds. The City's obligation to make these lease payments to SLDC is subordinate to the City's obligation to meet the debt service requirements of the Series 2003 Convention Center Leasehold Revenue Bonds (see note 14).

The obligation with component unit is recorded as a long-term liability. The City's obligation is payable from the capital projects fund. The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2011.

Year(s) ending June 30:		
2012	\$	3,525
2013		2,700
2014		2,285
2015		—
2016		15,295
2017 – 2021		<u>76,475</u>
Total future minimum obligation payments		100,280
Amount representing interest		<u>(60,280)</u>
Present value of net minimum obligation payments	\$	<u><u>40,000</u></u>

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

2) 600 Washington Project – SLDC Series 2010 Bonds

On March 5, 2010, the Land Clearance for Redevelopment Authority (LCRA) issued \$16,960 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2010 (LCRA Series 2010 bonds) for the 600 Washington Project, a contractual obligation of the City. The original financing source for this redevelopment area project were Tax Increment Revenue Notes, Series 2007 (600 Washington Redevelopment Project- One City Center) in the amount of \$16,960 that were originally issued by the City in accordance with a 2007 Redevelopment Agreement. During 2010, the Tax Increment Revenue Notes were redeemed, through a Termination and Mutual Release Agreement, with proceeds received by the City from LCRA. The proceeds from the LCRA Series 2010 bonds will be used for the rehabilitation of and improvement to the redevelopment project located at 600 Washington. The LCRA Series 2010 bonds include \$2,030 in serial bonds, \$14,860 in term bonds and \$70 in capital appreciation bonds which bear interest rates ranging from 2.0% to 5.5%.

Concurrently with the execution and delivery of the Trust Indenture and the original issuance of the LCRA Series 2010 bonds, the SLDC, the City and the developer entered into a Financing Agreement.

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LCRA and the redevelopment project developer entered into a Master Lease Agreement, whereby the LCRA will lease the redevelopment property to the developer in exchange for an approximately \$18,000 lease payment upon execution of the Master Lease. The developer will fund this initial payment under the Master Lease to SLDC. In 2010, SLDC transferred these funds to the City for the City's payment and redemption of the outstanding Tax Increment Revenue Notes, simultaneously with the issuance of the LCRA Series 2010 bonds.

Year(s) ending June 30:		
2012	\$	891
2013		945
2014		949
2015		968
2016		996
2017 – 2021		5,326
2022 – 2026		6,022
2027 – 2031		6,906
2032 – 2036		7,901
2037 – 2040		6,522
		<hr/>
Total future minimum obligation payments		37,426
Amount representing interest		<u>(20,466)</u>
Present value of net minimum obligation payments	\$	<u><u>16,960</u></u>

14. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

a. Civil Courts

On June 1, 2003, the SLMFC issued \$23,400 in Leasehold Revenue Refunding Bonds (Series 2003A) with an average interest rate of 4.02% to advance refund \$22,480 of Series 1994 Bonds with an average interest rate of 6.08%.

On July 22, 2010, the SLMFC issued \$2,690 in Leasehold Revenue Refunding Bonds, (Series 2010) with an average interest rate of 3.5%. The current and advance refunding increased the total debt service payment of the Series 2003 payment by \$653 and results in an economic loss (difference between present value of old and new debt service payments) of \$136.

b. Convention Center

On April 15, 2003, the SLMFC issued \$118,575 in Leasehold Revenue Refunding Bonds (Convention Center Project) with an average interest rate of 4.67% to advance refund the current interest bonds portion of the Series 1993A Bonds with an average interest rate of 5.87%.

On May 26, 2005, the SLMFC issued Series 2005A and B Compound Interest Leasehold Revenue Bonds in the amount of \$44,997 for the purpose of providing funding for the construction of the Convention Center Hotel, in addition to making debt service payments for other ongoing projects, within the vicinity of the Convention Center. Principal payments plus compounded interest (4.66%)

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will be made July 15, 2021 through 2030. The final maturity amounts on bonds are \$54,050 and \$62,430 for the Series 2005A and 2005B, respectively.

On November 25, 2008, the SLMFC issued the Convention Center Capital Improvement Projects Leasehold Revenue Bonds Series 2008 in the amount of \$21,850. The proceeds of the Series 2008 Bonds were issued to fund certain capital improvements to the City of St. Louis Convention Center Property. The Series 2008 bonds principal payments commence fiscal year 2022 and bear an interest rate of 5.0% to 5.625%.

In July 2009, the SLMFC issued the Convention Center Compound Interest Leasehold Revenue Bonds, Series 2009A and the Current Interest Junior Lien Leasehold Revenue Bonds, Series 2009B in the amounts of \$7,762 and \$23,255, respectively. The proceeds of the Series 2009A and Series 2009B bonds are to be used for Convention Center projects and infrastructure. The principal payments commence in fiscal year 2022 and bear interest rates of 6.0% to 6.59%.

In March 2010, the SLMFC issued the Convention Center Compound Interest Leasehold Revenue Bonds, Series 2010A and the Compound Interest Leasehold Revenue Refunding Bonds, Series 2010B in the amounts of \$24,736 and \$8,518, respectively. The proceeds of the Series 2010A bonds are to be used for Convention Center projects. The principal payments for the Series 21010A commence in fiscal year 2032 and bear interest rates of 6.22% to 6.44%. The Series 2010B bonds refunded the Series 1993A Compound Interest bonds, which had an average interest rate of 4.331%.

c. Justice Center

On September 1, 2001, the SLMFC issued \$62,205 in City Justice Center Leasehold Revenue Refunding Bonds (Series 2001A bonds) with an average interest rate of 4.93% to advance refund \$58,115 of Series 1996A Bonds with an average interest rate of 5.93%.

On September 1, 2005, the SLMFC issued \$15,485 in Justice Center Leasehold Revenue Refunding Bonds, Series 2005 with an average interest rate of 4.56% to advance refund \$14,360 in Series 2000A Leasehold Revenue Bonds with an average interest rate of 6.09%.

On October 13, 2009, the SLMFC issued \$9,920 in City Justice Center Leasehold Revenue Refunding Bonds, Series 2009 with an average interest rate of 2.8% to advance refund \$10,835 of Series 1996B Bonds with an average interest rate of 5.4% and a cost savings of \$259. The net proceeds of \$9,751 (after the addition of a \$96 premium less a payment of \$265 in issuance costs) along with \$1,178 on hand in the Bond Fund were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Series 1996B Bonds maturing on February 15, 2010 and 2011, and to the redemption on February 15, 2012 of the remaining Series 1996B Bonds.

The principal amount of the bonds outstanding is recorded as a long-term liability of the City. The City's payments for debt service are payable from the capital projects fund.

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d. Forest Park

On December 1, 2004, the SLMFC issued \$16,400 in Leasehold Revenue Refunding Bonds (Series 2004) with an average interest rate of 4.23% to advance refund \$16,120 of outstanding Series 1997 Forest Park Leasehold Revenue Improvement Bonds with an average interest rate of 5.45%.

e. Carnahan Courthouse

On October 1, 2006, the SLMFC issued \$23,725 Leasehold Revenue Refunding Bonds, Series 2006A (Series 2006A) with an average interest rate of 4.23% to refund the \$21,750 Carnahan Courthouse Leasehold Revenue Bonds Series 2002A (Series 2002A) with an average interest rate of 5.37%.

The City's payments are secured by a pledge agreement between the City and the Series 2006A Bonds trustee. The City's payments are further insured by the AMBAC Assurance Corporation.

f. Abram Building

In June 2007, the SLMFC issued \$4,000 in Abram Building Leasehold Revenue Bonds Series 2007 with an interest rate of 4.15%. The proceeds of the bonds are being used to fund the cash portion needed to purchase the Abram Federal Building.

In June 2011, the SLMFC issued \$4,625 in 1520 Market Leasehold Revenue Bonds Series 2011A and \$4,625 in 1520 Market Leasehold Revenue Bonds Series 2011B with an average interest rate of 2.9%. The proceeds of the bonds were issued to fund various capital improvements to and equipment purchases for 1520 Market Street.

g. Recreation Sales Tax

On July 12, 2007, the SLMFC issued \$51,965 in Recreation Sales Tax Leasehold Revenue Bonds Series 2007 (Series 2007 Bonds). The purpose of the Series 2007 Bonds is to pay the costs of designing and construction two new recreational center facilities in the City and to renovate several existing recreational facilities. Interest is paid semi-annually on the bonds at the rate of 4% to 5%. The Series 2007 Bonds are subject to redemption, in whole on February 15, 2017 and any date thereafter or in part on February 15, 2017, and on any interest payment date thereafter at the option of the corporation. The Series 2007 Bonds maturing 2028, 2032, and 2037 (the term bonds) shall be subject to mandatory sinking fund redemption and payment prior to maturity on February 15, 2025, February 15, 2029, and February 15, 2033, respectively, and annually in the years thereafter.

In order to secure the Series 2007 bonds, a surety bond was purchased from Ambac. Events involving the credit exposure of certain monoline bond insurers resulted in Ambac's credit ratings from Moody's and S&P being reduced from Aaa/AAA to Baa1/AA, respectively. Due Ambac's downgrades, the surety policy failed to satisfy the Indenture requirements, which states the provider must be rated in one of the two highest rating categories. In April 2009, an Irrevocable Transferable Letter of Credit was issued by Northern Trust Company to satisfy the requirements of the Indenture. As of June 30, 2011, there were no outstanding borrowings under the letter of credit.

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h. Police Capital Improvement Sales Tax

On December 13, 2007, the SLMFC issued \$25,000 in Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007 (Police Series 2007 Bonds). A portion of the proceeds were used to pay for the cost of purchasing and installing equipment for a new interoperable communications system for the City. The communications property includes infrastructure equipment to be installed in the Police department communication's center and mobile radio units. The other portion of the proceeds will be used by the Police Board for facilities improvements including improvements to be made to the Police three area command stations.

Debt payments will be made from the Police Capital Improvement Sales Tax revenues. Interest is paid semi-annually on the bonds at the rate of 3.625% to 4.1%. The Police Series 2007 Bonds maturing on February 15, 2023, 2025, 2028, 2033, and 2037 are subject to mandatory redemption and payment prior to maturity pursuant to the sinking fund requirements.

i. Public Safety Sales Tax Pension Funding Project

On June 12, 2008, the SLMFC issued \$19,445 Taxable Public Safety Sales Tax Leasehold Revenue Bonds Series 2008A—Pension Funding Project (Series 2008A Bonds). The proceeds were used to complete the funding due to the Police and Firemen's Retirement Systems. Debt service will be paid by the Public Safety Sales Tax approved by the voters in February 2008. The Series 2008A Bonds include serial bonds in the principal amount of \$9,190 with interest rates ranging from 3.826% to 5.207% and are not subject to optional redemption prior to stated maturity. There are term bonds in the principal amount of \$10,255 with an interest rate of 5.857%. The bonds maturing in 2019 shall be subject to mandatory sinking fund redemption and payment prior to stated maturity pursuant to the mandatory redemption requirements of the Indenture on June 1, 2015.

j. Juvenile Detention Center

On June 12, 2008, the SLMFC issued \$25,555 Tax-Exempt Juvenile Detention Center Leasehold Revenue Bonds Series 2008B (Series 2008B Bonds). The proceeds will be used to fund the constructions, installation, rehabilitation, and improvements of the property know as the Juvenile Detention Center as well as improvements to other real property. The Series 2008A Bonds include serial bonds in the principal amount of \$8,170 with an interest rate of 4% and term bonds in the principal amount of \$17,385 with interest rates ranging from 4.25% to 4.5% The term bonds maturing in 2025, 2028, and 2038 shall be subject to mandatory sinking fund redemption and payment prior to stated maturity pursuant to the mandatory redemption requirements of the Indenture on June 1, 2023, June 1, 2026, and June 1, 2029, respectively.

k. Pension Funding Project 2007

The Police Retirement System and the Firemen's Retirement System filed two lawsuits in the Circuit Court of the City against the City seeking declaratory and injunctive relief and damages on the basis that the City was required to pay the entire certified amounts submitted by the Police System and the Firemen's System for their fiscal years 2004-2007. The Circuit Court granted summary judgment in favor of the Systems relative to the fiscal year 2004 suit and the City appealed the rulings. The

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Missouri Eastern District Court of Appeals transferred the cases to the Supreme Court of Missouri. On March 13, 2007, the Supreme Court affirmed the judgments of the Circuit Court.

In late May 2007, the Employees Retirement System delivered notice to the City of their intent to seek similar court judgments for the alleged shortfalls in the City's funding of the Employee System for fiscal year 2004 through 2007.

On September 27, 2007, in response to these cited actions, the SLMFC issued \$140,030 in Taxable Leasehold Revenue and Refunding Bonds Series 2007-Pension Funding Project (Pension Funding Project Bonds). Included in the financing was the refunding of the Firemen's System Series 1998 Bonds in the amount of \$8,430. The distributions of funds to the retirement systems were as follows:

Firemen's Retirement System	\$	49,405
Police Retirement System		29,587
Employees' Retirement System		<u>46,699</u>
	\$	<u><u>125,691</u></u>

The Pension Funding Project Bonds is a term bond bearing an interest rate of 6.5% due June 1, 2037. They are subject to pro rata mandatory sinking fund redemption and payment prior to stated maturity on June 1, 2011 and annually on June 1 in each of the years thereafter to and including June 1, 2036 at the redemption price of 100% of the principal amount so redeemed.

The long-term liability for the Employees' System portion of the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2011:

Governmental activities	\$	32,167
Business-type activities		9,526
Component unit—SLPD		<u>4,299</u>
	\$	<u><u>45,992</u></u>

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1. Principal and Interest Requirements

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

	<u>Civil Courts</u>		<u>Convention Center</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:				
2012	\$ 2,465	365	\$ 9,940	4,236
2013	2,580	246	11,310	3,700
2014	2,685	138	12,325	3,100
2015	2,690	47	16,038	3,771
2016	—	—	—	2,417
2017 – 2021	—	—	—	12,086
2022 – 2026	—	—	39,912	48,643
2027 – 2031	—	—	34,698	53,856
2032 – 2036	—	—	19,314	69,235
2037	—	—	28,677	26,914
	<u>\$ 10,420</u>	<u>796</u>	<u>\$ 172,214</u>	<u>227,958</u>

	<u>Justice Center</u>		<u>Forest Park</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:				
2012	\$ 11,140	3,408	\$ 865	508
2013	7,920	2,966	895	473
2014	8,340	2,545	930	443
2015	8,785	2,102	965	403
2016	9,240	1,645	1,010	360
2017 – 2021	25,555	2,190	5,780	1,069
2022	—	—	1,315	56
	<u>\$ 70,980</u>	<u>14,856</u>	<u>\$ 11,760</u>	<u>3,312</u>

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	Carnahan Courthouse		Abram Building (1520 Market Street)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:				
2012	\$ 170	968	\$ 709	371
2013	175	960	1,301	339
2014	1,235	954	1,294	297
2015	1,280	904	1,337	254
2016	1,330	853	1,381	209
2017 – 2021	7,490	3,423	5,815	450
2022 – 2026	9,140	1,770	—	—
2027	2,730	116	—	—
	<u>\$ 23,550</u>	<u>9,948</u>	<u>\$ 11,837</u>	<u>1,920</u>

	Recreation Sales Tax		Police Capital Improvement Sales Tax	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:				
2012	\$ 985	2,252	\$ 290	1,019
2013	1,025	2,212	300	1,008
2014	1,065	2,172	315	996
2015	1,110	2,129	325	983
2016	1,155	2,084	340	970
2017 – 2021	6,640	9,623	2,300	4,646
2022 – 2026	8,415	7,915	4,635	3,907
2027 – 2031	10,580	5,753	5,760	2,786
2032 – 2036	13,480	2,865	7,180	1,367
2037	3,110	155	1,635	73
	<u>\$ 47,565</u>	<u>37,160</u>	<u>\$ 23,080</u>	<u>17,755</u>

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	Public Safety Sales Tax Pension Funding Project 2008		Juvenile Detention Center	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:				
2012	\$ 1,575	851	\$ 500	1,046
2013	1,655	774	520	1,026
2014	1,735	692	540	1,006
2015	1,825	600	565	984
2016	1,930	494	585	961
2017 – 2021	6,500	775	3,300	4,436
2022 – 2026	—	—	4,025	3,709
2027 – 2031	—	—	4,990	2,743
2032 – 2036	—	—	6,215	1,515
2037 – 2038	—	—	2,895	197
	<u>\$ 15,220</u>	<u>4,186</u>	<u>\$ 24,135</u>	<u>17,623</u>

	Pension Funding Project	
	<u>Principal</u>	<u>Interest</u>
Year(s) ending June 30:		
2012	\$ 2,165	8,970
2013	2,305	8,829
2014	2,455	8,680
2015	2,615	8,520
2016	2,785	8,349
2017 – 2021	16,900	38,784
2022 – 2026	23,145	32,531
2027 – 2031	31,715	23,964
2032 – 2036	43,455	12,227
2037 – 2038	10,455	679
	<u>\$ 137,995</u>	<u>151,533</u>

Of the \$137,995 of outstanding Pension Funding Project Bonds Series 2007, \$124,170 is recorded within governmental activities, \$9,526 is recorded within business-type activities, and \$4,299 is recorded within the SLPD component unit.

15. JOINT VENTURE FINANCING AGREEMENT

- a. 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.

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b. Series C 2007 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).

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.

In May 2007, the Authority issued Convention and Sports Facility Project Refunding Bonds Series C 2007 (Series C 2007 Bonds) in the amount of \$49,585. The proceeds were issued for the purpose of (i) providing funds to refund all of the Authority's \$61,285 original principal amount of Series C 1997 Bonds, and (ii) for the City to make various project improvements to the Cervantes Convention Center in the amount of \$2,421.

The Authority entered into a Project Financing Construction and Operation Agreement (Financing Agreement) dated August 1, 1991 with the City, State, and County (collectively, the Sponsors) providing for the application of the proceeds of 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 was 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.

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At June 30, 2011, 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:

	<u>Principal</u>	<u>Interest</u>	<u>Preservation Payments</u>	<u>Total</u>
Year(s) ending June 30:				
2012	\$ 2,840	2,073	1,087	6,000
2013	2,990	1,920	1,090	6,000
2014	3,145	1,759	1,096	6,000
2015	3,315	1,590	1,095	6,000
2016	3,490	1,411	1,099	6,000
2017 – 2021	20,390	4,030	5,580	30,000
2022	4,740	125	(1,865)	3,000
	<u>\$ 40,910</u>	<u>12,908</u>	<u>9,182</u>	<u>63,000</u>

Series C Bonds' principal and the preservation payments are included in the City's basic financial statements as a long-term liability.

16. COMPONENT UNIT—LONG-TERM LIABILITIES

a. Component Unit – SLDC Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLDC for the year ended June 30, 2011:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due within One Year</u>
Due to other governmental agencies	\$ 10,251	1,765	(2,544)	9,472	2,185
Notes payable	16,621	5,218	(3,097)	18,742	11,595
Other liabilities	5,096	10,027	(8,301)	6,822	2,029
Revenue bonds	11,120	—	(430)	10,690	455
	<u>\$ 43,088</u>	<u>17,010</u>	<u>(14,372)</u>	<u>45,726</u>	<u>16,264</u>

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Maturities on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2012	\$ 11,595	220	11,815
2013	—	119	119
2014	2,148	119	2,267
2015	—	119	119
2016	—	119	119
2017 – 2020	5,000	417	5,417
	<u>\$ 18,743</u>	<u>1,113</u>	<u>19,856</u>

Revenue bonds outstanding at June 30, 2011 consist of LCRA Parking Facility Revenue Refunding Bonds Series 1999B (Series 1999B bonds), and Parking Facility Revenue Refunding and Improvement Bonds Series 1999C (Series 1999C bonds) (Bonds). Collectively, the Bonds are dated October 21, 1999.

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. These bonds carry rates of interest ranging from 6.5% to 7.0%.

The Series 1999C bonds with an original issue amount of \$3,040 are due September 1, 2024. Bond proceeds were to repay an LCRA note payable and construct a parking lot on property in the St. Louis Centre Development Area. 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. These bonds carry a rate of interest of 7.05%.

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Debt service requirements to maturity for SLDC revenue bonds are as follows:

Year(s) ending June 30:	<u>Series 1999B</u>		<u>Series 1999C</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 455	512	—	214
2013	485	481	—	214
2014	515	448	—	214
2015	545	412	—	214
2016	580	375	—	214
2017-2021	5,070	969	—	1,072
2022-2025	—	—	3,040	478
	<u>\$ 7,650</u>	<u>3,197</u>	<u>3,040</u>	<u>2,620</u>

b. Component Unit— SLPD Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLPD for the year ended June 30, 2011:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due within One Year</u>
Accrued banked overtime, vacation, and sick time leave	\$ 27,815	15,220	(16,752)	26,283	5,900
Workers' compensation	17,018	3,048	(3,183)	16,883	4,454
Net pension obligation	3,203	2,708	(2,764)	3,147	—
Pension obligation payable	4,362	—	(63)	4,299	67
Claims payable	—	271	—	271	271
Net OPEB obligation	45,609	25,914	(9,545)	61,978	9,380
	<u>\$ 98,007</u>	<u>47,161</u>	<u>(32,307)</u>	<u>112,861</u>	<u>20,072</u>

City of St. Louis, Missouri
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17. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2011 are summarized as follows:

Bond Series 1997, Series B, interest rate of 6.00%, payable in varying amounts through 2015	\$ 21,860
Bond Series 2001A, interest rates ranging from 4.60% to 5.00%, payable in varying amounts through 2012	7,060
Bond Series 2002, Series A, B, and C, interest rates ranging from 4.00% to 5.50%, payable in varying amounts through 2033	38,450
Bond Series 2003A, interest rates ranging from 3.75% to 5.25%, payable in varying amounts through 2019	51,210
Bond Series 2005, interest rate ranging from 4.00% to 5.50%, payable in varying amounts through 2032	263,695
Bond Series 2007A, interest rate ranging from 4.00% to 5.25%, payable in varying amounts through 2033	231,275
Bond Series 2007B, interest rate ranging of 5.00%, payable in varying amounts through 2028	104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.63%, payable in varying amounts through 2035	107,240
Bond Series 2011AB, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2016	<u>29,535</u>
	<u>855,060</u>
Less:	
Current maturities	(19,985)
Unamortized discounts and premiums	44,612
Deferred amounts on refunding	<u>(25,634)</u>
	<u>\$ 854,053</u>

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

On June 30, 2011, the Airport issued \$29,535 in Series 2011 A and B Revenue Refunding Bonds payable in varying amounts from 2013 through 2016 with interest rates ranging from 3.00% to 5.00%. The Series 2011 Bonds, along with other sources of funding totaling \$26,141, were used to advance refund the remaining outstanding bonds from the 1998 Series Revenue Refunding bonds totaling \$33,135 and the 2009A-2 Series Revenue bonds totaling \$16,775. The net proceeds of \$30,738 (after the addition of a net issue premium of \$1,408 and payment of \$205 in issuance costs) as well as the \$26,141 of other sources of the funding were deposited into the irrevocable trust with an escrow agent to provide for the refunded debt service payments. At June 30, 2011, \$33,135 of 1998 Series Revenue Refunding bonds and \$16,775 of 2009A-2 Series Revenue bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements.

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The Airport completed the advance refunding to reduce its total debt service payments over the next 25 years by \$6,569 and to obtain an economic gain (difference between the present value of the old and new debt services payments) of \$1,378.

The deferred amounts on refunding of \$25,634 at June 30, 2011 are included in revenues bonds payable within the accompanying balance sheet. The deferred amounts on refunding are amortized as a component of interest expense using the bonds outstanding method over the life of the new bonds or the old bonds, whichever is less.

As of June 30, 2011, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2012	\$ 19,985	41,501	61,486
2013	32,565	43,241	75,806
2014	36,390	41,693	78,083
2015	37,965	39,887	77,852
2016	40,305	37,890	78,195
2017 – 2021	197,595	157,676	355,271
2022 – 2026	201,895	105,852	307,747
2027 – 2031	210,895	50,920	261,815
2032 – 2035	77,465	6,095	83,560
	<u>\$ 855,060</u>	<u>524,755</u>	<u>1,379,815</u>

In prior years, the Airport advance refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2011, \$559,550 of outstanding revenue bonds are considered defeased.

b. Water Division

Water revenue bonds outstanding at June 30, 2011 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 1998 Water Revenue Bonds, 4.40% - 4.75%		
Payable in varying amounts through July 1, 2014	\$	16,000
Less:		
Current maturities		(3,740)
Unamortized discounts		(13)
	\$	<u>12,247</u>

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

	Principal	Interest	Total
Year ending June 30:			
2012	\$ 3,740	650	4,390
2013	3,905	480	4,385
2014	4,085	297	4,382
2015	4,270	102	4,372
	\$ 16,000	1,529	17,529

c. Parking Division

Revenue bonds outstanding at June 30, 2011 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds interest rates variable not to exceed 12% payable in varying amounts through 2028	\$	3,715
SLPCFC Series 2003B taxable revenue bonds interest rates variable not to exceed 5% payable in varying amounts through 2038		6,332
Series 2006 revenue bonds interest ranging from 3.75% to 5.14% payable in varying amounts through 2032		52,660
Series 2007 revenue bonds interest ranging from 4.125% to 6.00% payable in varying amounts through 2034		12,185
		74,892
Less:		
Current maturities		(2,074)
Unamortized discount, premium and deferred loss on refunding		(5,242)
	\$	67,576

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2012	\$ 2,074	3,442	5,516
2013	2,186	3,336	5,522
2014	2,298	3,224	5,522
2015	2,419	3,106	5,525
2016	2,584	2,992	5,576
2017 – 2021	14,742	13,152	27,894
2022 – 2026	17,707	9,454	27,161
2027 – 2031	21,644	5,007	26,651
2032 – 2036	8,398	786	9,184
2037 – 2038	840	62	902
	<u>\$ 74,892</u>	<u>44,561</u>	<u>119,453</u>

In prior years, the Parking Division advance refunded various revenue bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2011, \$17,640 of outstanding revenue bonds are considered defeased.

18. PLEDGED REVENUES

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

a. Governmental activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2026. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2011, the total principal and interest remaining to be paid on the debt is \$54,183. Principal and interest paid was \$5,671 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$6,453. During fiscal year 2011, the proportion of pledged revenues needed for debt service to revenues collected was 87.9%.

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The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS are to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2033. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2011, the total principal and interest remaining is \$390,105, which includes the Section 108 Loan for the Convention Center Hotel principal and interest outstanding because it is backed by TIF funds. Principal and interest paid was \$20,839 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$24,420. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 85.3%.

A \$45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a \$5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Civil Court and Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Civil Courts building and the Carnahan Courthouse, respectively. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2011, the total principal and interest remaining on these financings is \$44,714. Principal and interest paid was \$3,869 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$1,368. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. The purpose of the financings was to construct a new Justice Center. The term of commitment related to such pledged revenues extend to fiscal year 2020. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2011, total principal and interest remaining on the debt is \$85,836. Principal and interest paid was \$11,124 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$4,494. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds, whose purpose was to finance improvements to Forest Park. As legally committed by ordinance, 10.4% of the revenue collected from this sales tax is allocated for Forest Park. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2011, total principal and interest remaining on the debt is \$15,072. Principal and interest paid was \$1,368 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$1,740. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 78.6%.

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The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2011, total principal and interest remaining on the debt is \$84,725. Principal and interest paid was \$3,240 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$4,152. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 78.0%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2011, total principal and interest remaining on the debt is \$40,835. Principal and interest paid was \$1,310 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$1,671. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 78.4%.

The 3.5% sales tax imposed on the amount of sales or charges for all rooms paid by the transient guests of hotels and motels is pledged by the City to fund the Convention and Sports Facility Refunding Bonds Series C 2007, whose purpose was to construct a multipurpose convention and indoor sports facility. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2011, total principal and interest remaining on the debt is \$63,000. Principal and interest paid was \$6,000 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$6,417. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 93.5%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2011, total principal and interest outstanding on this portion of the debt is \$10,512. The pledged net revenue recognized for the year ended June 30, 2011 related to the collection of PILOTs and EATs was \$1,240. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Euclid-Buckingham parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022.

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Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2011, total principal and interest outstanding on this portion of the debt is \$9,626. The pledged net revenue recognized for the year ended June 30, 2011 related to the collection of PILOTs and EATs was \$281. During fiscal year 2011, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2006 and Series 2007 in parity with the Parking Division to make up any shortfall of other committed sources. The term of commitment related to such pledged revenues extend to fiscal year 2038. As of June 30, 2011, total principal and interest remaining on the debt is \$51,362. During fiscal year 2011, revenue from the police parking ticket revenues totaled \$1,421. During fiscal year 2011, \$248 of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment. See footnote 18(b).

b. Business-type activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$855,060 in various long-term debt issuances, as outlined in note 17. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2011, the total principal and interest remaining to be paid on the bonds is \$1,379,815. Principal and interest paid was \$76,912 for the year ended June 30, 2011. The pledged net revenue recognized for the year ended June 30, 2011 was \$73,412.

Water

The Water Division has pledged specific revenue streams to secure repayment of the Water Revenue Refunding Bonds (Series 1998 Bonds). The bonds were issued for the purpose of funding various Water Division infrastructures. As of June 30, 2011, the remaining principal and interest requirement is \$17,529, payable through July 2014 (fiscal year 2015). Fiscal year 2011 net revenues were \$55,252 so the proportion of pledged revenue to revenue collected is estimated at 7.9% at June 30, 2011.

Parking

The Parking Division has pledged net Parking Division project revenues and net Parking Division revenues to secure the repayment the City of St. Louis Parking Revenue Bonds, Series 2006 and 2007. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2011, the remaining principal and interest requirement is \$102,724, payable through fiscal year 2034. Fiscal year 2011 net revenues were \$5,410 so that the proportion of pledged revenues needed to revenues collected was 100% for fiscal year 2011.

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19. SHORT-TERM DEBT

a. City

The City issued \$65,000 of general fund Tax and Revenue Anticipation notes dated July 15, 2010 and redeemed June 1, 2011. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

In order to secure the Justice Center Series 2001, 2005, and 2009 bonds, a surety bond was purchased from Ambac. Events involving the credit exposure of certain monoline bond insurers resulted in Ambac's credit ratings from Moody's and S&P being reduced from Aaa/AAA to Baa1/AA, respectively. Due to Ambac's downgrades, the surety policy failed to satisfy the Indenture requirements which states the provider must be rated in one of the two highest rating categories. A Letter of Credit was issued in February 2009 from Bank of America, N.A. which satisfied the requirements of the Indenture until June 2009. In June 2009, a Promissory Note was issued by Bank of America, N.A. to satisfy the requirements of the Indenture until June 29, 2010 until further provisions would be made. Since the note was not expected to be paid with current financial resources, it did not represent a liability in the government funds, and the note was recorded as short-term debt within the government-wide financial statements. An extension of the promissory note was issued on June 29, 2010 allowing the financing to remain in place until July 15, 2010 when a Letter of Credit replaced the requirement.

Short-term debt activity for the year ended June 30, 2011 was as follows:

	Balance June 30, 2010	Issued	Redeemed	Balance June 30, 2011
Tax revenue anticipation notes	\$ —	65,000	(65,000)	—
Notes payable-Justice Center DSR	9,068	—	(9,068)	—
	<u>\$ 9,068</u>	<u>65,000</u>	<u>(74,068)</u>	<u>—</u>

20. OPERATING LEASES

- a. At June 30, 2011, the City was committed under miscellaneous operating leases for office space and equipment. Future minimum base rental payments under terms of the operating leases are as follows:

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Year(s) ending June 30:		
2012	\$	901
2013		427
2014		372
2015		329
2016		300
2017 – 2021		854
2022 – 2026		250
2027 – 2028		67
	\$	<u>3,500</u>

Rental and lease expenditures for the fiscal year 2011 totaled \$3,645.

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

Effective January 1, 2006, the Airport entered into long-term use and lease agreements with participating air carriers that expired on June 30, 2011. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

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

During fiscal year 2011, revenues from participating air carriers accounted for 57% 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.

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The following is a summary of aviation revenue by category and source from participating and non-participating air carriers for the year ended June 30, 2011:

	<u>Participating</u>	<u>Non- participating</u>	<u>Total</u>
Airfield	\$ 52,970	9,571	62,541
Terminal and concourses	16,518	1,754	18,272
Hangars and other buildings	832	56	888
Cargo buildings	720	183	903
	<u>\$ 71,040</u>	<u>11,564</u>	<u>82,604</u>

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

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

The Airport also leases facilities and land with varying renewal privileges to various non-participating 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 noncancelable operating leases, other than leases with participating airlines, pursuant to long-term use agreements:

Year(s) ending June 30:	
2012	\$ 19,866
2013	18,523
2014	17,187
2015	11,521
2016	5,397
2017 – 2021	21,482
2022 – 2026	8,183
2027 – 2031	8,183
2032 – 2036	3,624
Total minimum future rentals	<u>\$ 113,966</u>

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The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$3,347 for the year ended June 30, 2011.

Deferred lease revenue included in Airport long-term liabilities in the amount of \$6,312 represent the up front lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under noncancelable arrangements that expire at various dates through 2014. Expenses for operating leases and service agreements were \$107 for the year ended June 30, 2011. Future minimum payments are as follows:

Year ending June 30:		
2012	\$	72
2013		26
2014		14
2015		4
Total minimum future rentals	\$	<u>116</u>

c. Component Unit—SLDC

In December 1996, SLDC signed a five-year lease for office space, which commenced March 1997 with three months abated rent and thereafter, monthly base payments of \$38 through February 2002. In January 2001, SLDC signed an agreement to extend the lease for 15 years. The new agreement, which increased the base rent to \$47 and the leased space to 6,216 square feet, will end February 2017. SLDC also has sublease agreements with the Planning and Urban Design Development Agency (PDA) and CDA in effect through February 2017.

During the year ended June 30, 2011, SLDC terminated the above referenced lease agreement effective February 29, 2012 and signed a sub-lease agreement with the City that will commence March 1, 2012 until June 30, 2031 with rental payments of \$620 per year for the first 10 years and variable amounts for the remaining 10 years. The two entities (CDA and PDA) will continue to sublease from SLDC in the new location, but the amounts of the sublease income related to these new leases is unknown as of the audit report date.

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

Year(s) ending June 30:		
2012	\$	345
2013		620
2014		620
2015		620
2016		620
2017 – 2021		3,100
	\$	<u>5,925</u>

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Additionally, at June 30, 2011, SLDC was committed through February 2012 under an original 25-year operating lease with the City, which requires annual rental payments of \$1 (in dollars) for certain property. Under the lease agreement, SLDC shall make improvements to the leased premises and award subleases for all or a portion of the leased premises. Sublease revenue is retained by SLDC for use at the site.

21. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Capital projects fund	\$ 6,190
	Special revenue—Grants fund	12,929
	Other governmental nonmajor funds	619
	Enterprise:	
	Airport	1,820
	Water Division	1,291
	Parking Division	761
	Internal service funds	95
		<u>23,705</u>
		<u>23,705</u>
Other governmental nonmajor funds	General fund	2,004
	Capital projects fund	276
	Other governmental nonmajor funds	882
		<u>3,162</u>
	<u>3,162</u>	
Internal service funds	General fund	286
	Other governmental nonmajor funds	9
	Enterprise:	
	Airport	2,082
	Water Division	2,155
	Parking Division	391
	<u>4,923</u>	
	<u>4,923</u>	
	<u>\$ 31,790</u>	

All of these interfund balances are due to either timing differences or due to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2012.

Advances to/from other funds as of June 30, 2011 are as follows:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General fund	Internal Service Fund	\$ <u>19,025</u>

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22. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

		Transfer To					
		Other					
		General Fund	Capital Projects Fund	Govern- mental Funds	Parking Division	PFPC	Total
	General fund	\$ —	3,388	2,716	—	2,210	8,314
	Capital Projects fund	1,187	—	—	—	—	1,187
	Other Governmental						
Transfer	Funds	25,038	10,785	722	864	—	37,409
From							
	Parking	395	—	—	—	—	395
	Airport	6,079	—	—	—	—	6,079
	Water Division	3,157	—	—	—	—	3,157
		<u>\$ 35,856</u>	<u>14,173</u>	<u>3,438</u>	<u>864</u>	<u>2,210</u>	<u>56,541</u>

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

23. COMMITMENTS AND CONTINGENCIES

a. Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2011, 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, 2011, the City had outstanding commitments amounting to approximately \$54,767, resulting primarily from service agreements.

At June 30, 2011, the City had outstanding encumbrances of \$1,055 in the general fund, \$42,127 in the capital fund and \$4,623 in non major funds-other governmental funds. Additionally, at June 30, 2011, the Airport had outstanding commitments amounting to approximately \$45,501 resulting primarily from contracts for construction projects.

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c. American Airlines and Southwest Airlines

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

American provided 15% of the Airport's total operating revenues and 27% of total revenues from participating air carriers for the fiscal year ended June 30, 2011. Accounts receivable at June 30, 2011 contained \$(143) relating to amounts owed to the Airport by American. This amount included \$(555) of unbilled aviation revenues at June 30, 2011.

Southwest provided 24% of the Airport's total operating revenues and 41% of total revenues from participating air carriers for the fiscal year ended June 30, 2011. Accounts receivable at June 30, 2011 contained of \$(150) relating to amounts owed to the Airport by Southwest. This amount included \$(6) of unbilled aviation revenues at June 30, 2011.

d. 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. In addition, certain properties held for development may be subject to future environmental remediation costs. In the opinion of SLDC officials, these costs would not have a material adverse effect upon the financial position or the results of operations of SLDC.

SLDC has entered into various cooperative agreements with the Community Development Association as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to \$5,621 during the year ended June 30, 2011.

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

SLDC was required to create Community Development Entities (CDE) so as to demonstrate its mission of serving low-income residents and its accountability to the low income community. The NMTC program requires the credits to be transferred to the QALICB's by for-profit partnerships or corporations for federal tax purposes. To comply with this provision, SLDC created 40 subsidiary CDEs – St. Louis Market Tax Credit Fund, LLCI through XL with the intent that each NMTC to be allocated would be assigned its own CDE. The entire Round 2 and Round 6 allocations have been sub-allocated to projects as of June 30, 2011. Four of the Round 7 transactions have closed leaving just

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\$33.5 million in remaining credits from that allocation. The remaining \$54.5 million in credits either are in underwriting or are committed to high impact projects in the City.

e. Component Units—SLDC and SLPD

SLDC and SLPD 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 require compliance with terms and conditions specified in the contract and grant agreements and are subject to audit by the granting agencies. Any disallowed claims resulting from such audits could become an SLDC or SLPD liability. However, in the opinion of their respective management, any such disallowed claims will not have a material effect on the financial statements of SLDC or SLPD at June 30, 2011.

24. RISK MANAGEMENT

a. Primary Government

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

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of \$24,259 at June 30, 2011, relating to these matters is recorded in the self-insurance internal service fund—PFPC. The City obtains periodic funding valuations from a claims-servicing company managing the appropriate level of estimated claims liability. Enterprise funds reimburse PFPC on a cost-reimbursement basis.

The City is self-insured for the prescription drug coverage provided to employees and retirees. The estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of \$530 at June 30, 2011 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2011, the following claims were recorded/accrued within the noted funds because the claims are not accounted for within the PFPC internal service fund; Water in the amount of \$95 and General fund in the amount of \$740.

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The City maintains a blanket surety bond covering all City employees through PFPC. In addition, the City purchases commercial insurance for property damage for large City buildings and some contents. Damage and liability coverage is applicable to the Airport. There were no significant changes in coverage for the year ended June 30, 2011 and, for the years ended June 30, 2011 and 2010 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2011 and 2010 are as follows:

		Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2011	\$	22,636	17,683	(15,530)	24,789
2010		20,369	17,801	(15,534)	22,636

Additionally, there is an estimate of general liability claims outstanding of \$6,100 - \$8,904 which the City Counselor's office has determined there is a reasonable possibility that a loss contingency may be incurred but no accrual has been made within the government-wide financial statements or fund financial statements because the loss is not both probable and estimateable.

b. Component Unit—SLPD

SLPD 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. 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.

During fiscal year 2005, the Court of Appeals for the State of Missouri affirmed that under Missouri State Statutes, Chapter 84, the SLPD is an agency of the state. As an agency of the state, the SLPD was covered by the State of Missouri's legal expense fund for most general liability and various other claims and legal actions occurring prior to August 28, 2005. On August 28, 2005, Missouri legislations became effective modifying the coverage provided to the SLPD by the State of Missouri for general liability and various other claims and legal actions. State of Missouri Bill No. 420 provides that the State of Missouri is liable annually for funding general liability claims on an equal share basis per claim with the Public Facilities Protection Corporation (PFPC), an internal service fund of the City, up to a maximum of \$1,000. The SLPD is covered by PFPC for most self-insured risks, including general liability and various other claims and legal actions, exceeding the limitations set forth by the enacted legislation. Accounting for and funding of these self-insured risks is generally covered by the City.

At June 30, 2011, \$480 to \$630 of claims with a reasonable possibility of adverse outcome was not covered by PFPC. No amounts have been accrued within the accompanying financial statements for these claims.

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SLPD has established a risk management program and retains the risk related to workers' compensation. At June 30, 2011, these liabilities amounted to \$16,883 for workers' compensation. Of SLPD's total workers' compensation liability, \$4,275 has been accrued for benefits to be paid for long-term medical care for an officer seriously injured in the line of duty. Benefit payments for this case amounted to approximately \$349 for the year ended June 30, 2011.

Changes in the balances of claims payable and workers' compensation claims liabilities during fiscal years ended June 30, 2011 and 2010 were as follows:

	<u>Beginning of Year</u>	<u>Incurred Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year</u>
Claims payable:				
2011	\$ —	271	—	271
2010	2,100	—	(2,100)	—
Workers' compensation claims:				
2011	\$ 17,018	3,048	(3,183)	16,883
2010	16,987	3,106	(3,075)	17,018

The SLPD obtains periodic funding valuations from a third-party administrator who manages workers' compensation claims to maintain the appropriate level of estimated claims liability. The SLPD also purchases excess liability coverage for workers' compensation claims.

25. GRANT LOAN PROGRAMS

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

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

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26. COMPONENT UNIT—SLDC CONDUIT DEBT

SLDC facilitates the issuance of tax-exempt bonds for various private enterprises and government agencies. After the bonds are sold, the proceeds are typically used to purchase real estate or fund capital improvements for the respective organization. These organizations enter into lease agreements with SLDC that are, in substance, sales of the related properties or improvements. SLDC assigns these leases to various trusts that collect the 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. The amount of tax-exempt bonds outstanding at June 30, 2011 could not be determined; however, the original issue amounts totaled approximately \$2.5 billion (in dollars).

27. TRANSPORTATION DEVELOPMENT DISTRICT

In August 2003, the City and a hotel developer entered into an agreement for the creation of a transportation development district (TDD). The TDD is a separate political subdivision of the State. Its boundaries coincide with the property upon which the hotel developer is constructing a new 206-room hotel and 415-car garage. During 2005, the TDD issued \$6,350 in TDD obligations to finance this construction. The TDD has the authority to levy a 1% sales tax within the district in order to repay this debt, which the City collects on behalf of the TDD and remits to the TDD. Since the TDD obligations were issued in the name of the TDD, and the 1% sales tax that will finance these obligations is levied under the authority of the TDD, these TDD obligations are not recorded as a liability within the accompanying financial statements. Additionally, the City has agreed to pledge 75% of the City tax revenues generated within the district to the TDD in exchange for the TDD's pledge to leave at least 200 of the spaces in the parking garage available for public use.

On October 13, 2006, the City and the Southtown TDD entered into an Intergovernmental Cooperation Agreement in which the district has pledged an annual appropriation of the TDD Revenue to pay debt service on the portion of the TIF bonds related to the transportation projects. TDD revenues cannot exceed 13.7295% of the debt service requirements.

On April 5, 2007, the City and the Highlands TDD entered into an Intergovernmental Cooperation Access and Parking Agreement in which the district has pledged an annual appropriation of the TDD Revenues to pay TDD notes. A TDD Revenue Note Series 2007B was issued in the amount of \$605 at an interest rate of 6%. Since the TDD obligations were issued in the name of the TDD, and the 1% sales tax which will finance these obligations is levied under the authority of the TDD, these TDD obligations are not recorded as a liability within the accompanying financial statements.

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28. FUND BALANCE

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Grant Funds</u>	<u>Other Governmental Fund</u>	<u>Total</u>
Nonspendable:					
Health and welfare	\$ —	—	—	10	10
Parks and recreation	—	—	—	1	1
Total Nonspendable	<u>—</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>11</u>
Restricted:					
Redevelopment	—	—	—	30,211	30,211
Streets and bridges	—	4,768	—	44	4,812
Public safety	—	10,599	—	1,772	12,371
Parks and recreation	—	17,889	—	1,918	19,807
Convention and tourism	—	30,652	—	—	30,652
Transportation	—	—	—	5,595	5,595
Debt service	16,723	1,373	—	8,265	26,361
Other	—	15,184	—	2,832	18,016
Total Restricted	<u>16,723</u>	<u>80,465</u>	<u>—</u>	<u>50,637</u>	<u>147,825</u>
Committed:					
Health and welfare	—	—	—	13,104	13,104
Streets and bridges	—	3,634	—	1,915	5,549
Public safety	—	1,013	—	3,847	4,860
Parks and recreation	—	6,223	—	1,047	7,270
Convention and tourism	—	—	—	2,671	2,671
Debt service	1,141	—	—	—	1,141
Payroll reserve	5,754	—	—	—	5,754
Other	—	18,771	—	2,453	21,224
Total Committed	<u>6,895</u>	<u>29,641</u>	<u>—</u>	<u>25,037</u>	<u>61,573</u>
Assigned:					
Redevelopment	—	—	—	1,082	1,082
Health and welfare	—	—	—	36	36
Streets and bridges	—	—	—	101	101
Parks and recreation	—	—	—	171	171
Convention and tourism	—	—	—	38	38
Other	1,055	—	—	1,772	2,827
Total Assigned	<u>1,055</u>	<u>—</u>	<u>—</u>	<u>3,200</u>	<u>4,255</u>
Unassigned	<u>24,675</u>	<u>(20,976)</u>	<u>(62)</u>	<u>(5,714)</u>	<u>(2,077)</u>
Total Fund Balance	<u>\$ 49,348</u>	<u>89,130</u>	<u>(62)</u>	<u>73,171</u>	<u>211,587</u>

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29. EXTRAORDINARY ITEM – NATURAL DISASTER

On April 22, 2011, the Airport sustained a direct hit on Concourse C, in Terminal 1, from an F-4 Tornado. There was also additional damage to other areas of Terminal 1 as well as the parking lots and surrounding areas of the Airport. As of June 30, 2011, work is continuing on the rebuild of Concourse C, which is scheduled to open to the public at the beginning of April 2012. As of June 30, 2011, the roof has been replaced and the windows in the ticket hall of Terminal 1 have also been replaced. Representatives for Lexington Insurance Company and the Airport continue to work together to approve and process claims. In addition, the Federal Emergency Management Agency (FEMA) has approved a reimbursement of 75% of the Airport's \$100 insurance deductible.

Lexington Insurance Company advanced the Airport \$15,000 to cover storm related renovation expenses as of June 30, 2011. As of June 30, 2011, the \$15,000 was used to cover \$587 of operating expenses (payroll, supplies and contract services) and \$1,449 of business interruption loss revenues (landing fees, concessions, parking, rental cars and terminal rentals). In addition, the Airport estimates that another \$10,000 will be received upon settlement of the final claim. The damage resulting from the natural disaster resulted in a net reduction of capital assets of \$1,914. As a result, as of June 30, 2011, the \$23,086 net estimated insurance recoveries were recorded as an extraordinary item on the Statement of Revenues, Expenses, and Changes in Fund Net Assets. In addition, an insurance recovery receivable was recorded on the Statement of Fund Net Assets in the amount of \$10,000, which represents the additional amount estimated to be received from the insurance company.

30. FUTURE ACCOUNTING PRONOUNCEMENTS

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses service concession arrangements, which are a type of public-private partnership. The City is required to implement this Statement beginning with the year ending June 30, 2013.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial report entity display and disclosure requirements. The City is required to implement this Statement beginning with the year ending June 30, 2013.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financials Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The City is required to implement this Statement beginning with the year ending June 30, 2013.

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In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The City is required to implement this Statement beginning with the year ending June 30, 2013.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. The objective of this Statement is to improve financial reporting for state and local governments by clarifying whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The City is required to implement this Statement beginning with the year ending June 30, 2012.

31. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 7, 2011, the City issued \$70,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 29, 2012 and bear interest at a rate of 2.00% per year.

b. Tax Increment Revenue Notes

Subsequent to June 30, 2011, the City issued tax increment revenue notes totaling \$13,760 with interest rates ranging from 7.0% to 8.02%.

c. HUD Section 108 refunding

In July 2011 the HUD Section 108 notes were defeased in order to take advantage of a call on the notes. The defeasance were replaced with variable rate notes. This was done in anticipation of HUD holding a new Section 108 public offering in November, allowing the City to secure a lower fixed rate. The offering took place in November and the City was able to secure a low, fixed rate through the life of the note. The HUD notes will mature on August 1, 2020 and bear interest rates ranging from 0.35% to 2.45%.

d. Justice Center Refunding

In November 2011, the SLMFC issued \$49,825 in Series 2011 City Justice Center Leasehold Revenue Refunding Bonds. The bonds were issued to refund the Series 2001A City Justice Center Leasehold Revenue Refunding Bonds. The Series 2011 bonds mature on February 15, 2019 and bear interest rates ranging from 1.5% to 5.0%.

e. New Airport Use and Lease Agreement

A new Airport Use & Lease Agreement (AUA) was effective July 1, 2011 for the eleven signatory air carriers that signed. The main highlight of the agreement is giving the Airport financial stability for the next five years, which is the term of the AUA. Other major highlights include (1) Hybrid Rate

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2011
(dollars in thousands)

Methodology of Residual-Compensatory but "Quasi" Residual for the entire rate methodology; (2) Higher terminal rental rates; (3) Non-signatory airlines are paying a 25% landing fee premium; (4) Additional costs are spread over the airfield as well as the terminals; and (5) a new rate mitigation program for the airlines.

f. Water Refunding

In September 2011, pursuant to authority granted in Ordinance 68947, the City authorized the issuance of water revenue refunding bonds in the amount of \$11,480 at an interest rate of 1.5%. The Series 1998 Water Revenue Refunding Bonds were redeemed October 31, 2011.

g. SLPD Local Control

House Bill 71 that would have passed control of the SLPD from the Board of Police Commissioners to the City failed during the regular session of the 96th General Assembly of the State of Missouri on May 13, 2011. On September 6, 2011, a special session began, which ran through October 21, 2011. During this special session, the local control measure was again introduced and again failed. However, a local control measure will be offered as a proposition for the November 2012 general election. There is an expectation that this proposition will pass as it has the support of the St. Louis Police Officers' Association, the political leadership of the City, and a group called A Safer Missouri, which is funding the ballot initiative. This ballot measure would pass local control to the City as soon as July 1, 2013.

City of St. Louis, Missouri
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General Fund
 UNAUDITED
 For the year ended June 30, 2011
 (dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive Negative
REVENUES				
Taxes:				
Gross receipts	\$ 6,913	6,913	6,733	(180)
City earnings	137,510	137,510	141,558	4,048
Franchise	53,811	53,811	57,392	3,581
Sales	45,188	45,188	45,999	811
Property	53,258	53,258	53,883	625
Payroll	34,096	34,096	33,709	(387)
Motor vehicle	2,856	2,856	2,913	57
Other	476	476	479	3
Total taxes	<u>334,108</u>	<u>334,108</u>	<u>342,666</u>	<u>8,558</u>
Licenses and permits:				
Graduated business	7,016	7,016	6,445	(571)
Cigarette	1,575	1,575	1,505	(70)
Building division	6,067	6,067	4,893	(1,174)
Communication transmission	1,370	1,370	1,395	25
Liquor	468	468	473	5
Other	809	809	635	(174)
Motor vehicle	1,370	1,370	1,390	20
Total licenses and permits	<u>18,675</u>	<u>18,675</u>	<u>16,736</u>	<u>(1,939)</u>
Intergovernmental:				
Motor Fuel Tax Allocation	9,580	9,580	9,743	163
Juvenile detention center	2,176	2,176	2,103	(73)
Public safety	5,775	5,775	6,229	454
Other intergovernmental	488	488	411	(77)
Total intergovernmental	<u>18,019</u>	<u>18,019</u>	<u>18,486</u>	<u>467</u>
Charges for services:				
Parks and recreation	839	839	272	(567)
Streets	14,135	14,135	14,549	414
Public safety	8,851	8,851	5,810	(3,041)
Health	1,341	1,341	1,124	(217)
Fee offices	4,538	4,538	3,972	(566)
Other	23	23	32	9
Services provided to other funds	3,921	3,921	4,816	895
Total charges for services	<u>33,648</u>	<u>33,648</u>	<u>30,575</u>	<u>(3,073)</u>
Court fines and forfeitures	9,671	9,671	7,506	(2,165)
Interest	197	197	173	(24)
Miscellaneous	3,176	3,176	3,658	482
Total revenues	<u>417,494</u>	<u>417,494</u>	<u>419,800</u>	<u>2,306</u>
EXPENDITURES	<u>315,337</u>	<u>317,207</u>	<u>314,415</u>	<u>2,792</u>
Excess of revenues over expenditures	102,157	100,287	105,385	5,098
Other financing sources (uses):				
Transfers in	33,709	33,709	33,093	(616)
Transfers to component units	(134,674)	(134,674)	(125,946)	8,728
Transfers out	(6,590)	(4,721)	(6,943)	(2,222)
Total other financing sources (uses), net	<u>(107,555)</u>	<u>(105,686)</u>	<u>(99,796)</u>	<u>5,890</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (5,398)</u>	<u>(5,399)</u>	<u>5,589</u>	<u>10,988</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Schedule of Expenditures -
 Budget and Actual - General Fund
 UNAUDITED
 For the year ended June 30, 2011
 (dollars in thousands)

		Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
				Personal Services	Other Expenditures	Total Expenditures	
General government:							
110	Board of Aldermen	\$ 2,668	2,662	2,404	167	2,571	91
120	Mayor's Office	1,769	1,769	1,328	439	1,487	282
123	Department of Personnel	2,766	2,766	2,495	271	2,652	114
124	Registrar	167	167	156	11	161	6
126	Civil Rights Enforcement Agency	307	307	285	21	306	1
127	Information Technology Service Agency	5,436	5,436	3,154	2,282	5,012	424
137	Division of the Budget	431	431	360	71	393	38
139	City Counselor	5,383	5,270	2,934	2,336	5,130	140
141	Planning and Urban Design	117	117	114	3	114	3
160	Comptroller	7,653	7,653	4,164	3,489	7,439	214
162	Municipal Garage	316	316	297	19	311	5
163	Microfilm Section	325	325	256	69	306	19
170	Supply Commissioner	647	647	635	12	646	1
171	Multigraph Section	873	919	584	335	870	49
330	Tax Equalization Board	12	12	8	4	8	4
333	Recorder of Deeds	2,583	2,583	2,348	235	2,545	38
334	Election and Registration	3,187	3,187	1,971	1,216	2,925	262
340	Treasurer	698	698	638	60	654	44
	Prior year encumbrance	572	572	-	39	39	533
	Sub total general government	35,910	35,837	24,131	11,706	33,569	2,268
190	City-Wide Accounts	7,100	7,053	5,526	1,527	7,959	(906)
	Prior year encumbrance	-	-	-	-	-	-
	Sub total city-wide accounts	7,100	7,053	5,526	1,527	7,959	(906)
	Total general government	43,010	42,890	29,657	13,233	41,528	1,362
Convention and tourism:							
930	Soldier's Memorial Building	145	145	100	44	144	1
	Total convention and tourism	145	145	100	44	144	1
Parks and recreation:							
210	Director of Parks, Recreation and Forestry	478	487	446	41	479	8
213	Division of Recreation	1,554	1,554	1,361	193	1,465	89
214	Division of Forestry	7,010	7,010	6,456	554	6,951	59
220	Division of Parks	7,661	7,661	7,170	491	7,534	127
225	Soulard Market	226	217	109	108	170	47
250	Tower Grove Park	694	694	-	694	694	-
	Total parks and recreation	17,623	17,623	15,542	2,081	17,293	330
(continued)							
Judicial:							

Schedule 1, Continued

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures	Total Expenditures	
310 Circuit Court (Circuit Judges)	\$ 946	946	149	713	862	84
311 Circuit Court (General)	7,173	7,123	4,140	2,504	6,644	479
312 Circuit Attorney	6,572	6,572	6,087	420	6,507	65
313 Board of Jury Supervisors	1,445	1,495	471	900	1,371	124
314 Probate Court	57	57	-	36	36	21
315 Sheriff	8,761	8,761	8,241	222	8,463	298
316 City Courts	2,638	2,638	1,952	594	2,546	92
317 City Marshal	1,363	1,363	1,187	24	1,211	152
320 Probation Department and Juvenile Detention Center	16,622	16,622	14,502	1,496	15,998	624
Prior year encumbrance	177	177	-	162	162	15
Total judicial	45,754	45,754	36,729	7,071	43,800	1,954
Streets:						
510 Director of Streets	869	919	868	20	888	31
511 Transportation and Traffic Division	8,231	8,382	4,700	3,721	8,421	(39)
513 Auto Towing and Storage	1,498	1,498	1,376	131	1,507	(9)
514 Street Division	6,074	5,873	4,369	1,047	5,416	457
516 Refuse Division	16,495	16,455	6,762	9,041	15,803	652
Total streets	33,167	33,127	18,075	13,960	32,035	1,092
Public safety - fire:						
611 Fire Department Operations	49,603	49,603	49,835	1,966	51,801	(2,198)
612 Firemen's Retirement System	16,069	16,069	16,069	-	16,069	-
Total public safety - fire	65,672	65,672	65,904	1,966	67,870	(2,198)
Public safety - other:						
610 Director of Public Safety	644	644	620	13	633	11
614 Office of Special Events	163	163	163	-	163	-
616 Excise Commissioner	405	405	379	15	394	11
620 Building Commissioner	7,099	7,287	6,880	366	7,246	41
622 Neighborhood Stabilization	2,448	2,448	2,218	119	2,337	111
625 City Emergency Management Agency	275	275	203	11	214	61

(continued)

City of St. Louis, Missouri
 Schedule of Expenditures -
 Budget and Actual - General Fund
 UNAUDITED
 For the year ended June 30, 2011
 (dollars in thousands)

	Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures	Total Expenditures	
632 Medium Security Institution	\$ 15,226	15,002	10,131	4,629	14,760	242
633 City Jail	17,384	17,609	12,537	5,194	17,731	(122)
651 Police Retirement System	15,417	15,417	15,399	-	15,399	18
Total public safety-other	59,061	59,250	48,530	10,347	58,877	373
Health and welfare:						
335 Medical Examiner	1,823	1,823	784	975	1,759	64
800 Director of Human Services	1,266	1,266	1,059	76	1,135	131
Total health and welfare	3,089	3,089	1,843	1,051	2,894	195
Public services:						
900 President's Office, Board of Public Services	2,441	2,441	2,138	123	2,261	180
903 Building Operations	10,018	9,722	2,400	6,789	9,189	533
910 Equipment Services Division	11,122	11,418	3,936	8,538	12,474	(1,056)
Total public services	23,581	23,581	8,474	15,450	23,924	(343)
Debt service:						
Principal	18,803	18,803	-	18,803	18,803	-
Interest and fiscal charges	5,432	7,273	-	7,247	7,247	26
Total debt service	24,235	26,076	-	26,050	26,050	26
Total expenditures	\$ 315,337	317,207	224,854	89,561	314,415	2,792

See accompanying independent auditors' report.

Schedule 1, Continued

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund – UNAUDITED
For the Year ended June 30, 2011
(Dollars in thousands)

1. EXPLANATION OF BUDGETARY PROCESS

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

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

- 1) On or before 60 days prior to the start of each fiscal year, the Budget Director submits to the Board of Estimate and Apportionment (E&A), which consists of the Mayor, the Comptroller, and the President of the Board of Aldermen, for approval and submission to the Board of Aldermen (Board), a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them at the sub-fund level. A public hearing is held by E&A in order to afford citizens an opportunity to be heard on the proposed budget. The Board may reduce any item, except amounts fixed by state statute or for the payment of principal or interest of the City debt or for meeting any ordinance obligations, but may not increase such amount nor insert new items. Expenditures may not legally exceed appropriations at the fund level; however, supplemental appropriations may be made by the Board.
- 2) The annual operating budgets are adopted by the affirmative vote of a majority of the members of the Board and approval by the Mayor on or before the last day of the preceding budget year. In the event the Board has not acted upon the proposed budget ordinance by this time, the budgets, as recommended by E&A or in its absence, the submission by the Budget Director, shall be considered to be adopted and approved by the Board.
- 3) During the year, 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.
- 5) At the end of each budget period, all unencumbered appropriated balances lapse, with the exception of appropriations for capital improvements that lapse upon completion of the related capital improvement project.

Schedule 2, Continued

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund – UNAUDITED (continued)
For the year ended June 30, 2011
(Dollars in thousands)

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

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

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

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

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

Budget basis	\$ 5,589
Increase (decrease) due to:	
Revenue accruals	2,866
Expenditure accruals	(325)
Unbudgeted activities and funds	<u>(12,759)</u>
GAAP basis	<u>\$ (4,629)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information –
 UNAUDITED
 June 30, 2011

(dollars in thousands)

Firemen's Retirement System of St. Louis

The following required supplementary information relates to the Firemen's Retirement System of St. Louis defined benefit pension plan:

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
10/1/10	\$ 407,028	\$ 439,352	\$ 32,324	92.6%	\$ 40,789	79.2%
10/1/09	449,655	487,313	37,657	92.3%	42,052	89.5%
10/1/08	485,139	523,036	37,897	92.8%	41,649	91.0%

Police's Retirement System of St. Louis

The following required supplementary information relates to the Police's Retirement System of St. Louis defined benefit pension plan:

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
10/1/10	\$ 718,137	\$ 814,927	\$ 96,790	88.1%	\$ 71,095	136.1%
10/1/09	727,139	799,587	72,448	90.9%	68,573	105.7%
10/1/08	752,273	803,417	51,144	93.6%	63,835	80.1%

Note: The actuarial required contribution for the Police's Retirement System is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

Schedule 3, Continued

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2011
(dollars in thousands)

Employees' Retirement System of the City of St. Louis

The following required supplementary information relates to the Employees' Retirement System of the City of St. Louis defined benefit pension plan:

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
10/1/10	\$ 671,609	\$ 820,670	\$ 149,061	81.8%	\$ 232,452	64.1%
10/1/09	667,667	794,686	127,019	84.0%	240,409	52.8%
10/1/08	674,017	765,842	91,825	88.0%	238,702	38.5%

SLPD – Other Postemployment Benefits Plan

The following required supplementary information relates to SLPDs postemployment benefits plan.

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/09	-	243,709	243,709	0.0%	95,706	254.6%
7/1/07	-	236,138	236,138	0.0%	85,372	276.6%

See accompanying independent auditors' report.



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Use Tax – Used to record revenue received from the local use tax and expenditures made to promote health and welfare activities.

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

Convention and Tourism – Used to record revenue received from the one-cent restaurant tax, 3½% hotel tax, and football admission gross receipts and expenditures made to promote convention and tourism activities.

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

Assessor's Office – Used to account for financial assistance received from the State of Missouri, commissions received from the collection of property taxes, and expenditures made to operate the Assessor's office.

Lateral Sewer Program – Used to account for revenue received from charges on specific residential support within the boundaries of the City of St. Louis and expenditures made to repair lateral sewer service lines leading from the residential properties to any sewer main that is maintained by the Metropolitan St. Louis Sewer District.

Collector of Revenue – Used to account for operating receipts and disbursements of the Collector of Revenue's office.

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

Other Redevelopment Projects – Used to record the activity relating to funding associated with redevelopment projects other than Tax Increment Financing including the proceeds of the one-cent transportation sales tax collected on behalf of and remitted to the transportation development districts.

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

Demolition and Board-up – Used to record revenue received from the City's insurance recovery program relative to its building demolition activities.

Public Safety Trust Fund – Used to account for revenues derived from an increase in the graduated business license to be used for enhanced public safety.

Public Safety Sales Tax – Used to account for revenues received from an increase of sales tax to be used for public safety.

Parks and Recreation – Used to account for revenues designated for parks and recreation.

Extraordinary Expenses – Used to account for expenses associated with storm damage or other extraordinary expenses.

Nonmajor Governmental Funds

Other Budgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are adopted.

Other Nonbudgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are not adopted.

Debt Service Fund

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

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(dollars in thousands)

	Special Revenue										
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Tax Increment Financing	Other Redevelopment Projects	License Collector	Demolition and Board-up
ASSETS											
Cash and cash equivalents	6,834	—	360	2,237	294	1,553	496	29,638	34	1,598	1,619
Investments	—	—	—	—	—	597	—	—	—	—	—
Receivables, net of allowances:											
Taxes	5,696	5,845	2,543	1,018	—	—	—	14,823	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	474	—	—	28	25	—	—
Charges for services	—	—	—	—	—	724	—	—	—	—	—
Notes and loans	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	337
Due from component units	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	3,162	—	—	—
Total assets	\$ 12,530	5,845	2,903	3,255	768	2,874	496	47,651	59	1,598	1,956
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 1,808	—	—	2	3	168	—	—	46	—	363
Accrued salaries and other benefits	278	—	—	—	119	27	—	15	—	—	—
Due to component units	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	9	250	268	—	—	—	—	—	—	—	—
Deferred revenue:											
Property taxes	—	—	—	—	—	—	—	14,108	—	—	—
Other taxes	—	—	—	—	—	—	—	—	—	—	—
Other revenue	—	—	—	—	—	628	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—	—	337
Other liabilities	—	—	—	—	—	—	496	2,248	—	—	—
Total liabilities	2,095	250	268	2	122	823	496	16,371	46	—	700
Fund balances:											
Nonspendable	—	—	—	—	—	—	—	—	—	—	—
Restricted	—	5,595	—	1,716	646	—	—	30,198	13	1,598	—
Committed	13,947	—	2,635	—	—	2,051	—	—	—	—	1,238
Assigned	—	—	—	1,537	—	—	—	1,082	—	—	18
Unassigned	(3,512)	—	—	—	—	—	—	—	—	—	—
Total fund balances	10,435	5,595	2,635	3,253	646	2,051	—	31,280	13	1,598	1,256
Total liabilities and fund balances	\$ 12,530	5,845	2,903	3,255	768	2,874	496	47,651	59	1,598	1,956

See accompanying independent auditors' report.

Continued

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(dollars in thousands)

	Special Revenue						Debt Service Fund	Total Other Governmental Fund	
	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Extra-Ordinary Expenses	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue			Total Special Revenue
ASSETS									
Cash and cash equivalents	297	678	2,064	—	—	2,346	50,048	3,086	53,134
Investments	—	—	—	—	—	760	1,357	4,974	6,331
Receivables, net of allowances:									
Taxes	—	2,914	730	—	1,846	—	35,415	6,462	41,877
Licenses and permits	238	—	—	—	—	—	238	—	238
Intergovernmental	—	—	—	—	117	—	644	—	644
Charges for services	—	—	—	—	1,118	6	1,848	—	1,848
Notes and loans	—	—	—	—	—	46	46	—	46
Other	—	—	—	—	3	1	341	—	341
Due from component units	—	—	—	—	331	—	331	—	331
Due from other funds	—	—	—	—	—	—	3,162	—	3,162
Total assets	\$ 535	3,592	2,794	—	3,415	3,159	93,430	14,522	107,952
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ —	66	515	—	348	73	3,392	—	3,392
Accrued salaries and other benefits	26	—	77	—	192	6	740	—	740
Due to component units	—	—	—	—	—	1,247	1,247	—	1,247
Due to other funds	—	284	82	—	617	—	1,510	—	1,510
Deferred revenue:									
Property taxes	—	—	—	—	—	—	14,108	6,404	20,512
Other taxes	—	—	—	—	—	—	—	—	—
Other revenue	91	—	—	—	1,011	—	1,730	—	1,730
Unearned revenue	—	—	—	—	2,569	—	2,906	—	2,906
Other liabilities	—	—	—	—	—	—	2,744	—	2,744
Total liabilities	117	350	674	—	4,737	1,326	28,377	6,404	34,781
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	—	—	1,839	—	—	914	42,519	8,118	50,637
Committed	418	3,242	281	—	880	345	25,037	—	25,037
Assigned	—	—	—	—	—	563	3,200	—	3,200
Unassigned	—	—	—	—	(2,202)	—	(5,714)	—	(5,714)
Total fund balances	418	3,242	2,120	—	(1,322)	1,833	65,053	8,118	73,171
Total liabilities and fund balances	\$ 535	3,592	2,794	—	3,415	3,159	93,430	14,522	107,952

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended June 30, 2011
 (dollars in thousands)

	Special Revenue										
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Tax Increment Financing	Other Redevelopment Projects	License Collector	Demolition and Board-up
REVENUES											
Taxes	\$ 29,528	34,331	10,965	10,210	2,108	--	--	20,990	492	--	--
Licenses and permits	--	--	--	--	--	--	--	--	--	--	--
Intergovernmental	--	--	--	--	814	--	--	1,487	101	--	--
Charges for services, net	--	--	--	--	9	2,517	7,692	--	--	1,846	6
Investment income	6	--	--	--	--	1	49	--	--	--	--
Miscellaneous	13	--	--	1,000	--	--	252	3,231	--	--	933
Total	29,547	34,331	10,965	11,210	2,931	2,518	7,993	25,708	593	1,846	939
EXPENDITURES											
General government	116	--	135	--	3,969	59	7,906	479	3	2,002	--
Convention and tourism	--	--	--	--	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	--	--	--	--	--	32
Judicial	--	--	--	--	--	--	--	--	--	--	--
Streets	1,146	--	--	705	--	--	--	--	--	--	--
Public safety:											
Fire	--	--	--	22	--	--	--	--	--	--	--
Police	4,027	--	--	4,500	--	--	--	--	--	--	--
Police-Pension	2,630	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	1,194
Health and welfare	16,801	--	--	--	--	--	--	--	--	--	--
Public services	--	32,494	--	--	--	2,904	--	--	--	--	--
Community development	--	--	--	--	--	--	--	38,230	542	--	--
Capital outlay	--	--	--	--	--	--	--	--	--	--	--
Debt service:											
Principal	--	--	--	--	--	--	--	8,244	--	--	--
Interest and fiscal charges	--	--	--	--	--	--	--	13,443	923	--	--
Total expenditures	24,720	32,494	135	5,227	3,969	2,963	7,906	60,396	1,468	2,002	1,226
Excess (deficiency) of revenues over expenditures	4,827	1,837	10,830	5,983	(1,038)	(445)	87	(34,688)	(875)	(156)	(287)
OTHER FINANCING SOURCES (USES)											
Issuance of tax increment revenue notes	--	--	--	--	--	--	--	46,503	--	--	--
Issuance of contractual obligation with component unit	--	--	--	--	--	--	--	4,580	--	--	--
Payment to redeem tax increment financing note	--	--	--	--	--	--	--	(11,931)	--	--	--
Transfers in	--	--	--	--	1,850	--	--	44	618	--	30
Transfers out	(140)	--	(10,538)	(5,285)	(58)	(11)	(87)	(1,486)	(44)	(24)	--
Total other financing sources (uses), net	(140)	--	(10,538)	(5,285)	1,792	(11)	(87)	37,710	574	(24)	30
Net change in fund balances	4,687	1,837	292	698	754	(456)	--	3,022	(301)	(180)	(257)
Fund balances:											
Beginning of year	5,748	3,758	2,343	2,555	(108)	2,507	--	28,258	314	1,778	1,513
End of year	\$ 10,435	\$ 5,595	\$ 2,635	\$ 3,253	\$ 646	\$ 2,051	\$ --	\$ 31,280	\$ 13	\$ 1,598	\$ 1,256

See accompanying independent auditors' report.

Continued

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2011
(dollars in thousands)

	Special Revenue						Debt Service Fund	Total Other Governmental Fund	
	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Extra Ordinary Expenses	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue			Total Special Revenue
REVENUES									
Taxes	\$ —	16,903	4,250	—	18,814	—	148,591	6,451	155,042
Licenses and permits	2,956	—	—	—	1,990	—	4,946	—	4,946
Intergovernmental	—	—	—	—	1,803	397	4,602	—	4,602
Charges for services, net	—	—	—	—	2,559	962	15,591	—	15,591
Investment income	—	—	—	—	1	8	65	8	73
Miscellaneous	—	646	2,000	81	1,240	688	10,084	—	10,084
Total	2,956	17,549	6,250	81	26,407	2,055	183,879	6,459	190,338
EXPENDITURES									
General government	381	—	—	—	1,426	1,085	17,561	—	17,561
Convention and tourism	—	—	—	—	—	47	47	—	47
Parks and recreation	—	—	3,091	—	1,273	190	4,586	—	4,586
Judicial	466	95	—	—	2,107	194	2,862	—	2,862
Streets	—	—	—	—	491	14	2,356	—	2,356
Public safety:									
Fire	—	330	—	—	—	—	352	—	352
Police	2,350	2,588	—	—	257	—	13,722	—	13,722
Police-Pension	—	2,550	—	—	—	—	2,550	—	2,550
Other	—	533	—	—	2,493	135	6,985	—	6,985
Health and welfare	—	—	—	—	370	24	17,195	—	17,195
Public services	—	—	—	—	—	85	35,483	—	35,483
Community development	—	—	—	—	—	—	38,772	—	38,772
Capital outlay	—	—	464	—	617	—	1,081	—	1,081
Debt service:									
Principal	—	2,832	950	—	—	4	12,030	3,615	15,645
Interest and fiscal charges	—	6,545	2,326	—	—	4	23,241	2,057	25,298
Total expenditures	3,197	15,473	6,831	—	9,034	1,782	178,823	5,672	184,495
Excess (deficiency) of revenues over expenditures	(241)	2,076	(581)	81	17,373	273	5,056	787	5,843
OTHER FINANCING SOURCES (USES)									
Issuance of tax increment revenue notes	—	—	—	—	—	—	46,503	—	46,503
Issuance of contractual obligation with component unit	—	—	—	—	—	—	4,580	—	4,580
Payment to redeem tax increment financing note	—	—	—	—	—	—	(11,931)	—	(11,931)
Transfers in	—	—	400	—	466	30	3,438	—	3,438
Transfers out	(15)	(500)	(720)	—	(18,469)	(32)	(37,409)	—	(37,409)
Total other financing sources (uses), net	(15)	(500)	(320)	—	(18,003)	(2)	5,181	—	5,181
Net change in fund balances	(256)	1,576	(901)	81	(630)	271	10,237	787	11,024
Fund balances:									
Beginning of year	674	1,666	3,021	(81)	(692)	1,562	54,816	7,331	62,147
End of year	\$ 418	3,242	2,120	—	(1,322)	1,833	65,053	8,118	73,171

See accompanying independent auditors' report.

Schedule 6

City of St. Louis, Missouri
Use Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 27,200	27,200	27,725	525
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	10	10	6	(4)
Miscellaneous	-	-	13	13
Total revenues	<u>27,210</u>	<u>27,210</u>	<u>27,744</u>	<u>534</u>
Expenditures:				
Current:				
General government	117	117	117	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	1,151	1,151	1,143	8
Public safety:				
Fire	-	-	-	-
Police	4,027	4,027	4,027	-
Other	2,828	2,828	2,770	58
Health and welfare	24,939	24,466	15,666	8,800
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>33,062</u>	<u>32,589</u>	<u>23,723</u>	<u>8,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,852)</u>	<u>(5,379)</u>	<u>4,021</u>	<u>9,400</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ (5,852)</u>	<u>(5,379)</u>	<u>4,021</u>	<u>9,400</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Transportation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 39,177	39,177	32,451	(6,726)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	39,177	39,177	32,451	(6,726)
Expenditures:				
Current:				
General government	-	-	-	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	39,177	39,177	32,494	6,683
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	39,177	39,177	32,494	6,683
Excess (deficiency) of revenues over (under) expenditures	-	-	(43)	(43)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(20)	(20)	-	20
	(20)	(20)	-	20
Net change in fund balances	\$ (20)	(20)	(43)	(23)

See accompanying independent auditors' report.

Schedule 8

City of St. Louis, Missouri
Convention and Tourism Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 10,643	10,643	11,033	390
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>10,643</u>	<u>10,643</u>	<u>11,033</u>	<u>390</u>
Expenditures:				
Current:				
General government	135	135	135	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>135</u>	<u>135</u>	<u>135</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,508</u>	<u>10,508</u>	<u>10,898</u>	<u>390</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(10,538)</u>	<u>(10,538)</u>	<u>(10,538)</u>	<u>-</u>
Net change in fund balances	<u>\$ (30)</u>	<u>(30)</u>	<u>360</u>	<u>390</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Licensed Gaming Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 10,248	10,248	10,226	(22)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	1	1	-	(1)
Miscellaneous	1,000	1,000	1,000	-
Total revenues	<u>11,249</u>	<u>11,249</u>	<u>11,226</u>	<u>(23)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	25	25	20	5
Police	4,500	4,500	4,500	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	1,000	1,000	-	1,000
Debt service	-	-	-	-
Total expenditures	<u>5,525</u>	<u>5,525</u>	<u>4,520</u>	<u>1,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,724</u>	<u>5,724</u>	<u>6,706</u>	<u>982</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(5,990)	(5,990)	(5,990)	-
	<u>(5,990)</u>	<u>(5,990)</u>	<u>(5,990)</u>	<u>-</u>
Net change in fund balances	<u>\$ (266)</u>	<u>(266)</u>	<u>716</u>	<u>982</u>

See accompanying independent auditors' report.

Schedule 10

City of St. Louis, Missouri
Assessor's Office Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,823	1,823	2,108	285
Licenses and permits	-	-	-	-
Intergovernmental	340	340	340	-
Charges for service, net	10	10	9	(1)
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,173</u>	<u>2,173</u>	<u>2,457</u>	<u>284</u>
Expenditures:				
Current:				
General government	4,022	4,022	4,019	3
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>4,022</u>	<u>4,022</u>	<u>4,019</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,849)</u>	<u>(1,849)</u>	<u>(1,562)</u>	<u>287</u>
Other financing sources (uses):				
Transfers in	1,850	1,850	1,850	-
Transfers out	-	-	-	-
	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>-</u>
Net change in fund balances	<u>\$ 1</u>	<u>1</u>	<u>288</u>	<u>287</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Lateral Sewer Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	2,571	2,571	2,520	(51)
Court fines and forfeitures	-	-	-	-
Investment income	5	5	1	(4)
Miscellaneous	-	-	-	-
Total revenues	<u>2,576</u>	<u>2,576</u>	<u>2,521</u>	<u>(55)</u>
Expenditures:				
Current:				
General government	57	57	57	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	3,093	3,093	2,843	250
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>3,150</u>	<u>3,150</u>	<u>2,900</u>	<u>250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(574)</u>	<u>(574)</u>	<u>(379)</u>	<u>195</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ (574)</u>	<u>(574)</u>	<u>(379)</u>	<u>195</u>

See accompanying independent auditors' report.

Schedule 12

City of St. Louis, Missouri
Tax Increment Financing Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	19,696	19,696	19,696	-
Licenses and permits	-	-	-	-
Intergovernmental	1,493	1,493	1,493	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	3,231	3,231	3,231	-
Total revenues	<u>24,420</u>	<u>24,420</u>	<u>24,420</u>	<u>-</u>
Expenditures:				
Current:				
General government	1,301	1,301	1,301	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Community Development	35,982	35,982	35,982	-
Capital outlay	-	-	-	-
Debt service	20,879	21,802	21,802	-
Total expenditures	<u>58,162</u>	<u>59,085</u>	<u>59,085</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,742)</u>	<u>(34,665)</u>	<u>(34,665)</u>	<u>-</u>
Other financing sources (uses):				
Proceeds net of refunding	39,152	39,152	39,152	-
Transfers in	44	44	44	-
Transfers out	(864)	(864)	(864)	-
	<u>38,332</u>	<u>38,332</u>	<u>38,332</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,590</u>	<u>3,667</u>	<u>3,667</u>	<u>-</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Public Safety Trust Special Revenue Fund - Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual
 UNAUDITED
 For the year ended June 30, 2011
 (dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	-	-	-
Licenses and permits	3,041	3,041	2,940	(101)
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,041</u>	<u>3,041</u>	<u>2,940</u>	<u>(101)</u>
Expenditures:				
Current:				
General government	551	551	390	161
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	486	486	472	14
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	2,350	2,350	2,350	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>3,387</u>	<u>3,387</u>	<u>3,212</u>	<u>175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(346)</u>	<u>(346)</u>	<u>(272)</u>	<u>74</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ (346)</u>	<u>(346)</u>	<u>(272)</u>	<u>74</u>

See accompanying independent auditors' report.

Schedule 14

City of St. Louis, Missouri
Public Safety Sales Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 16,432	16,432	16,612	180
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>16,432</u>	<u>16,432</u>	<u>16,612</u>	<u>180</u>
Expenditures:				
Current:				
General government	-	-	-	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	210	210	96	114
Streets	-	-	-	-
Public safety:				
Fire	330	330	330	-
Police	5,163	5,163	5,163	-
Other	1,193	1,193	500	693
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	8,728	8,728	8,731	(3)
Total expenditures	<u>15,624</u>	<u>15,624</u>	<u>14,820</u>	<u>804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>808</u>	<u>808</u>	<u>1,792</u>	<u>984</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(500)	(500)	(500)	-
	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balances	<u>\$ 308</u>	<u>308</u>	<u>1,292</u>	<u>984</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Parks & Recreation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,020	4,020	4,151	131
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	1	1	-	(1)
Miscellaneous	2,000	2,000	2,000	-
Total revenues	<u>6,021</u>	<u>6,021</u>	<u>6,151</u>	<u>130</u>
Expenditures:				
Current:				
General government	-	-	-	-
Convention and tourism	-	-	-	-
Parks and recreation	3,944	3,944	3,030	914
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	626	626	464	162
Debt service	3,276	3,276	3,276	-
Total expenditures	<u>7,846</u>	<u>7,846</u>	<u>6,770</u>	<u>1,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,825)</u>	<u>(1,825)</u>	<u>(619)</u>	<u>1,206</u>
Other financing sources (uses):				
Transfers in	400	400	400	-
Transfers out	(700)	(700)	(700)	-
	<u>(300)</u>	<u>(300)</u>	<u>(300)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,125)</u>	<u>(2,125)</u>	<u>(919)</u>	<u>1,206</u>

See accompanying independent auditors' report.

Schedule 16

City of St. Louis, Missouri
Other Budgeted Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
UNAUDITED
For the year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 16,200	18,600	18,683	83
Licenses and permits	2,905	2,905	1,990	(915)
Intergovernmental	2,416	2,416	1,818	(598)
Charges for service, net	3,850	3,850	4,044	194
Court fines and forfeitures	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	1,096	1,096	1,241	145
Total revenues	<u>26,467</u>	<u>28,867</u>	<u>27,777</u>	<u>(1,090)</u>
Expenditures:				
Current:				
General government	1,498	1,498	1,422	76
Convention and tourism	-	-	-	-
Parks and recreation	1,537	1,537	1,232	305
Judicial	2,691	2,691	2,125	566
Streets	333	650	501	149
Public safety:				
Fire	-	-	-	-
Police	341	341	257	84
Other	2,927	2,927	2,441	486
Health and welfare	707	707	397	310
Public service	824	824	-	824
Capital outlay	919	919	645	274
Debt service	-	-	-	-
Total expenditures	<u>11,777</u>	<u>12,094</u>	<u>9,020</u>	<u>3,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,690</u>	<u>16,773</u>	<u>18,757</u>	<u>1,984</u>
Other financing sources (uses):				
Transfers in	272	272	466	194
Transfers out	(17,319)	(19,719)	(19,757)	(38)
	<u>(17,047)</u>	<u>(19,447)</u>	<u>(19,291)</u>	<u>156</u>
Net change in fund balances	<u>\$ (2,357)</u>	<u>(2,674)</u>	<u>(534)</u>	<u>2,140</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Debt Service Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2011
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,396	6,396	6,444	48
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	12	12	9	(3)
Miscellaneous	-	-	-	-
Total revenues	<u>6,408</u>	<u>6,408</u>	<u>6,453</u>	<u>45</u>
Expenditures:				
Current:				
General government	-	-	-	-
Convention and tourism	-	-	-	-
Parks and recreation	-	-	-	-
Judicial	-	-	-	-
Streets	-	-	-	-
Public safety:				
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	5,691	5,691	5,672	19
Total expenditures	<u>5,691</u>	<u>5,691</u>	<u>5,672</u>	<u>19</u>
Excess (deficiency) of revenues over (under) expenditures	<u>717</u>	<u>717</u>	<u>781</u>	<u>64</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ 717</u>	<u>717</u>	<u>781</u>	<u>64</u>

See accompanying independent auditors' report.

Schedule 18

City of St. Louis, Missouri
Capital Projects Fund – Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2011
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 18,393	18,393	18,235	(158)
Licenses and permits	-	-	-	-
Intergovernmental	630	630	630	-
Charges for service, net	-	-	-	-
Court fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	100	100	60	(40)
Total revenues	<u>19,123</u>	<u>19,123</u>	<u>18,925</u>	<u>(198)</u>
Expenditures:				
Current:				
General government	6,831	1,070	-	1,070
Convention and tourism	-	-	-	-
Parks and recreation	11,948	12,132	5,112	7,020
Judicial	-	-	-	-
Streets	4,835	8,344	4,845	3,499
Public safety:	-	-	-	-
Fire	-	-	-	-
Police	-	-	-	-
Other	-	-	-	-
Health and welfare	-	-	-	-
Public service	9,528	11,595	4,419	7,176
Capital outlay	8,435	8,418	2,859	5,559
Debt service	20,626	18,281	18,272	9
Total expenditures	<u>62,203</u>	<u>59,840</u>	<u>35,507</u>	<u>24,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,080)</u>	<u>(40,717)</u>	<u>(16,582)</u>	<u>24,135</u>
Other financing sources (uses):				
Sale of general fixed assets	250	250	3,216	2,966
Transfers in	14,259	12,390	12,956	566
Transfers out	-	-	-	-
	<u>14,509</u>	<u>12,640</u>	<u>16,172</u>	<u>3,532</u>
Net change in fund balances	<u>\$ (28,571)</u>	<u>(28,077)</u>	<u>(410)</u>	<u>27,667</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
 Schedule of Reconciling Items Between Change in Fund Balances—Budget Basis and Change in Fund Balances—GAAP Basis
 Year ended June 30, 2011
 (dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Internal Sewer Program	Tax Increment Financing	Public Safety	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Debt Service Fund	Capital Projects Fund
Net change in fund balances--budget basis	\$ 4,021	(43)	360	716	288	(379)	3,667	(272)	1,292	(919)	(534)	781	(411)
Differences---budge t to GAAP:													
Revenues are recorded when received in cash on a budget basis. However, revenues are recorded when measurable and available on a GAAP basis.	1,803	1,880	(68)	(16)	474	(3)	2,214	16	291	99	(1)	6	328
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(1,137)	—	—	(2)	(8)	(74)	(2,859)	—	(7)	(81)	(95)	—	(565)
Certain activities and accounts, which are included within the funds on a GAAP basis, are not included within the annual operating budgets adopted by the Board of Alderman.	—	—	—	—	—	—	—	—	—	—	—	—	(34,367)
Net change in fund balauces—GAAP basis	\$ 4,687	1,837	292	698	754	(456)	3,022	(256)	1,576	(901)	(630)	787	(35,015)

See accompanying independent auditors' report.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Public Facilities Protection Corporation – Used to account for payment of workers' compensation and various other claims against legal actions on behalf of other funds.

Mailroom Services – Used to account for mail handling services provided to other funds.

Health – Used to account for payment of prescription drug claims for participants.

City of St. Louis, Missouri
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Total
ASSETS				
Current assets:				
Cash and cash equivalents—unrestricted	\$ 211	—	4,329	4,540
Receivable, net of allowances:				
Intergovernmental	1,077	—	—	1,077
Prepaid assets	—	46	—	46
Due from other funds	4,628	148	147	4,923
Due from component unit	—	—	—	—
Advance to other funds	19,025	—	—	19,025
Total current assets	<u>24,941</u>	<u>194</u>	<u>4,476</u>	<u>29,611</u>
Noncurrent assets:				
Capital assets	—	151	—	151
Less accumulated depreciation	—	(127)	—	(127)
Total capital assets (net of accumulated depreciation)	—	24	—	24
Total assets	<u>24,941</u>	<u>218</u>	<u>4,476</u>	<u>29,635</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	682	90	—	772
Due to other funds	—	95	—	95
Claims payable	24,259	—	530	24,789
Total current liabilities	<u>24,941</u>	<u>185</u>	<u>530</u>	<u>25,656</u>
Total liabilities	<u>24,941</u>	<u>185</u>	<u>530</u>	<u>25,656</u>
NET ASSETS				
Invested in capital assets	—	24	—	24
Unrestricted	—	9	3,946	3,955
Total net assets	<u>\$ —</u>	<u>33</u>	<u>3,946</u>	<u>3,979</u>

See accompanying independent auditors' report.

Schedule 21

City of St. Louis, Missouri
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year ended June 30, 2011
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Total
OPERATING REVENUES				
Charges for services	\$ 11,891	591	6,770	19,252
Intergovernmental	1,072	—	—	1,072
Total operating revenues	<u>12,963</u>	<u>591</u>	<u>6,770</u>	<u>20,324</u>
OPERATING EXPENSES				
Claims incurred	13,656	—	5,392	19,048
Premiums	1,517	—	—	1,517
Personal services	—	264	—	264
Material and supplies	—	280	—	280
Depreciation and amortization	—	14	—	14
Total operating expenses	<u>15,173</u>	<u>558</u>	<u>5,392</u>	<u>21,123</u>
Operating income (loss)	(2,210)	33	1,378	(799)
NONOPERATING REVENUES (EXPENSES)				
Capital contributions	—	14	—	14
Transfers in	2,210	—	—	2,210
Total nonoperating revenues (expenses), net	<u>2,210</u>	<u>14</u>	<u>—</u>	<u>2,224</u>
Change in net assets	—	47	1,378	1,425
Total net assets—beginning of year	—	(14)	2,568	2,554
Total net assets—end of year	<u>\$ —</u>	<u>33</u>	<u>3,946</u>	<u>3,979</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2011
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 12,107	443	6,784	19,334
Payments to suppliers of goods and services	(14,106)	(183)	(5,273)	(19,562)
Payments to employees	—	(260)	—	(260)
Net cash provided by (used in) operating activities	(1,999)	—	1,511	(488)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	2,210	—	—	2,210
Net cash provided by noncapital financing activities	2,210	—	—	2,210
Net increase in cash and cash equivalents	211	—	1,511	1,722
Cash and cash equivalents beginning of year	—	—	2,818	2,818
Cash and cash equivalents end of year	\$ 211	—	4,329	4,540
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,210)	33	1,378	(799)
Adjustment to reconcile operating income to net cash provided by operating activities:				
Depreciation	—	14	—	14
Change in assets and liabilities:				
Receivables, net	(547)	—	—	(547)
Due to/from other funds	(583)	(54)	14	(623)
Advance to other funds	11	—	—	11
Prepaid assets	—	2	—	2
Accounts payable and accrued liabilities	(704)	5	—	(699)
Claims payable	2,034	—	119	2,153
Total adjustments	211	(33)	133	311
Net cash provided by (used in) operating activities	\$ (1,999)	—	1,511	(488)

See accompanying independent auditors' report.

Pension Trust Funds

Pension trust funds are used to account for the activity of the three public employee retirement systems for which the City acts as a trustee.

Firemen's System – 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 multi-employer public employee retirement system used to account for the accumulation of resources to be used for pension and other benefit payments for employees of the City (excluding firefighters and police officers) and other anticipating governmental agencies. City employees account for greater than 90% of total plan participants.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2011
(dollars in thousands)

	Firemen's System	Police System	Employees' System	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,727	8,038	121	11,886
Investments:				
Bonds	13	156,093	88,770	244,876
Domestic bond funds	—	—	53,804	53,804
Stocks	207,453	127,378	233,500	568,331
Mortgage-backed securities	—	22,157	—	22,157
Collective investment funds	116,293	194,032	—	310,325
Guaranteed fixed income securities	—	1,657	—	1,657
Real estate equities and investment trust	32,371	36,803	50,650	119,824
Investment property	—	1,390	—	1,390
Hedge funds	13,889	24,129	6,902	44,920
Money market mutual funds and other short term investments	21,990	69,586	11,572	103,148
Managed international equity funds	—	—	148,015	148,015
Total investments	392,009	633,225	593,213	1,618,447
Securities lending collateral	—	—	77,984	77,984
Receivables:				
Contributions	1,785	—	8	1,793
Accrued interest	227	1,041	888	2,156
Other	922	36,899	237	38,058
Capital assets, net	513	375	—	888
Total assets	399,183	679,578	672,451	1,751,212
LIABILITIES				
Accounts payable and accrued liabilities	367	815	455	1,637
Deposits held for others	31	348	—	379
Securities lending collateral liability	—	—	77,984	77,984
Other liabilities	857	38,010	905	39,772
Total liabilities	1,255	39,173	79,344	119,772
NET ASSETS				
Net assets held in trust for pension benefits	\$ 397,928	640,405	593,107	1,631,440

See accompanying independent auditors' report.

Schedule 24

City of St. Louis, Missouri
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year ended June 30, 2011
(dollars in thousands)

	<u>Firemen's System</u>	<u>Police System</u>	<u>Employees' System</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Member	\$ 2,942	4,463	282	7,687
Employer	17,855	17,609	27,117	62,581
Investment income:				
Interest and dividends	4,084	13,735	9,040	26,859
Net depreciation in fair value of investments	30,776	55,319	49,258	135,353
Investment income	34,860	69,054	58,298	162,212
Less investment expense	(1,562)	(2,788)	(2,354)	(6,704)
Net investment income	33,298	66,266	55,944	155,508
Total additions	<u>54,095</u>	<u>88,338</u>	<u>83,343</u>	<u>225,776</u>
DEDUCTIONS				
Benefits	34,661	53,534	45,972	134,167
Refunds of contributions	1,639	2,344	—	3,983
Administrative expense	1,175	1,011	653	2,839
Total deductions	<u>37,475</u>	<u>56,889</u>	<u>46,625</u>	<u>140,989</u>
Net decrease	16,620	31,449	36,718	84,787
Net assets held in trust for pension benefits:				
Beginning of year	381,308	608,956	556,389	1,546,653
End of year	<u>\$ 397,928</u>	<u>640,405</u>	<u>593,107</u>	<u>1,631,440</u>

See accompanying independent auditors' report.

Agency Funds

Agency funds are used to account for assets which the City holds on behalf of other entities. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Collector of Revenue – Used to account for the receipt and disbursement of various taxes and other charges that are collected by the Collector of Revenue and remitted to various City funds and other governmental agencies that levy taxes on residents of the City and on corporations located within the City limits and the employees.

Property Tax Escrow – Used to account for property taxes paid under protest whose disposition is still pending and duplicate payments of property taxes which have not been claimed.

General Insurance – Used to control funds for payroll withholdings and other City deposits to be used for the payment of insurance premiums due from employees and the City.

Bail Bonds – Used to account for bail bonds deposited by court defendants. The bonds are held until court orders are issued to refund the bonds to the defendants or others.

License Collector – Used to account for the receipt and disbursement of municipal manufacturer's and hotel taxes that are collected by the License Collector and remitted to various City funds and other governmental agencies.

Circuit Clerk – Used to account for funds held in a fiduciary capacity by the Circuit Clerk's Office. These funds include various litigation fees, garnishments, and bail bonds, in addition to funds related to the parent locator program.

Other Agency – Used to account for contracts and other deposits, union dues, land auction sales, circuit attorney and probate court funds.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011
 (dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Other Agency	Total
ASSETS								
Cash and cash equivalents	\$ 2,206	2,399	—	1,395	5,335	12,790	3,390	27,515
Receivables, net of allowances:								
Taxes	27,777	—	—	—	—	—	—	27,777
Other	—	—	1,067	—	—	—	—	1,067
Total assets	<u>29,983</u>	<u>2,399</u>	<u>1,067</u>	<u>1,395</u>	<u>5,335</u>	<u>12,790</u>	<u>3,390</u>	<u>56,359</u>
LIABILITIES								
Accounts payable and accrued liabilities	—	—	1,067	—	—	—	(492)	575
Deposits held for others	—	2,399	—	1,395	4,603	10,533	3,245	22,175
Due to other governmental agencies	29,983	—	—	—	732	2,257	637	33,609
Total liabilities	<u>29,983</u>	<u>2,399</u>	<u>1,067</u>	<u>1,395</u>	<u>5,335</u>	<u>12,790</u>	<u>3,390</u>	<u>56,359</u>
NET ASSETS	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2011
(dollars in thousands)

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<u>Collector of Revenue</u>				
Assets:				
Cash and cash equivalents	\$ 1,828	355,428	(355,050)	2,206
Receivables, net of allowances—taxes	28,421	11,677	(12,321)	27,777
Total assets	<u>\$ 30,249</u>	<u>367,105</u>	<u>(367,371)</u>	<u>29,983</u>
Liabilities—due to other governmental agencies	\$ 30,249	367,105	(367,371)	29,983
Total liabilities	<u>\$ 30,249</u>	<u>367,105</u>	<u>(367,371)</u>	<u>29,983</u>
<u>Property Tax Escrow</u>				
Assets—cash and cash equivalents	\$ 3,781	2,032	(3,414)	2,399
Liabilities—deposits held for others	\$ 3,781	2,032	(3,414)	2,399
<u>General Insurance</u>				
Assets:				
Cash and cash equivalents	\$ —	31,675	(31,675)	—
Receivables, net of allowances—other	918	1,067	(918)	1,067
Total assets	<u>\$ 918</u>	<u>32,742</u>	<u>(32,593)</u>	<u>1,067</u>
Liabilities—accounts payable and accrued liabilities	\$ 918	32,742	(32,593)	1,067
<u>Bail Bonds</u>				
Assets—cash and cash equivalents	\$ 1,438	1,021	(1,064)	1,395
Liabilities—deposits held for others	\$ 1,438	1,021	(1,064)	1,395
<u>License Collector</u>				
Assets—cash and cash equivalents	\$ 4,223	16,395	(15,283)	5,335
Liabilities:				
Deposits held for others	\$ 3,584	1,559	(540)	4,603
Due to other governmental agencies	639	14,836	(14,743)	732
Total liabilities	<u>\$ 4,223</u>	<u>16,395</u>	<u>(15,283)</u>	<u>5,335</u>

Schedule 26, Continued

**City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2011
(dollars in thousands)**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<u>Circuit Clerk</u>				
Assets:				
Cash and cash equivalents	\$ 14,921	34,258	(36,389)	12,790
Investment	3,200	—	(3,200)	—
Receivables, net of allowances - other	7	—	(7)	—
Total assets	<u>\$ 18,128</u>	<u>34,258</u>	<u>(39,596)</u>	<u>12,790</u>
Liabilities:				
Deposits held for others	\$ 14,985	28,571	(33,023)	10,533
Due to other governmental agencies	3,143	5,687	(6,573)	2,257
Total liabilities	<u>\$ 18,128</u>	<u>34,258</u>	<u>(39,596)</u>	<u>12,790</u>
<u>Other Agency</u>				
Assets:				
Cash and cash equivalents	\$ 6,431	32,219	(35,260)	3,390
Investments	200	—	(200)	—
Total assets	<u>\$ 6,631</u>	<u>32,219</u>	<u>(35,460)</u>	<u>3,390</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,268	111	(1,871)	(492)
Deposits held for others	4,045	4,147	(4,947)	3,245
Due to other governmental agencies	1,318	27,585	(28,266)	637
Total liabilities	<u>\$ 6,631</u>	<u>31,843</u>	<u>(35,084)</u>	<u>3,390</u>
<u>Total—All Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 32,622	473,028	(478,135)	27,515
Investments	3,400	—	(3,400)	—
Receivables, net of allowances:				
Taxes	28,421	11,677	(12,321)	27,777
Other	925	1,067	(925)	1,067
Total assets	<u>\$ 65,368</u>	<u>485,772</u>	<u>(494,781)</u>	<u>56,359</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,186	32,853	(34,464)	575
Deposits held for others	27,833	37,330	(42,988)	22,175
Due to other governmental agencies	35,349	415,213	(416,953)	33,609
Total liabilities	<u>\$ 65,368</u>	<u>485,396</u>	<u>(494,405)</u>	<u>56,359</u>

See accompanying independent auditors' report.

**Solid Waste Management Development Corporation—
Discretely Presented Component Unit**

Solid Waste Management Development Corporation (SWMDC) owns a system of underground pressurized steam transport pipe in the downtown area commonly known as the steam loop. The steam loop is leased on a long term basis to a steam generating private entity unrelated to the City.

Separate financial statements are not prepared for SWMDC. Accordingly, a statement of revenues, expenses, changes in net assets, and a statement of cash flows for SWMDC have been included within the City's comprehensive annual financial report.

Schedule 27

City of St. Louis, Missouri
Statement of Revenues, Expenses, and Changes in Net Assets
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2011
(dollars in thousands)

OPERATING REVENUES

Lease revenue	\$ 348
Total operating revenues	<u>348</u>

OPERATING EXPENSES

Depreciation	326
Professional fees and other operating expenses	<u>9</u>
Total operating expenses	<u>335</u>
Operating income	<u>13</u>

NONOPERATING REVENUES

Investment income	<u>4</u>
Total nonoperating revenues	<u>4</u>
Net income before capital contributions	17
Capital contributions	<u>251</u>
Change in net assets	268
Total net assets—beginning of year	<u>8,662</u>
Total net assets—end of year	<u>\$ 8,930</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Statement of Cash Flows
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2011
(dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$	348
Payments to service providers		(9)
		339
Net cash provided by operating activities		339

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Construction of capital assets		(154)
		(154)
Net cash used in capital and related financing activities		(154)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments		(2,999)
Proceeds from maturities of investments		2,931
Investment income		4
		(64)
Net cash provided by investing activities		(64)
Net increase in cash and cash equivalents		121
Cash and cash equivalents beginning of year		1,232
Cash and cash equivalents end of year	\$	1,353

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$	13
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		326
Net cash provided by operating activities	\$	339

Supplemental disclosure of non cash activities:

Contributed capital	\$	251
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See accompanying independent auditors' report.





STATISTICAL SECTION

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

Contents	Table Numbers
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Primary Government:

Financial Trends <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	1-4
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Revenue Capacity <i>These tables contain information to help the reader assess the City's most significant local revenue sources.</i>	5-10
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Debt Capacity <i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	11-15
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Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</i>	16
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Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	17-20
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Additional Data-Lambert-St. Louis International Airport:

Demographic and Economic Information <i>These tables offer regional demographic and economic data of the metropolitan area served by the Lambert-St. Louis International Airport.</i>	21-23
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Operating Information <i>These tables contain information and data pertaining to airline operations at Lambert-St. Louis International Airport.</i>	24-28
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
CITY OF ST. LOUIS, MISSOURI
Net Assets by Component
Last Seven Fiscal Years
(dollars in thousands)
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Primary Government:							
Governmental activities							
Invested in capital assets, net of related debt	\$ 472,165	\$ 453,220	\$ 510,743	\$ 496,341	\$ 410,429	\$ 402,317	\$ 395,983
Restricted	34,179	29,390	32,784	29,855	103,898	108,919	121,333
Unrestricted	<u>(407,047)</u>	<u>(392,115)</u>	<u>(366,224)</u>	<u>(312,367)</u>	<u>(253,168)</u>	<u>(205,941)</u>	<u>(177,077)</u>
Total governmental activities net assets	99,297	90,495	177,303	213,829	261,159	305,295	340,239
Business-type activities							
Invested in capital assets, net of related debt	1,075,403	1,071,899	1,094,296	1,058,030	1,072,894	1,120,715	1,068,231
Restricted	166,462	163,449	137,995	142,619	135,993	145,319	153,607
Unrestricted	<u>18,072</u>	<u>23,375</u>	<u>10,456</u>	<u>23,349</u>	<u>31,001</u>	<u>19,394</u>	<u>16,126</u>
Total business-type activities net assets	1,259,937	1,258,723	1,242,747	1,223,998	1,239,888	1,285,428	1,237,964
Primary government							
Invested in capital assets, net of related debt	1,547,568	1,525,119	1,605,039	1,554,371	1,483,323	1,523,032	1,464,214
Restricted	200,641	192,839	170,779	172,474	239,891	254,238	274,940
Unrestricted	<u>(388,975)</u>	<u>(368,740)</u>	<u>(355,768)</u>	<u>(289,018)</u>	<u>(222,167)</u>	<u>(186,547)</u>	<u>(160,951)</u>
Total primary government net assets	1,359,234	1,349,218	1,420,050	1,437,827	1,501,047	1,590,723	1,578,203
Component Unit-SLPD							
Invested in capital assets, net of related debt	-	-	-	32,375	30,208	26,630	25,371
Restricted	-	-	-	34	704	690	679
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,155)</u>	<u>(69,404)</u>	<u>(68,649)</u>	<u>(74,945)</u>
Total SLPD net assets *				(30,746)	(38,492)	(41,329)	(48,895)

*Fiscal year 2009, 2010, and 2011 SLPD net assets information is not required as the St. Louis Police Department (SLPD) debt was retired in Fiscal year 2008.

Source: Basic financial statements.

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses:							
Governmental activities:							
General government	\$ 79,871	\$ 84,330	\$ 85,680	\$ 74,166	\$ 91,822	\$ 93,572	\$ 93,740
Convention and tourism	4,563	4,507	4,504	4,468	4,352	4,594	6,263
Parks and recreation	29,416	32,778	33,431	31,335	28,130	25,366	25,683
Judicial	52,362	54,880	56,159	50,684	46,990	46,566	47,723
Streets	66,952	66,263	63,646	62,566	58,606	59,109	56,151
Public Safety:							
Fire	66,637	67,334	70,572	69,668	56,405	54,625	51,072
Police-Payment to SLPD	139,010	141,805	146,955	143,452	138,871	134,631	130,584
Police Pension	* 17,949	14,902	8,196	12,914	—	—	—
Other	52,182	55,980	60,020	63,687	59,984	55,750	52,600
Health and welfare	50,468	51,552	54,223	45,732	45,630	46,070	40,660
Public service	65,898	59,980	59,218	70,007	73,145	67,544	62,647
Community development	68,123	76,264	61,859	60,611	78,788	66,286	57,237
Interest and fiscal charges	58,612	57,933	54,684	49,963	36,024	33,731	34,016
Total governmental activities expenses	<u>752,043</u>	<u>768,508</u>	<u>759,147</u>	<u>739,253</u>	<u>718,747</u>	<u>687,844</u>	<u>658,376</u>
Business-type activities:							
Airport	187,449	181,775	175,758	215,691	178,110	156,824	143,475
Water Division	44,530	43,479	47,500	45,157	42,395	40,505	39,759
Parking Division	13,141	13,514	14,352	14,560	12,423	14,056	13,694
Total business-type activities expenses	<u>245,120</u>	<u>238,768</u>	<u>237,610</u>	<u>275,408</u>	<u>232,928</u>	<u>211,385</u>	<u>196,928</u>
Total primary government expenses	\$ <u>997,163</u>	\$ <u>1,007,276</u>	\$ <u>996,757</u>	\$ <u>1,014,661</u>	\$ <u>951,675</u>	\$ <u>899,229</u>	\$ <u>855,304</u>

(Continued)

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 37,767	\$ 39,340	\$ 37,706	\$ 35,060	\$ 39,757	\$ 37,617	\$ 37,906
Convention and tourism	19	18	19	—	16	20	—
Parks and recreation	4,378	4,419	4,516	2,662	9,126	2,248	1,733
Judicial	20,524	20,791	18,952	18,894	14,855	12,525	11,482
Streets	34,842	17,644	17,734	15,621	17,184	15,984	4,428
Public Safety:							
Fire	8,088	7,677	7,669	6,718	7,416	6,562	2,660
Police-Payment to SLPD	—	—	—	—	—	—	—
Other	17,527	19,022	19,632	18,635	22,797	25,744	13,424
Health and welfare	1,255	591	494	944	418	511	901
Public service	309	1,487	253	6,320	5,530	5,301	5,094
Community development	** 4,819	4,528	5,524	5,273	—	—	—
Operating grants and contributions	75,281	98,270	73,563	72,860	75,994	80,214	111,274
Capital grants and contributions	33,666	7,548	12,726	14,306	14,232	13,760	1,009
Total governmental activities program revenues	<u>238,475</u>	<u>221,335</u>	<u>198,788</u>	<u>197,293</u>	<u>207,325</u>	<u>200,486</u>	<u>189,911</u>
Business-type activities:							
Charges for services:							
Airport	149,438	160,378	159,061	163,460	155,295	149,169	137,487
Water Division	56,039	50,983	48,709	45,635	44,130	45,464	43,346
Parking Division	13,813	12,428	13,897	15,890	14,155	14,849	13,408
Operating grants and contributions	1,513	1,615	2,683	4,348	2,643	6,673	4,005
Capital grants and contributions	8,267	31,815	35,122	28,123	44,633	38,301	72,036
Total business-type activities program revenues	<u>229,070</u>	<u>257,219</u>	<u>259,472</u>	<u>257,456</u>	<u>260,856</u>	<u>254,456</u>	<u>270,282</u>
Total primary government program revenues	\$ <u>467,545</u>	\$ <u>478,554</u>	\$ <u>458,260</u>	\$ <u>454,749</u>	\$ <u>468,181</u>	\$ <u>454,942</u>	\$ <u>460,193</u>

(Continued)

Table 2. Continued

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Program (Expense)/Revenue							
Governmental activities	\$ (513,568)	\$ (547,173)	\$ (560,359)	\$ (541,960)	\$ (511,422)	\$ (487,358)	\$ (468,465)
Business-type activities	(16,050)	18,451	21,862	(17,952)	27,928	43,071	73,354
Total primary government net expense	<u>(529,618)</u>	<u>(528,722)</u>	<u>(538,497)</u>	<u>(559,912)</u>	<u>(483,494)</u>	<u>(444,287)</u>	<u>(395,111)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes, levied for general purpose	66,767	67,291	67,562	62,424	62,333	53,536	51,138
Property taxes, levied for debt service	7,669	6,463	4,810	6,285	6,197	5,750	6,087
Sales tax	155,708	142,295	143,972	134,476	127,664	121,449	122,213
Earnings/payroll taxes	178,571	172,450	181,214	181,812	169,822	170,934	158,533
Gross receipt taxes (includes franchise tax)	97,327	90,291	108,178	84,652	75,378	81,162	58,937
Miscellaneous taxes	4,080	3,902	3,712	4,035	6,237	2,684	19,136
Unrestricted investment earnings	953	886	6,001	12,159	12,094	9,492	3,112
Gain/loss on sale of capital assets	2,528	62	83	47	(324)	6	494
Transfers	8,767	7,317	8,301	8,740	7,885	7,401	7,126
Total governmental activities	<u>522,370</u>	<u>490,957</u>	<u>523,833</u>	<u>494,630</u>	<u>467,286</u>	<u>452,414</u>	<u>426,776</u>
Business-type activities:							
Unrestricted investment earnings	2,941	3,878	5,188	10,776	12,522	11,794	11,128
Gain/loss on sale of capital assets	4	553	—	26	(78,105)	—	417
Extraordinary item - Natural disaster	23,086	—	—	—	—	—	—
Transfers	(8,767)	(6,906)	(8,301)	(8,740)	(7,885)	(7,401)	(7,126)
Total business-type activities	<u>17,264</u>	<u>(2,475)</u>	<u>(3,113)</u>	<u>2,062</u>	<u>(73,468)</u>	<u>4,393</u>	<u>4,419</u>
Total primary government	<u>\$ 539,634</u>	<u>\$ 488,482</u>	<u>\$ 520,720</u>	<u>\$ 496,692</u>	<u>\$ 393,818</u>	<u>\$ 456,807</u>	<u>\$ 431,195</u>

(Continued)

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Change in Net Assets							
Governmental activities	\$ 8,802	\$ (56,216)	\$ (36,526)	\$ (47,330)	\$ (44,136)	\$ (34,944)	\$ (41,689)
Business-type activities	1,214	15,976	18,749	(15,890)	(45,540)	47,464	77,773
Total primary government	<u>\$ 10,016</u>	<u>\$ (40,240)</u>	<u>\$ (17,777)</u>	<u>\$ (63,220)</u>	<u>\$ (89,676)</u>	<u>\$ 12,520</u>	<u>\$ 36,084</u>

*Police pension expenses under Governmental activities for fiscal years 2008 and 2009 were reclassified. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

** Fiscal years 2008 and 2009 Community development revenues reflect TIF revenues previously reported under General government in prior fiscal years.

Source: Basic financial statements.

Table 3
CITY OF ST. LOUIS, MISSOURI
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund										
Nonspendable	\$ --	*	*	*	*	*	*	*	*	*
Restricted	16,723	*	*	*	*	*	*	*	*	*
Committed	6,895	*	*	*	*	*	*	*	*	*
Assigned	1,055	*	*	*	*	*	*	*	*	*
Unassigned	24,675	*	*	*	*	*	*	*	*	*
Reserved	--	\$ 31,284	\$ 26,484	\$ 21,150	\$ 21,079	\$ 23,139	\$ 25,185	\$ 25,127	\$ 24,635	\$ 29,715
Unreserved	--	22,132	35,570	33,721	53,649	57,155	47,612	44,779	52,079	58,204
Total general fund	<u>\$ 49,348</u>	<u>\$ 53,416</u>	<u>\$ 62,054</u>	<u>\$ 54,871</u>	<u>\$ 74,728</u>	<u>\$ 80,294</u>	<u>\$ 72,797</u>	<u>\$ 69,906</u>	<u>\$ 76,714</u>	<u>\$ 87,919</u>
All Other Governmental Funds										
Nonspendable	\$ 11	*	*	*	*	*	*	*	*	*
Restricted	131,102	*	*	*	*	*	*	*	*	*
Committed	54,678	*	*	*	*	*	*	*	*	*
Assigned	3,200	*	*	*	*	*	*	*	*	*
Unassigned	(26,752)	*	*	*	*	*	*	*	*	*
Reserved	--	\$ 181,410	\$ 173,407	\$ 191,062	\$ 76,378	\$ 82,979	\$ 76,485	\$ 95,101	\$ 106,036	\$ 113,806
Unreserved, reported in:										
Special revenue funds	--	19,342	30,104	42,304	56,508	49,041	43,128	43,422	41,531	45,070
Capital projects funds	--	(13,961)	(10,689)	(9,253)	12,724	(7,204)	27,623	(2,735)	10,123	29,810
Debt service funds	--	--	--	--	--	--	--	--	--	--
Total all other governmental funds	<u>\$ 162,239</u>	<u>\$ 186,791</u>	<u>\$ 192,822</u>	<u>\$ 224,113</u>	<u>\$ 145,610</u>	<u>\$ 124,816</u>	<u>\$ 147,236</u>	<u>\$ 135,788</u>	<u>\$ 157,690</u>	<u>\$ 188,686</u>

*Effective July 1, 2011 the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Taxes	\$ 510,150	\$ 480,082	\$ 506,228	\$ 473,646	\$ 439,436	\$ 432,139	\$ 412,670	\$ 396,266	\$ 413,289	\$ 415,421
Licenses, fees and permits	21,716	24,214	22,238	22,208	24,395	23,708	21,754	19,585	17,735	18,267
Intergovernmental	138,141	117,084	116,693	119,197	123,119	122,332	113,237	139,637	115,181	84,407
Charges for services, net	44,659	30,906	28,316	28,752	29,592	28,373	28,200	29,211	24,908	24,907
Court fines and forfeitures	10,848	11,558	11,127	10,000	8,434	8,927	9,047	9,307	8,923	8,413
Investment income	953	886	6,001	12,159	12,094	9,492	3,112	2,693	3,941	6,720
Interfund services provided	4,631	3,043	6,354	3,868	4,094	4,009	4,519	3,921	4,476	4,864
Miscellaneous	15,845	15,987	12,865	13,902	14,303	11,148	13,174	10,486	14,688	15,241
Total revenues	746,943	683,760	709,822	683,732	655,467	640,128	605,713	611,106	603,141	578,240
Expenditures										
General government	67,400	77,906	80,226	101,622	53,066	69,011	58,273	61,848	59,869	55,319
Convention and tourism	189	176	198	201	154	362	2,010	286	2,344	2,302
Parks and recreation	25,153	27,357	29,827	27,966	25,129	23,191	22,597	20,877	18,659	18,083
Judicial	52,498	53,985	55,222	50,806	46,633	46,837	47,486	47,249	49,117	46,602
Streets	39,498	37,356	37,500	38,086	35,320	37,415	35,218	33,976	30,588	31,871
Public Safety:										
Fire	68,518	66,590	62,010	115,605	53,547	53,959	49,204	49,394	50,988	48,025
Police	139,010	141,805	146,955	143,452	138,871	134,631	130,584	131,490	126,497	125,331
Police-Pension	17,949	14,783	8,072	43,618						
Other	51,899	54,653	57,443	62,743	59,253	55,804	51,771	54,338	47,436	38,676
Health and welfare	50,127	51,230	53,441	45,379	45,067	45,905	40,275	36,592	37,495	34,646
Public service	65,916	59,315	58,594	70,095	72,991	67,600	62,415	72,885	66,140	63,498
Community development	68,123	76,264	63,220	60,710	79,351	66,555	57,291	55,149	43,622	49,682
Interfund services used	--	--	--	--	--	--	--	--	--	16
Capital outlay	94,653	51,175	67,615	51,103	43,591	35,290	37,383	44,840	67,466	84,364
Debt Service:										
Principal	58,091	46,721	41,759	46,484	39,008	30,933	35,240	23,146	25,592	25,563
Interest and fiscal charges	46,283	54,555	47,350	44,741	29,865	28,288	29,181	28,738	37,964	30,343
Cost of issuance	--	--	1,290	--	--	--	--	--	--	--
Advance refunding escrow	--	1,178	--	--	--	--	1,359	--	--	--
Total expenditures	845,307	815,049	810,722	902,611	721,846	695,781	660,287	660,808	663,777	654,321
Excess (deficiency) of revenues over expenditures	(98,364)	(131,289)	(100,900)	(218,879)	(66,379)	(55,653)	(54,574)	(49,702)	(60,636)	(76,081)

(Continued)

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources (Uses)										
Sale of capital assets	\$ 3,216	\$ 62	\$ 83	\$ 47	\$ 175	\$ 514	\$ 937	\$ 1,869	\$ 180	\$ 111
Issuance of note payable	--	--	9,068	--	--	--	--	--	--	460
Issuance of SLMFC Certificates of Participation	--	--	9,100	--	--	--	--	--	--	--
Issuance of refunding bonds- revenue refunding bonds	2,690	--	--	--	--	--	--	--	--	--
Issuance of refunding bonds-leasehold revenue bonds	9,250	74,191	21,850	247,967	23,725	15,485	--	--	141,975	83,955
Issuance of contractual obligation with component unit	--	16,960	--	--	--	--	--	--	--	--
Premium on leasehold revenue bonds	145	396	--	653	4,178	504	--	--	11,251	1,935
Discount on leasehold revenue bonds	--	(384)	(525)	(3,965)	(467)	--	--	--	--	(160)
Issuance of Section 108 loan guarantee assist	--	--	--	--	--	--	--	--	--	25,000
Proceeds of government loan	--	--	--	--	--	--	--	1,953	--	--
Proceeds of general obligation bonds and revenue bonds	--	--	--	--	13,000	--	98,953	--	--	--
Premium on general obligation bonds and revenue bonds	--	--	--	--	--	--	3,073	--	--	--
Discount on general obligation bonds	--	--	--	--	--	--	(29)	--	--	--
Issuance of capital lease	11,150	704	5,600	1,478	10,014	1,990	851	--	7,326	--
Issuance of tax increment revenue notes	46,503	28,352	32,669	37,737	55,158	30,043	12,964	14,766	--	--
Issuance of tax increment revenue bonds	4,580	--	--	--	--	--	--	--	--	--
Proceeds from master note purchase agreement	--	--	--	--	--	--	--	--	--	--
Discount on tax increment revenue bonds	--	--	--	--	--	--	--	(40)	--	--
Issuance of loan agreement	--	--	--	4,500	--	782	1,000	--	--	--
Issuance of joint venture financing agreement	--	--	--	--	49,585	--	--	--	--	--
Payment to refunded escrow agent-joint venture	--	--	--	--	(51,316)	--	--	--	--	--
Payment to refunded escrow agent-leasehold revenue bonds	(2,416)	(12,391)	--	(8,632)	(22,830)	(15,421)	(55,962)	(7,747)	(149,808)	(62,789)
Payment to refunded escrow agent-obligation with component unit	--	--	(9,354)	--	--	--	--	--	--	--
Payment of refunded escrow agent-capital lease	--	(341)	--	--	--	--	--	--	--	--
Advance refunding on TIF bonds and notes payable	(11,931)	(16,961)	--	(11,000)	(7,500)	--	--	--	--	--
Recovery of legal judgment	--	--	--	--	--	--	--	2,972	--	--
Receipt of redevelopment lease proceeds from component unit	--	18,006	--	--	--	--	--	--	--	--
Transfers in	53,467	58,575	50,849	40,569	41,613	29,909	31,507	37,856	49,887	38,679
Transfers out	(46,910)	(50,549)	(42,548)	(31,829)	(33,728)	(22,508)	(24,381)	(30,637)	(42,376)	(31,646)
Total other financing sources (uses), net	69,744	116,620	76,792	277,525	81,607	41,298	68,913	20,992	18,435	55,545
Net change in fund balances	\$ (28,620)	\$ (14,669)	\$ (24,108)	\$ 58,646	\$ 15,228	\$ (14,355)	\$ 14,339	\$ (28,710)	\$ (42,201)	\$ (20,536)
Debt service as a percentage of noncapital expenditures	13.9%	13.3%	12.0%	10.7%	10.2%	9.0%	10.3%	8.4%	10.7%	9.8%
Debt service expenditures	104,374	101,276	89,109	91,225	68,873	59,221	64,421	51,884	63,556	55,906
Non-capital expenditures	750,654	763,874	743,107	851,508	678,255	660,491	622,904	615,968	596,311	569,957

*Police pension expenses under Governmental activities were reclassified in fiscal years 2008 and 2009. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

Table 4, Continued

Table 5
CITY OF ST. LOUIS, MISSOURI
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Real Estate		Personal Property	Manufacturer's Machinery, Tools & Equipment	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate	Taxable Assessed Value to Estimated Actual Taxable Value
	Residential	Commercial							
2011	\$ 2,281,376	\$ 2,542,399	\$ 723,739	\$ 221,519	\$ 1,281,865	\$ 4,487,158	\$ 18,126,314	1.4224	24.8%
2010	2,206,698	2,688,333	781,557	254,873	1,381,310	4,550,151	18,144,398	1.3601	25.1%
2009	2,256,467	2,440,325	861,837	287,366	1,162,841	4,683,154	18,841,886	1.3225	24.9%
2008	2,195,159	2,548,206	805,298	292,371	1,283,851	4,557,183	18,401,969	1.3451	24.8%
2007	1,798,234	2,318,384	767,274	286,014	1,277,160	3,892,746	15,486,668	1.4590	25.1%
2006	1,700,324	2,199,992	789,536	290,523	1,097,633	3,882,742	15,370,507	1.4402	25.3%
2005	1,242,646	1,998,611	770,104	285,353	930,989	3,365,725	12,910,940	1.5908	26.1%
2004	1,229,358	1,931,802	789,866	296,768	884,059	3,363,735	12,875,125	1.5623	26.1%
2003	1,079,619	1,811,204	811,286	305,360	831,316	3,176,153	11,053,189	1.6087	28.7%
2002	1,078,738	1,821,893	901,304	305,622	843,772	3,263,785	12,230,473	1.5991	26.7%

Source: City of St. Louis Assessor's Office

NOTE:

Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property and manufacturer's machinery, tools and equipment assessed at 33-1/3%.

A complete reassessment is made on personal property by the Assessor every year and every odd year for real property.

Table 6
CITY OF ST. LOUIS, MISSOURI
Property Tax Rates Per \$100 Assessed Value - Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
City of St. Louis:										
Municipal purposes	\$ 0.8639	\$ 0.8500	\$ 0.8161	\$ 0.8059	\$ 0.8811	\$ 0.8687	\$ 0.9559	\$ 0.9368	\$ 0.9674	\$ 0.9599
County purposes	0.3113	0.3064	0.2940	0.2903	0.3179	0.3134	0.3455	0.3386	0.3500	0.3485
Hospital purposes	0.0888	0.0874	0.0839	0.0829	0.0908	0.0895	0.0987	0.0968	0.1000	0.0996
Public health purposes	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179	0.0197	0.0194	0.0200	0.0199
Recreation purposes	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179	0.0197	0.0194	0.0200	0.0199
Interest and public debt	0.1228	0.0813	0.0949	0.1328	0.1328	0.1328	0.1513	0.1513	0.1513	0.1513
Total City of St. Louis	<u>1.4224</u>	<u>1.3601</u>	<u>1.3225</u>	<u>1.3451</u>	<u>1.4590</u>	<u>1.4402</u>	<u>1.5908</u>	<u>1.5623</u>	<u>1.6087</u>	<u>1.5991</u>
Overlapping governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	3.9865	3.8943	3.8028	3.7533	4.0193	3.9720	4.3040	4.1900	4.3000	4.3000
St. Louis Community College	0.2179	0.2136	0.2013	0.2003	0.2233	0.2231	0.2368	0.2312	0.2320	0.2300
Metropolitan St. Louis Sewer District	0.0790	0.0000	0.0000	0.0667	0.0687	0.0686	0.0690	0.0690	0.0690	0.0890
Sheltered Workshop District	0.1372	0.1346	0.1295	0.1278	0.1386	0.1368	0.1490	0.1459	0.1500	0.1499
St. Louis Public Library	0.5208	0.5019	0.4938	0.4768	0.5171	0.5104	0.5561	0.5446	0.5600	0.5595
Community Mental Health	0.0823	0.0800	0.0777	0.0767	0.0832	0.0821	0.0894	0.0875	0.0900	0.0899
Community Children's Service Fund	0.1880	0.1827	0.1775	0.1752	0.1900	0.1900				
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763	0.0787	0.0620	0.0610	0.0610
Art Museum Subdistrict	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763	0.0787	0.0620	0.0610	0.0610
Museum of Science and Natural History Subdistrict	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0320	0.0310	0.0310
Botanical Garden Subdistrict	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0320	0.0310	0.0310
Missouri History Museum Subdistrict	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0380	0.0380	0.0380
Total overlapping governments	<u>5.4963</u>	<u>5.2864</u>	<u>5.1470</u>	<u>5.1398</u>	<u>5.5313</u>	<u>5.4784</u>	<u>5.7099</u>	<u>5.5242</u>	<u>5.6530</u>	<u>5.670</u>
Total City of St. Louis and overlapping governments	<u>\$ 6.9187</u>	<u>\$ 6.6465</u>	<u>\$6.4695</u>	<u>\$6.4849</u>	<u>\$6.9903</u>	<u>\$6.9186</u>	<u>\$7.3007</u>	<u>\$7.0865</u>	<u>\$7.2617</u>	<u>\$ 7.269</u>

Source: City Assessor's Office.

Table 7
CITY OF ST. LOUIS, MISSOURI
Principal Property Tax Payers Identified by Industry Classification
Current Calendar Year and Nine Years Ago
(dollars in thousands)

Tax Payer by Industry Classification (1)	Calendar Year 2010			Calendar Year 2001		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Utilities	\$ 91,220	1	2.21%	\$ 85,211	2	3.12%
Gaming	81,466	2	1.98%	71,479	3	—
Manufacturing	71,437	3	1.73%	74,413	1	2.73%
Telecommunications	71,083	4	1.73%	37,889	4	1.39%
Financial Services	39,054	5	0.95%			
Manufacturing	38,424	6	0.93%	15,348		0.56%
Utilities	30,321	7	0.74%	72,038	5	2.64%
Healthcare	28,009	8	0.68%	44,462	10	1.63%
Motor Leasing Services	25,920	9	0.63%		6	—
Property Management	25,020	10	0.61%			
Financial Services	—		—	17,577	7	0.64%
Healthcare	—		—	NP	8	—
Educational Institution	—		—	NP	9	—
	<u>\$ 501,954</u>		<u>12.19%</u>	<u>\$ 418,417</u>		<u>12.71%</u>

Source: City Assessor's Office and Collector of Revenue

Note:

(1) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Table 8
CITY OF ST. LOUIS, MISSOURI
General and Debt Service Funds - Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

(1) Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Fiscal Year Collections Related to Prior Year Levies	Total Collections to Date	
		(2) Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 57,990	\$ 52,223	90.1%	\$ 6,319	\$ 58,542	101.0%
2010	56,169	49,634	88.4%	5,071	54,705	97.4%
2009	56,104	49,487	88.2%	9,090	58,577	104.4%
2008 *	57,734	48,627	84.2%	5,168	53,795	93.2%
2007	51,446	46,475	90.3%	5,234	51,709	100.5%
2006	50,929	43,833	86.1%	4,095	47,928	94.1%
2005	48,307	43,828	90.7%	4,508	48,336	100.1%
2004	46,391	42,941	92.6%	4,207	47,148	101.6%
2003	46,104	41,739	90.5%	4,734	46,473	100.8%
2002	46,674	40,994	87.8%	4,214	45,208	96.9%

NOTES:

(1) Figures are based on the Collector of Revenue's fiscal year which begins the first Monday of March.

(2) Includes monies collected that were paid to the state for reassessment.

* Total collections does not reflect protest monies held in escrow of approximately \$4,100.

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

Table 9
CITY OF ST. LOUIS, MISSOURI
Earnings and Payroll Tax
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Earnings				Total (1) Earnings Tax	Payroll	
	Revenue Base		1% Tax			Revenue	(1)
	Business	Individual	Business	Individual		Base	0.5% Tax
2011	\$ 3,025,300	\$12,082,700	\$ 30,253	\$120,827	\$ 151,080	\$ 7,048,400	35,242
2010	2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568
2009	2,221,000	12,166,800	22,210	121,668	143,878	7,186,200	35,931
2008	2,671,400	12,046,700	26,714	120,467	147,181	7,451,200	37,256
2007	2,461,000	11,666,000	24,610	116,660	141,270	7,059,200	35,296
2006	2,178,200	11,383,800	21,782	113,838	135,620	7,295,000	36,475
2005	1,892,500	10,858,900	18,925	108,589	127,514	6,365,600	31,828
2004	1,884,200	10,620,500	18,842	106,205	125,047	6,334,600	31,673
2003	1,877,500	10,709,800	18,775	107,098	125,873	6,413,800	32,069
2002	1,658,700	10,786,900	16,587	107,869	124,456	6,930,600	34,653

Source: City of St. Louis Collector of Revenue

Note:

Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Table 10
CITY OF ST. LOUIS, MISSOURI
Principal Earnings and Payroll Tax Payers
Top Ten Companies' Current Fiscal Year and Nine Years Ago
By Industry Classification
(dollars in thousands)

Top Ten Companies by Industry Classification (2)	Fiscal Year 2011			Fiscal Year 2002		
	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax
Education	\$ 6,600	1	3.54%	\$ 3,774	5	2.37%
Manufacturing	6,385	2	3.43%	6,879	1	4.32%
Healthcare	4,894	3	2.63%			
Government	3,877	4	2.08%			
Telecommunications	3,627	5	1.95%	5,859	2	3.68%
Financial Services	3,296	6	1.77%	5,099	3	3.20%
Government	3,227	7	1.73%	2,987	6	1.88%
Education	3,040	8	1.63%			
Financial Services	1,942	9	1.04%			
Utilities	1,929	10	1.04%	2,346	9	1.47%
Financial Services	—		—%	2,209	10	1.39%
Manufacturing	—		—%	2,676	7	1.68%
Retailer	—		—%	2,408	8	1.51%
Healthcare	—		—%	3,950	4	2.48%
	<u>\$ 38,817</u>		<u>20.83%</u>	<u>\$ 38,187</u>		<u>24.00%</u>

Source: Collector of Revenue

Note:

(1) The percentages are calculated using total taxes from Table 9.

(2) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Table 11
CITY OF ST. LOUIS, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Governmental Activities							Business-Type Activities			Total Primary Government	(1)	(1)
	General Obligation Bonds	Tax Incremental Revenue Bonds	Lease Revenue Bonds	(2) Capital Leases	Joint Venture Financing Agreement	Federal Section 108	Other Obligations	Water Revenue Bonds	Airport Revenue Bonds	Parking Revenue Bonds		Percentage of Personal Income	Per Capita
2011	\$ 42,685	\$ 200,202	\$ 548,958	\$ 75,993	\$ 50,092	\$ 46,750	\$ 11,353	\$ 16,000	\$ 869,980	\$ 74,892	1,936,905	16.96%	6,066
2010	46,300	167,436	567,292	67,779	53,873	50,050	13,191	19,585	905,405	76,925	1,967,836	17.23%	5,519
2009	49,790	163,554	531,615	53,131	57,516	53,160	14,373	23,025	797,105	78,854	1,822,123	15.65%	5,108
2008	50,875	136,987	534,223	59,531	61,028	56,080	6,159	26,325	818,830	81,350	1,831,388	15.73%	5,134
2007	54,820	114,251	308,824	61,050	65,116	58,820	2,204	29,175	843,920	70,120	1,608,300	15.21%	4,508
2006	45,220	69,786	323,469	57,801	67,323	63,670	3,723	31,820	861,085	64,527	1,588,424	15.77%	4,453
2005	48,465	41,678	340,899	56,985	68,376	68,220	3,359	34,320	894,735	66,264	1,623,301	16.77%	4,551
2004	51,720	30,692	311,526	60,521	73,542	72,500	2,784	36,685	930,510	68,134	1,638,614	14.08%	4,593
2003	54,685	25,826	319,737	22,964	76,493	76,570	1,184	38,920	961,520	62,515	1,640,414	14.09%	4,598
2002	57,525	11,002	334,197	17,881	79,324	78,840	1,765	41,010	896,600	42,445	1,560,589	13.41%	4,375

Source: Notes to Basic Financial Statements

Note:

(1) See Table 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Capital Leases include rolling stock and obligations with component units.

Table 12
CITY OF ST. LOUIS, MISSOURI
Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands except per capita)

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Less Debt Service Fund	Total Net Bonded Debt	(1) Percentage of Actual Taxable Value of Property	(2) Per Capita (in dollars)
2011	\$ 42,685	\$ 8,118	\$ 34,567	0.19%	\$ 108
2010	46,300	7,331	38,969	0.21%	109
2009	49,790	8,216	41,574	0.22%	117
2008	50,875	9,008	41,867	0.22%	118
2007	54,820	8,045	46,775	0.25%	132
2006	45,220	7,239	37,981	0.25%	107
2005	48,465	6,271	42,194	0.27%	120
2004	51,720	6,528	45,192	0.35%	129
2003	54,685	6,312	48,373	0.38%	139
2002	57,525	9,986	47,539	0.43%	137

Source: City Assessor's Office and Comptroller's Office

Note:

(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

Table 13
CITY OF ST. LOUIS, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1): General Obligation Debt	\$ 306,354	100.00%	\$ 306,354
Other debt			
Board of Education of the City of St. Louis	-	100.00% *	-
Metropolitan St. Louis Sewer District (2)	626,400	10.23% *	64,072
Junior College District of St. Louis (3)	<u>31,131</u>	16.72% *	<u>5,205</u>
Subtotal, overlapping debt	963,885		375,631
City of St. Louis direct debt (4)			<u>962,752</u>
Total direct and overlapping debt			<u><u>\$ 1,338,383</u></u>

Source:

- (1) Board of Education City of St. Louis.
- (2) Metropolitan St. Louis Sewer District
- (3) Junior College District of St. Louis
- (4) Notes to basic financial statements

Note:

* Based on assessed property value

Table 14
CITY OF ST. LOUIS, MISSOURI
Legal Debt Margin Calculation
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2011

Assessed Value	\$ 4,265,649
Debt limit (10% of assessed value)	426,565
Debt applicable to limit:	
General obligation bonds	42,685
Less: Amount set aside for repayment of general obligation debt.	(8,118)
Total net debt applicable to limit	<u>34,567</u>
Legal Debt Margin	<u>\$ 391,998</u>

	Fiscal Year Ended June 30, 2011									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$426,565	\$455,015	\$468,315	\$455,718	\$389,274	\$388,274	\$336,573	\$336,374	\$317,615	\$326,378
Total net debt applicable to limit	<u>34,567</u>	<u>38,969</u>	<u>41,574</u>	<u>41,867</u>	<u>46,775</u>	<u>37,981</u>	<u>42,194</u>	<u>45,192</u>	<u>48,373</u>	<u>47,539</u>
Legal debt margin	<u>\$391,998</u>	<u>\$416,046</u>	<u>\$426,741</u>	<u>\$413,851</u>	<u>\$342,499</u>	<u>\$350,293</u>	<u>\$294,379</u>	<u>\$291,182</u>	<u>\$269,242</u>	<u>\$278,839</u>
Total net debt applicable to the limit as a percentage of debt limit	8.10%	8.56%	8.88%	9.19%	12.02%	9.78%	12.54%	13.44%	15.23%	14.57%

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds (1)						Airport Revenue Bonds (1)					
	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Aviation Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2011	\$ 56,044	\$ 38,535	\$ 17,509	\$ 3,585	\$ 809	3.98	\$ 175,037	\$ 91,993	\$ 83,044	\$ 29,970	\$ 46,942	1.08
2010	51,295	37,549	13,746	2,440	959	4.04	170,429	87,385	83,044	21,670	44,157	1.26
2009	49,173	41,425	7,748	3,300	1,100	1.76	169,961	86,054	83,907	21,725	40,575	1.35
2008	46,709	39,414	7,295	2,850	1,469	1.69	178,960	93,600	85,360	25,090	39,664	1.32
2007	45,697	36,816	8,881	2,645	1,286	2.26	157,918	89,023	68,895	13,960	47,118	1.13
2006	46,266	34,405	11,861	2,500	1,444	3.01	126,037	76,833	49,204	34,090	34,949	0.71
2005	44,264	32,491	11,773	2,365	1,590	2.98	138,882	74,185	64,697	29,135	53,625	0.78
2004	42,061	33,119	8,942	2,235	1,727	2.26	145,433	73,622	71,811	31,030	30,552	1.17
2003	41,435	34,216	7,219	2,090	1,854	1.83	171,874	83,814	88,060	39,485	42,749	1.07
2002	40,952	32,224	8,728	1,980	2,001	2.19	204,341	72,478	131,863	25,940	21,006	2.81

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Parking Revenue Bonds (1)						Tax Increment Financing Bonds (1) (2)					
	Parking/ Project Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2011	\$ 13,007	\$ 6,657	6,350	\$ 1,675	\$ 3,093	1.33	\$ 14,115	\$ 631	\$ 13,484	\$ 5,853	\$ 10,189	0.84
2010	11,537	7,061	4,476	1,595	3,176	0.94	15,444	477	14,967	7,509	10,434	0.83
2009	12,893	8,691	4,202	1,275	3,246	0.93	12,327	401	11,926	5,384	8,793	0.84
2008	13,318	8,331	4,987	1,475	3,756	0.95	9,449	324	9,125	4,000	7,409	0.80
2007	13,195	7,472	5,723	257	2,308	2.23	7,459	201	7,258	2,593	3,946	1.11
2006	13,418	7,586	5,832	1,727	3,400	1.14	5,632	126	5,506	3,705	4,138	0.70
2005	11,781	7,431	4,350	1,870	3,436	0.82	5,106	44	5,062	3,615	3,201	0.74
2004	12,243	7,116	5,127	993	3,360	1.18	5,490	42	5,448	2,150	2,229	1.24
2003	11,548	6,166	5,382	935	2,321	1.65	2,979	26	2,953	831	1,854	1.10
2002	12,013	6,276	5,737	890	2,367	1.76	2,410	3	2,407	746	1,664	1.00

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Section 108 Downtown Convention Headquarters Hotel Project							
Fiscal Year	Tax	Less:	Net	Debt Service		Coverage	
	Increment Revenue	Operating Expenses	Available Revenue	Principal	Interest		
2011	\$ 4,576	\$ 264	\$ 4,312	\$ 2,410	\$ 2,387	0.90	
2010	3,701	270	3,431	2,270	2,523	0.72	
2009	5,403	280	5,123	2,130	2,645	1.07	
2008	5,219	286	4,933	2,000	2,756	1.04	
2007	6,092	296	5,796	1,890	2,859	1.22	
2006	4,655	303	4,352	1,770	2,952	0.92	
2005	4,226	309	3,917	1,670	3,034	0.83	
2004	2,699	158	2,541	1,610	3,029	0.55	
2003	265	1	264	-	2,988	0.09	
2002	-	-	-	-	1,428	0.00	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Justice Center Leasehold Revenue Bonds (1) (2)						
	Prisoner Housing Reimbursement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	\$ 4,494	\$ -	\$ 4,494	\$ 7,465	\$ 3,659	0.4	
2010	6,919	-	6,919	5,680	4,238	0.7	
2009	6,535	-	6,535	6,620	4,507	0.6	
2008	6,375	-	6,375	6,285	4,836	0.6	
2007	7,857	-	7,857	5,980	5,144	0.7	
2006	6,725	-	6,725	5,339	4,927	0.7	
2005	5,756	-	5,756	5,155	5,797	0.5	
2004	5,594	-	5,594	4,700	6,032	0.5	
2003	4,485	-	4,485	4,480	6,252	0.4	
2002	5,496	-	5,496	4,275	6,856	0.5	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Civil Courts/Carnahan Courthouse							
Leasehold Revenue Bonds (1) (2)							
Fiscal Year	Court Fees	Less: Net		Debt Service			Coverage
		Operating Expenses	Available Revenue	Principal	Interest	Coverage	
2011	\$ 1,368	\$ -	1,368	\$ 160	\$ 1,349	0.9	
2010	1,419	-	1,419	2,255	493	0.5	
2009	1,499	-	1,499	2,155	1,563	0.4	
2008	1,496	-	1,496	2,075	1,651	0.4	
2007	1,354	-	1,354	1,985	1,908	0.3	
2006	1,406	-	1,406	1,905	1,992	0.4	
2005	1,355	-	1,355	1,850	2,050	0.3	
2004	1,417	-	1,417	1,540	2,365	0.4	
2003	1,311	-	1,311	1,465	2,297	0.3	
2002	1,112	-	1,112	1,395	1,376	0.4	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Table 15, Continued

Fiscal Year	Convention and Sports Facility Project Revenue Bonds						Coverage
	3.5% hotel sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2011	\$ 6,417	\$ -	\$ 6,417	\$ 3,781	\$ 2,219	1.07	
2010	6,255	-	6,255	3,643	2,357	1.04	
2009	6,513	-	6,513	3,512	2,488	1.09	
2008	5,616	-	5,616	4,088	1,912	0.94	
2007	5,767	-	5,767	3,261	2,739	0.96	
2006	5,388	-	5,388	3,158	2,842	0.90	
2005	5,278	-	5,278	3,061	2,939	0.88	
2004	5,104	-	5,104	2,951	3,049	0.85	
2003	5,208	-	5,208	2,831	3,169	0.87	
2002	4,743	-	4,743	2,720	3,280	0.79	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Forest Park Leasehold Revenue Bonds						
	10.4% of the	Less:	Net	Debt Service		Coverage	
	1/2c capital sales Tax	Operating Expenses	Available Revenue	Principal	Interest		
2011	\$ 1,740	\$ -	\$ 1,740	\$ 835	\$ 533	1.27	
2010	1,722	-	1,722	805	563	1.26	
2009	1,814	-	1,814	785	587	1.32	
2008	1,849	-	1,849	760	610	1.35	
2007	1,839	-	1,839	740	632	1.34	
2006	1,789	-	1,789	715	653	1.31	
2005	1,741	-	1,741	515	865	1.26	
2004	1,701	-	1,701	490	887	1.24	
2003	1,749	-	1,749	470	908	1.27	
2002	1,796	-	1,796	450	927	1.30	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Recreation Sales Tax Leasehold Revenue Bonds (1) (2)						
	Parks and Recreation Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	\$ 4,152	\$ -	\$ 4,152	\$ 950	\$ 2,290	1.28	
2010	4,055	-	4,055	910	2,326	1.25	
2009	4,280	-	4,280	875	2,361	1.32	
2008	4,425	-	4,425	1,665	1,442	1.42	
2007	-	-	-	-	-	-	
2006	-	-	-	-	-	-	
2005	-	-	-	-	-	-	
2004	-	-	-	-	-	-	
2003	-	-	-	-	-	-	
2002	-	-	-	-	-	-	

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)						
	10% of the	Less:	Net	Debt Service		Coverage	
	1/2c Capital Sales Tax	Operating Expenses	Available Revenue	Principal	Interest		
2011	\$ 1,671	\$ -	\$ 1,671	\$ 280	\$ 1,030	1.28	
2010	1,654	-	1,654	265	1,041	1.27	
2009	1,742	-	1,742	255	1,051	1.33	
2008	1,777	-	1,777	1,120	189	1.36	
2007	-	-	-	-	-	-	
2006	-	-	-	-	-	-	
2005	-	-	-	-	-	-	
2004	-	-	-	-	-	-	
2003	-	-	-	-	-	-	
2002	-	-	-	-	-	-	

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Table 15, Continued

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 16
CITY OF ST. LOUIS, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>(1) Population</u>	<u>(4) Personal Income (thousands of dollars)</u>	<u>(4) Per Capita Personal Income</u>	<u>(1) Median Age</u>	<u>(2) Public School Enrollment</u>	<u>(3) Unemployment Rate</u>
2010	319,294	\$ 11,419,877	\$ 32,026	34.6	25,046	8.7%
2009	356,587	11,222,863	31,473	35.4	26,108	11.7%
2008	356,730	11,492,000	32,214	36.3	27,574	7.8%
2007	355,663	10,571,569	29,724	36.3	32,135	7.0%
2006	353,837	10,069,490	28,458	35.6	35,361	6.9%
2005	352,572	9,680,210	27,456	35.4	35,251	7.9%
2004 *	350,705	9,285,829	26,478	35.7	36,954	8.7%
2003 *	348,039	9,128,411	26,228	34.4	39,974	8.4%
2002 *	347,252	9,162,420	26,162	33.8	39,524	7.8%
2001	347,954	8,994,072	25,726	34.2	40,449	6.6%

NOTES:

(1) Source: Census Bureau -Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records methodology whereas the City has used a Housing Unit methodology.* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003, and 2004.

(2) Data provided by the Missouri Dept. of Elementary and Secondary Education

(3) Data provided by the U. S. Bureau of Labor Statistics.

(4) Source: U.S. Bureau of Economic Analysis-Calendar Year 2009 figures are estimates; actual statistics for this period are released in April 2011. Calendar Years 2004-2006 have been updated to reflect actual statistics released as of April 2008.

Table 17
CITY OF ST. LOUIS, MISSOURI
Principal Employers,
Current Calendar Year and Nine Years Ago

Employer	Calendar Year 2010			Calendar Year 2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	14,168	1	3.37%	11,463	2	2.17%
BJC Healthcare	12,414	2	2.96%	16,137	1	3.06%
St. Louis University	9,792	3	2.33%	9,772	3	1.85%
City of St. Louis	8,933	4	2.13%	8,663	5	1.64%
Defense Finance & Acct Services	6,572	5	1.56%	—	—	—%
AT&T Services, Inc.	5,240	6	1.25%	8,095	6	1.53%
Wells Fargo	5,228	7	1.24%	5,850	10	1.11%
St. Louis Board of Education	4,772	8	1.14%	8,803	4	1.67%
United States Postal Service	4,300	9	1.02%	6,409	8	1.21%
State of Missouri	3,810	10	0.91%	5,984	9	1.13%
Anheuser Busch, Inc.	3,579		0.85%	7,213	7	1.37%
	<u>78,808</u>		<u>18.76%</u>	<u>88,389</u>		<u>16.74%</u>

Source: City Collector of Revenue

Table 18
CITY OF ST. LOUIS, MISSOURI
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Table 18

	Full-time Equivalent Employees as of June 30									
<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Primary Government Employees:										
General government	509	528	539	535	525	518	514	525	550	545
Convention and tourism	2	2	3	3	3	3	3	3	3	4
Parks and recreation	309	322	328	331	324	328	331	336	334	347
Judicial	714	709	721	717	705	717	726	731	733	718
Streets	455	464	463	458	452	454	456	466	472	478
Fire	829	830	830	830	831	831	830	829	829	830
Police	1,943	1,937	1,992	1,938	1,919	1,916	1,899	2,051	2,075	2,012
Other	716	774	814	804	753	756	762	812	844	643
Health and welfare	219	257	278	274	274	255	287	314	375	351
Public service	224	251	258	256	245	240	259	301	339	335
Community development	65	65	65	66	62	65	64	71	88	88
Business-Type Employees:										
Airport	580	583	637	637	634	623	582	589	781	768
Water Division	361	380	380	376	380	382	384	389	391	403
Parking Division	103	86	90	142	135	162	158	157	139	156
Total Employees	7,029	7,188	7,398	7,367	7,242	7,250	7,255	7,574	7,953	7,678

Table 19
 CITY OF ST. LOUIS, MISSOURI
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	Fiscal Year										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government											
Payroll checks issued	191,837	201,642	202,802	269,186	250,945	200,939	194,477	202,244	205,108	205,108	205,107
Invoices processed	95,375	98,772	103,352	108,703	107,796	107,943	109,385	109,346	111,372	127,044	130,762
Deeds recorded	61,841	66,351	65,740	81,692	107,042	101,638	97,069	96,827	98,704	—	—
Birth and death certificate copies issued	57,898	61,836	65,874	69,107	73,205	76,618	61,677	65,530	—	—	—
Marriage licenses processed	2,548	2,570	2,523	2,453	2,739	2,566	2,592	2,695	2,694	—	—
Real property parcels	145,572	145,858	145,507	145,930	142,168	142,351	140,979	139,927	138,742	138,355	138,311
Personal property accounts	108,257	108,427	110,285	106,176	105,571	109,342	114,442	113,737	106,955	108,997	122,582
Problem properties cases heard*	8,981	8,491	7,932	9,793	6,050	7,954	11,593	8,429	2,745	—	—
Citizen Service Bureau (CSB) calls answered	122,470	102,964	119,531	175,339	223,776	230,541	239,610	236,582	152,021	—	—
CSB service requests issued	119,109	107,116	90,177	107,431	104,909	97,050	96,134	98,589	99,006	103,889	102,774
Parks and Recreation and Forestry											
Park use permits issued	3,170	3,727	3,283	3,434	3,251	2,999	2,714	1,410	1,168	1,335	—
Vacant lot grass cuttings	52,110	51,015	52,929	95,191	68,904	71,578	80,949	77,363	56,817	54,627	55,569
Vacant building grass cuttings	24,124	23,520	22,332	51,663	33,320	31,927	41,320	36,691	24,451	23,618	18,165
CSB service requests received	25,660	23,007	26,655	47,408	24,665	23,745	22,524	23,635	24,795	23,981	21,031
Judicial											
Juvenile cases-referrals *	3,288	3,540	4,290	5,240	5,532	6,686	5,870	6,749	7,048	8,261	—
Jurors summoned	58,230	65,805	71,187	74,450	74,850	71,300	66,400	64,750	71,800	88,400	67,950
Jurors who served	20,019	21,582	26,030	23,874	21,059	22,131	21,628	22,286	24,437	23,599	23,853
Streets											
Tons of waste placed in landfills	173,812	185,848	199,725	186,132	195,958	220,085	246,613	213,591	213,228	228,753	208,415
Tons of waste recycled	4,842	3,851	4,900	4,855	4,141	1,848	1,784	1,368	1,368	1,367	2,558
Vehicles towed	9,765	9,765	11,523	8,829	10,489	11,793	11,508	13,505	14,130	17,319	—
Public Safety											
Fire											
Suppression calls	59,683	51,464	45,855	45,137	44,751	41,513	41,603	40,021	39,847	41,461	41,213
EMS calls	74,929	73,771	60,062	59,241	59,209	58,112	57,960	58,205	57,746	59,953	62,460

(Continued)

Table 19
CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 19, Continued

	Fiscal Year										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police											
Directed calls for service*	309,696	321,015	325,958	348,648	320,499	333,351	343,149	347,630	374,045	445,910	479,493
Felony arrests*	13,424	13,284	14,186	14,930	15,162	13,837	13,084	14,213	14,422	14,778	14,692
Misdemeanor arrests*	6,986	7,948	8,569	10,048	10,440	10,323	10,820	10,244	11,768	10,179	11,040
Police reports written*	76,204	83,339	86,316	94,539	106,086	100,007	99,699	111,893	112,633	109,143	118,025
Public Service											
Contracts executed	81	298	252	205	164	189	170	158	205	189	112
Bridges inspected	44	33	36	37	36	35	34	33	42	32	42
Airport											
Major airlines	10	10	10	9	10	9	10	9	8	10	10
Commuter airlines	19	19	20	22	22	13	12	12	12	9	10
Air cargo carriers	3	3	3	4	5	6	6	6	6	6	6
Passengers	123,992,269	12,514,653	13,271,170	15,220,080	15,136,182	16,655,185	14,072,947	16,064,247	23,675,012	25,232,710	29,909,488
Aircraft operations	186,908	195,409	226,052	255,800	260,151	304,631	254,399	293,474	414,787	451,638	483,941
Water Division											
Bills issued - metered	52,128	52,432	53,208	53,324	53,388	56,452	54,008	54,452	54,904	55,204	55,756
Bills issued - flat rate	316,596	321,720	325,420	327,804	330,420	330,012	328,572	330,936	334,460	337,108	339,008
Millions of gallons of water purified	43,345	44,015	46,223	47,479	48,137	48,923	49,724	49,883	49,098	48,177	50,165

* Information based on calendar year

Table 20
CITY OF ST. LOUIS, MISSOURI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Parks and Recreation</u>										
Park acreage	3,243	2,960	2,722	2,717	2,717	2,717	2,717	2,717	2,717	2,717
Miles of bicycle paths	36	36	36	36	35	28	27	27	17	17
Athletic fields	152	152	152	152	152	188	188	188	188	194
Recreation centers	7	9	8	9	9	9	9	9	9	9
Neighborhood centers	-	-	1	1	1	1	1	1	1	1
Swimming pools	7	9	8	8	8	8	8	8	8	8
Golf courses	3	3	2	2	2	2	2	3	3	3
<u>Judicial</u>										
Court houses	3	3	3	3	3	3	3	3	3	3
<u>Streets</u>										
Alley containers	27,724	27,724	27,724	27,814	28,282	28,669	28,669	28,669	29,334	30,000
Rollout carts	34,770	21,202	21,202	19,899	20,379					
Recycling containers	3,434	125	136	130	135	116	116	116	81	81
Streets - paved (miles)	18	21	21	30	21	16	16	23	32	67
Streets - (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	450	450	450	450	450	400	400	400	400	400
Street, alley and easement lights	70,000	70,000	70,059	69,919	69,839	69,800	69,800	69,800	69,800	69,600
<u>Public Safety</u>										
<u>Fire</u>										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	122	114	114	144	144	178	178	177	177	176
<u>Police</u>										
Police stations	3	3	3	3	3	4	4	4	4	4
Police vehicles	694	710	703	703	700	651	601	642	645	649
<u>Public Service</u>										
Bridges structurally deficient	15	17	5	16	16	13	6	11	12	12
Bridges functionally obsolete	30	22	20	22	22	26	29	34	34	34
Total bridges	72	71	72	69	71	73	71	76	75	75
<u>Water Division</u>										
Miles of water mains	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Water storage capacity (gallons)	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000
Treatment Plants	2	2	2	2	2	2	2	2	2	2

Table 20

Table 21

**TABLE III-1
ST. LOUIS MSA POPULATION TRENDS
2000 - 2010**

County/Area	Population Estimate			Avg. Annual Growth Rate
	7/1/2000	7/1/2009	7/1/2010 ¹	
St. Louis, MO-IL MSA²				
Franklin, MO	94,050	101,422	101,508	0.8%
Jefferson, MO	198,937	217,764	219,084	1.0%
Lincoln, MO	39,196	52,243	52,702	3.0%
St. Charles, MO	286,218	356,902	361,602	2.4%
St. Louis, MO	1,016,178	998,618	998,881	-0.2%
St. Louis City, MO	347,144	318,842	319,156	-0.8%
Warren, MO	24,745	32,320	32,551	2.8%
Washington, MO	23,395	25,111	25,205	0.7%
Bond, IL	17,735	17,747	17,778	0.0%
Calhoun, IL	5,086	5,082	5,088	0.0%
Clinton, IL	35,565	37,459	37,833	0.6%
Jersey, IL	21,642	23,060	22,944	0.6%
Macoupin, IL	48,972	47,630	47,808	-0.2%
Madison, IL	259,204	268,978	269,271	0.4%
Monroe, IL	27,764	32,848	32,990	1.7%
St. Clair, IL	256,462	268,489	270,419	0.5%
Total MSA	2,702,293	2,804,515	2,814,820	0.4%
Missouri	5,607,285	5,961,088	5,996,231	0.7%
Illinois	12,434,161	12,796,778	12,843,166	0.3%
United States	282,162,411	306,771,529	309,349,689	0.9%

¹ Estimated from partial data by U.S. Census Bureau

² MSA includes Sullivan City in Crawford County but population count is not included in MSA totals from Census.

Source: U.S. Census Bureau.

TABLE III-2
ST. LOUIS MSA CIVILIAN LABOR FORCE
1999 - 2011

Year	Labor Force			Unemployment Rate
	Total	Employed	Unemployed	
1999	1,387,517	1,339,093	48,424	3.5%
2000	1,423,746	1,373,227	50,519	3.5%
2001	1,432,648	1,367,082	65,566	4.6%
2002	1,434,464	1,357,248	77,216	5.4%
2003	1,425,463	1,342,568	82,895	5.8%
2004	1,424,186	1,338,527	85,659	6.0%
2005	1,436,528	1,356,121	80,407	5.6%
2006	1,448,341	1,374,750	73,591	5.1%
2007	1,455,719	1,377,905	77,814	5.3%
2008	1,452,571	1,357,840	94,731	6.5%
2009	1,439,571	1,297,935	141,636	9.8%
2010	1,437,268	1,293,540	143,728	10.0%
Jan-Oct 2010	1,438,202	1,292,739	145,463	10.1%
Jan-Oct 2011	1,448,478	1,317,020	131,458	9.1%
	Average Annual Growth Rate			
Jan-Oct 2011	0.7%	1.9%	-9.6%	
1999-2010	0.3%	-0.3%	10.4%	

Source: U.S. Bureau of Labor Statistics.

Table 23

**TABLE III-3
SELECTED MAJOR EMPLOYERS IN THE ST. LOUIS REGION
2011**

Firms by Employment Size	
More than 10,000 Employees	
BJC HealthCare*	Boeing Integrated Defense Systems*
Schnuck Markets, Inc.*	Scott Air Force Base*
SSM Health Care*	Wal-Mart Stores Inc.
Washington University in St. Louis*	
5,000 — 9,999 Employees	
Archdiocese of St. Louis*	AT&T Communications Inc.
McDonald's	Saint Louis University*
Sisters of Mercy Health System*	Special School District of St. Louis County*
St. Louis Public Schools*	Tenet Healthsystem Medical Inc.
United States Postal Service	Wells Fargo Advisors*
2,500 — 4,999 Employees	
Ameren Corporation*	Anheuser-Busch InBev
Bank of America Midwest Region	Citimortgage*
City of St. Louis*	Covidien Imaging Solutions and Pharmaceuticals
Delmar Garden Enterprises*	Dierbergs Markets*
Edward Jones*	Emerson Electric Co.*
Enterprise Holdings*	Express Scripts Inc.*
Home Depot USA Inc.	Imo's Pizza*
Lowe's Home Centers Inc.	Monsanto Co.*
Rockwood School District*	St. Anthony's Medical Center*
St. Louis Community College District*	St. Louis County Government*
Supervalu Inc.	Target Corp
U.S. Bancorp	United Parcel Service Inc.
Walgreens	

Sources: St Louis Regional Chamber & Growth Association based on "Book of Lists 2010" St. Louis Business Journal; "Hoovers" Dun & Bradstreet; "Sorkins Directory" Sorkins; "ReferenceUSA" InfoUSA; organization websites; and RCGA internal sources.

Notes: * - Corporate Headquarters in Greater St. Louis

TABLE IV-1
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
SCHEDULED AIR CARRIERS SERVING THE AIRPORT
As of December 2011

Scheduled Mainline	Regional	All-Cargo
Air Tran ¹	Air Canada Jazz ³	Air Transport Int'l. ³
Alaska ¹	Air Choice One ⁴	Capital Cargo International ³
American ¹	Air Wisconsin ² (US Airways)	Federal Express ¹
Delta ¹	American Eagle ² (American)	United Parcel Service ¹
Frontier ¹	Atlantic Southeast ² (Delta)	
Southwest ¹	Cape Air ¹	
United ¹	Chautauqua ² (Delta, Frontier, United)	
US Airways ¹	Comair ² (Delta)	
USA 3000 ³	Compass Airlines ² (Delta)	
	Continental Airlines ² (United)	
	Expressjet ² (United)	
	Go Jet ² (United)	
	Mesa ² (US Airways)	
	Mesaba ² (Delta)	
	MN Airlines, LLC d/b/a Sun Country ³	
	Pinnacle ² (Delta)	
	PSA ² (US Airways)	
	Republic ² (US Airways)	
	Shuttle America ² (Delta, United)	
	Skywest ² (Delta, United)	
	Trans States ² (United, US Airways)	

¹ Signatory Airline (holds an Airport Use and Lease Agreement)

² Non-Signatory Airline that is a designated Affiliate of a Signatory Airline (The related Signatory Airline is parenthetically noted.)

³ Non-Signatory Airline that is not a designated Affiliate.

⁴ Air Choice One does not have an agreement with the Airport.

Source: Airport management records.

Table 25

**TABLE IV-3
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
O&D AND CONNECTING ENPLANEMENTS
1999 - NOVEMBER 2011**

Year	O&D		Connecting		Total Enplanements
	Actual	Share	Actual	Share	
CY 1999	7,127,141	47.2%	7,965,840	52.8%	15,092,981
2000	7,253,816	47.4%	8,060,308	52.6%	15,314,124
2001	6,323,229	47.3%	7,042,280	52.7%	13,365,509
2002	5,750,948	44.8%	7,095,086	55.2%	12,846,034
2003	5,229,015	51.3%	4,967,507	48.7%	10,196,522
2004	5,263,363	78.5%	1,444,357	21.5%	6,707,720
2005	5,616,263	76.3%	1,746,655	23.7%	7,362,918
2006	5,749,638	75.6%	1,855,260	24.4%	7,604,898
2007	5,854,885	75.9%	1,860,449	24.1%	7,715,334
2008	5,663,666	78.6%	1,544,224	21.4%	7,207,890
2009	5,271,309	81.8%	1,175,638	18.2%	6,446,947
2010	5,295,008	85.7%	883,811	14.3%	6,178,819
Jan.-Nov. 2010	4,865,901	85.8%	806,220	14.2%	5,672,121
Jan.-Nov. 2011	4,978,114	86.1%	803,058	13.9%	5,781,172
FY 1999	7,156,835	49.1%	7,406,587	50.9%	14,563,422
FY 2000	7,193,492	47.1%	8,065,665	52.9%	15,259,157
2001	7,057,885	47.0%	7,949,293	53.0%	15,007,178
2002	5,779,692	45.8%	6,839,748	54.2%	12,619,440
2003	5,510,858	46.6%	6,317,177	53.4%	11,828,035
2004	5,159,761	64.4%	2,857,858	35.6%	8,017,619
2005	5,518,897	78.3%	1,529,462	21.7%	7,048,359
2006	5,724,298	75.1%	1,898,886	24.9%	7,623,184
2007	5,740,674	76.1%	1,802,595	23.9%	7,543,269
2008	5,848,852	76.8%	1,762,267	23.2%	7,611,119
2009	5,361,078	80.2%	1,322,649	19.8%	6,683,727
2010	5,260,429	83.8%	1,016,283	16.2%	6,276,712
2011	5,341,132	86.0%	870,163	14.0%	6,211,295
Average Annual Growth Rate					
CY 1999-2010	-2.7%	-	-18.1%	-	-7.8%
Jan.-Nov. 2011	2.3%	-	-0.4%	-	1.9%
FY 2000-2011	-2.7%	-	-18.3%	-	-7.8%

Source: Airport management.

TABLE IV-4
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
DOMESTIC AND INTERNATIONAL ENPLANEMENTS
1999 - NOVEMBER 2011

Year	Domestic		International		Total Enplanements
	Actual	Share	Actual	Share	
CY 1999	14,907,791	98.8%	185,190	1.2%	15,092,981
2000	15,116,224	98.7%	197,900	1.3%	15,314,124
2001	13,105,360	98.1%	260,149	1.9%	13,365,509
2002	12,561,382	97.8%	284,652	2.2%	12,846,034
2003	9,989,785	98.0%	206,737	2.0%	10,196,522
2004	6,583,603	98.1%	124,117	1.9%	6,707,720
2005	7,241,915	98.4%	121,003	1.6%	7,362,918
2006	7,484,214	98.4%	120,684	1.6%	7,604,898
2007	7,590,128	98.4%	125,206	1.6%	7,715,334
2008	7,111,945	98.7%	95,945	1.3%	7,207,890
2009	6,369,937	98.8%	77,010	1.2%	6,446,947
2010	6,092,355	98.6%	86,464	1.4%	6,178,819
Jan.-Nov. 2010	5,590,818	98.6%	81,303	1.4%	5,672,121
Jan.-Nov. 2011	5,699,162	98.6%	82,010	1.4%	5,781,172
FY 2000	15,080,187	98.8%	178,970	1.2%	15,259,157
2001	14,769,779	98.4%	237,399	1.6%	15,007,178
2002	12,339,479	97.8%	279,961	2.2%	12,619,440
2003	11,580,770	97.9%	247,265	2.1%	11,828,035
2004	7,849,427	97.9%	168,192	2.1%	8,017,619
2005	6,924,320	98.2%	124,039	1.8%	7,048,359
2006	7,508,864	98.5%	114,320	1.5%	7,623,184
2007	7,417,586	98.3%	125,683	1.7%	7,543,269
2008	7,504,901	98.6%	106,218	1.4%	7,611,119
2009	6,603,819	98.8%	79,908	1.2%	6,683,727
2010	6,189,254	98.6%	87,458	1.4%	6,276,712
2011	6,123,806	98.6%	87,489	1.4%	6,211,295
Average Annual Growth Rate					
CY 1999-2010	-7.8%	-	-6.7%	-	-7.8%
Jan.-Nov. 2011	1.9%	-	0.9%	-	1.9%
FY 2000-2011	-7.9%	-	-6.3%	-	-7.8%

Source: Airport management.

TABLE IV-5
 LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
 AIRLINE MARKET SHARE
 CY 2004 - NOVEMBER 2011

Table 27

Airline	Enplanements										Market Share									
	2004	2005	2006	2007	2008	2009	2010	Jan.-Nov. 2010	Jan.-Nov. 2011	2004	2005	2006	2007	2008	2009	2010	Jan.-Nov. 2010	Jan.-Nov. 2011		
Mainline air carrier																				
Alaska							14,212	9,719	44,698							0.2%	0.2%	0.8%		
America West	123,939	113,227	118,418	89,271	2,241,182	1,804,639	1,248,804	1,156,332	979,986	1.8%	1.5%	1.6%	1.2%							
American	2,107,436	2,536,041	2,656,712	2,636,223	2,241,182	1,804,639	1,248,804	1,156,332	979,986	31.4%	34.4%	34.9%	34.2%	31.1%	28.0%	20.2%	20.4%	17.0%		
AirTran				98,688	131,221	145,044	128,654	118,230	114,149				1.3%	0.0%	0.0%	0.0%	0.0%	0.3%		
Continental	43,154	399		56	940	446	446	446	17,386	0.6%	0.0%									
Delta	229,355	169,932	154,900	171,081	159,721	137,419	513,688	475,501	505,224	3.4%	2.3%	2.0%	2.2%	2.2%	2.1%	8.3%	8.4%	8.7%		
Frontier	97,028	99,314	110,658	133,266	117,686	114,940	116,868	110,207	123,101	1.4%	1.3%	1.5%	1.7%	1.6%	1.8%	1.9%	1.9%	2.1%		
Northwest	338,006	279,275	237,420	243,208	225,213	154,881	9,044	9,044		5.0%	3.8%	3.1%	3.2%	3.1%	2.4%	0.1%	0.2%			
Southwest	1,584,019	1,688,940	1,886,811	1,960,941	2,104,372	2,170,283	2,625,623	2,395,918	2,602,491	23.6%	22.9%	24.8%	25.4%	29.2%	33.7%	42.5%	42.2%	45.0%		
United	228,406	130,270	93,751	102,609	66,710	26,681	31,011	28,148	32,122	3.4%	1.8%	1.2%	1.3%	0.9%	0.4%	0.5%	0.5%	0.6%		
US Airways	25,701	64,542	430	56,409	148,197	123,379	181,128	165,532	203,788	0.4%	0.9%	0.0%	0.7%	2.1%	1.9%	2.9%	2.9%	3.5%		
USA 3000	3,336	74,495	79,811	86,299	86,941	83,888	57,346	52,758	57,887	0.0%	1.0%	1.0%	1.1%	1.2%	1.3%	0.9%	0.9%	1.0%		
Subtotal-Mainline	4,780,380	5,156,435	5,338,911	5,577,985	5,281,299	4,762,094	4,926,824	4,521,835	4,680,832	71.3%	70.0%	70.2%	72.3%	73.3%	73.9%	79.7%	79.7%	81.0%		
Regional air carrier																				
Air Canada	17,647	19,885	6,407							0.3%	0.3%	0.1%								
Air Choice One						948	2,442	2,036	3,769						0.0%	0.0%	0.1%			
AirTran Connection/Skywest						3,102	40,790	17,695	17,695						0.0%	0.7%	0.3%	0.1%		
AA Connection/American Eagle	29,430	65,234	44,700	31,314	21,795	106,990	17,121	16,297	10,014	0.4%	0.9%	0.6%	0.4%	0.3%	1.7%	0.3%	0.3%	0.2%		
AA Connection/Chautauqua	401,248	420,598	475,590	469,301	445,215	451,411	96,735	96,735		6.0%	5.7%	6.3%	6.1%	6.2%	7.0%	1.6%	1.7%			
AA Connection/RegionsAir	63,612	68,728	67,493	10,220						0.9%	0.9%	0.9%	0.1%				0.0%			
AA Connection/Trans States	668,337	717,520	674,784	646,763	445,330	38,734				10.0%	9.7%	8.9%	8.4%	6.2%	0.6%					
Cape Air						2,112	21,557	18,915	33,674						0.0%	0.3%	0.3%	0.6%		
Continental Express/Chautauqua				64,541	83,786	61,928	54,696	50,258	17,957				0.8%	1.2%	1.0%	0.9%	0.9%	0.3%		
Continental Express/Expresjet	149,617	190,223	196,899	130,644	102,896	114,649	119,543	110,024		2.2%	2.6%	2.6%	1.7%	1.4%	1.8%	1.9%	1.9%			
Continental Express/Skywest									11,046									0.2%		
Continental Express/Trans States									17,520									0.3%		
Delta Connection/Atlantic Coast	5,506									0.1%										
Delta Connection/ASA		93,610	69,686	31,160	59,425	55,861	35,171	29,554	53,416		1.3%	0.9%	0.4%	0.8%	0.9%	0.6%	0.5%	0.9%		
Delta Connection/Chautauqua			22,913	58,712	68,731	26,781	11,371	11,371	2,571				0.3%	0.8%	1.0%	0.4%	0.2%	0.0%		
Delta Connection/Comair	135,909	124,487	68,594	44,042	26,693	46,027	62,743	54,603	106,922	2.0%	1.7%	0.9%	0.6%	0.4%	0.7%	1.0%	1.0%	1.6%		
Delta Connection/Compass						41,236	33,800	22,012								0.7%	0.6%	0.4%		
Delta Connection/Freedom				1,267		8,869	6,128	6,128								0.1%	0.1%	0.1%		
Delta Connection/Mesaba						2,625	62,742	58,741	78,025							0.0%	1.0%	1.3%		
Delta Connection/Pinnacle					1,086	27,016	37,093	34,113	21,489							0.4%	0.6%	0.4%		
Delta Connection/Shuttle America				3,315	7,190	12,167	7,015	5,251	14,917							0.1%	0.1%	0.3%		
Delta Connection/Skywest									5,251							0.0%	0.2%	0.1%		
Delta Connection/Skywest			11,615	40,262	45,364	60,583	26,042	22,425	49,458			0.2%	0.5%	0.6%	0.9%	0.4%	0.4%	0.9%		
Frontier Connection/Chautauqua							15,348	13,434	19,771							0.2%	0	0.3%		
Great Lakes				1,788	10,816	7,277	13	13								0.0%	0.0%	0.0%		
Jazz Air			13,854	20,959	17,089	13,926	16,518	15,523	14,627				0.0%	0.2%	0.1%	0.0%	0.0%	0.3%		
Midwest Connection/Skyway	7,929	8,708	10,389	13,106	1,874					0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%		
Midwest Connection/Skywest					7,332									0.1%						
Northwest Airlink/Comair						63	93	93								0.0%	0.0%	0.0%		
Northwest Airlink/Compass						23,937	4,384	4,384								0.4%	0.1%	0.1%		
Northwest Airlink/Mesaba	44,571	42,096	25,522	7,863	42,009	69,799	3,030	3,030		0.7%	0.6%	0.3%	0.1%	0.6%	1.1%	0.3%	0.1%			
Northwest Airlink/Pinnacle	5441	44,695	67,656	71,891	57,884	56,345	3,704	3,704		0.1%	0.6%	0.9%	0.9%	0.8%	0.9%	0.1%	0.1%			
United Express/Air Wisc.		11,389																		
United Express/Go Jet		18,395	119,952	125,645	116,892	142,904	185,156	171,737	155,543			0.2%	1.6%	1.6%	1.6%	2.2%	3.1%	3.0%	2.7%	
United Express/Shuttle America						63			25,250							0.0%	0.0%	0.4%		
United Express/Skywest	16,931	41,844	12,119				17	17	19,343	0.3%	0.6%	0.2%			0.0%	0.0%	0.3%			
United Express/Trans States	87,211	109,647	96,645	101,028	144,848	140,542	141,950	133,419	107,667	1.3%	1.5%	1.3%	1.3%	2.0%	2.2%	2.3%	2.4%	1.9%		
United Express/Mesa	30,401	15,065							60	0.5%	0.2%						0			
United Express/Air Midwest			1,186	2,401								0.0%	0.0%							
US Airways Express/Air Wisc.		6,857	44,278	26,035	21,690	41,067	19,167	17,504	19,057			0.1%	0.6%	0.3%	0.3%	0.6%	0.3%	0.3%		
US Airways Express/Chautauqua	3,069	1,167	1,687				1,398	1,210		0.0%	0.0%	0.0%			0.0%	0.0%	0.0%			
US Airways Express/Mesa	76,842	52,952	81,743	60,432	53,594	41,908	53,019	48,697	43,674	1.1%	0.7%	1.1%	0.8%	0.7%	0.7%	0.9%	0.8%			
US Airways Express/PSA	23,550	25,455	22,501	20,326	21,072	12,742	13,454	12,442	6,312	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%			
US Airways Express/Republic			7,273	43,799	67,761	81,371	99,247	91,070	71,395				0.1%	0.6%	0.9%	1.3%	1.6%	1.2%		
US Airways Express/Trans States	40,402	38,804	38,298	39,553	27,389	26,223	29,835	27,666	27,743	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%			
Vision Air									2,948									0.1%		
Subtotal-Regional	1,807,653	2,117,359	2,181,774	2,066,367	1,897,761	1,677,970	1,232,758	1,132,268	1,084,775	26.9%	28.8%	28.7%	26.8%	26.3%	26.0%	20.0%	20.0%	18.8%		
Subtotal-Charter	119,667	89,124	84,213	70,972	28,830	6,893	19,237	18,018	15,565	1.8%	1.2%	1.1%	0.9%	0.4%	0.1%	0.3%	0.3%	0.3%		
Total Enplanements	6,707,720	7,382,918	7,604,898	7,715,334	7,207,890	6,446,947	6,178,819	5,672,121	5,781,172	100.0%	100.0%									

Source: Airport management records.

TABLE IV-10
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
HISTORICAL AIR CARGO (In Pounds)¹
1999 - NOVEMBER 2011

Year	Freight		Mail		Total
	Pounds	Share	Pounds	Share	
CY1999	211,601,498	73.2%	77,378,841	26.8%	288,980,339
2000	214,749,669	74.8%	72,268,005	25.2%	287,017,674
2001	212,177,374	78.8%	57,195,229	21.2%	269,372,603
2002	191,472,804	67.3%	93,223,627	32.7%	284,696,431
2003	178,056,476	69.9%	76,754,433	30.1%	254,810,909
2004	169,255,722	73.4%	61,269,380	26.6%	230,525,102
2005	168,362,101	75.5%	54,767,037	24.5%	223,129,138
2006	142,445,586	72.7%	53,541,462	27.3%	195,987,048
2007	133,695,393	72.8%	49,872,616	27.2%	183,568,009
2008	131,750,989	73.7%	47,029,325	26.3%	178,780,314
2009	122,500,361	74.9%	41,014,980	25.1%	163,515,341
2010	114,693,688	75.7%	36,742,544	24.3%	151,436,232
Jan.-Nov. 2010	103,830,327	75.7%	33,327,297	24.3%	137,157,624
Jan.-Nov. 2011	135,592,582	96.7%	4,557,632	3.3%	140,150,214
FY 2000	215,766,693	74.0%	75,701,181	26.0%	291,467,874
2001	215,879,453	75.9%	68,558,946	24.1%	284,438,399
2002	192,103,187	72.5%	72,785,886	27.5%	264,889,073
2003	194,538,626	69.5%	85,243,106	30.5%	279,781,732
2004	168,677,926	71.9%	65,884,143	28.1%	234,562,069
2005	179,472,307	72.8%	67,021,781	27.2%	246,494,088
2006	158,158,030	74.3%	54,641,662	25.7%	212,799,692
2007	135,622,875	72.0%	52,833,925	28.0%	188,456,800
2008	136,522,284	74.0%	48,065,509	26.0%	184,587,793
2009	126,031,707	74.7%	42,623,636	25.3%	168,655,343
2010	116,188,205	74.8%	39,045,333	25.2%	155,233,538
2011	132,512,594	77.2%	39,045,333	22.8%	171,557,927
Average Annual Growth Rate					
CY 1999-2010	-5.4%		-6.5%		-5.7%
Jan.-Nov. 2011	30.6%		-86.3%		2.2%
FY 2000-2011	-4.3%		-5.8%		-4.7%

¹Includes enplaned and deplaned cargo.

Source: Airport management records.

Airport Operating Revenues and Expenses for GARB Purposes

Lambert-St. Louis International Airport
For Fiscal Years Ending June 30
(in thousands)

Table 29

	Historical ¹				
	2007	2008	2009	2010	2011
Revenues					
Air Carrier Fees ²	\$81,190	\$86,011	\$90,418	\$91,701	\$83,813
Concession Fees	\$36,959	\$42,597	\$37,438	\$38,660	\$38,269
Cargo/Other Revenues ³	\$7,617	\$5,997	\$6,593	\$13,600	\$24,975
Airline Revenue Mitigation	\$6,000	\$5,000	-	-	-
Interest Income	\$6,296	\$5,715	\$2,952	\$2,026	\$1,981
Total GARB Revenues	\$138,062	\$145,320	\$137,401	\$145,987	\$149,038
PFC Pledged Revenue	\$25,884	\$25,555	\$24,096	\$27,135	\$27,195
Total Revenues	\$163,947	\$170,875	\$161,497	\$173,122	\$176,233
Total Operating Expenses	\$81,317	\$88,308	\$82,549	\$82,612	\$81,485
Net Revenues	\$82,629	\$82,567	\$78,948	\$90,510	\$94,748
Aggregate Annual Debt Service On Outstanding GARB Bonds	\$63,181	\$64,021	\$62,836	\$72,135	\$75,631
Debt Service Coverage	1.31	1.29	1.26	1.25	1.25

¹ All figures based on audited financial reports for FY 2007 - 2011.

² Air Carrier Fees for FY 2010 and FY 2011 also include the Airline Incentives Program transfers for landing fees of \$1,522 and \$4,899, respectively.

³ Other revenues for FY 2010 also includes ADF transfer for Short Series 2009 (\$7,000 with coverage). Other revenues for FY 2011 also includes ADF transfer for Short Series 2009 (\$11,360, with coverage) and DSRF Release for Series 2011 (\$5,210), and the Business Interruption Insurance proceeds (\$1,449).

Table II-1

PROJECTED PASSENGER FACILITY CHARGES

Lambert-St. Louis International Airport
For Fiscal Years Ending June 30
(in thousands)

	Approved PFC Amount	Proposed Amended PFC	Actual 2011 & Prior	2012	2013	2014	2015	2016
Projected PFC revenues								
Total enplaned passengers				6,166	6,273	6,412	6,542	6,623
Assumed percentage of enplaned passengers eligible				88%	88%	88%	88%	88%
PFC-eligible enplaned passengers			0	5,400	5,500	5,700	5,800	5,800
Amount of PFC charge				\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Less airline retention				(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC charge				\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
Computed Net PFC revenue to Airport			\$0	\$23,706	\$24,145	\$25,023	\$25,462	\$25,462
Available PFC Resources								
Previous year's unused balance			\$0	\$33,840	\$32,047	\$34,460	\$37,780	\$41,576
Current year collections			623,077	23,706	24,145	25,023	25,462	25,462
plus: interest earned	1.0%		51,322	328	331	359	395	430
New PFC Bond Proceeds		\$0						
Interest on New PFC Bond	3.0%		0					
Repayment of Interim Financing		0						
			\$674,399	\$57,874	\$56,523	\$59,843	\$63,637	\$67,468
Application of Available PFC Resources (=PFC Expenditures)								
PFC #1	\$67,934	\$57,249	57,249					
less: allowance for project deferrals/deletions			0					
PFC #2	\$75,132	\$67,032	67,032					
less: allowance for project deferrals/deletions			0					
PFC #3	\$200,258	\$200,258	200,258					
PFC #4 (debt service on PFC-enhanced Airport Rev Bonds)	300,274		181,584	20,802	20,801	20,802	20,803	20,804
less: debt service restructured (Series 2005 Bonds)			(45,756)	(7,398)	(7,398)	(7,398)	(14,468)	(15,795)
plus: new debt service (Series 2005 Bonds)			43,996	7,353	7,398	7,398	14,466	15,795
less: debt service restructured (Series 2007A Bonds)			(27,000)	(13,405)	(13,404)	(13,405)	(6,336)	(5,009)
plus: new debt service (Series 2007A Bonds)			25,453	10,474	13,402	13,402	6,332	5,005
25% Coverage Requirement			44,570	4,457	5,200	5,200	5,200	5,200
less: return of coverage to PFC account			(44,570)	(4,457)	(5,200)	(5,200)	(5,200)	(5,200)
PFC #4 Pay-As-You-Go	128,028	\$70,259	60,026	3,109	3,109	4,014		
PFC #5 Pay-As-You-Go								
ADP Project Elements	54,200	\$48,681	48,681					
Terminal (FIS), Concourse & Taxiway Improvements	10,625	\$9,606	9,606					
PFC #9 Pay-As-You-Go	35,179	\$22,152	19,429	2,722				
AEP - PFC #9 Bond				1,263	1,263	1,263	1,263	1,858
25% Coverage Requirement				316	316	316	316	464
less: return of coverage to PFC account				(316)	(316)	(316)	(316)	(464)
Annual incremental PFC resources				(888)	(1,601)	2,415	7,810	3,234
Cumulative unliquidated PFC resources			\$33,840	\$32,952	\$31,351	\$33,766	\$41,576	\$44,810

TABLE V-6

FORECAST OPERATION AND MAINTENANCE EXPENSES

Lambert-St. Louis International Airport
 For Fiscal Years Ending June 30
 (in thousands)

Table 31

	Avg. Annual Growth Rate	Actual 2011 ²	Budget 2012	Forecast			
	FY '11-'16			2013	2014	2015	2016
<u>Personal Services</u>							
Salaries & Wages	2.2%	\$28,267	\$28,117	\$28,800	\$29,664	\$30,553	\$31,470
Fringe Benefits	4.6%	\$12,615	\$14,062	\$14,425	\$14,858	\$15,304	\$15,763
	2.9%	\$40,881	\$42,179	\$43,225	\$44,522	\$45,857	\$47,233
<u>Supplies, Materials & Equipment</u>							
Deicing & Misc. Supplies	-8.6%	\$2,459	\$1,429	\$1,461	\$1,495	\$1,529	\$1,565
Other	2.1%	\$6,829	\$6,933	\$7,093	\$7,256	\$7,423	\$7,593
	-0.3%	\$9,288	\$8,362	\$8,554	\$8,751	\$8,952	\$9,158
<u>Contractual Services</u>							
Utilities	4.2%	\$7,419	\$7,785	\$8,097	\$8,421	\$8,757	\$9,108
Rental Equipment - Snow Removal	-5.6%	\$2,812	\$1,928	\$1,972	\$2,018	\$2,064	\$2,112
Rental Equipment - Land Maintenance	-3.6%	\$206	\$157	\$160	\$164	\$168	\$172
Cleaning Services	1.1%	\$2,513	\$2,424	\$2,480	\$2,537	\$2,596	\$2,655
Reimbursement for City Services	-4.5%	\$1,740	\$1,259	\$1,288	\$1,318	\$1,348	\$1,379
Shuttle, Misc., Acoustical	2.9%	\$177	\$187	\$191	\$196	\$200	\$205
Legal	-4.0%	\$748	\$556	\$569	\$582	\$595	\$609
Security Service	3.7%	\$4,729	\$5,174	\$5,293	\$5,414	\$5,539	\$5,666
Insurance	3.5%	\$1,787	\$1,934	\$1,979	\$2,024	\$2,071	\$2,118
Other	6.0%	\$9,186	\$9,570	\$11,018	\$11,824	\$12,041	\$12,263
	3.0%	\$31,316	\$30,975	\$33,047	\$34,498	\$35,380	\$36,288
Total Operation & Maintenance Expenses ¹	2.6%	\$81,485	\$81,516	\$84,826	\$87,770	\$90,189	\$92,679

¹ Excludes 5% gross receipts tax, which is not included in the calculation of Net Revenues.

² Financial information is based on the FY 2011 audit.

Table V-8

CALCULATION OF ANNUAL DEBT SERVICE COVERAGE

Lambert St. Louis International Airport
For Fiscal years Ending June 30
(in thousands)

	Actual 2011 ¹	Projected				
		2012	2013	2014	2015	2016
ANNUAL DEBT SERVICE COVERAGE						
Total Revenues	\$176,233	\$183,388	\$191,613	\$194,803	\$198,029	\$197,467
less: Operation and Maintenance Expenses	81,485	81,516	84,826	87,770	90,189	92,679
Net Revenues	\$94,748	\$101,872	\$106,787	\$107,032	\$107,840	\$104,788
Debt Service						
Outstanding Bonds	\$64,705	\$63,691	\$72,089	\$71,943	\$72,393	65,795
Series 2009 Bonds	10,926	12,807	6,719	6,719	6,719	9,914
Total	\$75,631	\$76,497	\$78,808	\$78,662	\$79,112	\$75,709
Debt service coverage ratio	1.25	1.33	1.36	1.36	1.36	1.38
ADDITIONAL BOND TEST						
Forecast debt service coverage		1.33	1.36	1.36		
Required debt service coverage		1.25	1.25	1.25		
Forecast debt service coverage exceeds the 1.25 times requirement in each Fiscal Year.						

¹ Financial information is based on the FY 2011 audit.

SUMMARY OF SIGNATORY AIRLINE REVENUES, COST PER ENPLANED PASSENGER, AND RATES

Lambert-St. Louis International Airport
For Fiscal Years Ending June 30

Table 33

	Actual 2011 ²	Projected				
		2012	2013	2014	2015	2016
SIGNATORY AIRLINE REVENUES						
Landing Fees ¹	\$60,234	\$57,186	\$57,952	\$58,917	\$59,149	\$59,505
Terminal Building Rentals						
Terminal 1	\$11,131	\$7,337	\$7,467	\$7,388	\$7,496	\$7,571
Terminal 2	3,369	3,318	3,150	3,444	3,488	3,550
	\$14,500	\$10,655	\$10,617	\$10,832	\$10,984	\$11,121
TOTAL SIGNATORY AIRLINE REQUIREMENTS						
Initial Requirement	\$74,734	\$67,840	\$68,570	\$69,749	\$70,133	\$70,626
Additional Requirement	0	23,097	23,686	22,204	23,699	20,836
	\$74,734	\$90,937	\$92,255	\$91,953	\$93,832	\$91,461
Signatory airline enplaned passengers	6,124	6,077	6,182	6,319	6,447	6,527
Cost per enplaned passenger	\$12.20	\$14.97	\$14.92	\$14.55	\$14.55	\$14.01
SIGNATORY AIRLINE RATES						
Landing Fee Rate (per 1,000 pounds) ²	\$8.34	\$8.66	\$8.68	\$8.55	\$8.52	\$8.31
Terminal Building Rental Rates						
Terminal 1	\$34.51	\$70.25	\$71.79	\$69.01	\$71.94	\$67.57
Terminal 2	\$44.16	\$80.63	\$79.44	\$80.79	\$83.81	\$79.91

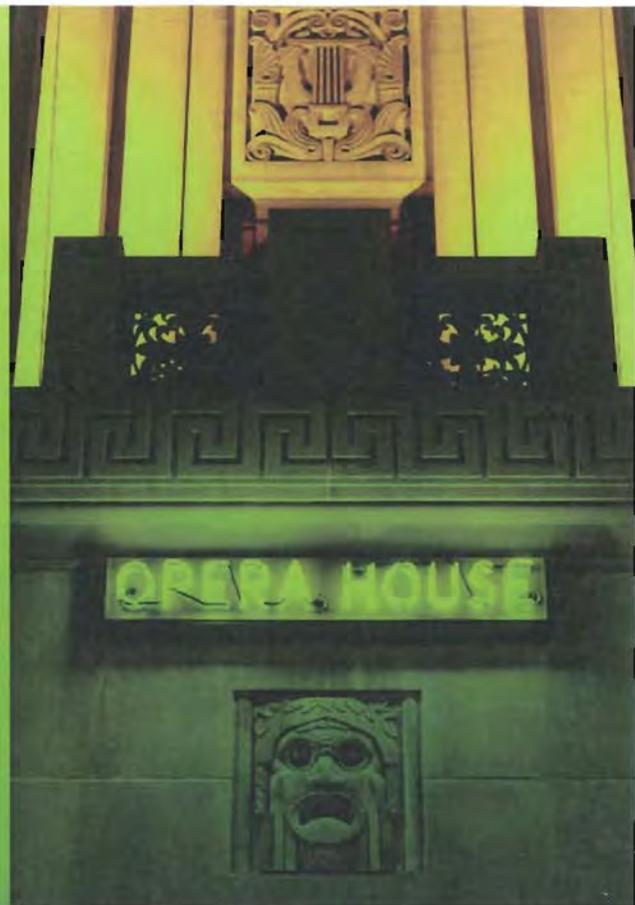
¹ Landing fees for FY 2011 exclude the Airline Incentive Program transfers.

² Financial information is based on the FY 2011 audit.

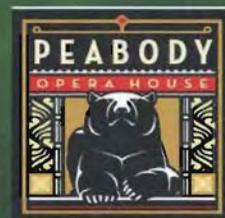
Peabody Opera House

Peabody Opera House is a historic, 3100 seat theater in the heart of downtown St. Louis. Originally opened in 1934, the Peabody Opera House stage has welcomed some of entertainment's greatest performers, including Frank Sinatra, Ray Charles, Bob Dylan and the Rolling Stones. Following a \$78.7 million restoration, this historical gem has been restored to its original splendor and undergone state-of-the-art upgrades.

**1400 Market Street
St. Louis, Missouri, 63103
314-499-7600**



*Provided courtesy of the Office of the Comptroller,
Honorable Darlene Green, Comptroller*



Renovation of Peabody Opera House has returned this historic building to its status as a premier venue for performing arts and community activities. The many intricate details within the interior of the building are representative of the era in which it was constructed, with many of the original fixtures remaining in tact. The theater will play host to a wide variety of events, including concerts, comedies, theatricals, family shows, holiday productions and more. To learn more, visit our website.

peabodyoperahouse.com