GREYHOUND

Metro
www.metrostlouis.org

AMTRAK®

"MOVING ST. LOUIS FORWARD"

2008

CITY OF ST. LOUIS, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30

GATEWAY TRANSPORTATION CENTER

THE GATEWAY TRANSPORTATION CENTER

The Gateway Transportation Center is the city of St. Louis' $27 million state-of-the-art multimodal transportation hub operated by the City of St. Louis Comptroller's Office, led by Comptroller Darlene Green. It is conveniently located in the heart of downtown St. Louis where Amtrak, Greyhound, MetroLink and MetroBus service converge. This new facility provides passengers with a clean, safe, and friendly transportation center featuring 24-hour operations staff, security and food service. For more information, visit the website at www.stlouis.missouri.org/citygov/comptroller.

AMTRAK SERVICE

At St. Louis, Amtrak offers five daily round-trips to and from Chicago, two daily round-trips to and from Kansas City and one daily round-trip to and from Arkansas and Texas. Amtrak passengers also have a daily shuttle connecting St. Louis with Carbondale, Ill., and a daily train to and from New Orleans. For ticket and schedule information call 1-800-USA-RAIL or visit the website at www.amtrak.com.

GREYHOUND SERVICE

From the Gateway Transportation Center, Greyhound offers 35 daily schedules to destinations across the United States, including Chicago, Memphis, Nashville, New York, Kansas City, Denver, Springfield and Los Angeles. For fare and schedule information and to buy tickets, call 1-800-231-2222 or visit the website at www.greyhound.com.

METRO SERVICE

The MetroLink Civic Center station (located adjacent to the Gateway Transportation Center) offers daily arrivals and departures to destinations like Lambert Airport, Scott Air Force Base and Shrewsbury. The MetroBus terminal (located just east of the GTC) offers daily routes to destinations throughout the St. Louis metro area. For a complete listing of all MetroLink and MetroBus routes, visit the website at www.metrostlouis.org or call (314) 231-2345 from Missouri or (618) 271-2345 from Illinois.

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, 2008

Prepared by
Office of theComptroller

Darlene Green
Comptroller

STATISTICAL SECTION

OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

DARLENE GREEN
Comptroller

212 City Hall
(314) 622-3588
FAX: (314) 622-4026

December 31, 2008

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, 2008 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, 2008, 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, 2008, 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.

Web Site: http://stlouis.missouri.org/citygov/comptroller/

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 requires the city to informally reserve a minimum of 5% of the next year's general fund expenditures for appropriation only under severe circumstances. The reserve effectively reduces the funds available for appropriation.

BUDGET PROCESS

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

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

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

ECONOMIC OUTLOOK

The City is the core of a sixteen county metropolitan area covering parts of both Missouri and Illinois (MSA). It is the employment and entertainment center of an area containing a population of more than 2.8 million residents. The downtown area is the office center, with over 11 million square feet of Class A and B office space. According to the Missouri Department of Labor and Industrial Relations there are approximately 1.3 million non-agricultural jobs in the MSA. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share of jobs in the metropolitan area, the City remains a significant source of jobs in the region with nearly 16.9% of all the jobs. Job growth in the City has been in the service sector and the expectation is that long term employment growth in the City will be in the areas of medical and business services, as well as convention and tourism business and education.

RISK MANAGEMENT

The City uses a combination of insurance and self-insurance for risk protection. Certain coverage has been obtained for high-risk activities or as required by law. All general liability cases are handled by the City Counselor's Office. The City's staff of attorneys attempts to settle or defend all claims made against the City. Each year an appropriation is made to a judgement account which is segregated in the Public Facilities Protection Corporation (PFPC), a not-for-profit corporation. PFPC implements programs to assure continued municipal and governmental services, which could be jeopardized by the escalating costs of insurance and /or exposure to claims and judgements that exceed fiscal abilities. It is administered by three City officials representing the Office of the Comptroller, the City Counselor's Office and the Budget Division, and treated as a blended component unit of the City. These officials are responsible for obtaining and maintaining adequate funding and reserves.

RISK MANAGEMENT (Continued)

Additionally, PFPC administers all workers' compensation liabilities. A third party administrator was contracted to process all claims and make recommendations regarding workers' compensation concerns. The utilization of a third party administrator working with improved City safety efforts has resulted in a reduction in the number and severity of workers' compensation claims. This has also enabled the City to more timely process claims and payments, as well as provide more timely and accurate statistical data.

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, 2007 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the twenty-first year the City has received this prestigious award.

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

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

ACKNOWLEDGMENT

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

Respectfully submitted,

Darlene Green

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, 2007

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.

President

Executive Director

The City of St. Louis, Missouri
Elected Officials
June 30, 2008

FRANCIS G. SLAY
Mayor

DARLENE GREEN
Comptroller

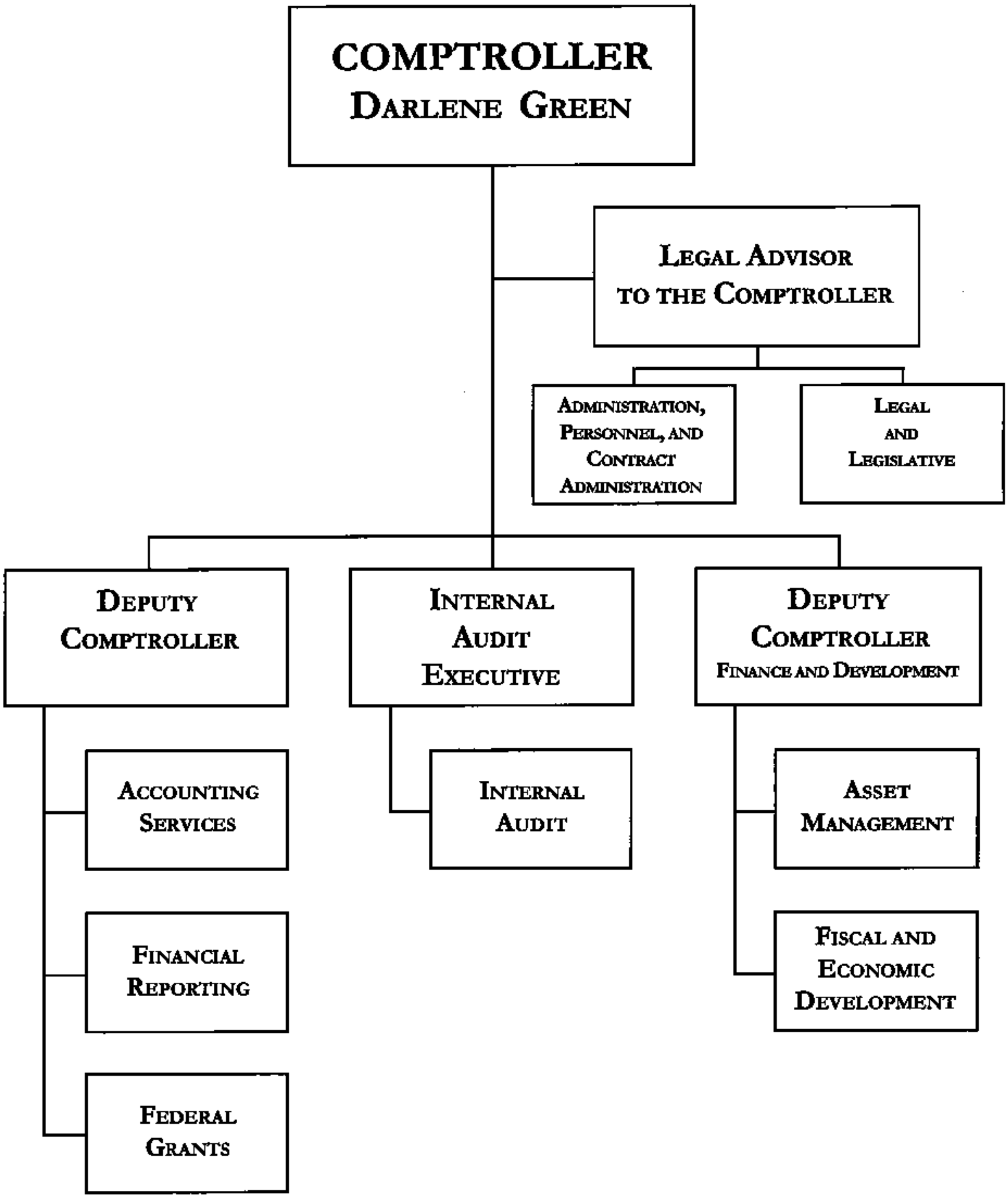
LEWIS REED
President, Board of Aldermen

BOARD OF ALDERMEN

(Aldermen listed to numerical order by ward)

Charles Quincy Troupe
Dionne Flowers
Freeman Bosley, Sr.
Samuel L. Moore
April Ford-Griffin
Kacie Starr Triplett
Phyllis Young
Stephen Conway
Kenneth Ortmann
Joseph Vollmer
Matt Villa
Fred Heitert
Alfred Wessels, Jr.
Stephen Gregali
Jennifer Florida
Donna Baringer
Joseph D. Roddy
Terry Kennedy
Marlene Davis
Craig Schmid
Bennice Jones King
Jeffrey Boyd
Kathleen Hanrahan
William Waterhouse
Dorothy Kirner
Frank Williamson
Gregory Carter
Lyda Krewson

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



THE COMMON SEAL OF THE CITY OF ST. LOUIS.

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, 2008, 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, St. Louis Development Corporation and Forest Park Forever, Inc. The assets and additions/revenues of the pension trust funds represent 92% and 72% of the assets and additions/revenues, respectively of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation and Forest Park Forever, Inc. represent 62% and 12% of the assets and revenues, respectively, of the aggregate discretely presented component units. The financial statements of the pension trust funds, St. Louis Development Corporation and Forest Park Forever, Inc. were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts includes for those funds and discretely presented component units, is based 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 and Forest Park Forever, Inc. 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, provides 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, 2008, 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, 2007, the City of St. Louis, Missouri implemented Governmental Accounting Standards Board Statements No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* and No. 50, *Pension Disclosures*. Effective July 1, 2007, the Metropolitan Police Department of the City of St. Louis, Missouri implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2008, 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 19, the Budgetary Comparison Information on pages 149 through 154, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 155 through 156 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We 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 31, 2008

CITY OF ST. LOUIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

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, 2008. The information presented here should be read in conjunction with our letter of transmittal and the City's financial statements including footnotes.

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 $213.8 million and $1.2 billion, respectively.

- The cost of services for the City's governmental activities was $689.3 million in fiscal year 2008 (excluding interest and fiscal charges).

- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of $279 million. Of this amount, $66.8 million is unreserved fund balance.

- The unreserved fund balance for the general fund was $33.7 million or 5.8% of total general fund expenditures.

- In fiscal year 2008, the City issued $324.9 million in long-term debt to finance projects and refund debt. There was a net increase of $157.1 million or 9.8% in bond debt during the current fiscal year.

- Net pension obligations/assets changed by $124.7 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 $22.7 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. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

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

The **Statement of Net 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, 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, a legally separate corporation that owns and leases the downtown steam loop, and a not-for–profit corporation whose primary purpose is to promote and rebuild a major park owned by the City. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements also include blended component units within the primary government because of their governance. Included within the governmental activities of the government-wide financial statements are the operations of the Public Facilities Protection Corporation (PFPC), St. Louis Municipal Finance Corporation, and St. Louis Parking Commission Finance Corporation.

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.

Combining Statements

The combining statements provide fund level detail for all non-major governmental funds, internal service funds, pension trust funds, and agency funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets. The City's combined net assets for fiscal years 2008 and 2007 were $1.4 billion and $1.5 billion, respectively. Looking at the net assets of governmental and business-type activities separately provides additional information.

The City of St. Louis, Missouri
Schedule of Net Assets Summary
June 30, 2008 and 2007
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	$ 508.2	372.2	385.1	369.7	893.3	741.9
Capital assets	780.6	774.9	1,873.7	1,906.0	2,654.3	2,680.9
Total assets	1,288.8	1,147.1	2,258.8	2,275.7	3,547.6	3,422.8
Liabilities:						
Long-term debt outstanding	950.4	801.3	967.9	984.9	1,918.3	1,786.2
Other liabilities	124.6	84.7	66.9	50.8	191.5	135.5
Total liabilities	1,075.0	886.0	1,034.8	1,035.7	2,109.8	1,921.7
Net assets:						
Invested in capital assets net of related debt	355.7	410.4	1,058.0	1,072.9	1,413.7	1,483.3
Restricted	217.4	103.9	142.7	136.1	360.1	240.0
Unrestricted	(359.3)	(253.2)	23.3	31.0	(336.0)	(222.2)
Total net assets	$ 213.8	261.1	1,224.0	1,240.0	1,437.8	1,501.1

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 in the current year and $1.5 billion in the previous year.

Of the largest portion of the City's net assets totaling $1.4 billion, 98.3% reflects its investments of 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 2008 and fiscal 2007, respectively, is $360.1 million and $240.0 million, which represent resources that are subject to external restrictions on how they may used.

Total unrestricted net assets decreased by $113.8 million for the year ended June 30, 2008. Consequently, unrestricted governmental activities net assets showed a $359.3 million deficit at the end of 2008 as compared with a $253.2 million deficit in 2007. 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, three particular features of the City's recent 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, $56 million
- Joint venture financing agreement for the expansion of the convention center, $61 million
- Tax increment financing debt for economic development projects in the amount of $137 million

Also, other financial activity effecting unrestricted governmental net assets in which no capital asset is associated with the debt issued is:

- Pension funding projects (Leasehold revenue bonds) $159.5 million

Although the net assets of the business-type activities account for 85.1% 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
Changes in Net Assets
For the Fiscal Years ended June 30, 2008 and 2007
(dollars in millions)

	Governmental Activites		Business-type Activites		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	$ 110.1	117.1	225.0	213.6	335.1	330.7
Operating grants and contributions	72.9	76.0	4.3	2.7	77.2	78.7
Capital grants and contibutions	14.3	14.2	28.1	44.6	42.4	58.8
General revenues:					0.0	0.0
Taxes	473.7	447.6	—	—	473.7	447.6
Investment income	12.2	12.1	10.7	12.5	22.9	24.6
Total revenue	683.2	667.0	268.1	273.4	951.3	940.4
Expenses:						
General Government	74.2	91.8	—	—	74.2	91.8
Convention and tourism	4.4	4.4	—	—	4.4	4.4
Parks and recreation	31.3	28.1	—	—	31.3	28.1
Judicial	50.7	47.0	—	—	50.7	47.0
Streets	62.5	58.6	—	—	62.5	58.6
Public Safety:			—	—	0.0	0.0
Fire	69.7	56.5	—	—	69.7	56.5
Police -- Payment to the Police	143.5	138.9	—	—	143.5	138.9
Police Pension	12.9		—	—	12.9	
Other	63.7	60.0	—	—	63.7	60.0
Health and welfare	45.7	45.6	—	—	45.7	45.6
Public service	70.0	73.1	—	—	70.0	73.1
Community development	60.6	78.8	—	—	60.6	78.8
Interest on long-term debt	50.0	36.0	—	—	50.0	36.0
Airport	—	—	215.7	178.1	215.7	178.1
Water division	—	—	45.1	42.3	45.1	42.3
Parking division	—	—	14.6	12.4	14.6	12.4
Total expenses	739.2	718.8	275.4	232.8	1,014.6	951.6
Increase (decrease) in net assets before gain and transfers	(56.0)	(51.8)	(7.3)	40.6	(63.3)	(11.2)
Gain/loss on sale of capital assets	0.0	(0.3)	0.0	(78.1)	0.0	(78.4)
Transfers	8.7	7.9	(8.7)	(7.9)	0.0	0.0
Increase(decrease) in net assets	(47.3)	(44.2)	(16.0)	(45.4)	(63.3)	(89.6)
Net assets-beginning	261.1	305.3	1,240.0	1,285.4	1,501.1	1,590.7
Net assets-ending	$ 213.8	261.1	1,224.0	1,240.0	1,437.8	1,501.1

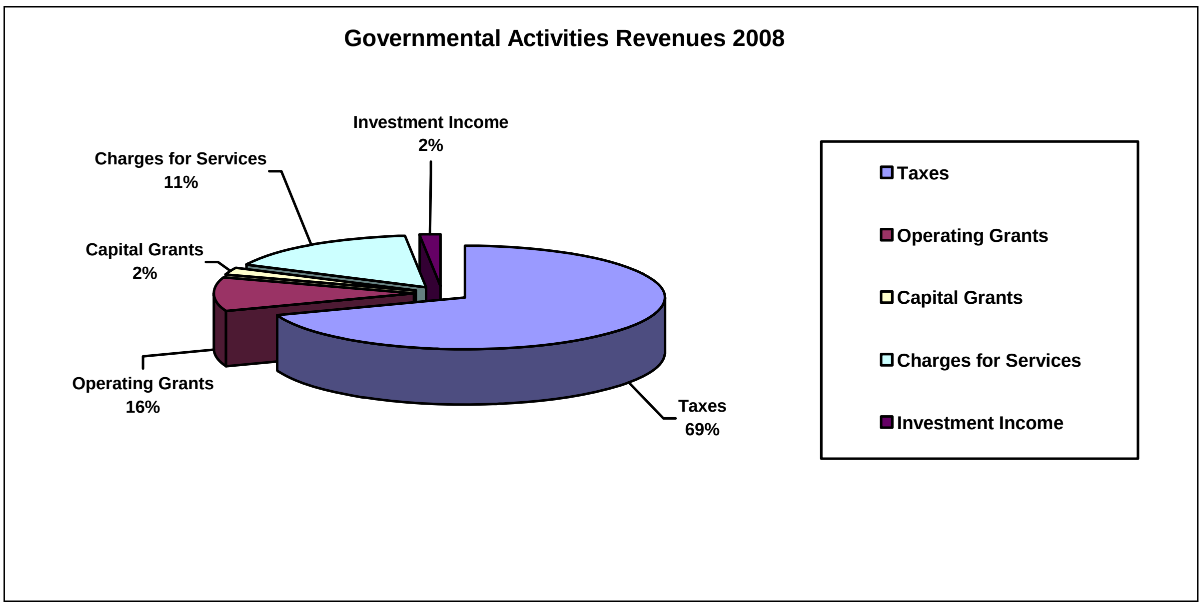
Changes in net assets. The City's total revenue on a government-wide basis was $951.3 million, an increase of $10.9 million over the previous year. Taxes represent 49.8% of the City's revenue as compared with 47.6% last year. Additionally, 35.2% comes from fees charged for services, the same as the previous year's. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

The total cost of all programs and services was $1,014.6 million, an increase from $951.6 million last 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.

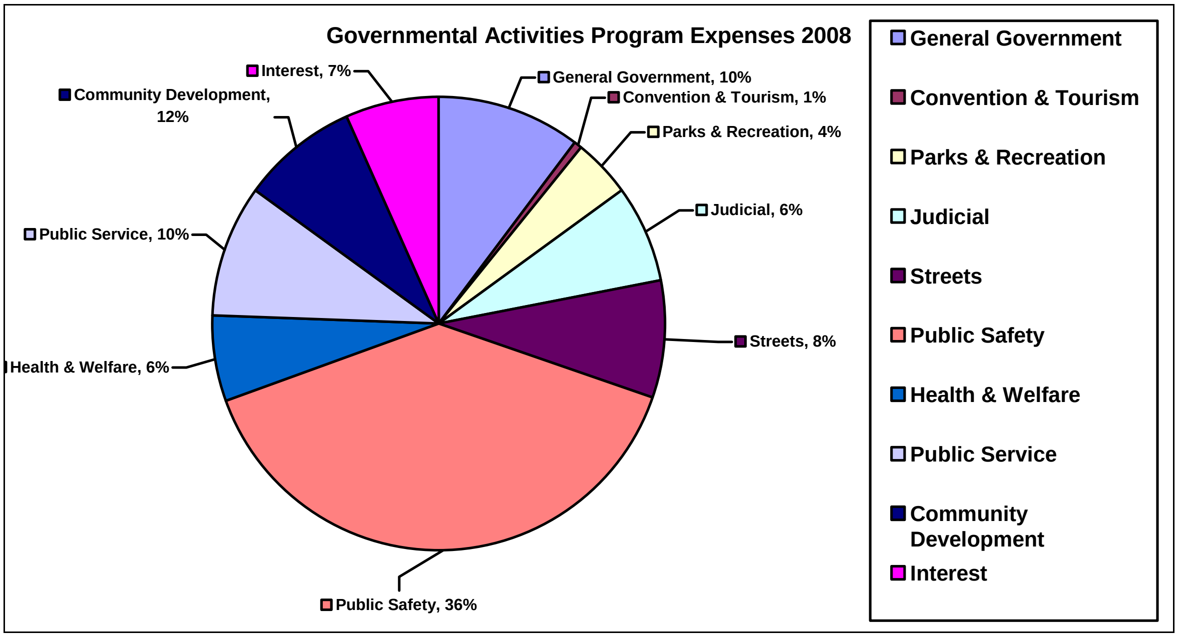
Governmental activities. As a result of this year's operations, the net assets of governmental activities decreased by $47.3 million or 18.1%. The net asset decrease is primarily related to the anticipated level of spending over the expected growth in revenues. Revenues increased by $16.2 million or 2.4%, while total expenses increased by $20.4 million or 2.8%.

Although assessed values for real property have been increasing, the Missouri Constitution requires a rollback of tax rates to prevent a tax revenue windfall to municipal governments.

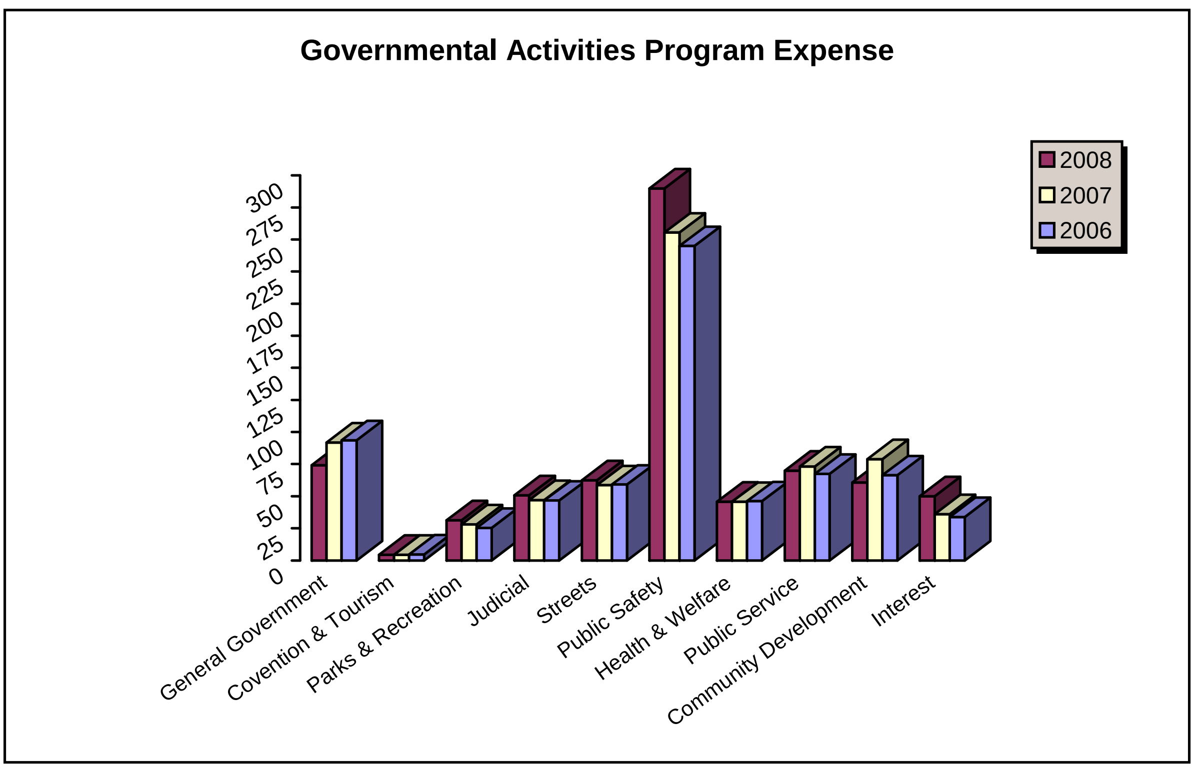
The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2008.



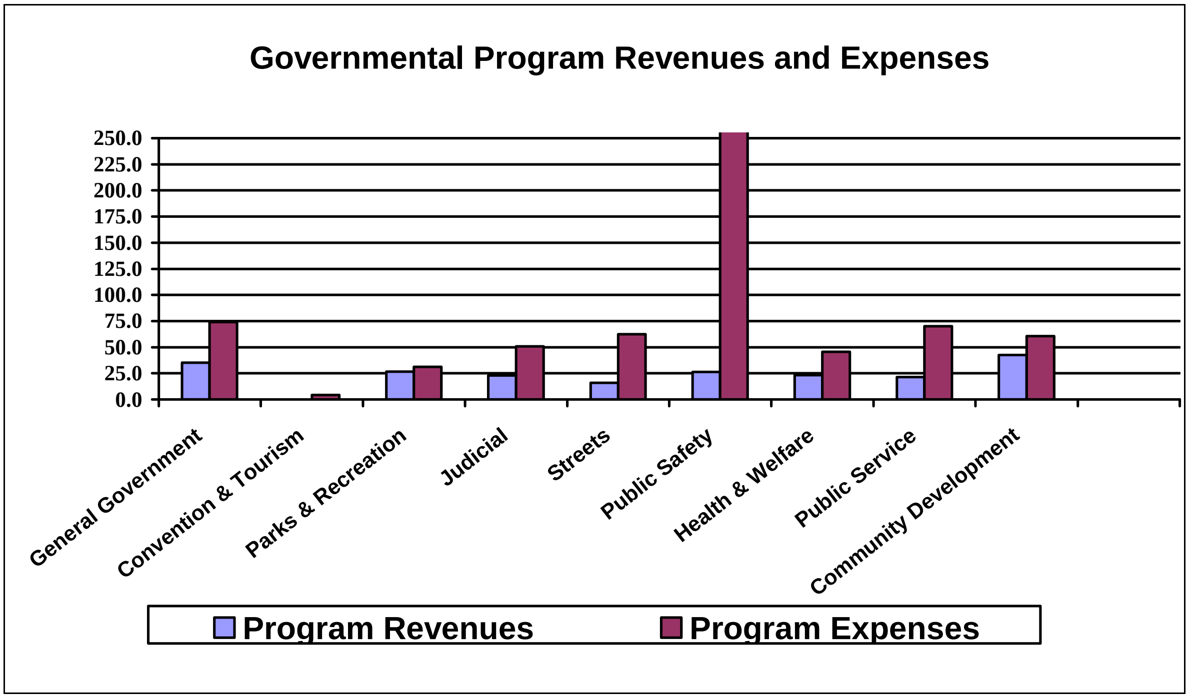
The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was $739.2 million, an increase of $20.4 million or 2.8% over the prior year. As shown, public safety is the largest function in expense (39.2%). The majority of the spending was the result of funding the Police Department $143.5 million and the Fire Department $69.7 million.



The following chart is a comparison of expense of governmental activities for fiscal years ended 2008, 2007, and 2006.



The following chart depicts the total expenses and total program revenues of the City's governmental functions. This format identifies the extent to which each governmental function is self-financing through fees, intergovernmental revenue, or general revenues.



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

		Total Cost of Services		Net Costs of Services	
		2008	2007	2008	2007
General Government	$	74.2	91.8	39.0	51.7
Convention and tourism		4.5	4.4	4.4	4.3
Parks and recreation		31.3	28.1	28.7	18.9
Judicial		50.7	47.0	27.8	29.9
Streets		62.5	58.6	46.6	41.3
Public Safety:					
Fire		69.7	56.5	63.0	49.0
Police--Payment to Police		143.5	138.9	143.5	138.9
Police pension		12.9	0.0	12.9	0.0
Other		63.7	60.0	43.9	35.6
Health and welfare		45.7	45.6	22.5	24.5
Public service		70.0	73.1	41.5	44.5
Community development		60.6	78.8	18.1	36.8
Totals	$	689.3	682.8	491.9	475.4

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was $689.3 million compared with $682.8 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was only $491.9 million. The difference of $197.3 million comprises charges for services ($110.1 million), operating grants and contributions ($72.9 million), and capital grants and contributions ($14.3 million).

Business-Type activities. Business-type activities reflect a decrease in net assets of $16.0 million or 1.3%. The reduction in net assets is due primarily to the loss on sale of capital assets at the Airport.

Lambert – St. Louis International Airport. The net assets of the Airport decreased by $17.3 million or 1.6%. The operating loss was $6.4 million this year versus an operating loss of $9.5 million in 2007. Total operating revenues for 2008 was $134.6 million. Of this amount, major sources of operating revenue included aviation revenue (66.3%), concession revenue (17.9%), parking (13.5%), and lease revenue (2.3%). A significant non-operating revenue is passenger facility charges which accounts for $28.8 million.

At June 30, 2008, the capital assets balance was $1,647.7 million. This amount includes buildings and structures with $182.0 million, pavings with $663.6 million, and equipment with $22.3 million, all net of accumulated depreciation. Land is $750.5 million and construction in progress is $29.3 million.

At June 30, 2008, the Airport had bonded debt of $818.8 million.

Water Division. The net assets of the Water Division decreased by $1 million or 0.7%. Operating income was $1.2 million this year versus an operating income of $2.8 million in 2007. Total operating revenues for 2008 was $45.0 million. Of this amount, major sources of operating revenue included metered revenue (43.9%) and flat rate revenue (40.7%).

At June 30, 2008, the capital assets balance was $155.8 million. This amount includes buildings and structures (net of accumulated depreciation) with $19.1 million, reservoirs and water mains with $90.3 million, equipment with $42.3 million, land with $1.2 million, and construction-in-progress with $2.9 million.

At June 30, 2008, the Water Division had bonded debt of $26.3 million.

Parking Division. The net assets of the Parking Division increased by $2.4 million or 10.1%. Operating income was $3.6 million this year versus an operating income of $4.2 million in 2007. Total operating revenues for 2008 was $14.5 million. Of this amount, major sources of operating revenue included parking meter revenue (22.0%), parking violations notices revenue (29.3%), and parking facilities revenue (45.7%).

At June 30, 2008, the capital assets balance was $70.2 million. This amount includes buildings and parking garages (net of accumulated depreciation) $40.7 million, parking meters and lot equipment $2.9 million, land $21.3 million and construction-in-progress $5.3 million.

At June 30, 2008, the Parking Division had bonded debt of $80.4 million.

The City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 20, 2008
(dollars in millions)

		2008	2007	2008 vs. 2007 $ Change	2008 vs. 2007 % Change
Total Assets	$	464.9	383.4	81.5	21.3%
Total Liabilities		185.9	163.1	22.8	14.0%
Fund Balances:					
Reserved:		212.2	97.5	114.7	117.6%
Unreserved:					
General fund		33.7	53.6	(19.9)	-37.1%
Special revenue		42.3	56.5	(14.2)	-25.1%
Capital projects		(9.2)	12.7	(21.9)	-172.4%
Total fund balances		279.0	220.3	58.7	26.6%
Total liabilities and fund balance	$	464.9	383.4	81.5	21.3%

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. An unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the unreserved fund balance of the general fund was $33.7 million, while the total general fund balance was $54.9 million. As of June 30, 2007, the balances were $53.6 million and $74.7 million respectively. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance of $33.7 million represents 5.7% of total general fund expenditures and transfers out of $594.4 million, while total general fund balance of $54.9 million represents 9.2% of total general fund expenditures and transfers out. This compares with 12.6% and 17.5%, respectively, in fiscal year 2007.

The total fund balance in the City's general fund decreased by $19.9 million or 26.6% in the current fiscal year. The City's general fund decreased by $5.6 million or 7.0% in the prior fiscal year. Key factors in the decrease of the general fund balance are primarily due to pension contribution and debt service expenses.

The capital projects fund ended the fiscal year with a negative unreserved fund balance of $9.3 million and a total positive fund balance of $137.9 million, as compared with a positive unreserved fund balance of $12.7 million and a total positive fund balance of $68.4 million in fiscal year 2007. Capital project bond proceeds were in place to cover all expenditures in excess of revenues for the capital projects fund.

The grants fund received $72.9 million in intergovernmental revenues that funded community development in the amount of $36.5 million, or 50.0%, and health and welfare in the amount of $22.2 million, or 30.5%.

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 was $20.8 million, the Water Division a negative amount of $1.1 million, and the Parking Division was $4.7 million, as compared with $23.1 million, $2.5 million, and $6.6 million, respectively in 2007. The total decrease in net assets for the enterprise funds was $16.0 million in the current year and decrease of $45.5 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 $2.0 billion an increase of $315.0 million from the previous year. The net increase is primarily due to the increase in market value of the pension funds' investment and added contributions.

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 $53.3 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, $6.1 million had been set aside for prior year encumbrances and commitments, and there were no supplemental appropriations. The original general fund budget totaled $435.8 million. Actual results for the fiscal year had revenues and transfers in falling short of original estimates by $.4 million, totaling $435.4 million.

Actual expenditures and transfers out totaled $437.8 million. This includes expenditures of $4.7 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2008 budget total $3.2 million. A transfer out of $1.5 million was made to the Capital Projects Fund per an ordinance mandating half of the prior year operating surplus must be used for capital projects and a transfer out to a 27th Pay Reserve. The General Fund ended the fiscal year with a budget basis deficit of $.4 million. As of June 30, 2008, the unreserved fund balance of the General Fund was $18.1 million on a cash basis.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

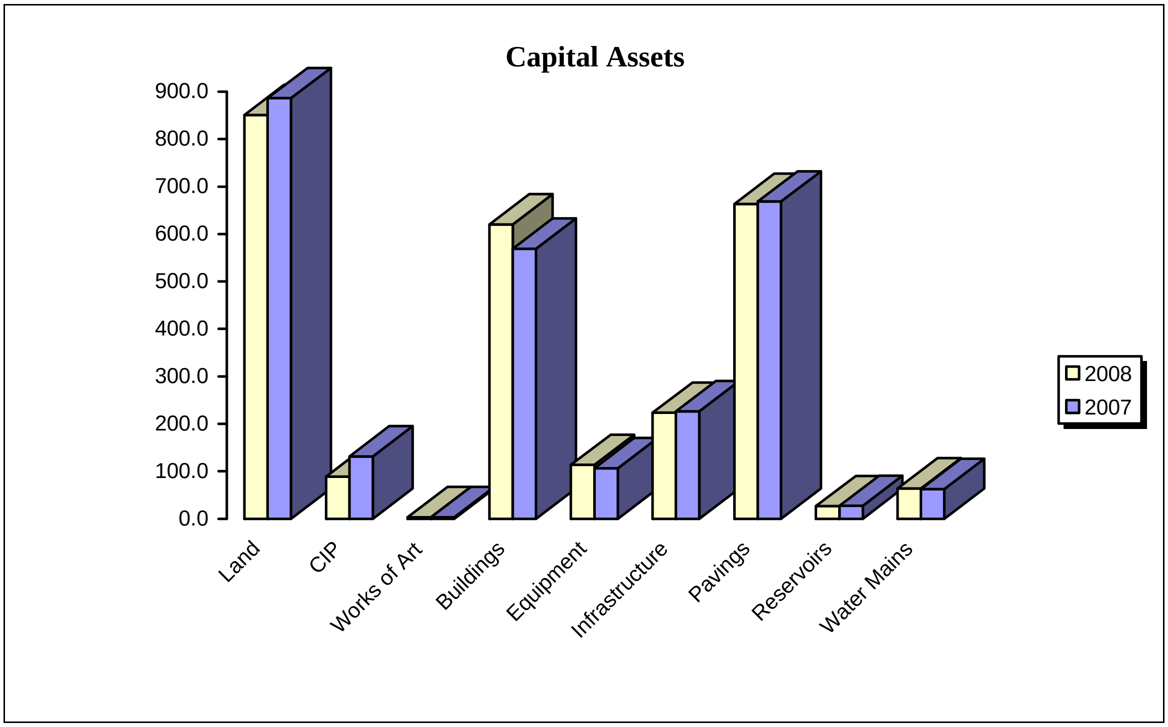
The City had invested $2.6 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems. This amount represents a net decrease for the current fiscal year (including additions and deductions) of $26.7 million, or 1.0%, over last year.

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

		Governmental Activities		Business-type Actvities		Total	
		2008	2007	2008	2007	2008	2007
Land	$	77.9	77.4	773.0	808.9	850.9	886.3
Construction-in-progress		51.5	54.1	37.4	77.2	88.9	131.3
Works of art		3.3	3.2			3.3	3.2
Buildings and improvements		378.5	366.4	241.9	202.6	620.4	569.0
Equipment		46.1	47.5	67.5	59.0	113.6	106.5
Infrastructure		223.3	226.4			223.3	226.4
Paving				663.6	668.4	663.6	668.4
Resevoirs				26.5	27.2	26.5	27.2
Water mains, lines, accessories				63.8	62.7	63.8	62.7
Total	$	780.6	775.0	1,873.7	1,906.0	2,654.3	2,681.0

This year's major capital asset changes included:

- $35.9 million decrease in Land due to disposal of surplus property in business type activities
- Additions of construction-in-progress in governmental activities of $26.2 million due mainly due to construction of two new recreation centers. Transfers from construction-in-progress in the amount of $26.9 were mainly due to the completion of the new transportation center increased building and improvements in governmental activities.



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

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

Long-Term Debt

At the end of fiscal year 2008, the City had outstanding long-term debt obligations for governmental activities in the amount of $890.8 million compared with $665.1 million in fiscal year 2007. Of this amount, $50.9 million are general obligation bonds and $137 million are tax increment financing bonds. Leasehold revenue obligations outstanding totaled $520.1 million.

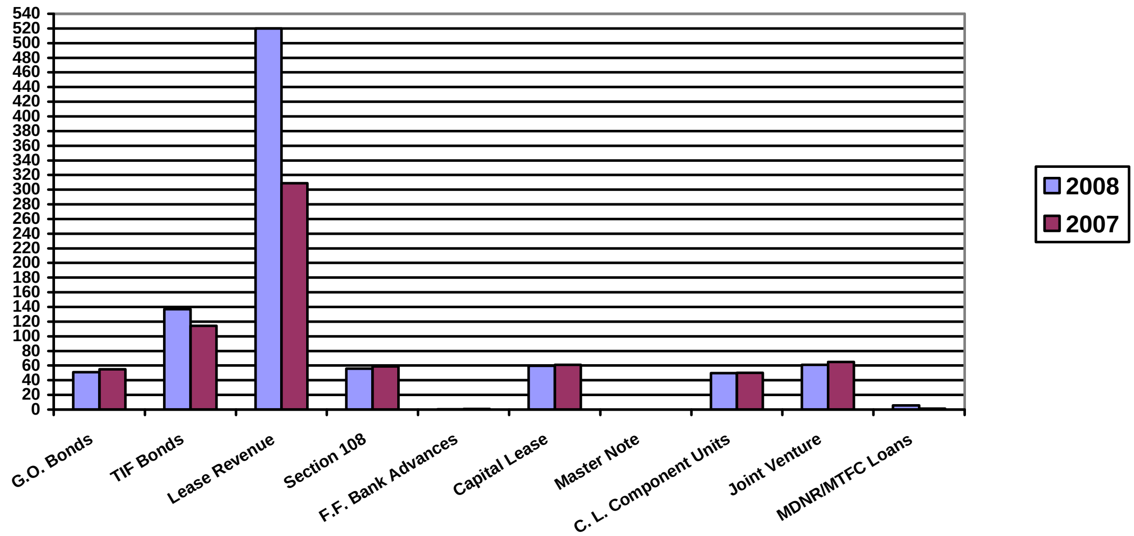
The City of St. Louis, Missouri

Outstanding Long-term Debt Obligations-Governmental Activities

(dollars in millions)

		Fiscal Year 2008	Fiscal Year 2007	$ change	% change
General obligation bonds payable	$	50.9	54.8	(54.8)	-100.0%
Section 108 Loan Guarantee Assistance Programs		56.0	58.8	(2.8)	-4.8%
Federal Financing Bank advances		0.6	0.7	(0.1)	-14.3%
Tax increment financing bonds and notes payable		137.0	114.2	22.8	20.0%
Master note purchase agreement		0.1	0.1	0.0	0.0%
Loan agreement with Missouri Department of Natural Resources		1.0	1.5	(0.5)	-33.3%
Loan agreement with Missouri Transportation Finance Corporation		4.5	0.0	4.5	
Capital lease—rolling stock		9.9	10.9	(1.0)	-9.2%
Capital leases—obligations with component units		49.7	50.2	(0.5)	-1.0%
Leasehold revenue improvement and refunding bonds		520.1	308.8	211.3	68.4%
Joint venture financing agreement		61.0	65.1	(4.1)	-6.3%
Total	**$**	**890.8**	**665.1**	**174.8**	**33.9%**

Outstanding Long-Term Debt Obligations 2008 and 2007



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 2008 was $455,718 million. The City's effective legal debt margin as of June 30, 2008 was $404,843 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 2008. The City ratings on uninsured general obligation bonds as of June 30, 2008 were:

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

The City of St. Louis, Missouri
Revenue Bonds Outstanding

Long-Term Debt Obligations-Business Type Activities
(dollars in millions)

		Fiscal Year 2008	Fiscal Year 2007	$ change	% change
Airport	$	818.8	843.9	(25.1)	-2.97%
Water Division		26.3	29.2	(2.9)	-9.93%
Parking Division		80.4	70.1	10.3	14.69%
Total	$	925.5	943.2	(17.7)	-1.88%

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2008 and June 30, 2007 were $925.5 million and $943.2 million, respectively. The amount reflects a decrease of $17.7 million, or 1.9%. This amount includes Airport bonds of $818.8 million, Water Division bonds of $26.3 million, and Parking Division bonds of $80.4 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 2009 annual operating budget allocates $961.0 million among all budgeted funds, an increase of 10.8% incorporating funding relating to:
  - Additional funds for police and crime prevention programs as well as police and firemen pension funding, both for debt requirements and current year contributions. This initiative is funded by an addition to the sales tax rate of one half percent which is expected to generate $15 million.
  - A cost of living pay increase of 3.5%.

- The fiscal year 2009 general fund budget is $460.5 million compared with $435.3 million in the prior year. This amount reflects an increase of $25.2 million, or 5.8%. This relates to:
  - A cost of living pay increase of 3.5%
  - Funding for four city-wide elections, including the presidential election.
  - Funding for past obligations of $12.6 million due to the Employees' Retirement System.

- Total positions for fiscal year 2009 is 7,289, an increase of 64 positions mainly in the public safety departments.

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.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.

City of St. Louis, Missouri
Statement of Net Assets
June 30, 2008
(dollars in thousands)

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	SLDC	SLPD	SWMDC	Forest Park Forever
ASSETS							
Cash and cash equivalents	$ 41,019	14,435	55,454	17,141	1,701	1,829	3,044
Investments	115,618	10,956	126,574	—	5,985	734	22,711
Receivables, net	156,009	34,924	190,933	11,198	1,137	—	1,363
Inventories	—	3,615	3,615	—	1,187	—	—
Restricted assets	127,670	295,086	422,756	2,167	34	—	909
Deferred charges	15,437	33,033	48,470	—	—	—	—
Internal balances	9,313	(9,313)	—	—	—	—	—
Other assets	3,215	2,311	5,526	615	54	—	397
Receivable from primary government	—	—	—	2,992	4,782	—	—
Receivable from component unit	1,099	—	1,099	—	—	—	—
Net pension asset	38,856	—	38,856	—	—	—	—
Property held for development	—	—	—	12,688	—	—	—
Capital assets, net:							
Non-depreciable	132,683	810,479	943,162	4,914	1,646	—	—
Depreciable	647,944	1,063,234	1,711,178	10,069	30,729	5,530	182
Total assets	1,288,863	2,258,760	3,547,623	61,784	47,255	8,093	28,606
LIABILITIES	.						
Accounts payable and accrued liabilities	36,793	31,498	68,291	3,076	1,433	—	638
Accrued salaries and other benefits	5,692	7,261	12,953	—	3,988	—	—
Accrued interest payable	49,186	21,893	71,079	404	—	—	—
Unearned revenue	22,089	4,756	26,845	—	—	—	—
Other liabilities	3,453	—	3,453	—	—	—	—
Commercial paper payable	—	1,000	1,000	—	—	—	—
Payable to primary government	—	—	—	—	1,099	—	—
Payable to component units	7,374	400	7,774	—	—	—	—
Long-term liabilities:							
Due within one year	68,933	26,571	95,504	6,892	19,748	—	—
Due in more than one year	881,514	941,383	1,822,897	30,502	51,733	—	—
Total liabilities	1,075,034	1,034,762	2,109,796	40,874	78,001	—	638
NET ASSETS							
Invested in capital assets, net of related debt	355,721	1,058,030	1,413,751	2,853	32,375	5,530	182
Restricted:							
Debt service	43,491	95,424	138,915	2,167	—	—	—
Capital projects	95,248	15,035	110,283	—	—	—	—
Passenger facility charges	—	32,160	32,160	—	—	—	—
Statutory restrictions	78,709	—	78,709	—	34	—	—
Other purposes:							
Nonexpendable	—	—	—	—	—	—	13,983
Expendable	—	—	—	—	—	—	2,504
Unrestricted (deficit)	(359,340)	23,349	(335,991)	15,890	(63,155)	2,563	11,299
Total net assets	$ 213,829	1,223,998	1,437,827	20,910	(30,746)	8,093	27,968

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2008
(dollars in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: SLDC	Component Units: SLPD	Component Units: SWMDC	Component Units: Forest Park Forever
Primary Government:											
Governmental activities:											
General government	$ 74,166	35,060	109	—	(38,997)	—	(38,997)	—	—	—	—
Convention and tourism	4,468	—	—	—	(4,468)	—	(4,468)	—	—	—	—
Parks and recreation	31,335	2,662	—	—	(28,673)	—	(28,673)	—	—	—	—
Judicial	50,684	18,894	3,966	—	(27,824)	—	(27,824)	—	—	—	—
Streets	62,566	15,621	320	—	(46,625)	—	(46,625)	—	—	—	—
Public safety:											
Fire	69,668	6,718	—	—	(62,950)	—	(62,950)	—	—	—	—
Police— Payment to SLPD	143,452	—	—	—	(143,452)	—	(143,452)	—	—	—	—
Police Pension	12,914	—	—	—	(12,914)	—	(12,914)	—	—	—	—
Other	63,687	18,635	1,135	—	(43,917)	—	(43,917)	—	—	—	—
Health and welfare	45,732	944	22,324	—	(22,464)	—	(22,464)	—	—	—	—
Public service	70,007	6,320	7,815	14,306	(41,566)	—	(41,566)	—	—	—	—
Community development	60,611	5,273	37,191	—	(18,147)	—	(18,147)	—	—	—	—
Interest and fiscal charges	49,963	—	—	—	(49,963)	—	(49,963)	—	—	—	—
Total governmental activities	739,253	110,127	72,860	14,306	(541,960)	—	(541,960)	—	—	—	—
Business-type activities:											
Airport	215,691	163,460	4,348	28,037	—	(19,846)	(19,846)	—	—	—	—
Water Division	45,157	45,635	—	86	—	564	564	—	—	—	—
Parking Division	14,560	15,890	—	—	—	1,330	1,330	—	—	—	—
Total business-type activities	275,408	224,985	4,348	28,123	—	(17,952)	(17,952)	—	—	—	—
Total primary government	$ 1,014,661	335,112	77,208	42,429	(541,960)	(17,952)	(559,912)	—	—	—	—
Component Units:											
SLDC	$ 19,629	7,561	11,012	—	—	—	—	(1,056)	—	—	—
SLPD	214,621	3,641	5,021	1,894	—	—	—	—	(204,065)	—	—
SWMDC	296	348	—	669	—	—	—	—	—	721	—
Forest Park Forever	7,004	—	2,528	975	—	—	—	—	—	—	(3,501)
Total component units	$ 241,550	11,550	18,561	3,538	—	—	—	(1,056)	(204,065)	721	(3,501)
General revenues:											
Taxes:											
Property taxes, levied for general purpose					$ 62,424	—	62,424	—	—	—	—
Property taxes, levied for debt service					6,285	—	6,285	—	—	—	—
Sales taxes					134,476	—	134,476	—	—	—	—
Earnings/payroll taxes					181,812	—	181,812	—	—	—	—
Gross receipts taxes (includes franchise tax)					84,652	—	84,652	—	—	—	—
Miscellaneous taxes					4,035	—	4,035	—	—	—	—
Unrestricted investment earnings					12,159	10,776	22,935	478	239	82	1,414
Support provided by City of St. Louis, Missouri					—	—	—	—	143,452	—	—
On-behalf payment for pension contribution from the City of St. Louis, Missouri					—	—	—	—	42,290	—	—
On-behalf payment for civilian employee pension contribution from the City of St. Louis, Missouri					—	—	—	—	1,328	—	—
Gain on sale of capital assets					47	26	73	—	—	—	—
Contributions to permanent endowment					—	—	—	—	—	—	5,010
Transfers					8,740	(8,740)	—	—	—	—	—
Special item-sale of TV License					—	—	—	—	2,506	—	—
Extraordinary item-worker's compensation recovery					—	—	—	—	21,996	—	—
Total general revenues, transfers, special item and extraordinary item					494,630	2,062	496,692	478	211,811	82	6,424
Change in net assets					(47,330)	(15,890)	(63,220)	(578)	7,746	803	2,923
Net assets—beginning of year					261,159	1,239,888	1,501,047	21,488	(38,492)	7,290	25,045
Net assets—end of year					$ 213,829	1,223,998	1,437,827	20,910	(30,746)	8,093	27,968

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2008
(dollars in thousands)

	Major Funds			Nonmajor Funds	
	General Fund	**Capital projects Fund**	**Grants Fund**	**Other Governmental Funds**	**Total Governmental Funds**
ASSETS					
Cash and cash equivalents:					
Restricted	$ 5,514	8,081	—	7,128	20,723
Unrestricted	—	1,892	—	17,817	19,709
Investments:					
Restricted	14,621	103,285	—	9,764	127,670
Unrestricted	37,135	31,511	4,945	42,027	115,618
Receivables, net of allowances					
Taxes	90,199	2,911	—	32,102	125,212
Licenses and permits	2,214	—	—	227	2,441
Intergovernmental	3,990	4,286	—	1,331	9,607
Charges for services	572	33	16,196	1,236	18,037
Notes and loans	—	—	—	64	64
Other	499	1	2	146	648
Advance to other funds	585	—	—	—	585
Due from component units	1,099	—	—	—	1,099
Due from other funds	19,737	—	—	3,727	23,464
Total assets	$ 176,165	152,000	21,143	115,569	464,877
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 16,544	9,338	7,705	2,915	36,502
Accrued salaries and other benefits	4,698	62	367	565	5,692
Due to component units	4,782	—	—	2,592	7,374
Due to other funds	1,522	4,676	13,133	659	19,990
Advance from other funds	12,369	—	—	—	12,369
Deferred revenue	79,550	—	—	20,963	100,513
Other liabilities	1,829	—	—	1,624	3,453
Total liabilities	121,294	14,076	21,205	29,318	185,893
Fund balances:					
Reserved:					
Encumbrances	1,458	51,912	—	5,965	59,335
Debt service	19,692	17	—	18,546	38,255
Special revenues	—	—	—	19,374	19,374
Capital projects	—	95,248	—	—	95,248
Unreserved, reported in:					
General fund	33,721	—	—	—	33,721
Special revenue funds	—	—	(62)	42,366	42,304
Capital projects fund	—	(9,253)	—	—	(9,253)
Total fund balances	54,871	137,924	(62)	86,251	278,984
Total liabilities and fund balances	$ 176,165	152,000	21,143	115,569	464,877

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, 2008
(dollars in thousands)

Total fund balances—governmental funds—balance sheet	$	278,984
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets and certain other assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and, therefore, are not reported in the fund financial statements.		783,747
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. Fluctuations in net pension assets are reported in the statement of activities.		38,856
Various taxes related to fiscal year 2008 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.		10,768
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, 2008 and payable on December 31, 2008 are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		67,656
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, net of amounts due from enterprise funds.		1,165
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.		15,437
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, bond issuance costs, 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, 2008 are:		
Accrued compensated absences		(26,300)
Net pension obligation		(20,903)
Accrued interest payable on bonds		(49,186)
Landfill closure liability		(100)
Capital leases		(59,531)
Bonds and notes payable		(831,324)
Unamortized discounts		4,890
Unamortized premiums		(14,240)
Unamortized deferred amounts on refunding		13,910
Total net assets—governmental activities—statement of net assets	$	213,829

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, 2008
(dollars in thousands)

	Major Funds			Nonmajor Funds	
	General Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 341,577	19,261	—	112,808	473,646
Licenses and permits	17,191	—	—	5,017	22,208
Intergovernmental	23,768	14,936	72,860	7,633	119,197
Charges for services, net	16,398	367	—	11,987	28,752
Court fines and forfeitures	10,000	—	—	—	10,000
Investment income	3,864	5,318	(7)	2,984	12,159
Interfund services provided	3,868	—	—	—	3,868
Miscellaneous	4,534	1,654	—	7,714	13,902
Total revenues	421,200	41,536	72,853	148,143	683,732
EXPENDITURES					
Current:					
General government	83,835	—	152	17,635	101,622
Convention and tourism	201	—	—	—	201
Parks and recreation	18,072	5,789	(43)	4,148	27,966
Judicial	45,571	—	2,254	2,981	50,806
Streets	29,056	6,510	290	2,230	38,086
Public Safety:					
Fire	115,561	—	11	33	115,605
Police	131,172	1,270	—	11,010	143,452
Police-Pension	43,618	—	—	—	43,618
Other	45,379	5,687	1,193	10,484	62,743
Health and welfare	2,997	—	22,179	20,203	45,379
Public services	25,490	4,377	8,491	31,737	70,095
Community development	—	—	36,538	24,172	60,710
Capital outlay	—	52,125	—	(1,022)	51,103
Debt service:					
Principal	20,857	13,881	790	10,956	46,484
Interest and fiscal charges	19,342	9,697	998	14,704	44,741
Total expenditures	581,151	99,336	72,853	149,271	902,611
Deficiency of revenues over expenditures	(159,951)	(57,800)	—	(1,128)	(218,879)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	—	47	—	—	47
Issuance of leasehold revenue bonds	145,447	102,520	—	—	247,967
Premium on debt issuances	—	653	—	—	653
Bond discount on debt issuances	(2,953)	(862)	—	(150)	(3,965)
Issuance of capital lease	—	1,478	—	—	1,478
Issuance of tax increment revenue notes	—	—	—	37,737	37,737
Issuance of Missouri Transportation Finance Corp. Loan	—	4,500	—	—	4,500
Payment to refunded escrow agent-leasehold revenue bonds	(8,632)	—	—	—	(8,632)
Advance refunding on TIF bonds and notes payable	—	—	—	(11,000)	(11,000)
Transfers in	19,447	18,995	—	3,282	41,724
Transfers out	(13,215)	—	—	(19,769)	(32,984)
Total other financing sources (uses), net	140,094	127,331	—	10,100	277,525
Net change in fund balances	(19,857)	69,531	—	8,972	58,646
Fund balances:					
Beginning of year	74,728	68,393	(62)	77,279	220,338
End of year	$ 54,871	137,924	(62)	86,251	278,984

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, 2008
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances		$ 58,646
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	51,103	
Capital contribution	420	
Loss on disposal of capital assets	(459)	
Depreciation expense	(42,218)	
		8,846
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	(2,006)	
Property taxes due in the fiscal year following the fiscal year in which they were assessed	988	
		(1,018)
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.		1,060
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.		110,253
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:		
Series 2007 Recreation Sales Tax Leasehold Revenue Bonds	(51,965)	
Series 2007 Pension Funding Project Leasehold and Refunding Bonds	(126,002)	
Series 2007 Police Capital Improvements Sales Tax Leasehold Revenue Bonds	(25,000)	
Series 2008A Public Safety Sales Tax Pension Funding Leasehold Revenue Bonds	(19,445)	
Series 2008B Juvenile Detention Center Leasehold Revenue Bonds	(25,555)	
Capital Lease-Rolling Stock	(1,478)	
Loan agreement with Missouri Transportation Finance Corporation	(4,500)	
Tax increment financing notes payable	(19,307)	
Tax increment financing bonds payable-Loughborough	(18,430)	
Repayments during the current year:		
Advance refunding of Series 1996 Firemen's Retirement Leasehold Revenue Bonds	8,430	
Advance refunding of tax increment financing bonds and notes payable-Loughborough	11,000	
Annual principal payments on bonds and notes payable	43,487	
Annual principal payments on capital leases	2,997	
		(225,768)
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	1,189	
Reversal of court ruling for Firemen's overtime related to Proposition B	1,148	
Accrued interest payable on bonds	(11,122)	
Landfill closure liability	20	
Discounts on debt issuances, net of amortization	3,757	
Premiums on debt issuances, net of amortization	1,083	
Deferred bond issuance costs, net of amortization	6,009	
Deferred advanced refunding differences on debt issuances, net of amortization	(1,433)	
		651
Change in net assets—governmental activities—statement of activities		$ (47,330)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008
(dollars in thousands)

	Major Funds—Enterprise Funds				
	Lambert—St. Louis International Airport	**Water Division**	**Parking Division**	**Total Enterprise Funds**	**Internal Service Funds**
ASSETS					
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	$ 53,127	4,027	6,126	63,280	—
Unrestricted cash and cash equivalents	8,891	1,884	3,660	14,435	587
Investments – unrestricted	—	4,976	5,980	10,956	—
Receivables, net of allowances:					
Intergovernmental	5,291	—	—	5,291	—
Charges for services	18,422	6,442	741	25,605	—
Passenger facility charges	3,693	—	—	3,693	—
Accrued interest	335	—	—	335	—
Prepaid assets	—	—	—	—	44
Due from other funds	—	—	—	—	4,390
Advance to other funds	—	—	—	—	12,369
Inventories	1,835	1,780	—	3,615	—
Other current assets	2,243	48	20	2,311	—
Total current assets	93,837	19,157	16,527	129,521	17,390
Noncurrent assets:					
Investments – restricted	204,416	9,513	17,877	231,806	—
Capital assets:					
Property, plant, and equipment	1,436,174	269,917	60,448	1,766,539	137
Less accumulated depreciation	(568,338)	(118,209)	(16,758)	(703,305)	(86)
	867,836	151,708	43,690	1,063,234	51
Land	750,543	1,238	21,260	773,041	—
Construction-in-progress	29,321	2,859	5,258	37,438	—
Capital assets, net	1,647,700	155,805	70,208	1,873,713	51
Deferred charges and other assets	30,867	273	1,893	33,033	—
Total noncurrent assets	1,882,983	165,591	89,978	2,138,552	51
Total assets	1,976,820	184,748	106,505	2,268,073	17,441
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	13,794	2,250	673	16,717	291
Accrued salaries and other benefits	1,402	438	150	1,990	—
Accrued vacation and compensatory time benefits	3,536	1,539	196	5,271	—
Contracts and retainage payable	14,781	—	—	14,781	—
Accrued interest payable	21,154	596	143	21,893	—
Current portion of revenue bonds	21,725	3,300	1,546	26,571	—
Commercial paper payable	1,000	—	—	1,000	—
Due to other funds	3,730	2,789	1,089	7,608	256
Due to component unit	—	—	400	400	—
Claims payable	—	—	—	—	16,849
Deferred revenue	1,188	1,630	1,938	4,756	—
Total current liabilities	82,310	12,542	6,135	100,987	17,396
Noncurrent liabilities:					
Revenue bonds payable, net	818,683	22,349	72,749	913,781	—
Deposits held for others	—	1,809	—	1,809	—
Advance from other funds	—	585	—	585	—
Other liabilities	17,793	6,539	1,461	25,793	—
Total noncurrent liabilities	836,476	31,282	74,210	941,968	—
Total liabilities	918,786	43,824	80,345	1,042,955	17,396
NET ASSETS					
Invested in capital assets, net of related debt	917,599	130,287	10,144	1,058,030	51
Restricted:					
Debt service	79,356	4,799	11,269	95,424	—
Capital projects	8,103	6,932	—	15,035	—
Passenger facility charges	32,160	—	—	32,160	—
Unrestricted (deficit)	20,816	(1,094)	4,747	24,469	(6)
Total net assets	$ 1,058,034	140,924	26,160	1,225,118	45

Amounts reported for business-type activities in the government-wide statement of net assets are different because:

Certain internal service fund activities are included within business-type activities	(1,120)
Net assets of business-type activities—government-wide statement of net assets	$ 1,223,998

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, 2008
(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	$ 89,228	—	—	89,228	—
Concessions	24,088	—	—	24,088	—
Water sales	—	41,292	—	41,292	—
Lease revenue	3,128	—	—	3,128	—
Parking, net	18,174	—	14,482	32,656	—
Charges for services	—	—	—	—	18,982
Miscellaneous	—	3,720	—	3,720	—
Total operating revenues	134,618	45,012	14,482	194,112	18,982
OPERATING EXPENSES					
Claims incurred	—	—	—	—	14,067
Premiums	—	—	—	—	3,225
Personal services	41,889	16,230	6,482	64,601	250
Material and supplies	7,779	10,408	287	18,474	370
Purchased power	—	2,543	—	2,543	—
Contractual services	40,718	5,413	1,218	47,349	—
Miscellaneous	358	2,167	749	3,274	—
Depreciation and amortization	47,446	4,698	2,099	54,243	14
Interfund services used	2,856	2,317	82	5,255	—
Total operating expenses	141,046	43,776	10,917	195,739	17,926
Operating income (loss)	(6,428)	1,236	3,565	(1,627)	1,056
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	4,348	—	—	4,348	—
Investment income	8,381	1,074	1,321	10,776	—
Interest expense	(41,958)	(1,335)	(3,643)	(46,936)	—
Passenger facility charges	28,842	—	—	28,842	—
Amortization of bond issue costs	(1,537)	(41)	—	(1,578)	—
Loss on disposal of capital assets	(31,044)	(5)	26	(31,023)	—
Miscellaneous, net	(106)	623	1,408	1,925	—
Total nonoperating revenues (expenses), net	(33,074)	316	(888)	(33,646)	—
Income (loss) before transfers and capital contributions	(39,502)	1,552	2,677	(35,273)	1,056
Transfers in	—	—	410	410	—
Transfers out	(5,831)	(2,639)	(680)	(9,150)	—
Capital contributions	28,037	86	—	28,123	4
Change in net assets	(17,296)	(1,001)	2,407	(15,890)	1,060
Total net assets—beginning of year	1,075,330	141,925	23,753		(1,015)
Total net assets—end of year	$ 1,058,034	140,924	26,160		45

Change in net assets reported for business-type activities in the government-wide statement of activities are different because:

Certain internal service fund activities are included within business-type activities	—
Change in net assets of business-type activities—government-wide statement of activities	$ (15,890)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2008
(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	$ 131,432	43,633	14,306	189,371	17,796
Other operating cash receipts	—	—	69	69	—
Payments to suppliers of goods and services	(43,702)	(19,447)	(2,592)	(65,741)	(17,014)
Payments to employees	(42,039)	(16,579)	(6,507)	(65,125)	(240)
Payments for interfund services used	(2,896)	(2,125)	—	(5,021)	—
Net cash provided by operating activities	42,795	5,482	5,276	53,553	542
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	—	—	410	410	—
Transfers to other funds	(5,831)	(2,694)	(680)	(9,205)	—
Net cash used in noncapital financing activities	(5,831)	(2,694)	(270)	(8,795)	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash collections from passenger facility charges	30,514	—	—	30,514	—
Receipts from federal financing assistance	56,950	—	—	56,950	—
Acquisition and construction of capital assets	(41,472)	(4,516)	(5,786)	(51,774)	—
Insurance recoveries	(117)	—	—	(117)	—
Proceeds from sale of surplus property	510	—	(43)	467	(16)
Proceeds from issuance of revenue bonds	—	—	12,573	12,573	—
Proceeds from issuance of refunding bonds	—	—	—	—	—
Proceeds from issuance of commercial paper	3,000	—	—	3,000	—
Principal paid on commercial paper	(3,000)	—	—	(3,000)	—
Cash paid for bond issuance costs	—	—	(589)	(589)	—
Principal paid on revenue bond maturities	(25,090)	(2,850)	(2,425)	(30,365)	—
Cash paid for bond refunding	—	—	—	—	—
Cash paid for interest	(40,814)	(1,168)	(3,379)	(45,361)	—
Proceeds from lease termination and other	—	623	951	1,574	—
Net cash provided by (used in) capital and related financing activities	(19,519)	(7,911)	1,302	(26,128)	(16)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(954,813)	(72,147)	(106,295)	(1,133,255)	—
Proceeds from sales and maturities of investments	912,339	76,699	92,356	1,081,394	—
Investment income	8,554	1,157	1,288	10,999	—
Net cash provided by (used in) investing activities	(33,920)	5,709	(12,651)	(40,862)	—
Net increase (decrease) in cash and cash equivalents	(16,475)	586	(6,343)	(22,232)	526
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	7,762	1,699	5,877	15,338	61
Restricted	70,731	3,626	10,252	84,609	—
	78,493	5,325	16,129	99,947	61
End of year:					
Unrestricted	8,891	1,884	3,661	14,436	587
Restricted	53,127	4,027	6,126	63,280	—
	$ 62,018	5,911	9,787	77,716	587
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ (6,428)	1,236	3,565	(1,627)	1,052
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	47,446	4,699	2,099	54,244	14
Changes in assets and liabilities:					
Receivables, net	(2,254)	(638)	(17)	(2,909)	—
Inventories	225	(3)	—	222	—
Other assets, net	(77)	(36)	20	(93)	13
Accounts payable, accrued liabilities, accrued salaries and other benefits	4,913	(293)	127	4,747	30
Claims payable	—	—	—	—	505
Deferred revenue	(554)	183	(90)	(461)	—
Due to/from other funds	(40)	512	(333)	139	(824)
Advance to other funds	—	—	—	—	(248)
Advance from other funds	—	585	—	585	—
Deposits held for others	—	(579)	—	(579)	—
Other long term liabilities	(436)	(184)	(95)	(715)	—
Total adjustments	49,223	4,246	1,711	55,180	(510)
Net cash provided by operating activities	$ 42,795	5,482	5,276	53,553	542
Supplemental disclosure for noncash activities:					
Loss on disposal of surplus property	$ (31,044)				
Capital contributions		$ 86			

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008
(dollars in thousands)

		Pension Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents—unrestricted	$	11,163	18,701
Investments—unrestricted		—	11,802
Pension trust investments—unrestricted:			
U. S. government securities		101,300	—
Corporate bonds		109,551	—
Domestic bond funds		45,101	—
Stocks		773,955	—
Foreign government and corporate obligations		23,593	—
Mortgage-backed securities		67,435	—
Collective investment funds		363,165	—
Real estate group annuity and equities		156,291	—
Investment property		1,515	—
Hedge funds		49,337	
Money market mutual funds and other short-term investments		146,196	—
Managed international equity funds		141,246	—
Total investments		1,978,685	—
Securities lending collateral		115,491	—
Receivables, net of allowances:			
Taxes		—	22,030
Contributions		33,351	—
Accrued interest		3,124	—
Other		7,714	733
Capital assets		438	—
Total assets		2,149,966	53,266
LIABILITIES			
Accounts payable and accrued liabilities		2,025	1,856
Deposits held for others		1,898	22,762
Due to other governmental agencies		—	28,648
Securities lending collateral liability		115,491	—
Other liabilities		8,421	—
Total liabilities		127,835	53,266
NET ASSETS			
Net assets held in trust for pension benefits	$	2,022,131	—

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, 2008
(dollars in thousands)

		Pension Trust Funds
ADDITIONS		
Contributions:		
Members	$	7,450
Employers		177,280
Investment income:		
Interest and dividends		35,345
Class action settlements		488
Net appreciation in fair value of investments		226,466
		262,299
Less investment expense		(7,837)
Net investment income		254,462
Total additions		439,192
DEDUCTIONS		
Benefits		116,036
Refunds of contributions		5,727
Administrative expense		2,524
Total deductions		124,287
Net increase		314,905
Net assets held in trust for pension benefits:		
Beginning of year		1,707,226
End of year	$	2,022,131

See accompanying notes to basic financial statements.

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 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.

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 four 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.

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.

Forest Park Forever, Inc. (FPF)

Forest Park is a 1,293 square foot park owned and operated by the City. In addition to being a City park, it is the home to many of the region's major cultural institutions – the St. Louis Zoo, the St. Louis Art Museum, St. Louis Science Center, the Missouri History Museum and the Muny Opera. Each of these cultural institutions are legally separate not-for-profit entities.

During 2008, the City determined that the economic resources held by FPF for the direct benefit of Forest Park are significant to the City and, hence, have included FPF as a discretely presented component unit. FPF is a legally separate tax-exempt component unit of the City and reports its financial statements under Financial Accounting Standards Board (FASB) Statements. FPF is a not for profit organization organized under the laws of Missouri in 1986 that works in partnership with the City whose mission and principal activities are to promote the rebuilding and continual maintenance of Forest Park through wide-based financial and citizen support in order that Forest Park retain its preeminence as a major metropolitan and regional asset of greater St. Louis. The economic resources received or held by FPF are almost entirely for the direct benefit of Forest Park. Historically the City as owner of Forest Park has received economic resources from FPF since calendar year 2000 significantly enhancing the park. FPF's fiscal year end is December 31, 2007, which falls within the City's current fiscal year-end. See note 29 for additional information and note disclosures relating to this discretely presented component unit.

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

Forest Park Forever, Inc.
5595 Grand Drive in Forest Park
St. Louis, MO 63112

3) Related Organizations

The City's officials are also responsible for appointing the voting majority of board members for other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. Thus, no financial data for these organizations are included in the City's 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.

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:

1) Governmental Fund Types

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

The following are the City's governmental major funds:

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

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

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

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

2) Proprietary Fund Types

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

The following are the City's proprietary fund types:

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

Internal Service—Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. An internal service fund has been established for PFPC, mailroom services, 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 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 or 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.

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 2007 was $1.3451 per $100 (in dollars) of assessed valuation of which $1.2123 (in dollars) is for the general fund and $0.1328 (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 and investments are separately maintained by other City officials, several of the City's departments and third-party trustee and fiscal agents.

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

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
- 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:

	Years
Buildings	40 to 99
Improvements other than buildings	20 to 40
Equipment	5 to 15
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) <u>Business-type Activities Capital Assets</u>

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.

(dollars in thousands)

3) Airport

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

	Years
Pavings	18 to 30
Buildings and facilities	20 to 30
Equipment	2 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:

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

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

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:

	Years
Buildings and parking garages	10 to 40
Buildings and land improvements	5 to 10
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 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 (not in thousands) 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:

	Years
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 valued at estimated fair market value as of the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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:

	Years
Buildings	50 – 100
Building improvements	10 – 15
Furniture and fixtures and other Equipment	5 – 8
Automotive equipment	3
Communication equipment	5
Computer and software	3

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 PFC is withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an $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. Amortization

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 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, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2008.

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

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.

Vacation is granted to all full-time employees based on years of continuous service.

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.

n. Encumbrances

Within the governmental fund financial statements, fund balance is reserved for outstanding encumbrances, which serves as authorization for expenditures in the subsequent year. Of encumbrances outstanding at year-end, $58,174 will remain in force and will be liquidated under the current year's budget and $1,160 will automatically be re-appropriated and re-encumbered as part of subsequent year budgets.

o. 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.

p. Reserved Fund Balance

Within the governmental fund financial statements, reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation and is legally segregated for a specific future use. In addition to encumbrances, reserved fund balances at June 30, 2008 are comprised of the following:

1) General Fund
Cash and investments with trustees to be used for debt service related to the Kiel Site Project, the Parking Revenue Bonds Series 2006 pledge, Civil Courts, Justice Center, Carnahan Courthouse, and Pension Funding Bonds-Series 2007 & Series 2008.

2) Capital Projects Fund
Cash and investments with trustees to be used for debt service and construction related to the Forest Park Redevelopment, Justice Center construction, Carnahan Courthouse construction, Recreational Centers construction, Police Capital Improvement Projects, and the Juvenile Detention Centers Project. Reserved fund balance also includes proceeds of capital improvement sales tax restricted for construction.

3) Other Governmental Funds
Cash and investments with a trustee to be used for debt service of tax increment financing bonds and notes payables and other bond principal payments, use tax funding for affordable housing, health and building demolition, transportation sales tax, sewer lateral repair program funds, gaming revenue, parks and recreation sales tax, public safety sales tax, and Barnes/City lease agreement funds.

q. 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.

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.”

r. Component Unit—SLPD

During fiscal year 2008, SLPD sold its license to operate a television station to a third-party for $2,506. This has been reflected as special item – sale of TV license within the accompanying financial statements, as it is infrequent in occurrence and within the control of management.

s. 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.

t. 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.

u. Individual Fund Deficit

At June 30, 2008, the grants fund has a deficit fund balance of $(62). This amount will be offset by future commissions. The mail room services internal service fund has deficit net assets of $(186). This amount will be offset by charges for services to other funds in future years.

v. Adoption of New Accounting Pronouncements

Effective July 1, 2007, the City adopted GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. This statement establishes criteria for governments to use to account for the exchange of an interest in their expected receivables or specific future revenues for immediate cash payments. This statement also requires disclosures pertaining to future revenues that have been pledged or sold. This statement had no impact on the financial statements other than additional disclosure.

Effective July 1, 2007, the City adopted GASB Statement No. 50, Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27. This statement more closely aligns the financial reporting requirement for pensions with those of other postemployment benefits. This statement had no impact on the financial statements other that additional disclosure.

Effective July 1, 2007, the SLPD adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. This statement establishes accounting and financial reporting standards for employers that participate in a defined benefit "other postemployment benefit" (OPEB) plan.

2. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2008:

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

(dollars in thousands)

System, Police System, and Employees' System are presented separately from those of the remainder of the primary government.

	Cash and Cash Equivalents	Investments	Restricted Assets	Total
Government-wide statement of net assets	$ 55,454	126,574	422,756	604,784
Fiduciary statement of fiduciary net assets—agency funds	18,701	11,802		30,503
Total primary government excluding pension trust funds	74,155	138,376	422,756	635,287
Fiduciary statement of fiduciary net assets—pension trust funds:				
Firemen's System	5,308	505,259	—	510,567
Police System	5,725	791,868	—	797,593
Employees' System	130	681,558	—	681,688
Total pension trust funds	11,163	1,978,685	—	1,989,848
Total primary government	$ 85,318	2,117,061	422,756	2,625,135

(dollars in thousands)

1) Primary Government Excluding Pension Trust Funds

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

Certificates of deposit are defined as investments for statement of net 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, 2008, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	$	123,108
Federal Home Loan Mortgage Corp.		85,243
Federal Home Loan Bank		218,193
United States Treasuries		5,932
Government Backed Trusts		798
Federal Farm Credit Discount Note		54
Guaranteed Investment Contract		10,895
Commercial Paper		7,480
Money Market Mutual Funds		54,843
Certificates of Deposit		46,149
Other Cash Deposits		82,592
	$	635,287

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-l” or better by Standard & Poor’s Corporation and “P-l” 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).

(dollars in thousands)

<u>Interest Rate Risk</u>

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, 2008:

		Investment Maturities (in years)			
	Fair Value	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Federal National Mortgage Association	$ 123,108	113,686	7,032	2,390	—
Federal Home Loan Mortgage Corp.	85,243	84,877	366	—	—
Federal Home Loan Bank	218,193	213,367	—	—	4,826
United States Treasuries	5,932	3,346	2,586	—	—
Federal Farm Credit Discount Notes	54	54	—	—	—
Government Backed Trusts	798	—	—	798	—
Guaranteed Investment Contract	10,895	—	—	—	10,895
Commercial Paper	7,480	7,480	—	—	—
Money Market Mutual Funds	54,843	54,843	—	—	—
	$ 506,546	477,653	9,984	3,188	15,721

<u>Credit Risk</u>

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.

(dollars in thousands)

The investments of the primary government (excluding the pension trust funds) were rated as follows by Standard & Poor's Corporation as of June 30, 2008:

	Fair Value	AAA	Aaa	A-1+	A-1	Not Rated
Federal National Mortgage Association	$ 123,108	—	7,725	115,383	—	—
Federal Home Loan Mortgage Corp.	85,243	—	1,069	84,174	—	—
Federal Home Loan Bank	218,193	—	14,840	203,353	—	—
United States Treasuries	5,932	—	—	—	—	5,932
Federal Farm Credit Discount Notes	54	—	—	54	—	—
Government Backed Trusts	798	798	—	—	—	—
Guaranteed Investment Contract	10,895	—	—	—	—	10,895
Commercial Paper	7,480	—	—	—	7,480	—
Money Market Mutal Funds	54,843	—	—	—	—	54,843
	$ 506,546	798	23,634	402,964	7,480	71,670

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 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 U.S. or an agency or instrumentality of the U.S., bonds of the State or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2008, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: $45,853 of Federal National Mortgage Association securities, $1,677 of Federal Home Loan Mortgage Corporation securities, $41,577 Federal Home Loan Bank securities, $3,458 of U.S. Treasury securities, and the $10,895 Guaranteed Investment Contract. 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.

(dollars in thousands)

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, 2008, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	19.38	%
Federal Home Loan Mortgage Corp.	13.42	
Federal Home Loan Bank	34.34	
United States Treasuries	0.93	
Government Backed Trusts	0.12	
Federal Farm Credit Discount Notes	0.01	
Guaranteed Investment Contract	1.72	
Commercial Paper	1.18	
Money Market Mutual Funds	8.63	
Certificates of Deposit	7.27	
Other Cash Deposits	13.00	
	100.00	

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

As of September 30, 2007, the Firemen's System had the following cash deposits and investments:

Common Stock	$	230,431
Collective Investment—Equity		49,328
Hedge funds		22,823
Corporate Obligations		111
Collective Investment—Bonds		102,309
U.S. Government Securities		1
Real estate investment trust		48,314
Money Market Funds		51,942
Other Cash Deposits		5,308
	$	510,567

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

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

(dollars in thousands)

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, 2007:

	Fair Value	No Maturity	Investment maturities (in years) Less than 1	1-5	6-10	More than 10
Common Stock	$ 230,431	230,431	—	—	—	—
Collective Investment—Equity	49,328	49,328	—	—	—	—
Hedge fund-equity	22,823	22,823	—	—	—	—
Corporate Obligations	111	—	—	—	—	111
Collective Investment—Bonds	102,309	—	1,616	54,132	35,624	10,937
U.S. Government Securities	1	—	—	—	—	1
Real estate investment trust	48,314	48,314	—	—	—	—
Money Market Funds	51,942	51,942	—	—	—	—
	$ 505,259	402,838	1,616	54,132	35,624	11,049

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, 2007:

Credit Rating Level	Common Stock	Collective Investment	Hedge Fund	Corporate Obligations	Government Securities	Real estate Investment	Money Market
AAA	$ —	82,011	—	111	1	—	—
AA	—	972	—	—	—	—	—
A	—	7,591	—	—	—	—	—
BBB	—	11,674	—	—	—	—	—
N/A	230,431	—	—	—	—	—	—
Not Rated	—	49,389	22,823	—	—	48,314	51,942
	$ 230,431	151,637	22,823	111	1	48,314	51,942

(dollars in thousands)

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, 2007:

	Money Market	Equities	Fixed Income	Hedge Fund	Real Estate Investment Trust	Total
Australian Dollar	$ —	4,938	—	—	—	4,938
British Pound Sterling	—	8,017	—	—	—	8,017
Canadian Dollar	—	2,110	—	—	—	2,110
Danish Krone	—	1,300	—	—	—	1,300
Euro	—	17,822	—	—	—	17,822
Hong Kong Dollar	—	1,598	—	—	—	1,598
Indonesian Rupiah	—	141	—	—	—	141
Japanese Yen	—	18,448	—	—	—	18,448
Mexican Peso	—	291	—	—	—	291
Norwegian Krone	—	3,975	—	—	—	3,975
South African Zar	—	155	—	—	—	155
Swedish Krona	—	1,676	—	—	—	1,676
Swiss Franc	—	3,246	—	—	—	3,246
Total Foreign Currency	—	63,717	—	—	—	63,717
U.S. Dollar	51,942	216,042	102,421	22,823	48,314	441,542
Total	$ 51,942	279,759	102,421	22,823	48,314	505,259

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 "Al" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. In the event of a downgrade below investment grade by any rating agency, the investment manager is required to notify the Board and investment consultant as soon as possible and to refrain from any further investment in the downgraded issue.

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

(dollars in thousands)

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, of 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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2007 are as follows:

Aberdeen Core Plus Fixed	$102,309
Artisan International Stock	49,328
The Principal US Property	48,314

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 and Poors. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 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, 2007, $47,845 in loans was outstanding to borrowers. The Firemen's System earned income of

(dollars in thousands)

$158 for its participation in the securities lending program for the year ended September 30, 2007.

3) Primary Government—Pension Trust Fund—Police System

As of September 30, 2007, the Police System had the following cash deposits and investments:

Equities:		
Common Stock	$	277,043
Collective Investment Funds		200,888
Real Estate Equities		32,380
Mortgaged-Backed Securities-Government		33,357
Mortgaged-Backed Securities-Non-Government		34,077
Fixed Income Collective Investment Fund		10,641
Corporate Bonds		92,351
Government Securities		63,801
Short-Term Notes and Commercial Paper		900
Money Market Funds		44,915
Investment Property		1,515
Other Cash Deposits		5,725
	$	797,593

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 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.

(dollars in thousands)

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, 2007:

	Fair Value	No Maturity	Investment maturities (in years) Less than 1	1 – 5	6 – 10	More than 10
Equities	$ 510,311	510,311	—	—	—	—
Mortgaged-Backed Securities— Government	33,357	—	95	—	1,920	31,342
Mortgaged-Backed Securities— Nongovernment	34,077	—	107	730	1,057	32,183
Corporate Bonds	92,351	—	55,806	13,101	13,847	9,597
Collective investment funds	10,641	10,641	—	—	—	—
Government Securities	63,801	—	20,980	24,114	14,102	4,605
Short-Term Notes and Commercial Paper	900	—	900	—	—	—
Money Market Funds	44,915	44,915	—	—	—	—
Investment Property	1,515	1,515	—	—	—	—
	$ 791,868	567,382	77,888	37,945	30,926	77,727

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, 2007:

Credit Rating Level	Equities	Government Mortgage-Backed Securities	Nongovernment Mortgage-Backed Securities	Corporate Bonds	Collective Invest-ment Funds	Government Securities	Short-term Notes and Commercial Paper	Money Market Fund	Investment Property
AAA	$ —	32,631	27,872	1,226	—	62,220	—	—	—
AA	—	—	749	6,374	—	709	—	—	—
A	—	—	367	13,844	—	160	—	—	—
BBB	—	—	858	11,159	—	—	—	—	—
BB	—	—	—	1,171	—	—	—	—	—
B	—	—	—	133	—	—	—	—	—
N/A	510,311	—	—	—	—	—	—	—	—
Not Rated	—	726	4,231	58,444	10,641	712	900	44,915	1,515
	$ 510,311	33,357	34,077	92,351	10,641	63,801	900	44,915	1,515

(dollars in thousands)

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, 2007:

	Money Money Market/ Commercial Paper	Investment Property	Equities	Fixed Income	Total
Australian Dollar	$ —	—	—	438	438
British Pound Sterling	—	—	3,981	297	4,278
Canadian Dollar	—	—	4,356	960	5,316
Cayman Islands Dollar	—	—	575	—	575
Euro	—	—	4,694	965	5,659
Indian Rupee	—	—	1,287	125	1,412
Israeli Shekel	—	—	270	—	270
Korean Won	—	—	—	450	450
Mexican Peso	—	—	768	159	927
Panama Dollar	—	—	—	177	177
Russian Rubles	—	—	406	—	406
Swiss Franc	—	—	4,094	—	4,094
Total Foreign Currency	—	—	20,431	3,571	24,002
U.S. Dollar	45,815	1,515	489,880	230,656	767,866
Total	$ 45,815	1,515	510,311	234,227	791,868

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.

(dollars in thousands)

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. Emerging markets asset class as a sub-set of foreign equities has a target of 5% with a minimum of 3% and a maximum of 7%. It is the Police System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset Class as a Percent of Total Assets

Asset Class	**Minimum**	**Target Mix**	**Maximum**
Fixed Income	28%	30%	32%
Real Estate Equity	3	5	7
Large Cap U.S. Stocks	38	40	42
Small Cap U.S. Stocks	8	10	12
Foreign Equities	13	15	17

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

MFB Daily S&P 500 Equity Index Fund	$100,814
COLTV Short-term Investment Funds	41,292

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession—but not title—of the security to the borrower. Collateral consisting of cash, letter of credit, or government securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 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, 2007, outstanding loans to borrowers were $106,920. The Police System earned income of $130 for its participation in the securities lending program for the year ended September 30, 2007.

(dollars in thousands)

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

As of September 30, 2007, the Employees' System had the following cash deposits and investments:

Stocks	$	266,481
Managed International Equity Funds		141,246
Corporate Bonds and Debentures		17,089
Foreign Governmental and Corporate Obligations		23,593
Domestic Bond Funds		45,101
Real Estate Funds		75,597
U.S. Government and Agency Securities		37,498
Temporary Cash Investments		48,439
Managed hedge fund		26,514
Other Cash Deposits		130
	$	681,688

Investments are reported at fair market value. Securities traded on a national or international exchange are funds are valued at the unit value quoted by the investee entity.

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:

		Short-Term	Debt	Equity	Total
British Pound	$	736	818	—	1,554
Brazilian Real		—	158	—	158
Canadian Dollar		—	1,017	—	1,017
Euros		109	9,631	—	9,740
Japanese Yen		5	3,509	—	3,514
Total	$	850	15,133	—	15,983

(dollars in thousands)

Credit Risk of Debt Securities

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

Quality Rating		
Aaa/U.S. Governments	$	90,674
Aa		8,416
A		11,931
Baa		7,383
Below Baa		4,878
Total	$	123,282

All temporary cash investments held by the Employees' Retirement System at September 30, 2007 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.

Investment		**Fair Value**	**Effective Duration**
Payden and Rygel	$	34,841	5.5 years
Allegiant		43,340	5.2 years
SSGA		45,101	4.7 years
	$	123,282	

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. There are no restrictions on the amount of securities that can be lent at one time. At September 30, 2007, the term to maturity of the securities lent 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, 2007, the Employees' System has lending arrangements outstanding with a market value for securities lent of $112,378 and a total market value for securities received as collateral of $115,491 resulting in no credit risk for the Employees' System.

(dollars in thousands)

Concentration of Credit Risk

At September 30, 2007, 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:

State Street Global Advisors Passive Bond Market Index Fund	$45,101
Silchester International Investors International Value Equity Group Trust	$81,395
Walter Scott & Partners Limited Group Trust International	$59,851
Principal Global Investors Real Estate Group Annuity Contract	$75,597

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, 2008, 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, 2008, the market value of investments approximates the carrying value of $116.

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. Investments with an original maturity date of less than one year are carried at cost plus earned interest, which approximates fair value.

As of June 30, 2008, the SLPD had the following cash deposits and investments:

Federal Farm Credit Bank	$	486
Federal Home Loan Discount Notes		5,499
Other cash deposits		1,735
Total	$	7,720

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.

The SLPD had investments in Federal Farm Credit Bank and Federal Home Loan Discount Notes securities had maturities of one year or less as of June 30, 2008.

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.

The SLPD's investments in U.S. Government agencies as of June 30, 2008 were rated AAA by Moody's Investor Service and Standard & Poor's.

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 U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the U.S. or an agency or instrumentality of the U.S., 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.

(dollars in thousands)

At June 30, 2008, all SLPD investments and all collateral securities pledged against SLPD deposits are held by the counterparty's trust department or agent in the SLPD's name. Additionally, at June 30, 2008, $112 of SLPD funds held in the form of cash on deposit were not insured or collaterized.

Concentration of Credit Risk

The SLPD has no investment policy related to the concentration of credit risk. At June 30, 2008, the concentration of the SLPD's investments (excluding cash deposits) was as follows:

	Concentration
Federal Farm Credit Bank	8%
Federal Home Loan Discount Notes	92%
	100%

d. Component Unit—SWMDC

At June 30, 2008, 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 $734 at year-end consisted entirely of Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal National Mortgage Securities with less than one year to maturity and rated A-1+ by Standard & Poor's Corporation.

3. RECEIVABLES, NET

		Taxes	Intergovern-mental	Charges for Services	Notes and Loans	Other	Total Receivables
Governmental activities:							
General fund	$	90,199	3,990	572	—	2,713	97,474
Capital projects fund		2,911	4,286	33	—	1	7,231
Grants fund		—	16,196	—	—	2	16,198
Other governmental funds		32,102	1,331	1,236	64	373	35,106
Internal service funds		—	—	—	—	—	—
Total governmental activities	$	125,212	25,803	1,841	64	3,089	156,009
Business-type activities:							
Airport	$	—	5,291	18,422	—	4,028	27,741
Water Division		—	—	6,442	—	—	6,442
Parking Division		—	—	741	—	—	741
Total business-type activities	$	—	5,291	25,605	—	4,028	34,924

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

(dollars in thousands)

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	$	859
Taxes receivable—other governmental funds		132
License and permits receivable—general fund		60
Charges for services receivable—other governmental funds		398
Business-type activities:		
Charges for services receivable—Airport		200
Charges for services receivable—Water Division		3,429
	$	5,078

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 City ordinances and bond provisions, are as follows at June 30, 2008:

Airport bond fund:		
Debt service account	$	43,267
Debt service reserve account		35,755
Airport renewal and replacement fund		3,500
Passenger facility charge fund		28,468
Airport development fund		68,846
Airport construction fund		75,589
Drug enforcement agency funds		2,118
	$	257,543

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

1) *Unrestricted Airport Operation and Maintenance Fund:* an amount sufficient to pay the estimated operation and maintenance 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

(dollars in thousands)

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.

City ordinances provide that, in the event the sum on deposit in the Airport Bond Fund—Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal or both, the balance in the Airport Contingency Fund, Airport Development Fund, and Airport Renewal and Replacement Fund may be drawn upon, to the extent necessary, to provide for the payment of such interest, principal, or both. Any sums so withdrawn from these accounts for said purposes shall be restored thereto in the manner provided for in their original establishment. City ordinances 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 these ordinances.

b. Water Division

Cash and investments restricted in accordance with City ordinances at June 30, 2008 are as follows:

Bond funds:		
Waterworks bond fund	$	3,980
Water replacement and improvement account		819
Total bond funds		4,799
Construction funds		6,932
Customer deposits		1,809
	$	13,540

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 is to be used only for the payment of bonds principal and interest, as the same shall become due.

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 account 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.

(dollars in thousands)

c. Parking Division

Cash and investments restricted in accordance with revenue bond indentures at June 30, 2008 are as follows:

Series 2007 and 2006 bonds:		
Debt service reserve	$	4,897
Debt Service		649
Capitalized interest		611
Construction Funds		12,739
Cost of issuance		3
Repair and replacement		2,607
Net project revenues		173
TIF funds-Argyle		46
Parking trust—Parking Division accounts		1,924
Total series 2007 and 2006 bonds		23,649
Series 2003A and 2003B bonds:		
Gross revenues		107
Bond		53
Repair and replacement		42
Operating reserve		100
Redemption		51
Total series 2003A and 2003B bonds		353
	$	24,002

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) *Capitalized interest* – Moneys deposited in this account to pay accrued and unpaid interest.

4) *Construction funds*—Provides for the payment of construction costs to complete the respective projects.

5) *Cost of issuance*—Provides for the payment of costs of issuance incurred in conjunction with the issuance of the bonds.

6) *Net project revenues*—Maintains funds used to fund the debt service account.

(dollars in thousands)

7) *Argyle TIF* – Money from the Argyle TIF district to help pay principal and interest on the bonds.

8) *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.

9) *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) *Bonds*—Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B Bonds.

3) *Repair and Replacement*—Provides for the repair and upkeep of the Cupples Garage.

4) *Operating Reserve*—Maintains operating reserve as required by the Bond indenture.

5) *Redemption*—Maintains funds set aside for the future redemption of the Series 2003A and 2003 Bonds.

d. Component Unit—SLDC

Restricted cash and investments at June 30, 2008 are as follows:

Bond funds	$	2,167

Cash and investments restricted in accordance with the SLDC Parking Facilities Revenue Refunding Bonds, Series 1999, Bond Indenture. Amortization expense was $36 during the year ended June 30, 2008.

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.

(dollars in thousands)

7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Retirements	Transfers	Balance June 30, 2008
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 77,352	515	(16)	—	77,851
Construction in progress	54,092	26,242	—	(28,811)	51,523
Works of art	3,208	24	—	77	3,309
Total capital assets not being depreciated	134,652	26,781	(16)	(28,734)	132,683
Capital assets being depreciated:					
Buildings	425,904	4,323	—	19,148	449,375
Improvements other than buildings	80,385	1,442	—	429	82,256
Equipment	104,623	6,082	(4,239)	—	106,466
Infrastructure	462,578	9,744	—	9,157	481,479
Total capital assets being depreciated	1,073,490	21,591	(4,239)	28,734	1,119,576
Less accumulated depreciation for:					
Buildings	120,257	11,034	—	—	131,291
Improvements other than buildings	19,615	2,188	—	—	21,803
Equipment	57,096	7,048	(3,782)	—	60,362
Infrastructure	236,228	21,948	—	—	258,176
Total accumulated depreciation	433,196	42,218	(3,782)	—	471,632
Total capital assets being depreciated, net	640,294	(20,627)	(457)	28,734	647,944
Governmental activities capital assets, net	$ 774,946	6,154	(473)	—	780,627

Construction in progress consists primarily of recreation centers, the transportation center, and street and bridge projects.

Included in the governmental activities capital assets is an idle capital asset that the City has determined to be impaired. This capital asset's carrying value is $4,511 at June 30, 2008. No impairment loss was recognized for the year ended June 30, 2008 as the asset was already carried at the lower of cost or fair market value.

(dollars in thousands)

The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2008. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2007	Additions	Retirements	Transfers	Balance June 30, 2008
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	$ 808,912	1,212	(34,384)	(2,699)	773,041
Construction-in-progress	77,199	44,999		(84,760)	37,438
Total capital assets not being depreciated	886,111	46,211	(34,384)	(87,459)	810,479
Capital assets being depreciated:					
Buildings and structures	489,292	870	(116)	54,568	544,614
Equipment	76,928	4,972	(2,400)	5,264	84,764
Pavings	894,061	1,183	—	23,847	919,091
Parking meters and lot equipment	6,472	400	—	—	6,872
Reservoirs	34,525	(12)	—	—	34,513
Boiler plant equipment	661	—	—	—	661
Pumping equipment	8,880	—	—	1,429	10,309
Purification basins and equipment	40,117	—	—	2,351	42,468
Water mains, lines, and accessories	112,114	2,458	(11)	—	114,561
Motor vehicle equipment	8,544	349	(207)	—	8,686
Total capital assets being depreciated	1,671,594	10,220	(2,734)	87,459	1,766,539
Less accumulated depreciation for:					
Buildings and structures	286,732	15,976	(46)	—	302,662
Equipment	52,778	4,497	(2,261)	—	55,014
Pavings	225,636	29,817	—	—	255,453
Parking meters and lot equipment	4,421	304	—	—	4,725
Reservoirs	7,309	665	—	—	7,974
Boiler plant equipment	622	3	—	—	625
Pumping equipment	7,786	162	—	—	7,948
Purification basins and equipment	11,568	779	—	—	12,347
Water mains, lines, and accessories	49,412	1,405	(7)	—	50,810
Motor vehicle equipment	5,462	491	(206)	—	5,747
Total accumulated depreciation	651,726	54,099	(2,520)	—	703,305
Total capital assets being depreciated, net	1,019,868	(43,879)	(214)	87,459	1,063,234
Business-type activities capital assets, net	$ 1,905,979	2,332	(34,598)	—	1,873,713

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. Additionally, construction-in-progress consists of various improvements to the waterworks system and construction of a new parking facility.

(dollars in thousands)

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

Governmental activities:		
General government	$	6,013
Convention and tourism		4,302
Parks and recreation		3,471
Judicial		355
Streets		24,625
Public safety:		
Fire		2,055
Other		783
Health and welfare		426
Public service		188
Total depreciation expense, governmental activities	$	42,218
Business-type activities:		
Airport	$	47,350
Water Division		4,699
Parking Division		2,050
Total depreciation expense, business-type activities	$	54,099

(dollars in thousands)

b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008
Capital assets not being depreciated:				
Land	$ 4,914	—	—	4,914
Total capital assets not being depreciated	4,914	—	—	4,914
Capital assets being depreciated:				
Leasehold improvements	3,000	—	—	3,000
Equipment	664	—	—	664
Parking facilities	18,990	—	—	18,990
Total capital assets being depreciated	22,654	—	—	22,654
Less accumulated depreciation for:				
Leasehold improvements	1,300	200	—	1,500
Equipment	651	6	—	657
Parking facilities	9,811	617	—	10,428
Total accumulated depreciation	11,762	823	—	12,585
Total capital assets being depreciated, net	10,892	(823)	—	10,069
SLDC capital assets, net	$ 15,806	(823)	—	14,983

(dollars in thousands)

c. Component Unit—SLPD

The following represents a summary in SLPD's capital assets for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008
Capital assets not being depreciated:				
Land	$ 1,646	—	—	1,646
Total capital assets not being depreciated	1,646	—	—	1,646
Capital assets being depreciated:				
Buildings and improvements	40,000	397	—	40,397
Furniture, fixtures, and other equipment	4,134	958	(151)	4,941
Automotive equipment	10,661	2,237	(1,108)	11,790
Communications equipment	6,398	339	(21)	6,716
Computers and software	3,166	523	(157)	3,532
Total capital assets being depreciated	64,359	4,454	(1,437)	67,376
Less accumulated depreciation for:				
Buildings and improvements	17,401	768	—	18,169
Furniture, fixtures, and other equipment	2,288	724	(116)	2,896
Automotive equipment	7,668	1,860	(1,055)	8,473
Communications equipment	4,229	203	(22)	4,410
Computers and software	2,302	553	(156)	2,699
Total accumulated depreciation	33,888	4,108	(1,349)	36,647
Total capital assets being depreciated, net	30,471	346	(88)	30,729
SLPD capital assets, net	$ 32,117	346	(88)	32,375

(dollars in thousands)

d. Component Unit—SWMDC

The following represents a summary in SWMDC's capital assets for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008
Capital assets being depreciated:				
Infrastructure	$ 8,056	669	—	8,725
Total capital assets being depreciated	8,056	669	—	8,725
Less accumulated depreciation for:				
Infrastructure	2,919	276	—	3,195
Total accumulated depreciation	2,919	276	—	3,195
SWMDC capital assets, net	$ 5,137	393	—	5,530

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, 2008, SLDC has established a reserve for impairment of $5,841 on its properties held for development.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	$ 16,542	2	16,544
Capital projects fund	6,128	3,210	9,338
Grants fund	7,705	—	7,705
Other governmental funds	2,878	37	2,915
Internal service	291	—	291
Total governmental activities	$ 33,544	3,249	36,793
Business-type activities:			
Airport	$ 13,794	14,781	28,575
Water Division	2,250	—	2,250
Parking Division	673	—	673
Total business-type activities	$ 16,717	14,781	31,498

(dollars in thousands)

The general fund accounts payable to vendors includes a payable to the Employees System of $12,284 for the payment of the fiscal years 2007 and 2008 contribution.

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 99% 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:

System	**System Fiscal Year-end**
Firemen's	September 30, 2007
Police	September 30, 2007
Employees'	September 30, 2007

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 provided 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 statues 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 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.

(dollars in thousands)

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, 2007, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2007	$495,116	$533,235	$38,119	92.9%	$37,690	101.1%

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 Asset (Obligation)

The City's annual pension cost and net pension asset to the Firemen's System for the year ended June 30, 2008 are as follows:

(dollars in thousands)

Annual required contribution	$	(17,206)
Interest on net pension asset		(824)
Adjustment to annual required contribution		925
Annual pension cost		(17,105)
Contributions made		63,690
Decrease in net pension obligation		46,585
Net pension obligation, beginning of year		(10,799)
Net pension asset, end of year	$	35,786

The net pension asset of $35,786 as of June 30, 2008 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 (Obligation)
2008	$	17,105	372	%	$	35,786
2007		17,899	23			(10,799)
2006		14,896	28			2,990

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

Date of actuarial valuation	October 1, 2007
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 smooth market
Inflation rate	3.500%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	4.000%, 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	3.000% with a maximum of 25% in increases after age 60

5) Lawsuit

The Firemen's System filed lawsuits against the City and the Board of Estimate and Apportionment to require the City to contribute the actuarially determined annual contribution for the Firemen's System for the City's 2004, 2005, 2006, and 2007 fiscal years. The City received an unfavorable ruling in the initial court proceedings relative to the fiscal year 2004 suit, and appealed the decision. In August 2006, the Missouri Court of Appeals affirmed the lower court's decision but transferred the case to the Missouri Supreme Court (Supreme Court). On March 13, 2007, the Supreme Court affirmed the judgments of the Circuit Court.

In response to the judgments, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying certain judgments and other amounts in connection with the 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 15).

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.

3) Funding Status

The funded status of the Police System as of October 1, 2007, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2007	$752,502	$775,669	$23,167	97.0%	$62,179	37.3%

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.

(dollars in thousands)

4) Annual Pension Cost and Net Pension Asset (Obligation)

The City's annual pension cost and net pension asset to the Police System for the year ended June 30, 2008 are as follows:

Annual required contribution	$	(12,703)
Interest on net pension obligation		(2,142)
Adjustment to annual required contribution		3,259
Annual pension cost		(11,586)
Contributions made		42,290
Increase in net pension obligation		30,704
Net pension obligation beginning of year		(27,634)
Net pension asset end of year	$	3,070

The net pension asset of $3,070 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 Police System is presented below.

Fiscal Year		Annual Pension Cost (APC)	Percentage of APC Contributed			Net Pension Asset (Obligation)
2008	$	11,586	365	%	$	3,070
2007		16,504	49			(27,634)
2006		14,418	56			(19,223)

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

Date of actuarial valuation	October 1, 2007
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarially accrued liabilities)
Asset valuation methods	5-year smoothed average of market value
Inflation rate	3.00%, per year
Investment rate of return	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) Lawsuit

The Police System filed lawsuits against the City and the Board of Estimate and Apportionment to require the City to contribute the actuarially determined annual contribution for the Police System for the City's 2004, 2005, 2006 and 2007 fiscal years. The City received an unfavorable ruling in the initial court proceedings relative to the fiscal year 2004 suit, and appealed the decision. In August 2006, the Missouri Court of Appeals affirmed the lower court's decision but transferred the case to the Missouri Supreme Court (Supreme Court). On March 13, 2007, the Supreme Court affirmed the judgments of the Circuit Court.

In response to the judgments, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying certain judgments and other amounts in connection with the 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 15).

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.

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.

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

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 13.21% effective July 1, 2007 and 13.17% of active member payroll effective July 1, 2006. The City contributed 6% of active member payroll beginning July 2003 through June 2006 and 7.55% of active member payroll beginning July 2006. The City made an additional contribution of $46,699 in September 2007 and $14,222 in July 2008 which is recorded within accounts payable at June 30, 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. These voluntary contributions vest immediately.

(dollars in thousands)

3) Funded Status

The funded status of the Employees System for the actuarial valuation as of September 30, 2007 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
September 30, 2007	$646,569	$732,576	$86,007	88.26%	$231,029	37.23%

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, 2008 are as follows:

Annual required contribution	$	(29,599)
Interest on net pension obligation		(6,002)
Adjustment to annual required contribution		6,664
Annual pension cost		(28,937)
Contributions made		76,310
Increase in net pension obligation		47,373
Net pension obligation, beginning of year		(75,020)
Net pension obligation, end of year	$	(27,647)

The net pension obligation of $(27,647) is reflected as a long-term liability within the accompanying basic financial statements as follows:

Governmental activities	$	(20,903)
Business-type activities		(3,782)
Component unit—SLPD		(2,962)
	$	(27,647)

(dollars in thousands)

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
2008	$ 28,937	264 %	$ (27,647)
2007	28,939	52	(75,020)
2006	28,824	53	(61,034)

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

Date of actuarial valuation	October 1, 2007
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar amount for unfunded liability, open
Remaining amortization period	30 years as of October 1, 2007
Actuarial value of assets	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.
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.825% to 7.226%
Projected postretirement benefit increases	5.00% per year, maximum cumulative increase of 25%.

5) Lawsuit

Due to the Supreme Court's ruling in the lawsuits filed by the Firemen's and Police Retirement System, the Employees' System declared notice of its intent to seek similar court judgments for alleged shortfalls in the City's funding of the Employees System for fiscal years 2004 through 2007.

In response, the Board of Aldermen authorized and approved the issuance and sale of bonds for the purpose of paying certain judgments and other amounts in connection with the 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 15).

(dollars in thousands)

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, 2008 contributions of $293, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2008, SLDC's current covered payroll was $3,250 and total payroll amounted to $3,469. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5 ½ % 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.

At July 1, 2007, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,342
Terminated plan members entitled to, but not yet receiving benefits	129
Active members	1,907
Total plan members	3,378

(dollars in thousands)

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, 2008, the SLPD contributed $6,263, 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.

Effective July 1, 2007, the SLPD prospectively implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and the net liability at transition was set at zero.

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	$	22,668
Contributions made		(6,263)
Increase in net OPEB obligation		16,405
Net OPEB obligation, beginning of year		—
Net OPEB obligation, end of year	$	16,405

The SLPD's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 was as follows:

Fiscal year		Annual OPEB cost (AOC)	Percentage of AOC contributed		Net OPEB obligation
2008	$	22,668	27.6%	$	16,405

Funding Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrual liability for benefits was $236,138, and the actuarial value of assets was $0. The covered payroll (annual payroll of active employees covered by the plan) was $85,372, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 276.6%. The actuarial valuation was updated to incorporate significant changes to the substantive plan.

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. In future years, the schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present 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, 2007 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.

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.

(dollars in thousands)

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, 2008:

		Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Governmental activities:						
General obligation bonds payable	$	54,820	—	(3,945)	50,875	1,085
Section 108 Loan Guarantee Assistance Programs		58,820	—	(2,740)	56,080	2,920
Federal Financing Bank advances		680	—	(50)	630	50
Tax increment financing bonds and notes payable		114,251	37,737	(15,001)	136,987	5,191
Master note purchase agreement		66	—	(14)	52	—
Loan agreement with Missouri Department of Natural Resources		1,458	—	(481)	977	499
Loan agreement with MTFC		—	4,500	—	4,500	329
Capital lease—rolling stock		10,895	1,478	(2,532)	9,841	1,903
Capital leases—obligations with component units		50,155	—	(465)	49,690	485
Leasehold revenue improvement and refunding bonds		308,824	247,967	(36,596)	520,195	24,458
Joint venture financing agreement		65,116	—	(4,088)	61,028	3,512
Unamortized discounts, premiums, and deferred amounts on refunding		(1,153)	(3,514)	107	(4,560)	—
Net pension obligation		92,300	—	(71,397)	20,903	—
Accrued vacation, compensatory, and sick time benefits		27,489	15,601	(16,790)	26,300	17,697
Landfill closure		120	—	(20)	100	100
Firemen's overtime payable		1,148	—	(1,148)	—	—
Claims and judgments payable		16,344	14,106	(13,601)	16,849	10,704
Governmental activities long-term liabilities	$	801,333	317,875	(168,761)	950,447	68,933

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.

(dollars in thousands)

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Business-type activities:					
Airport:					
Revenue bonds payable	$ 843,920	—	(25,090)	818,830	21,725
Net pension obligation	7,584	3,176	(8,995)	1,765	—
Pension funding liability	—	5,510	—	5,510	—
Other	1,035	—	(127)	908	—
Accrued vacation, compensatory, and sick time benefits	5,661	3,778	(3,365)	6,074	3,963
Unamortized discounts, premiums, and deferred amounts on refunding	21,826	—	(248)	21,578	—
Due to the City of Bridgeton	—	10,800	—	10,800	3,300
Total Airport	880,026	23,264	(37,825)	865,465	28,988
Water Division:					
Revenue bonds payable	29,175	—	(2,850)	26,325	3,300
Customer deposits	2,388	—	(579)	1,809	—
Net pension obligation	4,897	1,871	(5,324)	1,444	—
Pension funding liability	—	3,269	—	3,269	—
Other	290	—	(53)	237	—
Accrued vacation, compensatory, and sick time benefits	3,374	58	(304)	3,128	1,539
Unamortized discounts, premiums, and deferred amounts on refunding	(884)	—	208	(676)	—
Total Water Division	39,240	5,198	(8,902)	35,536	4,839
Parking Division:					
Revenue bonds payable	70,120	12,705	(2,425)	80,400	1,546
Net pension obligation	1,555	481	(1,463)	573	—
Pension funding liability	—	887	—	887	—
Accrued vacation, compensatory, and sick time benefits	171	196	(171)	196	196
Unamortized discounts, premiums, and deferred amounts on refunding	(6,226)	(125)	246	(6,105)	—
Total Parking Division	65,620	14,144	(3,813)	75,951	1,742
Business-type activities long-term liabilities	$ 984,886	42,606	(50,540)	976,952	35,569
Less amounts recorded in:					
Accounts payable and accrued liabilities				(3,300)	(3,300)
Accrued salaries and other benefits				(5,698)	(5,698)
				$ 967,954	26,571

b. General Obligation Bonds

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

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 City funds, were deposited with the Escrow Agent to be applied on June 16, 2005 to the redemption of the Series 1999 bonds. After the refunding transaction, $10,215 in current interest Series 1999 bonds and $695 in capital appreciation Series 1999 bonds remained outstanding.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,911. This difference, reported in the accompanying financial statements as a reduction of bonds payable, is being charged to operations through year 2019 using the straight-line method, which approximates the effective interest method.

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 MBIA Insurance Corporation. Principal payments are made from other governmental funds.

(dollars in thousands)

Principal and interest requirements are as follows:

		Principal	Interest	Total
Year ending June 30:				
2009	$	1,085	5,146	6,231
2010		3,490	2,171	5,661
2011		3,615	2,056	5,671
2012		3,730	1,940	5,670
2013		3,905	1,779	5,684
2014 – 2018		22,560	5,977	28,537
2019 – 2023		9,085	1,512	10,597
2024 – 2026		3,405	290	3,695
	$	50,875	20,871	71,746

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.

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

		Principal	Interest	Total
Year ending June 30:				
2009	$	2,920	3,402	6,322
2010		3,110	3,234	6,344
2011		3,300	3,051	6,351
2012		3,500	2,855	6,355
2013		3,720	2,642	6,362
2014 – 2018		22,420	9,346	31,766
2019 – 2021		17,110	1,736	18,846
	$	56,080	26,266	82,346

(dollars in thousands)

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 currently bear interest at rates ranging from 5.87% to 7.08%.

Principal and interest requirements are as follows:

		Principal	**Interest**	**Total**
Year ending June 30:				
2009	$	50	42	92
2010		55	38	93
2011		60	35	95
2012		65	30	95
2013		70	26	96
2014 – 2017		330	48	378
	$	630	219	849

e. Tax Increment Financing Bond and Notes Payable

In 1991, the City issued $15,000 in tax increment financing (TIF) bonds (Series 91 TIF Bonds) to provide funds to enable the City to acquire certain land and, upon such land, among other things, to widen and improve an existing street. Other governmental funds are used to account for the revenues, expenditures, including debt service, and other activities related to the Series 91 TIF Bonds. The Series 91 TIF Bonds constitute special obligations of the City, and are payable from payments in lieu of taxes from owners or property within the Scullin Redevelopment Tax Increment Financing Area (the 91 Area). In the event these payments are not sufficient to meet the debt service requirements, the Series 91 TIF Bonds are payable, first, from the additional tax revenue generated by increases in economic activities in the 91 Area, other than personal property tax revenue, and, second, from any moneys legally available in the City’s general fund. During 2006, $620 of payments in lieu of taxes and $679 in economic activity taxes were received. The Series 91 TIF Bonds bear interest at the rate of 10% per year, mature on August 1, 2010, and are subject to mandatory redemption prior to maturity.

In 2007, the City issued $16,961 Taxable Tax Increment Financing Revenue Notes (600 Washington Redevelopment Project 1 One City Centre Component) Series 2007 (Series 2007 TIF Notes). The

(dollars in thousands)

Series 2007 TIF Notes constitute special obligations of the City, and are payable from (a) certain moneys on deposit in the Special Allocation Fund (payments in lieu of taxes, economic activity tax revenue), (b) Municipal Revenues and (c) City Revenues, which constitute other legally available funds of the City's general fund in the amount equal to pay the principal and interest on the TIF note. Payments commence on March 1, 2008. The Series 2007 TIF Notes bear interest at the rate of 6.75% per year, mature on September 1, 2029, and are subject to mandatory redemption prior to maturity.

Additionally, from time to time, 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, 2008, the City had $136,987 in TIF bonds and notes payable outstanding, at interest rates ranging from 5.5% to 10.0%, payable in various installments through 2029. The City issued $37,737 in TIF bonds and notes payable during fiscal year 2008. Included in this amount is an IDA Tax Increment and Community Improvement District Refunding Revenue Bond Series 2007-Loughborough Commons Redevelopment Project in the amount of $18,430. This financing refunded the TIF notes in the amount of $11,000 for the Loughborough Commons District issued in 2006.

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

		General Fund Backed TIF Bonds and Notes		Additional TIF Bonds and Notes	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2009	$	1,405	1,536	3,786	7,374
2010		1,545	1,389	4,026	7,134
2011		1,665	1,228	4,283	6,877
2012		—	1,145	4,556	6,604
2013		—	1,145	4,847	6,313
2014 – 2018		—	5,724	28,151	26,609
2019 – 2023		457	5,709	36,167	16,454
2024 – 2028		2,280	5,311	29,480	4,910
2029 – 2030		14,224	1,418	115	6
	$	21,576	24,605	115,411	82,281

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 will mature 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, 2008, the balance of the note outstanding is $52.

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

In July 2001, the City agreed to enter into a loan agreement with the DNR pursuant to the Missouri Energy Efficiency Leveraged Loan Program in the amount of $2,000 at an annual interest rate of 4.35%. The proceeds of the loan are to be used to complete energy conservation measures designated as approved by the DNR. During fiscal year 2004, the City made draws of $1,953 against the loan agreement. The purpose of this funding is to convert signal lights to LED fixtures resulting in a projected savings of $395 per year in electricity costs.

In April 2003, the City agreed to enter into a second loan agreement with the DNR pursuant to the Missouri Energy Efficiency Leveraged Loan Program in the amount of $1,613 at an annual interest rate of 2.95%. The proceeds of the loan are to be used to complete energy conservation measures designated as approved by the 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%.

(dollars in thousands)

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

		Principal	Interest	Total
Year ending June 30:				
2009	$	499	28	527
2010		158	13	171
2011		125	8	133
2012		127	5	132
2013		68	1	69
	$	977	55	1,032

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 beginning January 2009 and ending January 2018.

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

		Principal	Interest	Total
Year ending June 30:				
2009	$	329	239	568
2010		392	175	567
2011		408	159	567
2012		426	142	568
2013		443	124	567
2014-2018		2,502	321	2,823
	$	4,500	1,160	5,660

(dollars in thousands)

i. 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, 2008:

		Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Due to other governmental agencies	$	10,413	3,890	(2,384)	11,919	4,208
Notes payable		4,437	3,524	—	7,961	736
Other liabilities		5,819	3,518	(3,953)	5,384	1,583
Revenue bonds		12,465	—	(335)	12,130	365
	$	33,134	10,932	(6,672)	37,394	6,892

Maturities on notes payable are as follows:

		Principal	Interest	Total
Year ending June 30:				
2009	$	736	249	985
2010		5,360	176	5,536
2011		1,360	42	1,402
2012		505	11	516
	$	7,961	478	8,439

Revenue bonds outstanding at June 30, 2008 consist of LCRA Parking Facility Revenue Bonds Series 1999A (Series 1999A bonds), 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 1999A bonds with an original issue amount of $2,470 are due at intervals until September 1, 2009. These bonds carry rates of interest ranging from 7.625% to 9.0%.

The Series 1999B bonds with an original issue amount of $8,300 are due at intervals until September 1, 2019, and are payable solely from, and secured by, a pledge of gross revenues from the operation of SLDC Parking Facilities' St. Louis Centre East Parking Garage. The bonds may be redeemed prior to maturity at the option of LCRA and are subject to special mandatory redemption prior to maturity following the occurrence of a determination of taxability as defined in the bond indenture. 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%.

(dollars in thousands)

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

	Series 1999A		Series 1999B		Series 1999C	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
Year ending June 30:						
2009	$ 365	55	—	569	—	214
2010	425	19	220	562	—	214
2011	—	—	430	541	—	214
2012	—	—	455	512	—	215
2013	—	—	485	481	—	214
2014 – 2018	—	—	2,925	1,857	—	1,072
2019 – 2023	—	—	3,785	347	1,275	983
2024 – 2025	—	—	—	—	1,765	137
	$ 790	74	8,300	4,869	3,040	3,263

j. 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, 2008:

	Balance June 30, 2007	**Additions**	**Reductions**	**Balance June 30, 2008**	**Due within One Year**
Accrued banked overtime, vacation, and sick time leave	$ 28,133	9,145	(8,669)	28,609	9,097
Worker's compensation	40,357	—	(22,714)	17,643	4,334
Capital lease obligation	1,940	62	(2,002)	—	—
Net pension obligation	7,117	—	(4,155)	2,962	—
Pension obligation payable	—	4,362	—	4,362	—
Claims payable	—	1,500	—	1,500	—
Net OPEB obligation	—	16,405	—	16,405	6,317
	$ 77,547	31,474	(37,540)	71,481	19,748

14. CAPITAL LEASES

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

a. Capital Lease—Rolling Stock

In March 2000, the City entered into a capital lease agreement with Banc One Leasing Corporation in the amount of $9,000 at a rate of 5.8%. Proceeds of the lease are to be used to purchase certain rolling stock, such as dump trucks and refuse trucks. In September 2002, the City refinanced its existing capital lease agreement with Banc One Leasing Corporation resulting in a new balance of $7,889. This revised capital lease agreement supersedes the capital lease agreement entered into during March 2000. In addition to refinancing the existing lease, the proceeds of the lease are to be used to purchase certain rolling stock, such as dump trucks and refuse trucks, and computer software and hardware. The lease agreement payments are due in semi-annual installments from 2003 through 2009 with an annual interest rate of 3.6%. The final installment was paid during fiscal year 2008 with residual proceeds.

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%.

On July 7, 2004, the City amended its capital lease agreement with Banc One Leasing Corporation to increase the capital lease by $851 in order to finance the acquisition of additional rolling stock. This portion of the capital lease is due in annual installments from 2005 through 2007 with an annual interest rate of 3.19%. Final payment was made during fiscal year 2008.

In September 2005, the City amended its capital lease agreement with Chase Equipment Leasing Inc. resulting in new debt of $942. This capital lease agreement is included as part of the capital lease agreement entered into in March of 2000. The proceeds of the lease are to be used to purchase computer equipment. The lease agreement payments are due in semi annual installments from 2006 through 2009 with an annual interest rate of 3.9%.

In February 2006, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of $1,048. The proceeds of the lease are to be used to purchase equipment for a new 911 emergency system. The lease agreement payments are due in semi annual installments from 2007 to 2011 with an annual interest rate of 4.88%.

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 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 November 2007, the City amended its lease agreement with Chase Equipment Leasing Corporation resulting in new debt of $825. The proceeds of the lease are to be used to purchase computer hardware and software. This portion of the capital lease is due in semi annual installments from 2008 through 2010 with an annual interest rate of 4.0238%.

(dollars in thousands)

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%.

Principal payments of $2,532 were made on these lease agreements in fiscal year 2008. The following is a schedule of future minimum lease payments as of June 30, 2008.

Year ending June 30:		
2009	$	2,308
2010		2,140
2011		1,992
2012		1,606
2013		1,037
2014 – 2018		2,337
Total future minimum lease payments		11,420
Amount representing interest		(1,579)
Present value of net minimum lease payments	$	9,841

Capital assets (equipment) of $12,751 are recorded by the City on its statement of net assets in conjunction with these capital leases.

b. <u>Capital Lease—Kiel Site Project—Obligation with Component Unit</u>

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

SLDC subleases the Kiel Premises back to the City. In 1998, SLDC issued two series of bonds for the purpose of refunding the outstanding bonds on which the City's lease payments were based. Pursuant to the master lease agreement, the lease payments made by the City are to be used by SLDC to fund annual debt service payments for SLDC's Kiel Site Lease Revenue Refunding Bonds, Series 1997A and B in the original amount of $13,605. The Series 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. The capital lease obligation is recorded as a long-term liability. The City's lease payments are payable from the general fund.

(dollars in thousands)

The following is a schedule, by years, of the future minimum lease payments together with the present value of the net minimum payments for the Kiel Premises as of June 30, 2008.

Year ending June 30:		
2009	$	970
2010		971
2011		969
2012		967
2013		966
2014 – 2018		4,848
2019 – 2022		3,915
Total future minimum lease payments		13,606
Amount representing interest		(3,916)
Present value of net minimum lease payments	$	9,690

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

c. Capital Lease—Convention Center Hotel—Obligation with Component Unit

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 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 1993A and Series 2003 Convention Center Leasehold Revenue Bonds (see note 15).

(dollars in thousands)

The capital lease obligation is recorded as a long-term liability. The City's lease payments are payable from the capital projects fund. The following is a schedule, by years, of the future minimum lease payments together with the present value of the net minimum payments for the capital lease as of June 30, 2008.

Year ending June 30:		
2009	$	—
2010		—
2011		—
2012		3,525
2013		2,700
2014 – 2018		63,465
2019 – 2020		30,590
Total future minimum lease payments		100,280
Amount representing interest		(60,280)
Present value of net minimum lease payments	$	40,000

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

15. 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%. The net proceeds of $24,434 (after the addition of a $1,811 premium less a payment of $777 in issuance costs) were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Series 1994 Bonds maturing on August 1, 2003 and 2004, and to the redemption on August 1, 2004 of the remaining Series 1994 Bonds.

b. Convention Center

On July 15, 1993, SLMFC issued $144,362 in Leasehold Revenue Refunding Bonds (Series 1993A Bonds). The Series 1993A Bonds were issued to refund bonds previously issued by SLDC (SLDC Bonds). Pursuant to the SLDC Bonds, SLDC held title to the Convention Center. Once the proceeds of the Series 1993A Bonds were deposited in an irrevocable trust to pay the principal and interest on the outstanding SLDC Bonds and certain other conditions were satisfied, the Convention Center property was conveyed to SLMFC. The Series 1993A Bonds consisted of current interest bonds ($51,330 serial bonds and $90,465 term bonds) and compound interest bonds with an initial offering price of $2,567 and a final maturity amount on July 15, 2014 of $9,615. The yield to maturity for the compound interest bonds at the initial offering price was 6.4%. Lease payments calculated to meet the principal, interest, and other costs related to the Series 1993A Bonds are paid for in the City's general fund.

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%. The net proceeds of $125,373 (after the addition of a $9,439 premium less a payment of $2,641 in issuance cost) were deposited with the escrow agent under the escrow deposit agreement, and were applied on July 15, 2003 to the redemption of the $119,960 of Series 1993A current interest leasehold revenue bonds. Thus, as of June 30, 2007, only the compound interest bonds of the Series 1993A Bonds remain outstanding.

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%) 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.

c. Justice Center

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

The City’s payments are secured by a pledge between the City and the trustee for the 1996 Justice Center Bonds, which authorizes the State to make direct payment to the trustee of the City’s per diem reimbursement entitlements for costs incurred in boarding State prisoners. The City’s payments are further insured by AMBAC Financial Group, Inc. The principal amount of the bonds outstanding is recorded as a long-term liability. The City’s payments for debt service are payable from the capital projects fund. Interest rates on the 1996 Justice Center Bonds range from 4.25% to 6.0%.

Proceeds from the Series 1996A Bonds were used to construct the City Justice Center, which replaced the former municipal jail that has been demolished and will house a total of 732 prisoners. The facility is a major addition to the City’s justice system, bringing total detention capacity to over 1,500 beds. The City Justice Center site is located east of City Hall, south of the city-owned Carnahan Building, and west of the Thomas F. Eagleton Federal Courthouse. The City Justice Center is designed to meet standards established by the American Correctional Association.

In February 2000, the SLMFC issued $22,025 in City Justice Center Leasehold Revenue Improvement Bonds (Series 2000A Bonds) for the purpose of financing the completion of the City Justice Center, and funding the debt service reserve fund with respect to the Series 2000A Bonds, and paying costs of issuance of the Series 2000A Bonds. The Series 2000A Bonds, bearing a stated maturity of February 15, 2010, are not subject to redemption prior to their stated maturities. The Series 2000A Bonds, bearing a stated maturity of February 15, 2011 are subject to optional redemption and payment prior to their stated maturities at the election of SLMFC, upon direction and instruction by the City on February 15, 2010, and, at any time thereafter, as a whole at any time, in part at any time, and if, in part, in such order as the SLMFC shall determine, upon the direction and instruction by the City in its sole discretion, at redemption prices ranging from 100% to 101%, plus accrued interest thereon, to the redemption date.

On September 1, 2001, the SLMFC issued $62,205 in City Justice Center Leasehold Revenue 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%. As a result, this portion of the Series 1996A Bonds are considered to be defeased, and the liability for those bonds has been removed from the basic financial statements.

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%.

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.

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%. As a result, the Series 1997 bonds are considered defeased, and the liability for those bonds have been removed from the financial statements.

e. Firemen’s System

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

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

The Series 1998 Bonds were advance refunded on September 27, 2007 by the SLMFC Taxable Leasehold Revenue and Refunding Bonds Series 2007-Pension Funding Project. The advance refunding did not result in a gain/loss on refunding due to no significant difference between the reacquisition price and the net carrying amount of the old debt.

f. 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 net proceeds of $22,830 (after deduction of $321 discount and less payment of $560 in issuance costs) were used to purchase investments that mature at the same times and in such amounts as will be sufficient to pay the principal of the redemption premium, if any and the accrued interest on all of the Series 2002A Bonds being redeemed.

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.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,080. This difference, reported in the accompanying financial statements as a reduction of bonds payable, is being charged to operations through 2027 using the straight-line method, which approximates the effective interest method.

The City advance refunded the Series 2002A bonds to reduce its total debt service payments over the next 10 years by approximately $742 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of $687.

g. 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.

h. 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.

i. 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 will be 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

(dollars in thousands)

February 15, 2023, 2025, 2028, 2033 and 2037 are subject to mandatory redemption and payment prior to maturity pursuant to the sinking fund requirements.

j. 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 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.

k. 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, June1, 2026, and June 1, 2029 respectively.

l. Principal and Interest Requirements

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

	Civil Courts		Convention Center	
	Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:				
2009	$ 2,155	589	$ 11,675	3,688
2010	2,255	493	12,915	3,094
2011	2,360	381	14,035	2,428
2012	2,465	270	9,940	1,818
2013	2,580	152	11,310	1,283
2014 – 2018	2,685	44	22,412	7,911
2019 – 2023	—	—	14,226	17,304
2024 – 2028	—	—	22,967	37,712
2029 – 2030	—	—	7,804	16,466
	$ 14,500	1,929	$ 127,284	91,704

(dollars in thousands)

	Justice Center		Forest Park	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2009	$ 6,620	4,507	$ 785	587
2010	6,925	4,202	805	563
2011	7,250	3,875	835	533
2012	11,025	3,528	865	508
2013	7,920	2,966	895	473
2014 – 2018	46,260	8,167	5,055	1,797
2019 – 2022	5,660	314	4,945	534
	$ 91,660	27,559	$ 14,185	4,995

	Carnahan Courthouse		Abram Building	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2009	$ —	974	$ 343	148
2010	15	974	358	134
2011	160	974	372	119
2012	170	968	388	103
2013	175	960	404	87
2014 – 2018	6,670	4,256	1,794	172
2019 – 2023	8,100	2,809	—	—
2024 – 2028	8,435	956	—	—
	$ 23,725	12,871	$ 3,659	763

(dollars in thousands)

	Recreation Sales Tax		Police Capital Improvement Sales Tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2009	$ 875	2,361	$ 255	1,050
2010	910	2,326	265	1,041
2011	950	2,290	280	1,030
2012	985	2,252	290	1,020
2013	1,025	2,212	300	1,008
2014 – 2018	5,795	10,405	1,695	4,851
2019 – 2023	7,300	9,008	3,310	4,433
2024 – 2028	9,235	7,100	5,065	3,480
2029 – 2033	11,635	4,701	6,285	2,258
2034 – 2038	11,590	1,483	6,135	706
	$ 50,300	44,138	$ 23,880	20,877

	Public Safety Sales Tax Pension Funding Project 2008		Juvenile Detention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2009	$ 1,275	1,000	$ 475	1,069
2010	1,445	982	465	1,084
2011	1,505	922	480	1,066
2012	1,575	851	500	1,046
2013	1,655	774	520	1,026
2014 – 2018	9,700	2,428	2,935	4,802
2019 – 2023	2,290	134	3,565	4,166
2024 – 2028	—	—	4,380	3,356
2029 – 2033	—	—	5,450	2,285
2034 – 2038	—	—	6,785	942
	$ 19,445	7,091	$ 25,555	20,842

m. Pension Funding Project

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

(dollars in thousands)

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 distribution of funds to the retirement systems were as follows:

Firemen's Retirement System	$	49,405
Police Retirement System		29,587
Employees' Retirement System		46,699
	$	125,691

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 cost savings to refund the bonds was minimal. By refunding the bonds, collateral used to secure them was needed to secure the Series 2007 bonds.

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:

Governmental activities	$	32,671
Business-type activities		9,666
Component unit—SLPD		4,362
	$	46,699

(dollars in thousands)

Principal and interest requirements for the Pension Funding Project Bonds Series 2007 are as follows:

	Pension Funding Project	
	Principal	**Interest**
Year ending June 30:		
2009	$ —	9,102
2010	—	9,102
2011	2,035	9,102
2012	2,165	8,970
2013	2,305	8,829
2014 – 2018	13,985	41,693
2019 – 2023	19,165	36,514
2024 – 2018	26,250	29,424
2029 – 2033	35,975	19,707
2034 – 2038	38,150	6,394
	$ 140,030	178,837

16. 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.

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

(dollars in thousands)

Bonds, and (ii) for the City to make various project improvements to the Cervantes Convention Center in the amount of $2,421.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,054. This difference, reported in the accompanying financial statements as an increase of bonds payable, is being charged to operations through 2022 using the straight-line method, which approximates the effective interest method.

The City advance refunded the Series C 1997 bonds to reduce its total debt service payments over the next 10 years by approximately $2,084 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of $906.

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.

At June 30, 2008, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

		Principal	Interest	Preservation Payments	Total
Year ending June 30:					
2009	$	2,440	2,488	1,072	6,000
2010		2,565	2,357	1,078	6,000
2011		2,700	2,219	1,081	6,000
2012		2,840	2,073	1,087	6,000
2013		2,990	1,920	1,090	6,000
2014 – 2018		17,485	7,008	5,507	30,000
2019 – 2022		17,595	1,907	1,498	21,000
	$	48,615	19,972	12,413	81,000

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

(dollars in thousands)

17. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2008 are summarized as follows:

Bond Series 1997, Series B, interest rates ranging from 5.25% to 6%, payable in varying amounts through 2015	$	35,465
Bond Series 1998, interest rates ranging from 4.0% to 5.13%, payable in varying amounts through 2016		49,380
Bond Series 2001A, interest rates ranging from 4.13% to 5.50%, payable in varying amounts through 2012		25,020
Bond Series 2002, Series A, B, and C, interest rates ranging from 4.0% to 5.50%, payable in varying amounts through 2033		43,385
Bond Series 2003A, interest rates ranging from 2.80% to 5.25%, payable in varying amounts through 2019		65,875
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
		818,830
Less:		
Current maturities		(21,725)
Unamortized discounts and premiums		56,778
Deferred amounts on refunding		(35,200)
	$	818,683

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

On January 23, 2007, the Airport issued $231,275 in Series 2007A Revenue Refunding Bonds with an average interest rate of 4.88 percent to advance refund $178,395 of outstanding 2001A Series Revenue Refunding bonds, and $54,670 of outstanding 2002A Series Revenue Refunding bonds with an average interest rate of 5.07 percent. The net proceeds of $241,933 (after the addition of a net issue premium of $15,798 and payment of $5,140 in underwriting fees, insurance, and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for the refunded debt service payments. At June 30, 2007, $178,395 of 2001A Series Revenue Refunding bonds, and $54,670 of 2002A Series Revenue Refunding 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.

The advance refunding with the Series 2007A Revenue Refunding Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $11,455. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2032 using the bonds outstanding method. The Airport completed the advance refunding to reduce its total debt service payments over the next 25 years by $8,641 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $7,238.

(dollars in thousands)

On April 3, 2007, the Airport issued $104,735 in Series 2007B Revenue Refunding Bonds with an average interest rate of 4.93 percent to advance refund $106,150 of outstanding 1997B Series Revenue Refunding bonds with an average interest rate of 5.25 percent. The net proceeds of $108,765 (after the addition of a net issue premium of $6,324 and payment of $2,294 in underwriting fees, insurance, and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for the refunded debt service payments. At June 30, 2007, $106,150 of 1997B Series Revenue Refunding bonds is considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements.

The advance refunding with the Series 2007B Revenue Refunding Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $4,399. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2014 using the bonds outstanding method. The Airport completed the advance refunding to reduce its total debt service payments over the next 20 years by $8,018 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $5,754.

The deferred amounts on refunding of $35,200 at June 30, 2008, relate to the refunded Bond Series 1984, Bond Series 1987, Bond Series 1992, Bond Series 1997A, Bond Series 1997B, Bond Series 2000, Bond Series 2001A, Bond Series 2002A, Bond Series 2003A, and Bond Series 2003B and are included in revenue bonds payable. 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.

Management of the Airport is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2008.

As of June 30, 2008, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	Principal	Interest	Total
Year ending June 30:			
2009	$ 21,725	41,731	63,456
2010	21,670	40,594	62,264
2011	24,015	39,380	63,395
2012	25,965	38,061	64,026
2013	27,030	36,673	63,703
2014 – 2018	188,865	155,927	344,792
2019 – 2023	182,370	107,523	289,893
2024 – 2028	183,420	62,499	245,919
2023 – 2033	143,770	16,412	160,182
	$ 818,830	538,800	1,357,630

(dollars in thousands)

In the current and 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, 2008, $547,880 of outstanding revenue bonds are considered defeased.

b. Water Division

Water revenue bonds outstanding at June 30, 2008 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, 4.15% - 4.75%		
Payable in varying amounts through July 1, 2014	$	26,325
Less:		
Current maturities		(3,300)
Deferred amount on refunding		(633)
Unamortized discounts		(43)
	$	22,349

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

		Principal	Interest	Total
Year ending June 30:				
2009	$	3,300	1,101	4,401
2010		3,440	959	4,399
2011		3,585	809	4,394
2012		3,740	650	4,390
2013		3,905	480	4,385
2014 – 2015		8,355	399	8,754
	$	26,325	4,398	30,723

(dollars in thousands)

c. Parking Division

Revenue bonds outstanding at June 30, 2008 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds interest rates variable not to exceed 12% payable in varying amounts through 2028	$	4,425
SLPCFC Series 2003B taxable revenue bonds interest rates variable not to exceed 5% payable in varying amounts through 2038		6,585
Series 2006 revenue bonds interst ranging from 3.75% to 5.14% payable in varying amounts through 2032		56,685
Series 2007 revenue bonds interst ranging from 4.125% to 6.00% payable in varying amounts through 2034		12,705
		80,400
Less:		
Current maturities		(1,546)
Unamortized discount and deferred loss on refunding		(6,105)
	$	72,749

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

		Principal	Interest	Total
Year ending June 30:				
2009	$	1,546	3,723	5,269
2010		1,879	3,639	5,518
2011		1,973	3,551	5,524
2012		2,074	3,452	5,526
2013		2,186	3,354	5,540
2014 – 2018		12,794	15,123	27,917
2019 – 2023		16,148	12,040	28,188
2024 – 2028		18,691	8,193	26,884
2029 – 2033		20,151	2,896	23,047
2034 – 2038		2,958	336	3,294
	$	80,400	56,307	136,707

On December 13, 2007, the Parking Division issued $9,370 in Series 2007A Parking Revenue Tax Exempt Bonds and $3,335 in Series 2007B Parking Revenue Taxable Bonds. The Series 2007 Bonds were issued for the purpose of providing funds, together with other available funds, for the construction of the Downtown Justice Center Garage, adjacent to the City's new criminal justice center. In addition, the 2007 Series Bonds provided funding for debt service reserves, capitalized interest and bond insurance premiums and other costs of issuance with respect to the Series 2007 Bonds.

On December 14, 2006, the Parking Division issued $46,250 in Series 2006A Parking Revenue Tax-Exempt Bonds and $11,650 in Series 2006B Parking Revenue Taxable Bonds. The bonds were issued for the purpose of current refunding the outstanding Series 1996 and Series 1999 parking revenue bonds, and advance refunding the outstanding Series 2002 parking revenue bonds to achieve present value savings, provide debt service relief, modernize and streamline the issuance of future revenue bonds, fund the construction of the Euclid/Buckingham Garage, fund the Series 2006A and Series 2006B debt service reserves, and to fund the bond insurance premium and other costs of issuance of the Series 2006A and 2006B bonds. The bond series refunded and the amount outstanding were:

Parking Revenue Refunding Bonds, Series 1996 – $22,085

Parking Revenue Bonds (Argyle Project), Series 1999 – $9,805

Subordinated Parking Revenue Bonds (Downtown Parking Facilities), Series 2002 – $20,170

A portion of the net proceeds from the Series 2006A and Series 2006B issuance in the amount of $53,685, plus an additional $924 from the Series 2002 Revenue Bonds debt service reserve monies, $312 from the Series 2002 Revenue Bonds debt service reserve fund, and $276 from the Series 1999 Revenue Bonds debt service reserve funds were deposited into an irrevocable trust with an escrow agent to current refund the Series 1996 and Series 1999 Bond issuances on December 15, 2006, and to advance refund the Series 2002 Bond issuance on February 1, 2012. Therefore, as of June 30, 2007, the Series 1996, Series 1999, and Series 2002 bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. As of June 30, 2007, $19,270 and $0, respectively, of defeased Series 2002 Bonds remain outstanding.

The current and advance refundings resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $7,029. This difference is reported as a deduction from bonds payable and is being charged to operations over the life of the new bond issue using the straight-line method, which approximates the effective interest method.

The current and advance refunding increases total debt service payments over the life of the Series 2006A and Series 2006B bond issuances by $5,745, and results in an economic gain (difference between the present values of the old and new debt service payments) of $2,102.

On November 20, 2003, the SLPCFC issued $6,730 in Series 2003A Tax-Exempt Parking Revenue Bonds at a variable interest rate not to exceed 12% and $6,882 in Series B Taxable Parking Revenue Bonds at a variable interest rate not to exceed 5% for the purpose of purchasing the Cupples Garage located in downtown St. Louis. The net proceeds of the bonds were $13,127, after the deduction of $485 in underwriting fees and issuance costs. The Series 2003 A and Series 2002B bonds are secured solely by the net revenues of the Cupples Garage and do not constitute a general obligation of the Parking Division or the City.

During the fiscal year 2008, the Parking Division sold certain parking spaces within its Cupples property. The proceeds of the sale of these items were utilized to pay a mutually agreed-upon lease termination fee of $951 to the Parking Division, which is reported as a nonoperating revenue within its 2008 financial statements. The fee proceeds along with other funds held by the Parking Division's trustee on behalf of the Parking Division were remitted to the financial institution that had purchased the Series 2003A Bonds and were utilized to redeem $950 of the bonds maturing on June 1, 2028 plus accrued interest. These bonds were called for redemption on January 1, 2008.

(dollars in thousands)

18. PLEDGED REVENUES

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following tables and narratives list those revenues and the corresponding debt issue along with the purpose of the debt, the amount of the pledge remaining, the term of the pledge commitment, the current fiscal year principal and interest on the debt, 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). The tax rate is set annually based on revenue required to pay debt. Total principal and interest remaining on the debt is $71,746 with annual requirements ranging from $6,231 in fiscal year 2009 to $1,240 in the final year. During fiscal year 2008, the proportion of pledged revenues needed for debt service to revenues collected was 89.9%.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Public Safety General Obligation Revenue Bonds Series 1999	Renovation of fire and police buildings and demolition of unsafe or condemned buildings	Through fiscal year 2009	$6,321	$7,031
Public Safety General Obligation Refunding Bonds Series 2005	Renovation of fire and police buildings and demolition of unsafe or condemned buildings	Through fiscal year 2019		
General Obligation Revenue Bonds Series 2006	Communications equipment for fire, police and EMS and police infrastructure improvements	Through fiscal year 2026		

(dollars in thousands)

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. Total 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. The principal and interest remaining as of June 30, 2008 is $304,182. During fiscal year 2008, the proportion of pledged revenues needed to revenues collected was 100%.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Section 108 Downtown Convention Headquarters Hotel Project	Provide financial assistance with the development and construction of Convention Hotel	Through fiscal year 2021	$4,756	$5,219
Tax Increment Revenue Bonds Scullin Steel Area Series 1991	Assist in development of blighted property	Through fiscal year 2011	$1,801	$705
IDA Tax-Exempt Tax Increment Revenue Bond- Edison Brothers Warehouse Redevelopment Area--Series 2004	Assist in development of blighted property	Through fiscal year 2022	$594	$620
IDA Tax-Exempt Tax Increment Revenue Bond- MLK Plaza Warehouse Redevelopment Project--Series 2004	Assist in development of blighted property	Through fiscal year 2024	$243	$247
IDA Tax-Exempt Tax Increment Revenue Bond- Southtown Redevelopment Project - Series 2006	Assist in development of blighted property	Through fiscal year 2027	$646	$576
IDA Tax-Exempt Tax Increment and Community Improvement Refunding Revenue Bonds - Loughborough Commons-- Series 2007	Assist in development of blighted property	Through fiscal year 2028	$563	$561
Combined Various Tax Increment Financing Notes	Assist in development of blighted property	Through fiscal year 2030	$7,562	$6,740

(dollars in thousands)

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. Total principal and interest remaining on these financings is $53,025 ranging from $3,718 in fiscal year 2009 to $2,846 in the final year. The charges for services have averaged $1,251 over the past ten years for an average pledge of 100% of the pledged revenue stream.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
SLMFC Civil Courts Building Leasehold Revenue Refunding Bonds Series 2003A	Financing renovations at the City Civil Courts Building	Through fiscal year 2014	$3,726	$1,496
SLMFC Carnahan Courthouse Leasehold Revenue Refunding Bonds Series 2006A	Financing renovations at the Carnahan Courthouse	Through fiscal year 2027		

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. Total principal and interest remaining on the debt is $119,219 with annual requirements ranging from $11,127 in fiscal year 2009 to $1,862 in the final year. The prisoner reimbursements have averaged $5,744 over the past ten years for an average pledge of 100% of the pledged revenue stream.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
SLMFC City Justice Center Leasehold Revenue Improvement Bonds Series 1996B and Series 2000A; SLMFC City Justice Center Leasehold Revenue Bonds Series 2001A	Construction of a new Justice Center	Through fiscal year 2020	$11,121	$6,375
SLMFC Leasehold Revenue Refunding Bonds Series 2005				

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds. 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. Total principal and interest remaining on the debt is $19,180 with annual requirements ranging from $1,372 in fiscal year 2009 to $1,371 in the final year. The portion of the sales tax committed to for Forest Park has averaged $1,822 over the past ten years so that the proportion of pledged revenues needed to revenues collected was 75.5% for the ten year period.

(dollars in thousands)

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
SLMFC Forest Park Leasehold Revenue Refunding Bonds Series 2004	Finance improvements to Forest Park	Through fiscal year 2022	$1,370	$1,849

The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds. The annual debt payment is appropriated from this source of funds. Total principal and interest remaining on the debt is $94,438 with annual requirements ranging from $3,236 in fiscal year 2009 to $3,266 in the final year. The underlying debt was issued in fiscal year 2008 and fiscal year 2008 revenues from the tax were $4,425. During fiscal year 2008, the proportion of pledged revenues needed to revenues collected was 70.2%.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
SLMFC Recreation Sales Tax Leasehold Revenue Bonds Series 2007	Construction of two new recreational center facilities	Through 2037	$3,107	$4,425

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. 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. Total principal and interest remaining on the debt is $44,757 with annual requirements ranging from $1,306 in fiscal year 2009 to $1,708 in the final year. The portion of the sales tax committed for police capital improvements has averaged $1,709 over the past ten years. The estimated proportion of pledged revenues needed to revenues collected is 90.3% for the average debt service requirement over the life of the bonds.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
SLMFC Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007	Capital improvements to police buildings and certain interoperable communications equipment to be used by police, fire and EMS.	Through fiscal year 2037	$1,309	$1,777

(dollars in thousands)

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. Total principal and interest remaining on the debt is $81,000 with annual requirements of $6,000. The source of funds pledged averaged $5,117 over the past ten years for an average pledge of 100%.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Convention and Sports Facility Project Refunding Bonds Series C 2007	Construction of a multipurpose convention and indoor sports facility	Through fiscal year 2022	$6,000	$5,616

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. Total principal and interest outstanding at June 30, 2008 on this portion of the debt is $13,205. During fiscal year 2008, the collection of PILOTs and EATs totaled $799 for the Argyle TIF district so that the proportion of pledged revenues need to revenues collected was 100%.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Parking Revenue Bonds Series 2006 -Argyle TIF	Construction of parking garage	Through fiscal year 2022	$899	$799

The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2006 & Series 2007 in parity with the Parking Division to make up any shortfall of other committed sources. Total principal and interest remaining on the debt is $56,685 with annual requirements ranging from $5,180 in fiscal year 2009 to $879 in the final year. During fiscal year 2008, revenue from the police parking ticket revenues totaled $1,987. Since Parking Division revenues for fiscal year 2008 and cash held at the trustee were sufficient to pay the debt service requirement, no general fund revenues were necessary for fiscal year 2008. See footnote 18b.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Parking Revenue Bonds Series 2006 & 2007	Constructing parking facilities in the City	Through fiscal year 2034	$4,227	$1,987

(dollars in thousands)

b. Business-type activities

Airport

The Airport has pledged a specific revenue stream to secure the repayment of an outstanding debt issue. Pledged PFC (Passenger Facility Charge) revenues for a given year constitute that portion of the PFC revenues that equals 125% of the amount of PFC-eligible 2001 Airport Development Program (ADP) debt service due during the given fiscal year. The following table summarizes information relevant to the PFC pledged revenues for the Airport Revenue Refunding Bonds Series 2005 as of June 30, 2008.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Airport Revenue Refunding Bonds Series 2005	Land acquisition for the construction of a new runway	Through fiscal year 2032	$20,707	$25,887

As of June 30, 2008 the remaining principal and interest requirement is $494,164, payable through July 2031. For the last two years, the proportion of pledged revenue, in the amount of $51,771, to total PFC revenue, in the amount of $58,017 was 90%. It can be projected that through July 2031, estimated PFC revenues in the amount of $686,300 will be collected, of which $617,705 will be pledged for principal and interest.

Water

The Water Division has pledged all Water Division revenues to secure repayment of the Water Revenue Refunding Bonds (Series 1998 Bonds). The following table and narrative lists the purpose of the debt, the term of commitment, the approximate proportion of the pledged revenue to revenue collected of the revenue stream as estimated at June 30, 2008, the current fiscal year principal and interest on the debt and the amount of pledged revenue earned during the current fiscal year:

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Water Revenue Refunding Bonds, Series 1998	Funding of various Water Division infrastructures	Through fiscal year 2015	$4,078	$46,836

As of June 30, 2008, the remaining principal and interest requirement is $30,723, payable through July 2014 (fiscal year 2015). The proportion of pledged revenue to revenue collected is estimated at 8.7% at June 30, 2008.

(dollars in thousands)

In February 1996, the Water Division sold the rights to invest the Debt Service Reserve Fund. Under the agreement, the Water Division was paid $941 in advance for interest. The transaction was recorded as deferred interest revenue and is currently amortized over the life of the bonds.

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 & 2007. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2008 the remaining principal and interest requirement is $136,707, payable through fiscal year 2034. Fiscal year 2008 net revenues were $3,999 so that the proportion of pledged revenues needed to revenues collected was 100% for fiscal year 2008.

Issue	General Purpose for debt	Term of Commitment	Principal and interest for the fiscal year ended ended June 30, 2008	Pledged revenue for the fiscal year ended ended June 30, 2008
Parking Revenue Bonds Series 2006 & 2007	Constructing parking facilities in the City	Through fiscal year 2034	$4,227	$3,999

19. SHORT-TERM DEBT

a. City

Short-term debt activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Issued	Redeemed	Balance June 30, 2008
Tax revenue anticipation notes	$ —	32,000	(32,000)	—

b. Airport

On May 1, 2004, the City's Board of Alderman authorized the Airport to issue Commercial Paper Notes, 2004 Program, in an aggregate principal amount not to exceed $125,000 outstanding at any one time. As of June 30, 2008, commercial paper of $1,000 was outstanding. This commercial paper bore interest at rate of 1.65% and was due on September 4, 2008.

Following is a summary of the changes in commercial paper payable for the Airport for the year ended June 30, 2008:

(dollars in thousands)

	Balance June 30, 2007	Issued	Redeemed	Balance June 30, 2008
Commerical paper payable	$ 1,000	3,000	(3,000)	1,000

20. FORWARD PURCHASE AGREEMENTS

a. Objective of the Forward Purchase Agreements

The Airport and Water Division have entered into 10 forward purchase agreements with financial institutions, which guarantee a fixed rate of return on the invested proceeds of the debt service and debt service reserve funds of certain revenue bond issuances. The Airport and Water Division entered into these agreements in order to ensure that their investments will earn a guaranteed rate of interest regardless of fluctuations in market interest rates.

(dollars in thousands)

b. Terms

The terms of Airport forward purchase agreements I – VI are as follows:

	Airport I	Airport II	Airport III	Airport IV	Airport V	Airport VI
Date of origin	June 1995	September 1997	October 2000	December 2003, as amended July 2005	December 2003, as amended January 2007	December 2003, as amended July 2005 and January 2007
Underlyind bond account(s)	Series 1996, Series 2002C, Series 2003B debt service	Series 1997 debt service reserve	Series 2003A debt service reserve	Series 1997 A, Series 2005 debt service reserve	Series 1997B debt service	Series 2001A, Series 2005, Series 2007A debt service
Guaranteed interest rate	6.34%	terminated	6.47%	5.34%	5.35%	Series 2001: 5.432% Series 2005: 5.432% Series 2007A: 5.440%
Lump-sum payment received at beginning of agreement	$7,209	terminated	N/A	N/A	N/A	N/A
Date of termination (upon maturity of bond series)	2015	terminated	2008	2027	2015	2031
Notional amount (representing balance in applicable accounts)	$1,147	terminated	$7,034	$1,015	$5,364	$17,953
Obligation (representing the unamortized portion of lump-sum payment) recorded on the statement of fund net assets at June 30, 2008	$733	terminated	N/A	N/A	N/A	N/A

(dollars in thousands)

The terms of Airport forward purchase agreements VII – IX and the Water Division forward purchase agreement are as follows:

	Airport VII	Airport VIII	Airport IX	Water Division
Date of origin	December 2003, as amended July 2005 and January 2007	December 2003	December 2003	February 1996
Underlying bond account(s)	Series 2002A, Series 2005 debt services	Series 2002B debt service	Series 2003A debt service	Series 1994 and Series 1998 debt service
Guaranteed interest rate	5.473%	5.332%	5.579%	6.200%
Lump-sum payment received at beginning of agreement	N/A	N/A	N/A	$941
Date of termination (upon maturity of bond series)	2020	2032	2018	2015
Notional amount (representing balance in applicable accounts)	$707	$1,409	$6,282	$3,559
Obligation (representing the unamoritzed portion of the initial lump-sum payment) recorded on the statement of fund net assets at June 30, 2008	N/A	N/A	N/A	$237

In January 2007, the Airport's forward purchase agreement VI and VII were amended to replace the defeased portions of Bond Series 2001A and Bond Series 2002B with Bond Series 2007A. No payments were made in consideration of this amendment.

In January 2007, forward purchase agreement V was amended to exclude the defeased portion of Bond Series 1997B. No payments were made in consideration of this amendment.

In April 2007, forward purchase agreement II was terminated with the issuance of the Series 2007B Bonds. No payments were made in consideration of this amendment.

In July 2005, the Airport's forward purchase agreements IV, VI, and VII were amended to replace Bond Series 1997A, Bond Series 2001A, and Bond Series 2002A, respectively, with Bond Series 2005 bonds. No payments were made in consideration of this amendment.

(dollars in thousands)

For the Airport forward purchase agreement I and the Water Division forward purchase agreement, in exchange for the lump-sum payment received, the City has contracted to buy qualified eligible securities from financial institutions every month until the bonds mature, are called, or are refinanced. These institutions receive the actual interest earned on the securities purchased every month. The difference between the fixed interest rate earned by the City and the variable interest rate paid to the financial institution is recorded as a net adjustment to net interest expense.

For the Airport forward purchase agreements III through IX, the City has contracted to buy qualified eligible securities from a financial institution on a semiannual basis and the financial institution has guaranteed that the securities will earn a stated rate. To the extent the securities earn a greater rate of return, the City is required to refund the differential to the financial institution, if a lesser rate is earned, the financial institution absorbs the loss.

c. Fair Value

As disclosed above, the City's obligations associated with Airport forward purchase agreement I and the Water Division forward purchase agreement are recorded on the financial statements as other liabilities. This liability represents the unamortized portion of the initial lump-sum payment received pursuant to these agreements.

The fair value of the remaining forward purchase agreements, under which no initial lump-sum payments were received, is not recorded on the financial statements. As of June 30, 2008, these fair values are as follows:

Agreement	Fair Value
Airport III	$ 170
Airport IV	297
Airport V	347
Airport VI	4,295
Airport VII	104
Airport VIII	231
Airport IX	633

These fair values were calculated using the following method: the variable rate of return to be retained by the financial institutions was assumed to be the rate of a return available at June 30, 2008 for a U.S. Treasury obligation with a comparable length of time remaining until maturity. The variable rate of return was then subtracted from the fixed rate of return guaranteed, and multiplied by the securities required to be invested under the agreements for all future periods. The resulting differential in future cash flows was discounted to the present at the rate of a return available at June 30, 2008 for a U.S. Treasury obligation with a comparable length of time remaining until maturity.

(dollars in thousands)

d. Credit Risk

The forward purchase agreements' fair value represents the credit exposure of the Airport and the Water Division to the financial institutions as of June 30, 2008. Should the financial institutions fail to perform according to the terms of the agreement, the Airport and the Water face a maximum possible loss equivalent to the agreements' fair value.

e. Interest Rate Risk

The forward purchase agreement exposes the Airport and the Water Division to interest rate risk. Should interest rates increase above the levels guaranteed by the agreement, the financial institution, and not the Airport, the Water Division would realize this increase in investment earnings.

f. Termination Risk

Should the Airport or the Water Division terminate the agreements or default on their obligations pursuant to the agreements, a termination payment would either be owed to or due from the financial institution, and would be calculated based upon market interest rate conditions at the time of the termination.

21. OPERATING LEASES

a. At June 30, 2008, the City was committed under miscellaneous operating leases for office space and equipment. Future minimum base rental payments under terms of the operating leases are as follows:

Year ending June 30:		
2009	$	1,169
2010		639
2011		582
2012		529
2013		487
2014 – 2018		1,839
2019 – 2023		250
2024 – 2028		238
	$	5,733

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

Effective January 1, 2006, the Airport entered into new long-term use and lease agreements with signatory air carriers that expires on June 30, 2011. The previous long-term use and lease agreements with signatory air carriers expired on December 31, 2005. Under the terms of the use agreements and leases, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

(dollars in thousands)

- Landing fees are calculated based on estimated operating and maintenance expenses of the airfield, and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment, which is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue—airfield.

- Rentals are calculated based on estimated operating and maintenance expenses of the terminal and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage utilized. Rental revenue is adjusted each year by retroactive rate adjustment, which is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue—terminal and concourses, hangars and other buildings, or cargo buildings, respectively.

- Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2008, revenues from signatory air carriers accounted for 58% of total Airport operating revenues.

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

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the year ended June 30, 2008:

		Signatory	**Non-signatory**	**Total**
Airfield	$	57,582	8,258	65,840
Terminal and concourses		19,753	2,157	21,910
Hangars and other buildings		740	65	805
Cargo buildings		545	128	673
	$	78,620	10,608	89,228

(dollars in thousands)

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

Year ending June 30:		
2009	$	17,432
2010		10,843
2011		9,109
2012		7,667
2013		4,734
2014 – 2018		11,178
2019 – 2023		6,922
2024 – 2028		3,872
2029 – 20333		3,872
2034 – 2035		1,171
Total minimum future rentals	$	76,800

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $6,009 for the year ended June 30, 2008.

The Airport leases computer and other equipment and has service agreements under noncancelable arrangements that expire at various dates through 2010. Expenses for operating leases and service agreements were $4,352 for the year ended June 30, 2008. Future minimum payments (excluding payments for snow removal, which are not determinable) are as follows:

Year ending June 30:		
2009	$	121
2010		89
2011		58
2012		27
Total minimum future rentals	$	295

(dollars in thousands)

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.

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

Year ending June 30:		
2009	$	255
2010		255
2011		255
2012		270
2013		301
2014 – 2017		1,104
	$	2,440

Additionally, at June 30, 2008, 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.

(dollars in thousands)

22. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2008 are as follows:

Receivable Fund	Payable Fund		Amount
General fund	Special revenue—grants fund	$	13,133
	Capital projects fund		3,006
	Other governmental nonmajor funds		16
	Enterprise:		
	Airport		1,397
	Water Division		1,094
	Parking Division		835
	Internal service funds		256
			19,737
Other governmental nonmajor funds	General fund		1,414
	Capital projects fund		1,670
	Other governmental nonmajor funds		643
			3,727
Internal service funds	General fund		108
	Enterprise:		
	Airport		2,333
	Water Division		1,695
	Parking Division		254
			4,390
		$	27,854

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, 2009.

Advances to/from other funds as of June 30, 2008 are as follows:

Advance from	Advance to		Amount
General fund	Internal Service Fund	$	12,369
Water Division	General fund		585
		$	12,954

(dollars in thousands)

23. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2008 consisted of the following:

		Transfer To					
		General Fund	Capital Projects Fund	Other Govern-mental Funds	Water Division	Parking Division	Total
Transfer From	General fund	$ —	10,295	2,920	—	—	13,215
	Capital Projects fund	—	—	—	—	—	—
	Other Governmental Funds	10,297	8,700	362	—	410	19,769
	Airport	5,831	—	—	—	—	5,831
	Water Division	2,639	—	—	—	—	2,639
	Parking Division	680	—	—	—	—	680
		$ 19,447	18,995	3,282	—	410	42,134

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, the Water Division, and the Parking Division are handled as transfers from each respective enterprise fund to the general fund.

24. 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, 2008, 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. Landfill Closure

Pursuant to the original agreement between the DNR and the City, the City will be closing the Hall Street Landfill. The property was a 47-acre demolition waste landfill located at 8700 Hall Street. The property is owned by SLDC. The City holds the operating permit and is responsible for the closing. In July 2001, the City entered into an irrevocable standby letter of credit in the amount of $4,174 with DNR as the beneficiary. DNR may draw upon that letter of credit to complete the closure if the City does not fulfill its obligations under the agreement. As of June 30, 2008, no amounts had been drawn against the letter of credit by DNR. At June 30, 2008, $100 has been recorded as a liability, which is an estimate of expenses the City will incur for closure and postclosure costs. In addition, the City has estimated that a penalty of $50 to $100, 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 estimate able. In April 2007, the City notified DNR of completion of the project. Comments were received from DNR in February 2008. The City has discussed the comments with DNR and is awaiting final acceptance by the state.

c. Commitments

At June 30, 2008, the City had outstanding commitments amounting to approximately $68,074, resulting primarily from service agreements.

Additionally, at June 30, 2008, the Airport had outstanding commitments amounting to approximately $44,270 resulting primarily from contracts for construction projects both related and unrelated to the W–1W expansion project.

d. 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 20% of the Airport's total operating revenues and 34% of total revenues from signatory air carriers for the fiscal year ended June 30, 2008. Accounts receivable at June 30, 2008 contained of $1,793 relating to amounts owed to the Airport by American. These amounts include $1,780 of unbilled aviation revenues at June 30, 2008.

Southwest provided 18% of the Airport's total operating revenues and 31% of total revenues from signatory air carriers for the fiscal year ended June 30, 2008. Accounts receivable at June 30, 2008 contained of $4,044 relating to amounts owed to the Airport by Southwest. These amounts include $2,432 of unbilled aviation revenues at June 30, 2008.

e. Airport Expansion

On September 30, 1998, the City received a favorable Record of Decision from the FAA for the W–1W expansion of the Airport, marking the beginning of a new economic era for aviation in St. Louis. The proposed $2.6 billion program will provide the building blocks for a highly competitive "world class" aviation system for the 21st century, including one additional 9,000 foot parallel runway to add capacity in all weather conditions, and renovation of the Airport's existing runway and taxiway system.

The construction of this program will be funded with Airport development funds, passenger facilities charges, FAA improvement program grants, and Airport revenue bonds.

Lawsuits previously filed by the cities of St. Charles and Bridgeton, Missouri challenging the project have been adjudicated and fully reviewed by the appellate courts. In both cases, final judgments were rendered in favor of the City and the Airport. As of June 30, 2007, land acquisition activities relative to the W–1W expansion project are complete.

During the year ended June 30, 2008, as a result of an agreement between the City of St. Louis and City of Bridgeton (Bridgeton), the Airport recognized a $30,532 loss on the disposal of surplus property, which was originally acquired by the Airport for the purpose of noise mitigation and airport expansion. This agreement resolves and settles the remaining disputes between the Airport and Bridgeton. The key items in the agreement require the Airport to (1) pay over a three year period, $10,800 to Bridgeton, (2) convey to Bridgeton approximately forty-two acres of land, and (3) lease to Bridgeton various parcels of land. Other key items in the agreement require Bridgeton to convey to the Airport approximately twenty-six acres of land. The land conveyed to Bridgeton by the Airport was originally recorded at cost. The cost of the land capitalized by the Airport in prior years represented all costs associated with preparing the land for its intended purpose of noise mitigation and airport expansion, including the costs of acquiring the land and returning the land to an undeveloped state. The land conveyed to the Airport by Bridgeton was recorded at fair market value. The difference resulted in a loss to the Airport. The terms of settlement for the surplus land included restrictions on the use of land resulting from its proximity to the Airport. Approximately ten acres of the land conveyed to the Airport will be leased to Bridgeton.

The above land transactions are part of a larger settlement agreement with Bridgeton. The Airport obtained FAA approval on the settlement agreement prior to closing on the agreement. As such, the Airport did not receive cash, but consideration in the form of an exchange of similar properties. The receipt of these properties will complete the land acquisition of all remaining properties owned by Bridgeton that are within the W-1W boundaries. As stated in the preceding paragraph, the Airport will pay over a three year period, $10,800 to Bridgeton. In fiscal years 2009, 2010, and 2011 $3,300, $4,000, and $3,500 respectively is due to Bridgeton. The liability totaled $10,800 as of June 30, 2008, and $3,300 is included in accounts payable and accrued expenses with the remaining $7,500 included in other long-term liabilities within the accompanying balance sheet at June 30, 2008.

f. Asbestos Removal

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

g. Component Unit—SLDC

In the normal course of its operations, certain lawsuits and legal action are pending against SLDC. In the opinion of SLDC officials and legal counsel, these items are not expected to have a material effect, individually or in the aggregate, upon the 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 CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to $9,066 during the year ended June 30, 2008.

SLDC has been awarded federal tax credits through the U.S. Department of Treasury's New Markets Tax Credit Program (NMTC) to support $52,000 in private investments in low-income areas. The entire $52,000 of tax credits had been allocated to seven entities of which six of the transactions had closed as of June 30, 2008. SLDC has received administrative and closing costs totaling $2,898 as of June 30, 2008. SLDC has incurred $916 of related legal, accounting, and financial start-up expenses and recorded $916 of revenue as of June 30, 2008. $129 was recorded as revenue during 2008 with the rest having been recognized in previous years. During the fiscal year ended June 30, 2008, SLDC has incurred $129 of related legal, accounting and financial start-up expenses and recorded $129 of revenue. SLDC is holding the remaining amount of $1,982 in cash and investments with a corresponding liability recorded to be recognized as revenue when expenses or program initiatives to the NMTC are incurred. Subsequent to year end SLDC was awarded an additional $45,000 in NMTC's under the same program.

h. 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, 2008.

25. 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 $16,450 at June 30, 2008, 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 was also self-insured for healthcare coverage for its employees and retirees through June 12, 2004 and June 30, 2004, respectively. The City was self-insured for healthcare coverage for employees of Harry S. Truman Restorative Center (HSTRC) and Tower Grove Park through June 30, 2004. Effective June 13, 2004, for employees of the City and July 1, 2004 for retirees and employees of HSTRC and Tower Grove Park, the City elected to purchase commercial insurance for its previously self-insured health insurance program. The City remains self-insured for the prescription drug coverage provided to employees and retirees. Additionally, the City is still self-insured for any healthcare claims that arise from incidents occurring prior to June 13, 2004 for employees and July 1, 2004 for retirees and employees of HSTRC and Tower Grove Park.

For the period the City was self-insured for healthcare coverage, it paid the cost of the lowest available coverage for all City employees. Employees were required to pay, through bi-weekly payroll deductions, for a higher level of care, if desired, or for coverage of a spouse and/or dependents. Retirees and employees of HSTRC and Tower Grove Park had to contribute a monthly amount to cover the cost of their healthcare if participating in the plan. During the self-insured period, all funding levels were actuarially determined at the start of the plan and reevaluated at the beginning of each fiscal year.

For healthcare coverage, the estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of $399 at June 30, 2008 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2008, the following claims were recorded/accrued within the noted funds because the claims are not accounted for within the PFPC internal service fund; Airport in the amount of $1,070; General fund in the amount of $263; and special revenue use tax fund in the amount of $548.

(dollars in thousands)

The City maintains a blanket surety bond covering all City employees through PFPC. In addition, the City purchases commercial insurance for property damage for large City buildings and some contents. Damage and liability coverage is applicable to the Airport. There were no significant changes in coverage for the year ended June 30, 2008 and, for the years ended June 30, 2008, 2007, and 2006 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2008 and 2007 are as follows:

		Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2008	$	16,344	14,106	(13,601)	16,849
2007		17,019	12,942	(13,617)	16,344

Additionally, there is an estimate of general liability claims outstanding of $7,641 to $7,791, 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 estimate able.

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 of St. Louis, 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, 2008, claims payable of $1,500, represents the amount attributable to a lawsuit with a probable adverse outcome potential that is not covered by the City. Additionally, at June 30, 2008, $1,625 of claims with a reasonable possibility of adverse outcome were not covered by the City. No amounts have been accrued within the accompanying financial statements for these claims.

(dollars in thousands)

SLPD has established a risk management program and retains the risk related to workers' compensation. At June 30, 2008, these liabilities amounted to $17,643 for workers' compensation. Of SLPD's total worker's compensation liability, $10,133 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 $416 for the year ended June 30, 2008.

In prior years, the SLPD accrued the estimated cost of long-term care for a second officer that had been injured in the line of duty. As a result of the death of this officer, the SLPD has recorded a worker's compensation recovery in the amount of $21,996. This has been reflected within incurred claims and changes in estimates in the table below for the year ended June 30, 2008 and as an extraordinary item within the financial statements. Benefit payments for this case amounted to approximately $925 for the year ended June 30, 2008.

Changes in the balances of claims payable and workers' compensation claims liabilities during fiscal years ended June 30, 2008 and 2007 were as follows:

		Beginning of year	**Incurred claims and changes in estimates**	**Claim payments**	**End of year**
Claims payable:					
2008	$	—	1,500	—	1,500
2007		—	—	—	—
Worker's compensation claims:					
2008	$	40,357	(17,710)	(5,004)	17,643
2007		40,786	3,918	(4,347)	40,357

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.

26. 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, collectibility 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.

27. 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, 2008 could not be determined; however, the original issue amounts totaled approximately $2 billion (in dollars).

28. 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.

(dollars in thousands)

29. COMPONENT UNIT - FOREST PARK FOREVER, INC. (FPF)

FPF is a not-for-profit organization organized under the laws of Missouri in 1986 that works in partnership with the City whose mission and principle activities are to promote the rebuilding and continual maintenance of Forest Park through wide-based financial and citizen support in order that Forest Park retain its preeminence as a major metropolitan and regional asset of greater St. Louis. During FPF's fiscal year ended December 31, 2007, FPF incurred $3,880 for park projects and $1,442 for park maintenance.

a. Investments

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value.

Investments at December 31, 2007 consisted of the following:

Certificates of Deposit	$	1,099
Federal Agency Bonds		7,250
Mutual Funds		4,025
Commons Stocks		7,073
Money Funds		2,865
Equity Method Investment		399
	$	22,711

b. Restricted Net Assets

At December 31, 2007, restricted expendable net assets (temporarily restricted) were available for park projects in the amount of $1,160 and operations in the amount of $1,344. Restricted non-expendable net assets (permanently restricted) are restricted to investment in perpetuity, the income of which is expendable to support maintenance of Forest Park.

c. Fundraising Agreement

FPF entered into an agreement with the City on September 9, 1997. Prior to this agreement, the City's Community Development Commission adopted a "Master Plan for Forest Park" which guides development in Forest Park to the year 2010 at which time it shall be reviewed by the City. The Master Plan calls for multiple projects comprising repairs of infrastructure, new construction, and landscaping in Forest Park with an estimated aggregate cost of approximately $92,000. FPF endeavored to raise $48,000 for use in the implementation of the Master Plan, and its Board of Directors raised those funds. As of December 31, 2007 approximately $48,760 has been raised.

d. Maintenance and Trust Agreements

In March 2007, FPF entered into a Trust Agreement (FPF Trust Agreement) and Maintenance Cooperation Agreement (Maintenance Agreement) with the City. FPF and the City entered into such agreements with the intent of establishing a long-term funding mechanism for the maintenance of Forest Park. The City was authorized by Ordinance to enter into these agreements. The agreements became effective in 2007 and extend for a term of 50 years, unless terminated earlier under the provisions of the agreement.

Under the terms of the FPF Trust Agreement, FPF agreed to make donations to the Trustee established under the Trust Agreement of $1,800 annually (FPF donation), payable in equal installments on January 1, and July 1 of each year, beginning July 1, 2007, solely to pay for the costs of maintaining Forest Park, as defined and described in the Maintenance Agreement. For the year ended December 31, 2007, FPF made donations to the Trustee of $900 as required under the agreement. As of December 31, 2007, $313 remained on deposit with the Trustee solely to pay for the costs of maintaining Forest Park. As a condition of the Maintenance Agreement, FPF purchased $150 of lawn equipment during 2007 with was donated to the City for use solely in the Park.

Pursuant to Ordinance, the City also executed a Maintenance Trust Agreement with Barnes Jewish Hospital (BJH Trust Agreement) to establish a long-term funding mechanism for Forest Park' maintenance and operations. Under the BJH Trust Agreement, BJH will make donations in trust to a Trustee for the benefit of Forest Park to be used for the operation and maintenance of Forest Park (BJH Donation) and not for new construction. The total amount initially payable annually by BJH under the BJH Trust Agreement is $2,000.

Under the terms of the Trust Agreements, a Trustee was designated and an irrevocable trust fund established (FPF Park Maintenance Fund). A Steering Committee comprised of representatives of both the City and FPF annually prepares a budget of costs of maintaining Forest Park based on the City's fiscal year beginning July 1. The total budget shall not exceed the amount of annual BJH donations plus the amount of FPF donations under the respective Trust Agreements.

30. FUTURE ACCOUNTING PRONOUNCEMENTS

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB Statement No. 49). This statement addresses accounting and financial reporting standards for pollution (including contaminations) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. GASB Statement No. 49 is effective for the City for the year ending June 30, 2009, as applicable.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB Statement No. 51). This statement establishes accounting and financial reporting requirements for intangible assets, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. GASB Statement No. 52 is effective for the City for the year ending June 30, 2010, as applicable.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB Statement No. 53). This statement is intended to improve how state and local governments report information about derivative instruments, financial arrangements used by governments to manage specific risks or make investments, in their financial statements. The statement specifically requires governments to measure most derivative instruments at fair value in their financial statements. The guidance in this statement also addresses hedge accounting requirements and is effective for the City for the year ending June 30, 2011, as applicable.

The City has not completed its assessment of the impact of the adoption of these statements.

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. In July 2008, the City issued $50,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 30, 2009 and bear interest at a rate of 3.25% per year.

b. Issuance of the Lease Certificates of Participation Series 2008

On September 9, 2008, the SLMFC issued Lease Certificates of Participation Series 2008 in the amount of $9,100. The Series 2007 Certificates were used to refund the LCRA's Kiel Site Lease Revenue Refunding Bonds, Series 1997A and Series 1997B. The Series 2008 Certificates are due in installments through July 2021 and bear an interest rate ranging from 2.15% to 4.55%.

c. Tax Increment Revenue Notes

Subsequent to June 30, 2008, the City issued tax increment revenue notes totaling $16,173 with interest rates ranging from 5.0% to 8.5%.

d. Convention Center Capital Improvement Projects Leasehold Revenue Bonds, Series 2008

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 2002 and bear an interest rate of 5.0% to 5.625%.

e. Airport Commercial Paper

On July 2, 2008, the Airport issued $1,000 in Series 2004A Commercial Paper Notes, due September 4, 2008, at an annual interest rate of 1.65% for the purpose of financing the cost of extension, improvement, purchase, acquisition, construction or enlargement of facilities, appurtenances and equipment at the Airport.

On September 4, 2008, the Airport issued $1,000 in Series 2004A Commercial Paper Notes, due November 6, 2008, at an annual interest rate of 1.78% for the purpose of financing the cost of extension, improvement, purchase, acquisition, construction or enlargement of facilities, appurtenances and equipment at the Airport.

On November 6, 2008, the Airport issued $1,000 in Series 2004A Commercial Paper Notes, due January 14, 2009, at an annual interest rate of 1.30% for the purpose of financing the cost of extension, improvement, purchase, acquisition, construction or enlargement of facilities, appurtenances and equipment at the Airport.

f. Market Conditions

For the period from June 30, 2008 through the date of this report, overall credit market conditions have deteriorated and impacted financial markets. Recent market conditions have resulted in an unusually high degree of volatility and increased the risks and short-term liquidity associated with certain investments held by the City which could impact the value of the investments after the date of these financial statements. Despite the market dislocation the City believes its investments are prudent. The average life of its operating funds is less than one year. The City does not expect a need to liquidate a material amount of those investments prior to their maturity in order to maintain sufficient liquidity. As a result, the City anticipates that maturity of those investments in the ordinary course will provide sufficient liquidity to maintain operations without reliance on the credit markets for liquidity. The City Treasurer, his staff and its investment advisors are monitoring the situation closely to determine appropriate ongoing investment strategies and actions.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund – UNAUDITED
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Gross receipts	$ 8,521	8,521	8,362	(159)
City earnings	141,366	141,366	141,405	39
Franchise	53,726	53,726	58,014	4,288
Sales	50,156	50,156	49,061	(1,095)
Property	48,957	48,957	52,183	3,226
Payroll	35,698	35,698	36,961	1,263
Motor vehicle	3,823	3,823	3,104	(719)
Other	715	715	492	(223)
Total taxes	342,962	342,962	349,582	6,620
Licenses and permits:				
Graduated business	7,514	7,514	7,318	(196)
Cigarette	1,734	1,734	1,721	(13)
Building division	6,498	6,498	5,094	(1,404)
Communication transmission	700	700	678	(22)
Liquor	429	429	450	21
Other	570	570	630	60
Motor vehicle	1,365	1,365	1,394	29
Total licenses and permits	18,810	18,810	17,285	(1,525)
Intergovernmental:				
Motor fuel tax allocation	10,100	10,100	10,103	3
Juvenile detention center	2,468	2,468	2,335	(133)
Public safety	5,305	5,305	4,571	(734)
Other intergovernmental	415	415	395	(20)
Total intergovernmental	18,288	18,288	17,404	(884)
Charges for services:				
Parks and recreation	731	731	720	(11)
Streets	2,628	2,628	2,617	(11)
Public safety	6,189	6,189	5,824	(365)
Health	383	383	322	(61)
Fee offices	7,042	7,042	5,823	(1,219)
Other	33	33	29	(4)
Services provided to other funds	4,599	4,599	3,611	(988)
Total charges for services	21,605	21,605	18,946	(2,659)
Court fines and forfeitures	6,500	6,500	6,885	385
Interest	2,127	2,127	1,729	(398)
Miscellaneous	3,395	3,395	3,089	(306)
Total revenues	413,687	413,687	414,920	1,233
EXPENDITURES (Page 155)	298,585	298,309	297,668	641
Excess of revenues over expenditures	115,102	115,378	117,252	1,874
Other financing sources (uses):				
Transfers in	22,123	22,123	20,485	(1,638)
Transfers to component units	(132,686)	(132,687)	(129,128)	3,559
Transfers out	(9,566)	(9,813)	(11,032)	(1,219)
Total other financing sources (uses), net	(120,129)	(120,377)	(119,675)	702
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	$ (5,027)	(4,999)	(2,423)	2,576

See accompanying independent auditors' report.

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund – UNAUDITED
Year ended June 30, 2008
(dollars in thousands)

		Original Budget	Final Revised Budget	Actual: Personal Services	Actual: Other Expenditures	Actual: Total Expenditures	Variance with Final Budget Positive (Negative)
General government:							
110	Board of Alderman	$ 2,499	2,499	2,183	184	2,367	132
120	Mayor's Office	1,959	1,919	1,680	188	1,868	51
121	St. Louis Office on Training & Employment	220	220	182	—	182	38
123	Department of Personnel	2,925	2,925	2,787	422	3,209	(284)
124	Registrar	171	171	145	15	160	11
126	Civil Rights Enforcement Agency	363	363	280	22	302	61
127	Information Technology Service Agency	5,218	5,218	3,011	2,156	5,167	51
137	Division of the Budget	616	616	373	40	413	203
139	City Counselor	5,749	5,749	3,341	2,181	5,522	227
141	Planning and Urban Design	131	131	78	—	78	53
160	Comptroller	7,435	7,434	3,593	3,532	7,125	309
162	Municipal Garage	288	290	257	22	279	11
163	Microfilm Section	336	336	234	62	296	40
170	Supply Commissioner	597	597	585	15	600	(3)
171	Multigraph Section	973	973	526	372	898	75
330	Tax Equalization Board	10	10	6	—	6	4
333	Recorder of Deeds	2,377	2,377	2,162	245	2,407	(30)
334	Election and Registration	2,333	2,333	1,634	621	2,255	78
340	Treasurer	670	670	675	18	693	(23)
	Prior year encumbrance	688	682	—	54	54	628
	Sub total general government	35,558	35,513	23,732	10,149	33,881	1,632
190	City-Wide Accounts	7,187	7,287	4,418	850	5,268	2,019
	Prior year encumbrance	8	8	—	1	1	7
	Sub total city-wide accounts	7,195	7,295	4,418	851	5,269	2,026
	Total general government	42,753	42,808	28,150	11,000	39,150	3,658
Convention and tourism:							
930	Soldier's Memorial Building	204	204	142	57	199	5
	Total convention and tourism	204	204	142	57	199	5
Parks and recreation:							
210	Director of Parks, Recreation and Forestry	403	403	339	38	377	26
213	Division of Recreation	1,993	1,993	1,838	134	1,972	21
214	Division of Forestry	6,899	6,839	6,551	235	6,786	53
220	Division of Parks	7,794	7,794	7,284	714	7,998	(204)
250	Tower Grove Park	750	750	—	750	750	—
	Total parks and recreation	17,839	17,779	16,012	1,871	17,883	(104)

(continued)

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund – UNAUDITED
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual: Personal Services	Actual: Other Expenditures	Actual: Total Expenditures	Variance with Final Budget Positive (Negative)
Judicial:						
310 Circuit Court (Circuit Judges)	$ 1,004	1,004	139	721	860	144
311 Circuit Court (General)	7,724	7,724	3,878	3,274	7,152	572
312 Circuit Attorney	6,011	6,011	5,665	445	6,110	(99)
313 Board of Jury Supervisors	1,436	1,436	507	913	1,420	16
314 Probate Court	96	96	—	57	57	39
315 Sheriff	8,113	8,113	7,864	243	8,107	6
316 City Courts	2,791	2,791	1,643	1,150	2,793	(2)
317 City Marshal	1,262	1,262	1,219	46	1,265	(3)
320 Probation Department and Juvenile Detention Center	15,888	15,888	13,259	2,002	15,261	627
321 Circuit Drug Court	407	407	—	236	236	171
Prior year encumbrance	406	382	—	298	298	84
Total judicial	45,138	45,114	34,174	9,385	43,559	1,555
Streets:						
510 Director of Streets	929	982	958	38	996	(14)
511 Transportation and Traffic Division	7,288	7,268	4,326	3,166	7,492	(224)
513 Auto Towing and Storage	1,620	1,620	1,260	141	1,401	219
514 Street Division	5,985	5,952	4,555	1,180	5,735	217
516 Refuse Division	13,050	13,050	6,506	7,246	13,752	(702)
Total streets	28,872	28,872	17,605	11,771	29,376	(504)
Public safety – fire:						
611 Fire Department Operations	50,767	50,499	49,783	1,603	51,386	(887)
612 Firemen's Retirement System	—	1,337	1,337	—	1,337	—
Prior year encumbrance	81	81	—	72	72	9
Total public safety – fire	50,848	51,917	51,120	1,675	52,795	(878)
Public safety – other:						
610 Director of Public Safety	821	821	779	28	807	14
616 Excise Commissioner	367	367	355	13	368	(1)
620 Building Commissioner	6,884	6,884	6,706	380	7,086	(202)
622 Neighborhood Stabilization	2,126	2,126	1,965	105	2,070	56

(continued)

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund – UNAUDITED
Year ended June 30, 2008
(dollars in thousands)

				Actual		
	Original Budget	Final Revised Budget	Personal Services	Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
Division of Adult Services:						
632 Medium Security Institution	$ 15,602	15,602	11,325	6,301	17,626	(2,024)
633 City Jail	17,571	17,571	10,476	7,832	18,308	(737)
651 Police Retirement System	432	7,135	7,116	—	7,116	19
Total public safety – other	43,803	50,506	38,722	14,659	53,381	(2,875)
Health and welfare:						
335 Medical Examiner	1,721	1,721	690	964	1,654	67
800 Director of Human Services	1,334	1,355	1,180	129	1,309	46
Total health and welfare	3,055	3,076	1,870	1,093	2,963	113
Public services:						
414 Soulard Market	267	267	178	89	267	-
900 President's Office, Board of Public Services	3,161	3,161	2,296	342	2,638	523
903 Building Operations	9,708	9,708	2,606	7,268	9,874	(166)
910 Equipment Services Division	10,854	10,854	4,129	8,184	12,313	(1,459)
Total public services	23,990	23,990	9,209	15,883	25,092	(1,102)
Debt service:						
Principal	19,979	20,561	—	20,627	20,627	(66)
Interest and fiscal charges	21,005	12,383	—	11,607	11,607	776
Prior year encumbrance	1,099	1,099	—	1,036	1,036	63
Total debt service	42,083	34,043	—	33,270	33,270	773
Total expenditures (Page 152)	$ 298,585	298,309	197,004	100,664	297,668	641

See accompanying independent auditors' report.

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual—General Fund – UNAUDITED
For the Year ended June 30, 2008
(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 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.

(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, 2008
(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	$	(2,423)
Increase (decrease) due to:		
Revenue accruals		2,054
Expenditure accruals		(18,370)
Unbudgeted activities and funds		(1,118)
GAAP basis	$	(19,857)

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2008
(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)
10/1/07	$ 495,116	$ 533,235	$ 38,119	92.9%	$ 37,690	101.1%
10/1/06	410,869	440,580	29,711	93.3%	35,726	83.2%
10/1/05	391,182	429,764	38,582	91.0%	35,434	108.9%

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)
10/1/07	$ 752,502	$ 775,669	$ 23,167	97.0%	$ 62,179	37.3%
10/1/06	709,291	754,021	44,730	94.1%	61,678	72.5%

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.

(continued)

City of St. Louis, Missouri
Retirement Systems and Postemployment Benefit Plans
Required Supplementary Information – UNAUDITED
June 30, 2008
(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)
10/1/07	$ 646,569	$ 732,576	$ 86,007	88.3%	$ 231,029	37.2%
10/1/06	554,066	695,890	141,824	79.6%	224,120	63.3%
10/1/05	527,733	666,182	138,449	79.2%	223,837	61.9%

SLPD – Other Postemployment Benefits Plan

The following required supplementary information relates to SLPDs postemployment benefits plan. The first valuation date for this plan was July 1, 2007:

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)
7/1/07	$ -	$ 236,138	$ 236,138	0.0%	$ 85,372	276.6%

See accompanying independent auditors' report.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.

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.

Transportation Development – Used to record 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.

Communications Division – Used to record revenue received from the cable television franchise tax and expenditures made to promote public services activities.

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

Public Safety 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.

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.

Schedule 4

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

(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	Transportation Development	License Collector	Communications Division	Demolition and Board-up
ASSETS												
Cash and cash equivalents												
Restricted	$ —	—	—	—	—	—	—	5,796	17	—	—	—
Unrestricted	2,837	—	—	573	36	419	1,624	5,448	2	2,635	93	436
Investments:												
Restricted	—	—	—	—	—	—	—	1,421	—	—	—	—
Unrestricted	10,530	—	—	1,441	93	3,118	—	13,696	6	—	232	1,098
Receivables, net of allowances												
Taxes	5,157	4,010	2,748	1,096	—	—	—	10,723	—	—	474	—
Licenses and permits	—	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	695	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	562	—	—	—	—	—	—
Notes and loans	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—
Due from component units	—	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	1,351	—	—	—	—	—	—	2,376	—	—	—	—
Total assets	$ 19,875	4,010	2,748	3,110	824	4,099	1,624	39,460	25	2,635	799	1,534
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable and accrued liabilities	$ 1,779	—	30	—	9	248	—	11	—	—	2	25
Accrued salaries and other benefits	240	—	—	—	84	13	—	9	—	—	28	—
Due to component units	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	304	273	—	—	—	—	—	—	—	—	—
Deferred revenue	—	—	—	—	695	491	—	10,598	—	—	—	—
Other liabilities	—	—	—	—	—	—	1,624	—	—	—	—	—
Total liabilities	2,019	304	303	—	788	752	1,624	10,618	—	—	30	25
Fund balances:												
Reserved:												
Encumbrances	—	—	—	—	—	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—	—	—	—	—
Unreserved, reported in:												
Special revenue funds	17,856	3,706	2,445	3,110	36	3,347	—	28,842	25	2,635	769	1,509
Total fund balances	17,856	3,706	2,445	3,110	36	3,347	—	28,842	25	2,635	769	1,509
Total liabilities and fund balances	$ 19,875	4,010	2,748	3,110	824	4,099	1,624	39,460	25	2,635	799	1,534

See accompanying independent auditors' report.

Continued

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

(dollars in thousands)

	Special Revenue								
	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Extra-Ordinary Expenses	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
ASSETS									
Cash and cash equivalents									
Restricted	$ —	—	627	—	5	111	6,556	572	7,128
Unrestricted	120	—	941	161	1,987	505	17,817	—	17,817
Investments:									
Restricted	—	—	—	—	—	—	1,421	8,343	9,764
Unrestricted	301	—	2,366	404	5,519	3,223	42,027	—	42,027
Receivables, net of allowances									
Taxes	—	107	660	—	1,309	—	26,284	5,818	32,102
Licenses and permits	227	—	—	—	—	—	227	—	227
Intergovernmental	—	—	—	—	607	29	1,331	—	1,331
Charges for services	—	—	—	—	672	2	1,236	—	1,236
Notes and loans	—	—	—	—	—	64	64	—	64
Other	—	—	—	—	—	146	146	—	146
Due from component units	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	3,727	—	3,727
Total assets	$ 648	107	4,594	565	10,099	4,080	100,836	14,733	115,569
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	$ 1	—	57	196	478	79	2,915	—	2,915
Accrued salaries and other benefits	15	—	46	—	115	15	565	—	565
Due to component units	—	—	—	—	116	2,476	2,592	—	2,592
Due to other funds	—	—	82	—	—	—	659	—	659
Deferred revenue	103	—	—	—	3,209	142	15,238	5,725	20,963
Other liabilities	—	—	—	—	—	—	1,624	—	1,624
Total liabilities	119	—	185	196	3,918	2,712	23,593	5,725	29,318
Fund balances:									
Reserved:									
Encumbrances	—	—	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	9,008	9,008
Unreserved, reported in:									
Special revenue funds	529	107	4,409	369	6,181	1,368	77,243	—	77,243
Total fund balances	529	107	4,409	369	6,181	1,368	77,243	9,008	86,251
Total liabilities and fund balances	$ 648	107	4,594	565	10,099	4,080	100,836	14,733	115,569

See accompanying independent auditors' report.

Schedule 5

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes to Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2008

(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	Transportation Development	License Collector	Communications Division	Demolition and Board-up
REVENUES												
Taxes	$ 30,657	26,936	10,236	8,379	1,821	—	—	15,245	133	—	1,829	—
Licenses and permits	—	—	—	—	—	—	—	2	—	—	—	—
Intergovernmental	—	—	—	—	827	—	—	1,407	141	—	—	—
Charges for services, net	—	—	—	—	14	2,627	5,920	—	—	1,066	—	8
Court fines and forfeitures	—	—	—	—	—	—	—	—	—	—	—	—
Investment income	371	71	—	14	(1)	108	1,434	281	2	126	—	10
Miscellaneous	—	—	—	—	—	—	293	3,720	—	—	—	1,296
Total	31,028	27,007	10,236	8,393	2,661	2,735	7,647	20,655	276	1,192	1,829	1,314
EXPENDITURES												
General government	110	—	165	—	4,219	68	7,647	287	133	2,281	96	—
Convention and tourism	—	—	—	—	—	—	—	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—	—	—	—	—	—	77
Judicial	—	—	—	—	—	—	—	—	—	—	—	—
Streets	1,145	—	—	600	—	1	—	—	—	—	—	—
Public safety:												
Fire	—	—	—	22	—	—	—	—	—	—	—	—
Police	5,026	—	—	1,350	—	—	—	—	—	—	—	—
Other	4,857	—	—	—	—	—	—	—	—	—	—	1,664
Health and welfare	19,825	—	—	—	—	—	—	—	—	—	—	—
Public services	—	27,008	—	—	—	2,562	—	—	—	—	1,251	—
Community development	—	—	—	—	—	—	—	24,172	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—	—	—	—
Debt service:												
Principal	—	—	—	—	—	—	—	5,330	2	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	10,842	36	—	—	—
Total expenditures	30,963	27,008	165	1,972	4,219	2,631	7,647	40,631	171	2,281	1,347	1,741
Excess (deficiency) of revenues over expenditures	65	(1)	10,071	6,421	(1,558)	104	—	(19,976)	105	(1,089)	482	(427)
OTHER FINANCING SOURCES (USES)												
Issuance of tax increment revenue notes	—	—	—	—	—	—	—	37,737	—	—	—	—
Issuance of capital lease	—	—	—	—	—	—	—	—	—	—	—	—
Discount on TIF bond issuance	—	—	—	—	—	—	—	(150)	—	—	—	—
Payment to TIF noteholder	—	—	—	—	—	—	—	(11,000)	—	—	—	—
Transfers in	—	—	—	—	1,320	—	—	154	—	—	—	30
Transfers out	(120)	(70)	(9,797)	(4,200)	—	—	—	(423)	(154)	—	(350)	—
Total other financing sources (users), net	(120)	(70)	(9,797)	(4,200)	1,320	—	—	26,318	(154)	—	(350)	30
Net change in fund balances	(55)	(71)	274	2,221	(238)	104	—	6,342	(49)	(1,089)	132	(397)
Fund balances:												
Beginning of year	17,911	3,777	2,171	889	274	3,243	—	22,500	74	3,724	637	1,906
End of year	$ 17,856	3,706	2,445	3,110	36	3,347	—	28,842	25	2,635	769	1,509

See accompanying independent auditors' report.

Continued

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes to Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2008

(dollars in thousands)

	Special Revenue								
	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Extra Ordinary Expenses	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
REVENUES									
Taxes	$ —	107	4,399	—	6,046	—	105,788	7,020	112,808
Licenses and permits	2,851	—	—	—	2,164	—	5,017	—	5,017
Intergovernmental	—	—	—	2,775	2,040	443	7,633	—	7,633
Charges for services, net	—	—	—	—	2,279	73	11,987	—	11,987
Court fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment income	(4)	—	44	1	248	13	2,718	266	2,984
Miscellaneous	—	—	—	—	1,800	605	7,714	—	7,714
Total	2,847	107	4,443	2,776	14,577	1,134	140,857	7,286	148,143
EXPENDITURES									
General government	193	—	—	201	1,731	504	17,635	—	17,635
Convention and tourism	—	—	—	—	—	—	—	—	—
Parks and recreation	1	—	2,090	—	1,719	261	4,148	—	4,148
Judicial	469	—	—	—	2,256	256	2,981	—	2,981
Streets	—	—	—	—	326	158	2,230	—	2,230
Public safety:									
Fire	—	—	—	—	—	11	33	—	33
Police	4,499	—	—	—	66	69	11,010	—	11,010
Other	—	—	—	—	3,908	55	10,484	—	10,484
Health and welfare	—	—	—	—	366	12	20,203	—	20,203
Public services	—	—	856	12	—	48	31,737	—	31,737
Community development	—	—	—	—	—	—	24,172	—	24,172
Capital outlay	—	—	—	—	(1,022)	—	(1,022)	—	(1,022)
Debt service:									
Principal	—	—	1,665	—	—	14	7,011	3,945	10,956
Interest and fiscal charges	—	—	1,442	—	—	5	12,325	2,379	14,704
Total expenditures	5,162	—	6,053	213	9,350	1,393	142,947	6,324	149,271
Excess (deficiency) of revenues over expenditures	(2,315)	107	(1,610)	2,563	5,227	(259)	(2,090)	962	(1,128)
OTHER FINANCING SOURCES (USES)									
Issuance of tax increment revenue notes	—	—	—	—	—	—	37,737	—	37,737
Issuance of capital lease	—	—	—	—	—	—	—	—	—
Discount on TIF bond issuance	—	—	—	—	—	—	(150)	—	(150)
Payment to TIF noteholder	—	—	—	—	—	—	(11,000)	—	(11,000)
Transfers in	—	—	1,600	—	120	57	3,281	1	3,282
Transfers out	—	—	—	—	(4,616)	(39)	(19,769)	—	(19,769)
Total other financing sources (users), net	—	—	1,600	—	(4,496)	18	10,099	1	10,100
Net change in fund balances	(2,315)	107	(10)	2,563	731	(241)	8,009	963	8,972
Fund balances:									
Beginning of year	2,844	—	4,419	(2,194)	5,450	1,609	69,234	8,045	77,279
End of year	$ 529	107	4,409	369	6,181	1,368	77,243	9,008	86,251

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 28,250	28,250	29,847	1,597
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	35	35	383	348
Miscellaneous	—	—	—	—
Total revenues	28,285	28,285	30,230	1,945
Expenditures:				
Current:				
General government	132	459	110	349
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	1,072	1,072	1,135	(63)
Public safety:				
Fire	—	—	—	—
Police	5,026	5,026	5,026	—
Other	5,176	5,176	4,914	262
Health and welfare	29,188	29,068	18,876	10,192
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	40,594	40,801	30,061	10,740
Excess (deficiency) of revenues over (under) expenditures	(12,309)	(12,516)	169	12,685
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	(120)	(120)	—
	—	(120)	(120)	—
Net change in fund balances	$ (12,309)	(12,636)	49	12,685

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 31,095	31,095	27,065	(4,030)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	20	20	71	51
Miscellaneous	—	—	—	—
Total revenues	31,115	31,115	27,136	(3,979)
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	31,095	31,095	27,008	4,087
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	31,095	31,095	27,008	4,087
Excess (deficiency) of revenues over (under) expenditures	20	20	128	108
Other financing sources (uses):				
Transfers in	—	—	–	–
Transfers out	(75)	(75)	(70)	5
	(75)	(75)	(70)	5
Net change in fund balances	$ (55)	(55)	58	113

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 10,368	10,368	9,930	(438)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	10,368	10,368	9,930	(438)
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	135	135	135	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				—
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	135	135	135	—
Excess (deficiency) of revenues over (under) expenditures	10,233	10,233	9,795	(438)
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(10,233)	(10,233)	(9,797)	436
	(10,233)	(10,233)	(9,797)	436
Net change in fund balances	$ –	–	(2)	(2)

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 5,791	5,791	7,749	1,958
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	5	—	14	14
Miscellaneous	—	—	—	—
Total revenues	5,796	5,791	7,763	1,972
Expenditures:				
Current:				
General government	50	50	—	50
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	28	28	22	6
Police	1,350	1,350	1,350	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	1,428	1,428	1,372	56
Excess (deficiency) of revenues over (under) expenditures	4,368	4,363	6,391	2,028
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(4,800)	(4,800)	(4,800)	—
	(4,800)	(4,800)	(4,800)	—
Net change in fund balances	$ (432)	(437)	1,591	2,028

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,727	1,727	1,821	94
Licenses and permits	—	—	—	—
Intergovernmental	839	839	827	(12)
Charges for service, net	11	11	14	3
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	2,577	2,577	2,662	85
Expenditures:				
Current:				
General government	4,201	4,201	4,191	10
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	4,201	4,201	4,191	10
Excess (deficiency) of revenues over (under) expenditures	(1,624)	(1,624)	(1,529)	95
Other financing sources (uses):				
Transfers in	1,320	1,320	1,320	—
Transfers out	—	—	—	—
	1,320	1,320	1,320	—
Net change in fund balances	$ (304)	(304)	(209)	95

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,800	2,800	2,665	(135)
Court fines and forfeitures	—	—	—	—
Investment income	60	60	111	51
Miscellaneous	—	—	—	—
Total revenues	2,860	2,860	2,776	(84)
Expenditures:				
Current:				
General government	67	67	67	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	3,301	3,301	2,392	909
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	3,368	3,368	2,459	909
Excess (deficiency) of revenues over (under) expenditures	(508)	(508)	317	825
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
	—	—	—	—
Net change in fund balances	$ (508)	(508)	317	825

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
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 14,758	14,758	14,758	—
Licenses and permits	2	2	2	—
Intergovernmental	1,407	1,407	1,407	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	47	47	47	—
Miscellaneous	3,725	3,725	3,725	—
Total revenues	19,939	19,939	19,939	—
Expenditures:				
Current:				
General government	379	379	379	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	36,078	36,078	36,078	—
Capital outlay	—	—	—	—
Debt service	15,522	15,522	15,522	—
Total expenditures	51,979	51,979	51,979	—
Excess (deficiency) of revenues over (under) expenditures	(32,040)	(32,040)	(32,040)	—
Other financing sources (uses):				
Proceeds net of refunding	37,993	37,993	37,993	—
Transfers in	154	154	154	—
Transfers out	(428)	(428)	(428)	—
	37,719	37,719	37,719	—
Net change in fund balances	$ 5,679	5,679	5,679	—

See accompanying independent auditors' report.

City of St. Louis, Missouri
Communications Division Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,700	1,700	1,792	92
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	1,700	1,700	1,792	92
Expenditures:				
Current:				
General government	144	144	97	47
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	1,213	1,211	1,253	(42)
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	1,357	1,355	1,350	5
Excess (deficiency) of revenues over (under) expenditures	343	345	442	97
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(350)	(350)	(350)	-
	(350)	(350)	(350)	-
Net change in fund balances	$ (7)	(5)	92	97

See accompanying independent auditors' report.

Schedule 14

City of St. Louis, Missouri
Public Safety Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ —	—	—	—
Licenses and permits	2,700	2,700	2,880	180
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	2,700	2,700	2,880	180
Expenditures:				
Current:				
General government	315	315	191	124
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	489	489	466	(23)
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	4,499	4,499	4,499	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	5,303	5,303	5,156	147
Excess (deficiency) of revenues over (under) expenditures	(2,603)	(2,603)	(2,276)	327
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
	—	—	—	—
Net change in fund balances	$ (2,603)	(2,603)	(2,276)	327

See accompanying independent auditors' report.

City of St. Louis, Missouri
Parks and Recreation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year ended June 30, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 4,370	4,370	4,424	—
Licenses and permits	—	—	—	-
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	44	44
Miscellaneous	2,000	2,000	—	(2,000)
Total revenues	6,370	6,370	4,468	(1,902)
Expenditures:				
Current:				
General government	—	—	—	–
Convention and tourism	—	—	—	—
Parks and recreation	2,597	2,597	2,021	(576)
Judicial	—	—	—	-
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,200	3,700	856	(2,844)
Capital outlay	—	—	—	—
Debt service	3,170	3,170	3,107	(63)
Total expenditures	7,967	9,467	5,984	3,483
Excess (deficiency) of revenues over (under) expenditures	(1,597)	(3,097)	(1,516)	1,581
Other financing sources (uses):				
Transfers in	1,600	1,600	1,600	—
Transfers out	—	—	—	—
	1,600	1,600	1,600	—
Net change in fund balances	$ 3	(1,497)	84	1,581

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
Year ended June 30, 2008
(dollars in thousands)

		Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:					
Taxes	$	4,335	4,335	5,142	807
Licenses and permits		3,192	3,192	2,164	(1,028)
Intergovernmental		1,828	1,828	1,614	(214)
Charges for service, net		5,101	5,101	3,963	(1,138)
Court fines and forfeitures		—	—	—	—
Investment income		149	149	254	105
Miscellaneous		2,680	2,680	3,187	507
Total revenues		17,285	17,285	16,324	(961)
Expenditures:					
Current:					
General government		2,122	2,654	1,803	851
Convention and tourism		—	—	—	—
Parks and recreation		4,470	2,841	1,702	1,139
Judicial		2,687	2,687	2,192	495
Streets		831	831	354	477
Public safety:					
Fire		—	—	—	—
Police		106	106	66	40
Other		5,143	5,143	3,905	1,238
Health and welfare		433	553	363	190
Public service		—	—	—	—
Capital outlay		644	112	—	112
Debt service		—	—	—	—
Total expenditures		16,436	14,927	10,385	4,542
Excess (deficiency) of revenues over (under) expenditures		849	2,358	5,939	3,581
Other financing sources (uses):					
Transfers in		—	120	124	4
Transfers out		(5,815)	(5,815)	(5,905)	(90)
		(5,815)	(5,695)	(5,781)	(86)
Net change in fund balances	$	(4,966)	(3,337)	158	3,495

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, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 6,146	6,146	7,031	885
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	250	250	262	12
Miscellaneous	—	—	—	—
Total revenues	6,396	6,396	7,293	897
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	6,547	6,547	6,324	223
Total expenditures	6,547	6,547	6,324	223
Excess (deficiency) of revenues over (under) expenditures	(151)	(151)	969	1,120
Other financing sources (uses):				
Transfers in	—	—	1	1
Transfers out	—	—	—	—
	—	—	1	1
Net change in fund balances	$ —	(151)	970	1,121

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, 2008
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 19,219	19,219	19,394	175
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	568	568
Miscellaneous	50	50	42	(8)
Total revenues	19,899	19,899	20,634	735
Expenditures:				
Current:				
General government	5,520	3,459	—	3,459
Convention and tourism	—	—	—	–
Parks and recreation	13,647	13,938	4,321	9,617
Judicial	—	—	—	–
Streets	7,652	8,605	5,369	3,236
Public safety:				–
Fire	—	—	—	–
Police	—	—	—	–
Other	—	—	—	–
Health and welfare	—	—	—	–
Public service	10,272	11,278	3,207	8,071
Capital outlay	2,939	2,978	1,572	1,406
Debt service	20,056	19,828	19,283	545
Total expenditures	60,086	60,086	33,752	26,334
Excess (deficiency) of revenues over (under) expenditures	(40,187)	(40,187)	(13,118)	27,069
Other financing sources (uses):				
Sale of general fixed assets	300	300	47	(253)
Transfers in	13,687	13,687	13,830	143
Transfers out	(1,754)	(1,754)	(1,754)	-
	12,233	12,233	12,123	(110)
Net change in fund balances	$ (27,954)	(27,954)	(995)	26,959

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, 2008
(dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Tax Increment Financing	Communications Division	Public Safety	Parks and Recreation	Other Budgeted Special Revenue	Debt Service Fund	Capital Projects Fund
Net change in fund balances—budget basis	$ 49	58	(2)	1,591	(209)	317	5,679	92	(2,276)	84	158	970	(995)
Differences—budge t to GAAP:													
Revenues are recorded when received in cash on a budget basis However, revenues are recorded wher measurable and available or a GAAP basis.	798	(129)	306	630	(1)	(41)	310	37	(33)	(26)	(1,742)	(7)	(158)
Expenditures are recorded when paid in cash on a budget basis However, expenditures are recordec when the obligation is incurrec on a GAAP basis.	(902)	—	(30)	—	(28)	(172)	353	3	(6)	(69)	2,315	—	(267)
Certain activities and accounts which are included within th funds on a GAAP basis, are no included within the annua operating budgets adopted by the Board of Alderman	—	—	—	—	—	—	—	—	—	1	—	—	70,951
Net change in fund balances—GAAP basis	$ (55)	(71)	274	2,221	(238)	104	6,342	132	(2,315)	(10)	731	963	69,531

See accompanying independent auditors' report.

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, 2008
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Total
ASSETS				
Current assets:				
Cash and cash equivalents—unrestricted	$ 65	—	522	587
Prepaid assets	—	44	—	44
Due from other funds	4,276	6	108	4,390
Advance to other funds	12,369	—	—	12,369
Total current assets	16,710	50	630	17,390
Noncurrent assets:				
Capital assets	—	137	—	137
Less accumulated depreciation	—	(86)	—	(86)
Total capital assets (net of accumulated depreciation)	—	51	—	51
Total assets	16,710	101	630	17,441
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	260	31	—	291
Due to other funds	—	256	—	256
Claims payable	16,450	—	399	16,849
Total current liabilities	16,710	287	399	17,396
Noncurrent liabilities:				
Other liabilities	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	16,710	287	399	17,396
NET ASSETS				
Invested in capital assets	—	51	—	51
Unrestricted	—	(237)	231	(6)
Total net assets	$ —	(186)	231	45

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, 2008
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Total
OPERATING REVENUES				
Charges for services	$ 12,689	444	5,849	18,982
Total operating revenues	12,689	444	5,849	18,982
OPERATING EXPENSES				
Claims incurred	9,464	—	4,603	14,067
Premiums	3,225	—	—	3,225
Personal services	—	250	—	250
Material and supplies	—	334	36	370
Depreciation and amortization	—	14	—	14
Total operating expenses	12,689	598	4,639	17,926
Operating income (loss)	—	(154)	1,210	1,056
NONOPERATING REVENUES (EXPENSES)				
Capital contributions	—	4	—	4
Total nonoperating revenues (expenses), net	—	4	—	4
Change in net assets	—	(150)	1,210	1,060
Total net assets—beginning of year	—	(36)	(979)	(1,015)
Total net assets—end of year	$ —	(186)	231	45

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2008
(dollars in thousands)

		Public Facilities Protection Corporation	Mailroom Services	Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services provided	$	11,987	467	5,342	17,796
Payments to suppliers of goods and services		(11,983)	(211)	(4,820)	(17,014)
Payments to employees		—	(240)	—	(240)
Net cash provided by operating activities		4	16	522	542
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contribution		—	(16)	—	(16)
Net cash used in capital and related financing activities		—	(16)	—	(16)
Net decrease in cash and cash equivalents		4	—	522	526
Cash and cash equivalents beginning of year		61	—	—	61
Cash and cash equivalents end of year	$	65	—	522	587
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$	—	(154)	1,206	1,052
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation		—	14	—	14
Change in assets and liabilities:					
Due to/from other funds		(454)	133	(503)	(824)
Advance to other funds		(248)	—	—	(248)
Prepaid assets		—	13	—	13
Accounts payable and accrued liabilities		21	10	(1)	30
Other liabilities		—	—	—	—
Claims payable		685	—	(180)	505
Total adjustments		4	170	(684)	(510)
Net cash provided by (used in) operating activities	$	4	16	522	542

See accompanying independent auditors' report.

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 99% of total plan participants.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2008
(dollars in thousands)

		Firemen's System	Police System	Employees' System	Total
ASSETS					
Current assets:					
Cash and cash equivalents—unrestricted	$	5,308	5,725	130	11,163
Investments—unrestricted:					
U. S. government securities		1	63,801	37,498	101,300
Corporate bonds		111	92,351	17,089	109,551
Domestic bond funds		—	—	45,101	45,101
Stocks		230,431	277,043	266,481	773,955
Foreign government and corporate obligations		—	—	23,593	23,593
Mortgage-backed securities		—	67,435	—	67,435
Collective investment funds		151,637	211,528	—	363,165
Real estate equities and investment trust		48,314	32,380	75,597	156,291
Investment property		—	1,515	—	1,515
Hedge funds		22,823	—	26,514	49,337
Money market mutual funds and other short term investments		51,942	45,815	48,439	146,196
Managed international equity funds		—	—	141,246	141,246
Total investments		505,259	791,868	681,558	1,978,685
Securities lending collateral		—	—	115,491	115,491
Receivables:					
Contributions		14,392	12,703	6,256	33,351
Accrued interest		308	1,936	880	3,124
Other		2,239	5,255	220	7,714
Capital assets		376	62	—	438
Total assets		527,882	817,549	804,535	2,149,966
LIABILITIES					
Accounts payable and accrued liabilities		385	984	656	2,025
Deposits held for others		383	1,515	—	1,898
Securities lending collateral liability		—	—	115,491	115,491
Other liabilities		2,001	6,164	256	8,421
Total liabilities		2,769	8,663	116,403	127,835
NET ASSETS					
Net assets held in trust for pension benefits	$	525,113	808,886	688,132	2,022,131

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year ended June 30, 2008
(dollars in thousands)

	Firemen's System	Police System	Employees' System	Total
ADDITIONS				
Contributions:				
Member	$ 2,796	4,533	121	7,450
Employer	63,690	42,289	71,301	177,280
Investment income:				
Interest and dividends	5,120	21,097	9,128	35,345
Class action settlements	442	46	—	488
Net appreciation in fair value of investments	61,837	84,241	80,388	226,466
	67,399	105,384	89,516	262,299
Less investment expense	(1,770)	(2,983)	(3,084)	(7,837)
Net investment income	65,629	102,401	86,432	254,462
Total additions	132,115	149,223	157,854	439,192
DEDUCTIONS				
Benefits	29,742	49,303	36,991	116,036
Refunds of contributions	1,391	4,336	—	5,727
Administrative expense	904	935	685	2,524
Total deductions	32,037	54,574	37,676	124,287
Net increase	100,078	94,649	120,178	314,905
Net assets held in trust for pension benefits:				
Beginning of year	425,035	714,237	567,954	1,707,226
End of year	$ 525,113	808,886	688,132	2,022,131

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, 2008
(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—unrestricted	$ 120	2,487	—	1,380	4,601	7,592	2,521	18,701
Investments—unrestricted	—	—	—	—	—	6,353	5,449	11,802
Receivables, net of allowances:								
Taxes	22,030	—	—	—	—	—	—	22,030
Other	—	—	678	—	—	55	—	733
Total assets	22,150	2,487	678	1,380	4,601	14,000	7,970	53,266
LIABILITIES								
Accounts payable and accrued liabilities	—	—	678	—	—	—	1,178	1,856
Deposits held for others	—	2,487	—	1,380	3,774	11,542	3,579	22,762
Due to other governmental agencies	22,150	—	—	—	827	2,458	3,213	28,648
Total liabilities	22,150	2,487	678	1,380	4,601	14,000	7,970	53,266
NET ASSETS	$ —	—	—	—	—	—	—	—

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
Year ended June 30, 2008
(dollars in thousands)

		Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Collector of Revenue					
Assets:					
Cash and cash equivalents—unrestricted	$	1,622	340,645	(342,147)	120
Receivables, net of allowances—taxes		26,254	10,469	(14,693)	22,030
Total assets	$	27,876	351,114	(356,840)	22,150
Liabilities—due to other governmental agencies		27,876	351,114	(356,840)	22,150
Total liabilities	$	27,876	351,114	(356,840)	22,150
Property Tax Escrow					
Assets—cash and cash equivalents—unrestricted	$	10,950	26,385	(34,848)	2,487
Liabilities—deposits held for others	$	10,950	26,385	(34,848)	2,487
General Insurance					
Assets:					
Cash and cash equivalents—unrestricted	$	—	26,754	(26,754)	—
Receivables, net of allowances—other		488	678	(488)	678
Total assets	$	488	27,432	(27,242)	678
Liabilities—accounts payable and accrued liabilities	$	488	27,432	(27,242)	678
Bail Bonds					
Assets—cash and cash equivalents—unrestricted	$	1,173	2,839	(2,632)	1,380
Liabilities—deposits held for others	$	1,173	2,839	(2,632)	1,380
License Collector					
Assets—cash and cash equivalents—unrestricted	$	2,293	17,092	(14,784)	4,601
Liabilities:					
Deposits held for others		1,625	2,196	(47)	3,774
Due to other governmental agencies		668	14,896	(14,737)	827
Total liabilities	$	2,293	17,092	(14,784)	4,601

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
Year ended June 30, 2008
(dollars in thousands)

		Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Circuit Clerk					
Assets:					
Cash and cash equivalents—unrestricted	$	7,670	38,086	(38,164)	7,592
Investment—unrestricted		6,800	6,353	(6,800)	6,353
Receivables, net of allowances - other		373	55	(373)	55
Total assets	$	14,843	44,494	(45,337)	14,000
Liabilities:					
Deposits held for others		12,245	37,108	(37,811)	11,542
Due to other governmental agencies		2,598	7,386	(7,526)	2,458
Total liabilities	$	14,843	44,494	(45,337)	14,000
Other Agency					
Assets:					
Cash and cash equivalents—unrestricted	$	2,092	11,229	(10,800)	2,521
Investments—unrestricted		4,129	22,664	(21,344)	5,449
Total assets	$	6,221	33,893	(32,144)	7,970
Liabilities:					
Accounts payable and accrued liabilities		403	2,442	(1,667)	1,178
Deposits held for others		3,984	5,450	(5,855)	3,579
Due to other governmental agencies		1,834	26,001	(24,622)	3,213
Total liabilities	$	6,221	33,893	(32,144)	7,970
Total—All Agency Funds					
Assets:					
Cash and cash equivalents—unrestricted	$	25,800	463,030	(470,129)	18,701
Investments—unrestricted		10,929	29,017	(28,144)	11,802
Receivables, net of allowances:					
Taxes		26,254	10,469	(14,693)	22,030
Other		861	733	(861)	733
Total assets	$	63,844	503,249	(513,827)	53,266
Liabilities:					
Accounts payable and accrued liabilities		891	29,874	(28,909)	1,856
Deposits held for others		29,977	73,978	(81,193)	22,762
Due to other governmental agencies		32,976	399,397	(403,725)	28,648
Total liabilities	$	63,844	503,249	(513,827)	53,266

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, 2008
(dollars in thousands)

OPERATING REVENUES		
Lease revenue	$	348
Total operating revenues		348
OPERATING EXPENSES		
Depreciation		276
Professional fees and other operating expenses		20
Total operating expenses		296
Operating income		52
NONOPERATING REVENUES		
Investment income		82
Total nonoperating revenues		82
Net income before capital contributions		134
Capital contributions		669
Change in net assets		803
Total net assets—beginning of year		7,290
Total net assets—end of year	$	8,093

See accompanying independent auditors' report.

City of St. Louis, Missouri
Statement of Cash Flows
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2008
(dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	348
Payments to service providers		(20)
Net cash provided by operating activities		328
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction of capital assets		—
Net cash used in capital and related financing activities		—
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		(1,444)
Proceeds from maturities of investments		1,420
Investment income		82
Net cash provided by investing activities		58
Net increase in cash and cash equivalents		386
Cash and cash equivalents beginning of year		1,443
Cash and cash equivalents end of year	$	1,829
Reconciliation of operating income to net cash provided by operating activities:		
Operating income		52
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		276
Net cash provided by operating activities	$	328

See accompanying independent auditors' report.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.


THE COMMON SEAL OF
THE CITY OF ST. LOUIS.

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**

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)

	2008	2007	2006	2005	2004	2003	2002
Primary Government:							
Governmental activities							
Invested in capital assets, net of related debt	$ 355,721	$ 410,429	$ 402,317	$ 395,983	$ 329,535	$ 326,196	321,159
Restricted	217,448	103,898	108,919	121,333	127,305	141,375	114,510
Unrestricted	(359,340)	(253,168)	(205,941)	(177,077)	(74,912)	(42,459)	(10,632)
Total govermental activities net assets	213,829	261,159	305,295	340,239	381,928	425,112	425,037
Business-type activities							
Invested in capital assets, net of related debt	1,058,030	1,072,894	1,120,715	1,068,231	928,652	810,651	696,850
Restricted	142,619	135,993	145,319	153,607	197,526	263,425	275,838
Unrestricted	23,349	31,001	19,394	16,126	34,013	31,942	51,830
Total business-type activities net assets	1,223,998	1,239,888	1,285,428	1,237,964	1,160,191	1,106,018	1,024,518
Primary government							
Invested in capital assets, net of related debt	1,413,751	1,483,323	1,523,032	1,464,214	1,258,187	1,136,847	1,018,009
Restricted	360,067	239,891	254,238	274,940	324,831	404,800	390,348
Unrestricted	(335,991)	(222,167)	(186,547)	(160,951)	(40,899)	(10,517)	41,198
Total primary government net assets	1,437,827	1,501,047	1,590,723	1,578,203	1,542,119	1,531,130	1,449,555
Component Unit-SLPD							
Invested in capital assets, net of related debt	32,375	30,208	26,630	25,371	18,224	17,466	17,487
Restricted	34	704	690	679	671	2,672	3,311
Unrestricted	(63,155)	(69,404)	(68,649)	(74,945)	(66,662)	(54,223)	(46,432)
Total SLPD net assets	(30,746)	(38,492)	(41,329)	(48,895)	(47,767)	(34,085)	(25,634)

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)

	2008	2007	2006	2005	2004	2003	2002
Expenses:							
Governmental activities:							
General government	$ 74,166	$ 91,822	$ 93,572	$ 93,740	$ 91,752	$ 69,906	68,853
Convention and tourism	4,468	4,352	4,594	6,263	4,538	6,697	6,188
Parks and recreation	31,335	28,130	25,366	25,683	23,687	20,719	20,066
Judicial	50,684	46,990	46,566	47,723	47,897	51,124	48,382
Streets	62,566	58,606	59,109	56,151	53,937	49,886	51,056
Public Safety:							
Fire	69,668	56,405	54,625	51,072	51,160	50,484	54,000
Police-Payment to SLPD	143,452	138,871	134,631	130,584	131,490	126,497	125,331
Police Pension	* 12,914						
Other	63,687	59,984	55,750	52,600	55,257	50,202	41,523
Health and welfare	45,732	45,630	46,070	40,660	37,022	37,789	35,563
Public service	70,007	73,145	67,544	62,647	73,198	67,154	65,202
Community development	60,611	78,788	66,286	57,237	64,188	59,210	50,280
Interest and fiscal charges	49,963	36,024	33,731	34,016	38,501	30,131	29,601
Total governmental activities expenses	739,253	718,747	687,844	658,376	672,627	619,799	596,045
Business-type activities:							
Airport	215,691	178,110	156,824	143,475	147,645	158,263	151,590
Water Division	45,157	42,395	40,505	39,759	41,641	40,887	43,458
Parking Division	14,560	12,423	14,056	13,694	14,095	10,099	10,859
Total business-type activities expenses	275,408	232,928	211,385	196,928	203,381	209,249	205,907
Total primary government expenses	$ 1,014,661	$ 951,675	$ 899,229	$ 855,304	$ 876,008	$ 829,048	801,952

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 35,060	$ 39,757	$ 37,617	$ 37,906	$ 34,938	$ 48,332	41,517
Convention and tourism		16	20				
Parks and recreation	2,662	9,126	2,248	1,733	1,503	791	763
Judicial	18,894	14,855	12,525	11,482	12,152	11,710	10,269
Streets	15,621	17,184	15,984	4,428	7,373	5,441	5,481
Public Safety:							
Fire	6,718	7,416	6,562	2,660	2,923	2,747	2,734
Police-Payment to SLPD					2,500		
Other	18,635	22,797	25,744	13,424	9,180	5,438	8,447
Health and welfare	944	418	511	901	283	1,281	2,332
Public service	6,320	5,530	5,301	5,094	387	37	165
Community development	** 5,273						
Operating grants and contributions	72,860	75,994	80,214	111,274	129,224	104,748	78,959
Capital grants and contributions	14,306	14,232	13,760	1,009	16,237	12,566	5,596
Total governmental activities program revenues	197,293	207,325	200,486	189,911	216,700	193,091	156,263
Business-type activities:							
Charges for services:							
Airport	163,460	155,295	149,169	137,487	150,762	179,745	160,039
Water Division	45,635	44,130	45,464	43,346	41,594	39,255	39,676
Parking Division	15,890	14,155	14,849	13,408	11,945	11,082	11,525
Operating grants and contributions	4,348	2,643	6,673	4,005	4,662	3,244	1,779
Capital grants and contributions	28,123	44,633	38,301	72,036	44,242	41,658	38,605
Total business-type activities program revenues	257,456	260,856	254,456	270,282	253,205	274,984	251,624
Total primary government program revenues	$ 454,749	$ 468,181	$ 454,942	$ 460,193	$ 469,905	$ 468,075	407,887

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Net Program (Expense)/Revenue							
Governmental activities	$ (541,960)	$ (511,422)	$ (487,358)	$ (468,465)	$ (455,927)	$ (426,708)	(439,785)
Business-type activities	(17,952)	27,928	43,071	73,354	49,824	65,735	45,717
Total primary government net expense	(559,912)	(483,494)	(444,287)	(395,111)	(406,103)	(360,973)	(394,068)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes, levied for general purpose	62,424	62,333	53,536	51,138	48,656	46,375	42,616
Property taxes, levied for debt service	6,285	6,197	5,750	6,087	5,972	5,644	4,497
Sales tax	134,476	127,664	121,449	122,213	117,859	132,910	132,418
Earnings/payroll taxes	181,812	169,822	170,934	158,533	148,081	153,923	155,760
Gross receipt taxes (includes franchise tax)	84,652	75,378	81,162	58,937	59,091	57,649	61,188
Miscellaneous taxes	4,035	6,237	2,684	19,136	18,331	18,650	17,556
Unrestricted investment earnings	12,159	12,094	9,492	3,112	2,693	3,941	6,720
Gain/loss on sale of capital assets	47	(324)	6	494	1,869	180	
Special item-recovery of legal judgment					2,972		
Transfers	8,740	7,885	7,401	7,126	7,219	7,511	7,033
Total governmental activities	494,630	467,286	452,414	426,776	412,743	426,783	427,788
Business-type activities:							
Unrestricted investment earnings	10,776	12,522	11,794	11,128	8,168	23,276	32,811
Gain/loss on sale of capital assets	26	(78,105)		417			2,830
Special item-recovery of legal judgment					3,400		
Transfers	(8,740)	(7,885)	(7,401)	(7,126)	(7,219)	(7,511)	(7,033)
Total business-type activities	2,062	(73,468)	4,393	4,419	4,349	15,765	28,608
Total primary government	$ 496,692	$ 393,818	$ 456,807	$ 431,195	$ 417,092	$ 442,548	456,396

Table 2
CITY OF ST. LOUIS, MISSOURI
Changes in Net Assets
Last Seven Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Change in Net Assets							
Governmental activities	$ (47,330)	$ (44,136)	$ (34,944)	$ (41,689)	$ (43,184)	$ 75	(11,997)
Business-type activities	(15,890)	(45,540)	47,464	77,773	54,173	81,500	74,325
Total primary government	$ (63,220)	$ (89,676)	$ 12,520	$ 36,084	$ 10,989	$ 81,575	62,328

*Police pension expenses under Governmental activities for Fiscal year 2008 were reclassified. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

** Fiscal year 2008 Community development revenues reflect TIF revenues previously reported under General government.

Source: Basic financial statements.

Table 3

Table 3
CITY OF ST. LOUIS, MISSOURI
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	$ 21,150	$ 21,079	$ 23,139	$ 25,185	$ 25,127	$ 24,635	$ 29,715	$ 25,700	$ 22,748	$ 37,144
Unreserved	33,721	53,649	57,155	47,612	44,779	52,079	58,204	70,377	41,617	43,379
Total general fund	$ 54,871	$ 74,728	$ 80,294	$ 72,797	$ 69,906	$ 76,714	$ 87,919	$ 96,077	$ 64,365	$ 80,523
All Other Governmental Funds										
Reserved	$ 191,062	$ 76,378	$ 82,979	$ 76,485	$ 95,101	$ 106,036	$ 113,806	$ 95,827	$ 126,417	$ 126,660
Unreserved, reported in:										
Special revenue funds	42,304	56,508	49,041	43,128	43,422	41,531	45,070	28,233	36,644	28,326
Capital projects funds	(9,253)	12,724	(7,204)	27,623	(2,735)	10,123	29,810	76,836	91,466	85,462
Debt service funds										
Total all other governmental funds	$ 224,113	$ 145,610	$ 124,816	$ 147,236	$ 135,788	$ 157,690	$ 188,686	$ 200,896	$ 254,527	$ 240,448

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues										
Taxes	$473,646	$439,436	$432,139	$412,670	$ 396,266	$ 413,289	$ 415,421	$ 409,883	$ 391,393	$ 373,934
Licenses, fees and permits	22,208	24,395	23,708	21,754	19,585	17,735	18,267	17,526	18,499	20,702
Intergovernmental	119,197	123,119	122,332	113,237	139,637	115,181	84,407	102,068	89,645	86,297
Charges for services, net	28,752	29,592	28,373	28,200	29,211	24,908	24,907	25,623	26,861	26,262
Court fines and forfeitures	10,000	8,434	8,927	9,047	9,307	8,923	8,413	7,335	9,501	9,076
Investment income	12,159	12,094	9,492	3,112	2,693	3,941	6,720	17,300	18,250	11,769
Interfund services provided	3,868	4,094	4,009	4,519	3,921	4,476	4,864			
Miscellaneous	13,902	14,303	11,148	13,174	10,486	14,688	15,241	9,279	9,976	8,639
Total revenues	683,732	655,467	640,128	605,713	611,106	603,141	578,240	589,014	564,125	536,679
Expenditures										
General government	101,622	53,066	69,011	58,273	61,848	59,869	55,319	58,132	55,873	55,129
Convention and tourism	201	154	362	2,010	286	2,344	2,302	2,322	2,099	2,279
Parks and recreation	27,966	25,129	23,191	22,597	20,877	18,659	18,083	17,333	18,204	15,951
Judicial	50,806	46,633	46,837	47,486	47,249	49,117	46,602	42,768	41,548	39,917
Streets	38,086	35,320	37,415	35,218	33,976	30,588	31,871	29,304	28,790	30,366
Public Safety:										
Fire	115,605	53,547	53,959	49,204	49,394	50,988	48,025	45,741	45,736	45,318
Police	143,452	138,871	134,631	130,584	131,490	126,497	125,331	885	861	977
Police-Pension	43,618									
Other	62,743	59,253	55,804	51,771	54,338	47,436	38,676	32,695	29,969	28,846
Health and welfare	45,379	45,067	45,905	40,275	36,592	37,495	34,646	33,847	36,998	25,246
Public service	70,095	72,991	67,600	62,415	72,885	66,140	63,498	63,519	60,339	31,399
Community development	60,710	79,351	66,555	57,291	55,149	43,622	49,682	97,333	38,730	43,206
Interfund services used							16			
Capital outlay	51,103	43,591	35,290	37,383	44,840	67,466	84,364	95,526	78,161	77,825
Debt Service:										
Principal	46,484	39,008	30,933	35,240	23,146	25,592	25,563	22,512	17,237	17,486
Interest and fiscal charges	44,741	29,865	28,288	29,181	28,738	37,964	30,343	27,469	29,062	26,191
Cost of issuance			568						888	
Advance refunding escrow				1,359						
Total expenditures	902,611	721,846	696,349	660,287	660,808	663,777	654,321	569,386	484,495	440,136
Excess (deficiency) of revenues over expenditures	(218,879)	(66,379)	(56,221)	(54,574)	(49,702)	(60,636)	(76,081)	19,628	79,630	96,543

Table 4, Continued

Table 4
CITY OF ST. LOUIS, MISSOURI
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Other Financing Sources (Uses)										
Sale of capital assets	$ 47	$ 175	$ 514	$ 937	$ 1,869	$ 180	$ 111	$ 119	$ 557	$ 3,185
Issuance of note payable							460	1,980		
Issuance of refunding bonds-leasehold revenue bonds	247,967	23,725	15,485			141,975	83,955			
Premium on leasehold revenue bonds	653	4,178	504			11,251	1,935		22,025	
Discount on leasehold revenue bonds	(3,965)	(467)					(160)			
Issuance of Section 108 loan guarantee assist							25,000	55,000		
Proceeds of government loan					1,953					
Proceeds of general obligation bonds and revenue bonds		13,000		98,953						66,158
Premium on general obligation bonds and revenue bonds				3,073						
Discount on general obligation bonds				(29)						
Issuance of capital lease	1,478	10,014	1,990	851		7,326			9,000	
Issuance of tax increment revenue notes	37,737	55,158	30,043	12,964	14,766					
Proceeds from master note purchase agreement									1,250	
Discount on tax increment revenue bonds					(40)					
Issuance of loan agreement	4,500		782	1,000						5,450
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	(8,632)	(22,830)	(15,421)	(55,962)	(7,747)	(149,808)	(62,789)			
Advance refunding on TIF bonds and notes payable	(11,000)	(7,500)								
Recovery of legal judgment					2,972					
Transfers in	40,569	41,613	29,909	31,507	37,856	49,887	38,679	43,572	53,076	43,397
Transfers out	(31,829)	(33,728)	(22,508)	(24,381)	(30,637)	(42,376)	(31,646)	(163,944)	(167,617)	(157,619)
Total other financing sources (uses), net	277,525	81,607	41,298	68,913	20,992	18,435	55,545	(63,273)	(81,709)	(39,429)
Net change in fund balances	$ 58,646	$ 15,228	$ (14,923)	$ 14,339	$ (28,710)	$ (42,201)	$ (20,536)	$ (43,645)	$ (2,079)	$ 57,114
Debt service as a percentage of noncapital expenditures	10.7%	10.2%	9.0%	10.3%	8.4%	10.7%	9.8%	10.5%	11.6%	12.1%
Debt service expenditures	91,225	68,873	59,789	64,421	51,884	63,556	55,906	49,981	47,187	43,677
Non-capital expenditures	851,508	678,255	661,059	622,904	615,968	596,311	569,957	473,860	406,334	362,311

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: Residential	Real Estate: Commercial	Personal Property	Manufacturer's Machinery, Tools & Equipment	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate	Taxable Assessed Value to Estimated Actual Taxable Value
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%
2001	998,513	1,665,511	805,857	304,559	740,761	3,033,679	11,377,043	1.6330	26.7%
2000	987,473	1,604,663	769,882	265,997	679,262	2,948,753	11,123,432	1.6200	26.5%
1999	970,124	1,564,186	842,767	248,432	729,644	2,895,865	10,871,150	1.4500	26.6%

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
City of St. Louis:										
Municipal purposes	0.8059	0.8811	0.8687	0.9559	0.9368	0.9674	0.9599	0.9630	0.9400	0.9600
County purposes	0.2903	0.3179	0.3134	0.3455	0.3386	0.3500	0.3485	0.3500	0.3400	0.3500
Hospital purposes	0.0829	0.0908	0.0895	0.0987	0.0968	0.1000	0.0996	0.1000	0.1000	0.1000
Public health purposes	0.0166	0.0182	0.0179	0.0197	0.0194	0.0200	0.0199	0.0200	0.0200	0.0200
Recreation purposes	0.0166	0.0182	0.0179	0.0197	0.0194	0.0200	0.0199	0.0200	0.0200	0.0200
Interest and public debt	0.1328	0.1328	0.1328	0.1513	0.1513	0.1513	0.1513	0.1800	0.2000	
Total City of St. Louis	1.3451	1.4590	1.4402	1.5908	1.5623	1.6087	1.5991	1.6330	1.6200	1.4500
Overlapping governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.030	0.03	0.03
Board of Education of the City of St. Louis	3.7533	4.0193	3.9720	4.3040	4.1900	4.3000	4.3000	4.300	4.30	4.30
St. Louis Community College	0.2003	0.2233	0.2231	0.2368	0.2312	0.2320	0.2300	0.240	0.24	0.24
Metropolitan St. Louis Sewer District	0.0667	0.0687	0.0686	0.0690	0.0690	0.0690	0.0890	0.090	0.09	0.09
Sheltered Workshop District	0.1278	0.1386	0.1368	0.1490	0.1459	0.1500	0.1499	0.150	0.15	0.15
St. Louis Public Library	0.4768	0.5171	0.5104	0.5561	0.5446	0.5600	0.5595	0.560	0.56	0.56
Community Mental Health	0.0767	0.0832	0.0821	0.0894	0.0875	0.0900	0.0899	0.090	0.09	0.09
Community Children's Service Fund	0.1752	0.1900	0.1900							
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0667	0.0746	0.0763	0.0787	0.0620	0.0610	0.0610	0.063	0.062	0.063
Art Museum Subdistrict	0.0667	0.0746	0.0763	0.0787	0.0620	0.0610	0.0610	0.063	0.062	0.063
Museum of Science and Natural History Subdistrict	0.0332	0.0373	0.0376	0.0394	0.0320	0.0310	0.0310	0.033	0.032	0.033
Botanical Garden Subdistrict	0.0332	0.0373	0.0376	0.0394	0.0320	0.0310	0.0310	0.033	0.032	0.033
Missouri History Museum Subdistrict	0.0332	0.0373	0.0376	0.0394	0.0380	0.0380	0.0380	0.040	0.039	0.04
Total overlapping governmental	5.1398	5.5313	5.4784	5.7099	5.5242	5.6530	5.670	5.692	5.687	5.692
Total City of St. Louis and overlapping governmental	$6.4849	$6.9903	$6.9186	$7.3007	$7.0865	$7.2617	$ 7.269	$ 7.325	$ 7.307	$ 7.142

Source: City Assessor's Office.

Table 7
CITY OF ST. LOUIS, MISSOURI
Principal Property Tax Payers
Current Calendar Year and Nine Years Ago
(dollars in thousands)

	Calendar Year 2007			Calendar Year 1998		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Anheuser Busch Companies, Inc.	$ 92,645	1	2.17%	$ 72,257	3	2.73%
AmerenUE	82,609	2	1.94%	75,087	1	2.84%
AT&T	62,924	3	1.48%	74,670	2	2.82%
Hertz	39,119	4	0.92%			
UPG-Kiener/Stadium Parking LLC	29,856	5	0.70%			
Laclede Gas Company	28,777	6	0.67%	63,005	4	2.38%
Age Properties / A.G. Edwards	28,276	7	0.66%	26,586	5	1.00%
First States Investor	27,427	8	0.64%			
Nestle Purina Co.	26,701	9	0.63%	21,996	6	0.83%
Metropolitan Square & East 10th St LLC	25,652	10	0.60%	16,067	8	0.61%
Mallinckrodt				12,130	9	0.46%
President Riverboat Casino				16,113	7	0.61%
US Bank NA				$ 11,046	10	0.42%
	$ 443,986		10.41%	$ 388,957		14.70%

Source: City Assessor's Office and Collector of Revenue

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 Fical Year	Collected within the Fiscal Year of the Levy (2) Amount	Collected within the Fiscal Year of the Levy Percentage of Levy	Collections in Subsequent Years	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
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%
2001	44,679	39,540	88.5%	5,251	44,791	100.3%
2000	43,073	37,070	86.1%	3,576	40,646	94.4%
1999 (3)	38,197	33,704	88.2%	4,632	38,336	100.4%

NOTES:
(1) Figures are based on the Collector of Revenue's fiscal year which begins the first Monday of March.
(2) Includes monies collected that were paid to the state for reassessment.
(3) No levy was charged for debt service during fiscal year 1999.
* 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)

	Earnings					Payroll	
Fiscal	Revenue Base		1% Tax		Total (1)	Revenue	(1)
Year	Business	Individual	Business	Individual	Earnings Tax	Base	.5% Tax
2008	1,715,000	12,046,700	$ 17,150	$120,467	$ 137,617	7,451,200	$ 37,256
2007	1,900,700	11,666,000	19,007	116,660	135,667	7,059,200	35,296
2006	1,762,400	11,383,800	17,624	113,838	131,462	7,295,000	36,475
2005	1,177,400	10,858,900	11,774	108,589	120,363	6,365,600	31,828
2004	1,043,700	10,620,500	10,437	106,205	116,642	6,334,600	31,673
2003	1,132,200	10,709,800	11,322	107,098	118,420	6,413,800	32,069
2002	1,079,800	10,786,900	10,798	107,869	118,667	6,930,600	34,653
2001	1,149,100	10,820,100	11,491	108,201	119,692	6,816,800	34,084
2000	1,060,100	10,380,500	10,601	103,805	114,406	6,332,800	31,664
1999	1,268,000	9,786,400	12,680	97,864	110,544	5,947,200	29,736

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
Current Fiscal Year and Nine Years Ago
(dollars in thousands)

	Fiscal Year 2008			Fiscal Year 1999		
Taxpayer	Total Earnings & Payroll Tax	Rank	(1) Percentage of Total Earnings & Payroll Tax	Total Earnings & Payroll Tax	Rank	(1) Percentage of Total Earnings & Payroll Tax
Anheuser Busch Companies, Inc.	7,390	1	4.23%	$ 5,811	1	4.14%
AT&T	6,487	2	3.71%	4,135	3	2.95%
Washington University	5,566	3	3.18%	3,334	5	2.38%
AG Edwards	5,103	4	2.92%	4,155	2	2.96%
BJC Health Systems	4,175	5	2.39%	3,730	4	2.66%
AmerenUE	2,786	6	1.59%	2,024	9	1.44%
St. Louis University	2,667	7	1.53%	2,007	10	1.43%
Nestle Purina Co.	2,132	8	1.22%			
Sigma Aldrich	1,968	9	1.13%			
Macys (Federated Retail /May Inc.)	1,550	10	0.89%	2,219	8	1.58%
US Bank NA				3,274	6	2.33%
Bank of America				2,270	7	1.62%
	39,824		22.79%	32,959		23.49%

Source: Collector of Revenue

Note:

(1) The percentages are calculated using total taxes from Table 9.

Table 11
CITY OF ST. LOUIS, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

	Governmental Activities						Business -Type Activities					
Fiscal Year	General Obligation Bonds	Tax Increment Revenue Bonds	Lease Revenue Bonds	Capital Leases	Federal Section 108	Other Obligations	Water Revenue Bonds	Airport Revenue Bonds	Parking Revenue Bonds	Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
2008	$ 50,875	$136,987	$595,251	$59,531	$56,080	$ 1,659	$26,325	$818,830	$81,350	$ 1,826,888	17.25%	$5,137
2007	54,820	114,251	373,940	61,050	58,820	2,204	29,175	843,920	70,120	1,608,300	15.97%	$4,522
2006	45,220	69,786	390,792	57,801	63,670	3,723	31,820	861,085	64,527	1,588,424	16.41%	$4,466
2005	48,465	41,678	409,275	56,985	68,220	3,359	34,320	894,735	66,264	1,623,301	17.48%	$4,564
2004	51,720	30,692	385,068	60,521	72,500	2,784	36,685	930,510	68,134	1,638,614	15.48%	$4,607
2003	54,685	25,826	396,230	22,964	76,570	1,184	38,920	961,520	62,515	1,640,414	15.49%	$4,612
2002	57,525	11,002	413,521	17,881	78,840	1,765	41,010	896,600	42,445	1,560,589	14.74%	$4,388
2001	60,250	11,748	403,171	19,930	55,000	4,698	42,990	934,975	43,335	1,576,097	14.89%	$4,431
2000	62,870	12,410	417,483	24,755		2,811	44,870	436,240	44,095	1,045,534	9.87%	$2,940
1999	65,000	13,005	407,239	16,615		3,586	46,705	458,230	33,255	1,043,635	9.86%	$2,934
							31,820	861,085				

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.

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)
2008	$ 50,875	$ 8,980	$ 41,895	0.23%	118
2007	54,820	8,045	46,775	0.30%	132
2006	45,220	7,239	37,981	0.25%	108
2005	48,465	6,271	42,194	0.33%	121
2004	51,720	6,528	45,192	0.35%	130
2003	54,685	6,312	48,373	0.44%	139
2002	57,525	9,986	47,539	0.39%	137
2001	60,250	10,134	50,116	0.44%	144
2000	62,870	6,328	56,542	0.51%	169
1999	65,000	1,454	63,546	0.58%	185

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
Computation of Direct and Overlapping Bonded Debt -
General Obligation Bonds
June 30, 2008
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1):			
General Obligation Debt	$ 197,359	100.00%	$ 197,359
Total Board of Education	197,359		197,359
St. Louis Public Library Leasehold Revenue Bonds(2)	2,650	100.00%	2,650
Other debt			
Board of Education of the City of St. Louis	1,076	100.00%	1,076
Subtotal, overlapping debt			201,085
City of St. Louis direct debt (3)			900,383
Total direct and overlapping debt			$ 1,101,468

Source:
(1) Board of Education City of St. Louis.
(2) St. Louis Public Library
(3) Notes to basic financial statements

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, 2008

Assessed Value	$ 4,557,183
Debt limit (10% of assessed value)	455,718
Debt applicable to limit:	
General obligation bonds	50,875
Less: Amount set aside for repayment of general obligation debt.	(8,980)
Total net debt applicable to limit	41,895
Legal Debt Margin	$ 413,823

	Fiscal Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limit	$455,718	$389,274	$388,274	$336,573	$336,374	$317,615	$326,378	$303,368	$294,875	$289,586
Total net debt applicable to limit	41,895	46,775	37,981	42,194	45,192	48,373	47,539	50,116	56,542	63,546
Legal debt margin	$413,823	$342,499	$350,293	$294,379	$291,182	$269,242	$278,839	$253,252	$238,333	$226,040
Total net debt applicable to the limit as a percentage of debt limit	9.19%	12.02%	9.78%	12.54%	13.44%	15.23%	14.57%	16.52%	19.17%	21.94%

Table 15
CITY OF ST. LOUIS, MISSOURI
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

	Water Revenue Bonds (1)						Airport Revenue Bonds (1)					
Fiscal Year	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Aviation Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2008	$ 46,709	$ 39,414	7,295	$ 3,300	$ 1,101	1.66	$ 167,808	$ 93,600	$74,208	$ 21,725	$ 42,296	1.16
2007	45,697	36,816	8,881	2,850	1,469	2.06	157,918	89,023	68,895	25,090	39,664	1.06
2006	46,266	34,405	11,861	2,645	1,286	3.02	126,037	76,833	49,204	13,960	47,118	0.81
2005	44,264	32,491	11,773	2,500	1,444	2.99	138,882	74,185	64,697	34,090	34,949	0.94
2004	42,061	33,119	8,942	2,365	1,590	2.26	145,433	73,622	71,811	29,135	53,625	0.87
2003	41,435	34,216	7,219	2,235	1,727	1.82	171,874	83,814	88,060	31,030	30,552	1.43
2002	40,952	32,224	8,728	2,090	1,854	2.21	204,341	72,478	131,863	39,485	42,749	1.60
2001	42,816	33,742	9,074	1,980	2,001	2.28	162,676	70,048	92,628	25,940	21,006	1.97
2000	41,764	30,897	10,867	1,880	2,110	2.72	133,036	63,042	69,994	23,615	22,615	1.51
1999	39,486	29,883	9,603	1,835	2,211	2.37	125,691	63,457	62,234	21,990	22,558	1.40

(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)

	Parking Revenue Bonds (1)						Tax Increment Financing Bonds (1) (2)					
Fiscal Year	Parking Fees and Violations	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2008	$ 15,803	$ 8,818	$ 6,985	$ 1,546	$ 3,756	1.32	$ 9,449	$ 573	$ 8,876	$ 4,000	$ 7,409	0.78
2007	15,743	8,030	7,713	1,475	3,208	1.65	7,459	418	7,041	2,593	3,946	1.08
2006	15,345	8,082	7,263	1,727	3,400	1.42	5,632	424	5,208	3,705	4,138	0.66
2005	13,403	7,908	5,495	1,870	3,436	1.04	5,106	448	4,658	3,615	3,201	0.68
2004	12,243	7,116	5,127	993	3,360	1.18	5,490	437	5,053	2,150	2,229	1.15
2003	11,548	6,166	5,382	935	2,321	1.65	2,979	251	2,728	831	1,854	1.02
2002	12,013	6,276	5,737	890	2,367	1.76	2,410	3	2,407	746	1,664	1.00
2001	10,799	5,997	4,802	760	2,407	1.52	1,898	6	1,892	661	1,218	1.01
2000	10,227	4,644	5,583	400	1,761	2.58	1,715	6	1,709	595	1,264	0.92
1999	8,936	5,028	3,908	390	1,736	1.84	1,026	6	1,020	540	1,298	0.55

(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						Justice Center Leasehold Revenue Bonds (1) (2)					
	Tax	Less:	Net	Debt Service			Prisoner	Less:	Net	Debt Service		
Fiscal Year	Increment Revenue	Operating Expenses	Available Revenue	Principal	Interest	Coverage	Housing Reimbursement	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2008	$ 5,219	$ 286	$ 4,933	$ 2,000	$ 2,756	1.04	$ 6,375		$ 6,375	$ 6,285	$ 4,836	0.6
2007	6,062	296	5,796	1,890	2,859	1.22	7,857	-	7,857	5,980	5,144	0.7
2006	4,655	320	4,335	1,770	2,952	0.92	6,725	-	6,725	5,339	4,927	0.7
2005	4,226	320	3,906	1,670	3,034	0.83	5,756	-	5,756	5,155	5,797	0.5
2004	2,699	75	2,624	1,610	3,029	0.57	5,594	-	5,594	4,700	6,032	0.5
2003	265	1	264	-	2,988	0.09	4,485	-	4,485	4,480	6,252	0.4
2002	-	-	-	-	1,428	0.00	5,496	-	5,496	4,275	6,856	0.5
2001	-	-	-	-	-	-	5,484	-	5,484	4,040	7,094	0.5
2000	-	-	-	-	-	-	4,832	-	4,832	2,410	5,954	0.6
1999	-	-	-	-	-	-	4,841	-	4,841	2,020	6,045	0.6

(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)

	Civil Courts/Carnahan Courthouse Leasehold Revenue Bonds (1) (2)						Convention and Sports Facility Project Revenue Bonds					
		Less:	Net	Debt Service				Less:	Net	Debt Service		
Fiscal Year	Court Fees	Operating Expenses	Available Revenue	Principal	Interest	Coverage	3.5% hotel sales Tax	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2008	$ 1,496		$ 1,496	$ 2,075	$ 1,651	0.4	$ 5,616	-	$ 5,616	$ 4,088	$ 1,912	0.94
2007	1,354	-	1,354	1,985	1,908	0.3	5,767	-	5,767	3,261	2,739	0.96
2006	1,406	-	1,406	1,905	1,992	0.4	5,388	-	5,388	3,158	2,842	0.90
2005	1,355	-	1,355	1,850	2,050	0.3	5,278	-	5,278	3,061	2,939	0.88
2004	1,417	-	1,417	1,540	2,365	0.4	5,104	-	5,104	2,951	3,049	0.85
2003	1,311	-	1,311	1,465	2,297	0.3	5,208	-	5,208	2,831	3,169	0.87
2002	1,112	-	1,112	1,395	1,376	0.4	4,743	-	4,743	2,720	3,280	0.79
2001	886	-	886	1,330	1,443	0.3	5,153	-	5,153	2,617	3,383	0.86
2000	905	-	905	1,270	1,506	0.3	4,457	-	4,457	2,496	3,504	0.74
1999	1,272	-	1,272	1,215	1,565	0.5	4,456	-	4,456	2,350	3,650	0.74

(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)

	Forest Park Leasehold Revenue Bonds						Recreation Sales Tax Leasehold Revenue Bonds (1) (2)					
Fiscal Year	10.4% of the 1/2c capital sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Parks and Recreation Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2008	$ 1,849	-	$ 1,849	$ 760	$ 610	1.35	$ 4,425	-	$ 4,425	$ 1,665	$ 1,442	1.42
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	-	-	-	-	-	-
2001	1,994	-	1,994	435	945	1.44	-	-	-	-	-	-
2000	1,876	-	1,876	415	963	1.36	-	-	-	-	-	-
1999	1,884	-	1,884	400	979	1.37	-	-	-	-	-	-

(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)

	Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)					
Fiscal Year	10% of the 1/2c Capital Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2008	$ 1,777	-	$ 1,777	$ 1,120	$ 189	1.36
2007	-	-	-	-	-	-
2006	-	-	-	-	-	-
2005	-	-	-	-	-	-
2004	-	-	-	-	-	-
2003	-	-	-	-	-	-
2002	-	-	-	-	-	-
2001	-	-	-	-	-	-
2000	-	-	-	-	-	-
1999	-	-	-	-	-	-

(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

Calendar Year		(1) Population	(4) Personal Income *(thousands of dollars)*	(4) Per Capita Personal Income	(1) Median Age	(2) Public School Enrollment	(3) Unemployment Rate
2007		355,663	$ 10,587,985	$ 30,186	36.3	37,178	7.0%
2006		353,837	10,069,490	28,458	35.6	39,554	6.9%
2005		352,572	9,680,210	27,456	35.4	32,894	7.9%
2004	*	350,075	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%
2000		348,189	8,560,506	24,686	33.8	41,867	5.2%
1999		333,960	8,177,603	23,354	33.7	44,522	6.2%
1998		342,900	8,040,052	22,780	33.6	45,675	7.6%

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 Board of Education of the City of St. Louis.
(3) Data provided by the U. S. Bureau of Labor Statistics.
(4) Source: U.S. Bureau of Economic Analysis-Calendar Year 2007 figures are estimates; actual statistics for this period are released in April 2009. 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

	Calendar Year 2007			Calendar Year 1998		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
BJC Health Systems	16,477	1	3.52%	13,017	1	2.36%
Washington University	13,381	2	2.86%	10,948	2	1.98%
St. Louis University	9,399	3	2.01%	9,968	4	1.80%
City of St. Louis	8,682	4	1.85%	10,633	3	1.93%
AT&T Services, Inc.	5,917	5	1.26%			
St. Louis Board of Education	5,811	6	1.24%	8,583	5	1.55%
Anheuser Busch Inc.	5,164	7	1.10%			
United States Postal Service	5,109	8	1.09%	6,942	6	1.26%
State of Missouri	5,052	9	1.08%	6,324	7	1.14%
A G Edwards and Sons	4,811	10	1.03%			
May Department Stores(Macy's)				5,600	10	1.01%
Nations Bank (Bank of America)				5,756	9	1.04%
Tenet Health Systems				6,060	8	1.10%
	79,803		17.04%	83,831		15.17%

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

	Full-time Equivalent Employees as of June 30									
	2008	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Function/Program										
Primary Government Employees:										
General government	535	525	518	514	525	550	545	557	562	563
Convention and tourism	3	3	3	3	3	3	4	4	4	
Parks and recreation	331	324	328	331	336	334	347	349	354	353
Judicial	717	705	717	726	731	733	718	712	713	706
Streets	458	452	454	456	466	472	478	475	475	480
Fire	830	831	831	830	829	829	830	830	831	832
Police	1,938	1,919	1,916	1,899	2,051	2,075	2,012	2,105	2,394	2,395
Other	804	753	756	762	812	844	643	652	651	722
Health and welfare	274	274	255	287	314	375	351	384	314	312
Public service	256	245	240	259	301	339	335	328	328	303
Community development	66	62	65	64	71	88	88	89	57	85
Business-Type Employees:										
Airport	637	634	623	582	589	781	768	759	774	770
Water Divison	376	380	382	384	389	391	403	406	412	413
Parking Division	142	135	162	158	157	139	156	164	141	152
Total Employees	7,367	7,242	7,250	7,255	7,574	7,953	7,678	7,814	8,010	8,086

Table 19
CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government										
Payroll checks issued	269,186	250,945	200,939	194,477	202,244	205,108	205,108	205,107	207,667	211,918
Invoices processed	108,703	107,796	107,943	109,385	109,346	111,372	127,044	130,762	126,980	144,769
Deeds recorded	81,692	107,042	101,638	97,069	96,827	98,704				
Birth and death certificate copies issued	69,107	73,205	76,618	61,677	65,530					
Marriage licenses processed	2,453	2,739	2,566	2,592	2,695	2,694				
Real property parcels	145,930	142,168	142,351	140,979	139,927	138,742	138,355	138,311	138,584	138,677
Personal property accounts	106,176	105,571	109,342	114,442	113,737	106,955	108,997	122,582	125,009	124,339
Problem properties cases heard*	9,793	6,050	7,954	11,593	8,429	2,745				
Citizen Service Bureau (CSB) contacts	175,339	223,776	230,541	239,610	236,582	152,021				
CSB service requests issued	107,431	104,909	97,050	96,134	98,589	99,006	103,889	102,774	98,380	97,175
Parks and Recreation and Forestry										
Park use permits issued	3,434	3,251	2,999	2,714	1,410	1,168	1,335			
Vacant lot grass cuttings	95,191	68,904	71,578	80,949	77,363	56,817	54,627	55,569	47,720	39,196
Vacant building grass cuttings	51,663	33,320	31,927	41,320	36,691	24,451	23,618	18,165	18,490	22,421
CSB service requests received	47,408	24,665	23,745	22,524	23,635	24,795	23,981	21,031	22,970	24,739
Judicial										
Juvenile cases-referrals *	5,240	5,532	6,686	5,870	6,749	7,048	8,261			
Jurors summoned	74,450	74,850	71,300	66,400	64,750	71,800	88,400	67,950	72,228	90,125
Jurors who served	23,874	21,059	22,131	21,628	22,286	24,437	23,599	23,853	26,160	26,360
Streets										
Tons of waste placed in landfills	186,132	195,958	220,085	246,613	213,591	213,228	228,753	208,415	212,096	222,679
Tons of waste recycled	4,855	4,141	1,848	1,784	1,368	1,368	1,367	2,558	2,174	1,556
Vehicles towed	8,829	10,489	11,793	11,508	13,505	14,130	17,319			

Table 19
CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Public Safety										
Fire										
Suppression calls	45,137	44,751	41,513	41,603	40,021	39,847	41,461	41,213	42,338	37,451
EMS calls	59,241	59,209	58,112	57,960	58,205	57,746	59,953	62,460		
Police										
Directed calls for service*	348,648	320,499	333,351	343,149	347,630	374,045	445,910	479,493		
Felony arrests*	14,930	15,162	13,837	13,084	14,213	14,422	14,778	14,692		
Misdemeanor arrests*	10,048	10,440	10,323	10,820	10,244	11,768	10,179	11,040		
Police reports written*	94,539	106,086	100,007	99,699	111,893	112,633	109,143	118,025		
Public Service										
Contracts executed	205	164	189	170	158	205	189	112	105	101
Bridges inspected	37	36	35	34	33	42	32	42	29	42
Airport										
Major airlines	9	10	9	10	9	8	10	10	10	10
Commuter airlines	22	22	13	12	12	12	9	10	9	8
Air cargo carriers	4	5	6	6	6	6	6	6	6	6
Passengers	15,220,080	15,136,182	16,655,185	14,072,947	16,064,247	23,675,012	25,232,710	29,909,488	30,519,575	29,106,516
Aircraft operations	255,800	260,151	304,631	254,399	293,474	414,787	451,638	483,941	494,564	503,281
Water Division										
Bills issued - metered	53,324	53,388	56,452	54,008	54,452	54,904	55,204	55,756	56,256	56,392
Bills issued - flat rate	327,804	330,420	330,012	328,572	330,936	334,460	337,108	339,008	341,016	343,900
Millions of gallons of water purified	47,479	48,137	48,923	49,724	49,883	49,098	48,177	50,165	47,170	48,696

* Information based on calendar year

Table 19, Continued

Table 20
CITY OF ST. LOUIS, MISSOURI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Parks and Recreation										
Park acreage	2,717	2,717	2,717	2,717	2,717	2,717	2,717			
Miles of bicycle paths	36	35	28	27	27	17	17			
Athletic fields	152	152	188	188	188	188	194			
Recreation centers	9	9	9	9	9	9	9	9	9	9
Neighborhood centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	8	8	8	8	8	8	8	8	8	8
Golf courses	2	2	2	2	3	3	3	3	3	3
Judicial										
Court houses	3	3	3	3	3	3	3	3	3	3
Streets										
Alley containers	27,814	28,282	28,669	28,669	28,669	29,334	30,000	30,000	30,000	30,000
Rollout carts	19,899	20,379								
Recycling containers	130	135	116	116	116	81	81	81	81	54
Streets - paved (miles)	150	150	150	150	150	130	130	150	130	130
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	400	400	400	400	400	400	400	400
Street, alley and easement lights	69,919	69,839	69,800	69,800	69,800	69,800	69,600	69,600	69,700	69,700
Public Safety										
Fire										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	144	144	178	178	177	177	176	176	176	176
Police										
Police stations	3	3	4	4	4	4	4	4	4	4
Police vehicles	703	700	651	601	642	645	649	649	640	640
Public Service										
Bridges structurally deficient	16	16	13	6	11	12	12	12	12	12
Bridges functionaly obsolete	22	22	26	29	34	34	34	34	34	34
Total bridges	69	71	73	71	76	75	75	72	72	71
Water Division										
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 III-1
REGIONAL POPULATION CHANGE, 2000-2007

Region	Population Estimates		Avg. Annual Growth Rate 2000-2007
	July 1, 2000	July 1, 2007	
Crawford County, MO	22,833	24,076	0.8%
Franklin County, MO	94,060	100,045	0.9%
Jefferson County, MO	198,752	216,076	1.2%
Lincoln County, MO	39,256	51,528	4.0%
St. Charles County, MO	286,172	343,952	2.7%
St. Louis County, MO	1,016,377	995,118	-0.3%
St. Louis City, MO	346,894	350,759	0.2%
Warren County, MO	24,720	30,467	3.0%
Washington County, MO	23,410	24,317	0.5%
Bond County, IL	17,649	18,103	0.4%
Calhoun County, IL	5,091	5,167	0.2%
Clinton County, IL	35,538	36,450	0.4%
Jersey County, IL	21,654	22,455	0.5%
Macoupin County, IL	48,992	48,235	-0.2%
Madison County, IL	259,112	267,347	0.4%
Monroe County, IL	27,765	32,372	2.2%
St. Clair County, IL	256,225	261,316	0.3%
Metro Total	**2,724,500**	**2,827,783**	0.5%
Missouri	5,606,140	5,878,415	0.7%
Illinois	12,439,219	12,852,548	0.5%
United States	282,194,308	301,621,157	1.0%

Source: U.S. Census Bureau.

Table 22

TABLE III-2
ST. LOUIS MO-IL MSA CIVILIAN LABOR FORCE,
1997-2007

Year	Civilian Labor Force			
	Total	Employed	Unemployed	Unemployment Rate
1997	1,384,606	1,326,347	58,259	4.2%
1998	1,390,011	1,332,061	57,950	4.2%
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	1,425,142	1,339,495	85,647	6.0%
2005	1,433,769	1,353,859	79,910	5.6%
2006	1,443,838	1,370,914	72,924	5.1%
2007	1,448,869	1,371,914	76,955	5.3%
Average Annual Change				
1997-2007	0.45%	0.34%	2.82%	--

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE III-3
SELECTED MAJOR EMPLOYERS IN THE ST. LOUIS REGION, 2008

10,000 and above employees	
BJC HealthCare	SSM Health Care
Boeing Integrated Defense Systems	United States Postal Service
Schnuck Markets, Inc.	Washington University in St. Louis
Scott Air Force Base	Wal-Mart Stores Inc.
5,000 – 9,999 employees	
Anheuser-Busch Companies, Inc.	McDonald's
AT&T Communications Inc.	Saint Louis University
Chrysler	Special School District of St. Louis
City of St. Louis	St. John's Mercy Health Care
Dierbergs Markets	St. Louis Public Schools
2,500 – 4,999 employees	
Ameren Corporation	Monsanto Company
Bank of America Midwest Region	Rockwood School District
Citigroup	Shop 'n Save Warehouse Foods, Inc.
Covidien Imaging Solutions	St. Louis County Government
Edward Jones	U.S. Bancorp
Emerson Electric Co.	U.S. Steel
Enterprise Rent-A-Car	United Parcel Service Inc.
General Motors	University of Missouri-St. Louis
Home Depot	Wachovia Securities
MasterCard International Inc.	Walgreen's Drug Store

Source: St. Louis Regional Chamber & Growth Association, 2008.

Table 24

TABLE IV-1
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
SCHEDULED AIR CARRIERS SERVING THE AIRPORT
OCTOBER 2008

Scheduled Mainline	Regional	All-Cargo
AirTran[1,2]	Air Canada Jazz	ASTAR[1]
American[1,2]	Air Wisconsin[3,10]	Capital Cargo
Delta[1,2]	American Eagle[3,4]	Federal Express[11]
Frontier[1,2]	Atlantic Southeast[3,6]	United Parcel Service[1,2]
Northwest[1,2]	Chautauqua[1,2,4,5,6,10]	
Southwest[1,2]	Comair[3,6]	
United[1,2]	Expressjet[1,2,5]	
US Airways[1,2]	Go Jet[3,9]	
USA 3000	Great Lakes[1,2]	
	Mesa[3,10]	
	Mesaba[3,8]	
	Pinnacle[3,8]	
	PSA[10]	
	Republic[10]	
	Shuttle America[3,6]	
	Skyway[7] (until March 2008)	
	Skywest[3,6,7]	
	Trans States[1,2,4,9,10]	

[1] Signatory airline
[2] Participating airline
[3] Designated Affiliate of Participating Carrier
[4] American Connection
[5] Continental Express
[6] Delta Connection
[7] Midwest Connect (ceased service as of 9/7/08)
[8] Northwest Airlink
[9] United Express
[10] US Airways Express
[11] No Agreement

Source: Airport management records.

TABLE IV-3
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
O&D AND CONNECTING ENPLANEMENTS
1998 - 2008

Year	O&D[1] Enplanements	O&D[1] Share	Connecting Enplanements	Connecting Share	Total Enplanements
CY 1998	7,107,768	49.6%	7,226,561	50.4%	14,334,329
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
Jan-Jun 2007	2,884,072	75.9%	914,489	24.1%	3,798,561
Jan-Jun 2008	2,878,039	77.9%	816,307	22.1%	3,694,346
FY 1999	7,156,835	49.1%	7,406,587	50.9%	14,563,422
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
Average Annual Growth Rate					
CY 1998-2000	1.0%		5.6%		3.4%
CY 2000-2004	-7.7%		-34.9%		-18.6%
CY 2004-2007	3.6%		8.8%		4.8%
Jan-Jun 2008	-0.2%		-10.7%		-2.7%
FY 1999-2004	-6.3%		-17.3%		-11.3%
FY 2004-2008	3.2%		-11.4%		-1.3%

Source: Airport management records.

Note: Before 1990, the share of O&D traffic was as follows: 1985, 46.9%; 1986, 48.8%; 1987, 49.0%; 1988, 51.9%; and 1989, 53.5%. The O&D traffic share was 71.1% in 1981 and 61.8% in 1982, before the Airport became a TWA system hub.

Table 26

TABLE IV-4
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
DOMESTIC AND INTERNATIONAL ENPLANEMENTS
1998 - June 2008

Calendar Year	Domestic Enplanements	Domestic Share	International Enplanements	International Share	Total Enplanements
CY 1998	14,157,672	98.8%	176,657	1.2%	14,334,329
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
Jan-Jun 2007	3,721,562	98.0%	76,999	2.0%	3,798,561
Jan-Jun 2008	3,636,335	98.4%	58,011	1.6%	3,694,346
FY 1999	14,387,966	98.8%	175,456	1.2%	14,563,422
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
Average Annual Growth Rate					
CY 1998-2000	3.3%		5.8%		3.4%
CY 2000-2004	-18.8%		-11.0%		-18.6%
CY 2004-2007	4.9%		0.3%		4.8%
Jan-Jun 2008	-2.3%		-24.7%		-2.7%
FY 1999-2004	-11.4%		-0.8%		-11.3%
FY 2004-2008	-0.9%		-8.8%		-1.0%

Source: Airport management.

TABLE IV-5
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
AIRLINE MARKET SHARE
2003 - JUNE 2008

Airline	Enplanements						Market Share					
	2003	2004	2005	2006	2007	Jan-June 2008	2003	2004	2005	2006	2007	Jan-June 2008
Mainline air carrier												
America West	88,402	123,939	113,227	118,418	89,271		0.9%	1.8%	1.5%	1.6%	1.2%	
American	6,056,451	2,107,436	2,536,041	2,656,712	2,636,223	1,169,398	59.4%	31.4%	34.4%	34.9%	34.2%	31.7%
American Trans Air					98,688	66,326					1.3%	1.8%
Continental	11,960	43,154	399			56	0.1%	0.6%	0.0%			0.0%
Delta	185,013	229,355	169,932	154,900	171,081	66,289	1.8%	3.4%	2.3%	2.0%	2.2%	1.8%
Frontier	11,045	97,028	99,314	110,658	133,266	56,758	0.1%	1.4%	1.3%	1.5%	1.7%	1.5%
Northwest	231,115	338,006	279,275	237,420	243,208	118,293	2.3%	5.0%	3.8%	3.1%	3.2%	3.2%
Southwest	1,342,119	1,584,019	1,688,940	1,886,811	1,960,941	1,030,269	13.2%	23.6%	22.9%	24.8%	25.4%	27.9%
United	223,180	228,406	130,270	93,751	102,609	34,673	2.2%	3.4%	1.8%	1.2%	1.3%	0.9%
US Airways	5,087	25,701	64,542	430	56,409	76,248	0.0%	0.4%	0.9%	0.0%	0.7%	2.1%
USA 3000		3,336	74,495	79,811	86,299	49,268		0.0%	1.0%	1.0%	1.1%	1.3%
Subtotal-Mainline	**8,154,372**	**4,780,380**	**5,156,435**	**5,338,911**	**5,577,995**	**2,667,578**	**80.0%**	**71.3%**	**70.0%**	**70.2%**	**72.3%**	**72.2%**
Regional air carrier												
Air Canada	13,333	17,647	19,885	6,407			0.1%	0.3%	0.3%	0.1%		
Jazz Air				13,854	20,959	7,992				0.2%	0.3%	0.2%
AA Connection/American Eagle	4,832	29,430	65,234	44,700	31,314	10,919	0.0%	0.4%	0.9%	0.6%	0.4%	0.3%
AA Connection/Chautauqua	495,595	401,248	420,598	475,580	469,301	229,950	4.9%	6.0%	5.7%	6.3%	6.1%	6.2%
AA Connection/RegionsAir	76,255	63,612	68,728	67,493	10,220		0.7%	0.9%	0.9%	0.9%	0.1%	0.0%
AA Connection/Trans States	810,943	668,337	717,520	674,784	646,763	287,681	8.0%	10.0%	9.7%	8.9%	8.4%	7.8%
Continental Express/Chautauqua					64,541	41,376					0.8%	1.1%
Continental Express/Expressjet	135,230	149,617	190,223	196,899	130,644	51,349	1.3%	2.2%	2.6%	2.6%	1.7%	1.4%
Great Lakes					1,788	5,494					0.0%	0.1%
Delta Connection/Atlantic Coast		5,506						0.1%				
Delta Connection/ASA			93,610	69,686	31,166	34,664			1.3%	0.9%	0.4%	0.9%
Delta Connection/Chautauqua				22,913	58,712	38,406				0.3%	0.8%	1.0%
Delta Connection/Comair	98,439	135,909	124,487	68,594	44,042	9,117	1.0%	2.0%	1.7%	0.9%	0.6%	0.2%
Delta Connection/Freedom					1,267						0.0%	
Delta Connection/Shuttle America					3,315	3,983					0.0%	0.1%
Delta Connection/Skywest				11,615	40,262	22,017				0.2%	0.5%	0.6%
Midwest Connect/Skyway	4,782	7,929	8,708	10,389	13,106	1,874	0.0%	0.1%	0.1%	0.1%	0.2%	0.1%
Midwest Connect/Skywest						4,697						0.1%
Northwest Airlink/Mesaba	73,173	44,571	42,096	25,522	7,863	10,076	0.7%	0.7%	0.6%	0.3%	0.1%	0.3%
Northwest Airlink/Pinnacle		5441	44,695	67,656	71,891	31,391		0.1%	0.6%	0.9%	0.9%	0.8%
United Express/Air Wisc.			11,389						0.2%			
United Express/Go Jet			18,395	119,952	125,645	54,234			0.2%	1.6%	1.6%	1.5%
United Express/Skywest	30,247	16,931	41,844	12,119			0.3%	0.3%	0.6%	0.2%		
United Express/Trans States	32,657	87,211	109,647	96,645	101,028	72,122	0.3%	1.3%	1.5%	1.3%	1.3%	2.0%
United Express/Mesa	8,951	30,401	15,065				0.1%	0.5%	0.2%			
United Express/Air Midwest				1,186	2,401					0.0%	0.0%	0.0%
US Airways Express/Air Wisc.			6,857	44,278	26,035	11,202			0.1%	0.6%	0.3%	0.3%
US Airways Express/Chautauqua	14,144	3,069	1,167	1,687			0.1%	0.0%	0.0%	0.0%		
US Airways Express/Mesa	72,310	76,842	52,952	81,743	60,432	24,304	0.7%	1.1%	0.7%	1.1%	0.8%	0.7%
US Airways Express/PSA		23,550	25,455	22,501	20,326	10,589		0.4%	0.3%	0.3%	0.3%	0.3%
US Airways Express/Republic				7,273	43,799	28,118				0.1%	0.6%	0.8%
US Airways Express/Trans States	34,110	40,402	38,804	38,298	39,553	13,702	0.3%	0.6%	0.5%	0.5%	0.5%	0.4%
Subtotal-Regional	**1,905,001**	**1,807,653**	**2,117,359**	**2,181,774**	**2,066,373**	**1,005,257**	**18.7%**	**26.9%**	**28.8%**	**28.7%**	**26.8%**	**27.2%**
Subtotal-Charter	**137,149**	**119,687**	**89,124**	**84,213**	**70,972**	**21,511**	**1.3%**	**1.8%**	**1.2%**	**1.1%**	**0.9%**	**0.6%**
Total Enplanements	**10,196,522**	**6,707,720**	**7,362,918**	**7,604,898**	**7,715,340**	**3,694,346**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport management records.

Table 28

TABLE IV-10
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
HISTORICAL AIR CARGO (In Pounds)[1]
1998 - 2008

Year	Freight		Mail		Total
	Pounds	Share	Pounds	Share	
CY 1998	214,406,126	73.3%	78,161,440	26.7%	292,567,566
1999	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
Jan-June 2007	64,296,813	70.0%	27,508,841	30.0%	91,805,654
Jan-June 2008	67,123,696	73.6%	24,062,553	26.4%	91,186,249
FY 1999	212,210,557	73.3%	77,140,818	26.7%	289,351,375
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
Average Annual Growth Rate					
CY 1998-2002	-2.8%		4.5%		-0.7%
CY 2002-2007	-6.9%		-11.8%		-8.4%
FY 1999-2002	-3.3%		-1.9%		-2.9%
FY 2002-2008	-5.5%		-6.7%		-5.8%

[1] Includes enplaned and deplaned cargo.

Source: Airport management records.

THE GATEWAY TRANSPORTATION CENTER

430 South 15th Street
St. Louis, MO 63103

For nearly twenty years, a multimodal station to connect Amtrak, Greyhound, MetroLink and MetroBus service has been an important concept in the overall design of St. Louis City's transportation systems, but until recently, it was only a concept. This vision has now become reality, thanks to the cooperation of a variety of wonderful partners.

Since the March 2006 groundbreaking, the City of St. Louis worked in partnership with Bi-State/Metro, the Missouri Department of Transportation, the Federal Highway Administration, Amtrak, and Greyhound to complete the new Gateway Transportation Center. Construction was managed by the City's Board of Public Service and built in three phases.

Jacobs Engineering and Kennedy Associates were the primary designers for this $27 million project. Development Programming Associates provided coordination and oversight. K & S Associates served as general contractor for the $14.2 million terminal and concourse linkage project. R.V. Wagner, Inc. was the general contractor for the $4.5 million track package. RQC Quality Constructors was the general contractor for the $2 million Bi-State/Metro bus facility. The total project cost also includes design and other pre-construction expenses. The MetroLinkportion of the complex was previously constructed as part of the original MetroLink alignment.

Provided by the City of St. Louis
OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER