

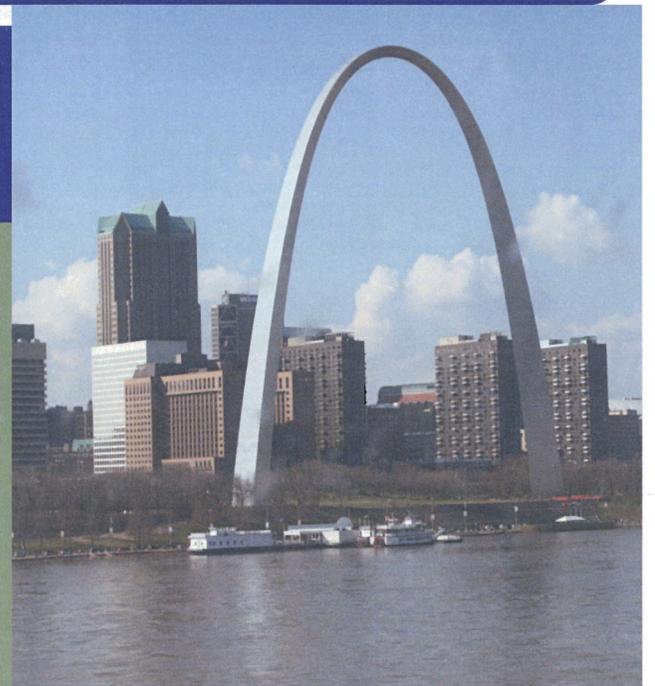
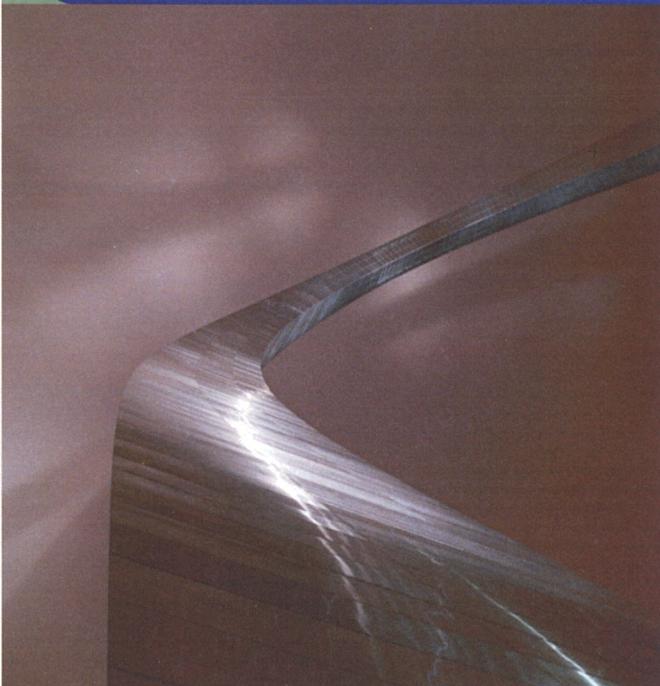


2013

Comprehensive Annual Financial Report City of St. Louis, Missouri



Year Ended June 30



THE GATEWAY ARCH, St. Louis, MO

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, 2013**

Prepared by
Office of the Comptroller

*Darlene Green
Comptroller*

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



DARLENE GREEN
Comptroller

1200 Market St.
212 City Hall
St. Louis, Missouri 63103
(314) 622-3588
Fax: (314) 622-4026

December 27, 2013

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, 2013 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, 2013, 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, 2013, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

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

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

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

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

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

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

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

BUDGET PROCESS

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

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

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

ECONOMIC OUTLOOK

The 61.4-square-mile City is the center of the St. Louis Consolidated Standard Metropolitan Statistical Area. The Metropolitan Area is the 19th largest metropolitan area in the United States in terms of population. Between 2000 and 2010, the downtown St. Louis' population has doubled in size, as dozens of former manufacturing buildings were converted to lofts and apartments. With more than 14,000 residents, downtown St. Louis is now the fastest-growing neighborhood in the entire region. The city represents 7.9% of Missouri's job base. Job growth in the City has been concentrated in the health care and service sectors and the City anticipates strong, long-term employment growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business. St. Louis also ranked #1 as the fastest growing city for tech jobs in 2013.

The improvements and growth of Downtown as a residential neighborhood has made an impact on Downtown as a location to grow or start a business, moving Missouri up in national rankings from the 49th to the 18th best place in America to start a business. Continued focus on improving commercial districts throughout the City is making city living and neighborhoods more desirable. Continued focus on the manufacturing sector

and, in essence, a public/private partnership with these operations to attract investment and growth, along with cultivating those areas where the region has strength, like life science and information technology and financial services, is progressing.

MAJOR INITIATIVES

More than \$5 billion dollars has been invested in the last decade, bringing people, jobs, commerce, residential living, and the urban vitality needed to strengthen the core of the St. Louis region. Over the last year, downtown has witnessed some powerful developmental feats, we celebrated the grand restoration and re-opening of the Central library, the MX retail development opened with new restaurants and downtown's first movie theater in 20 years in a previously vacant shopping center and construction began on the \$100 million Phase I portion of Ballpark Village, which will include the flagship Anheuser-Busch Brewhouse and Cardinals Nation. The new downtown home of Saint Louis University's (SLU) Law School opened in August 2013. SLU invested over \$70 million to renovate an 11 story building. This relocation will add 1,100 students, faculty and staff to downtown St. Louis and has generated economic activity in the surrounding blocks. Barnes Jewish Hospital is building a new administration building and Wexford Science and Technology is rehabbing a building in the CORTEX area, a planned district that will result in over \$2 billion in development over the next 20 years.

Hudson's Bay Company, the oldest company in North America, relocated its information services center to downtown from Toronto. The major corporations of Peabody and Stifel Nicolaus have invested millions in expanding their headquarters in downtown St. Louis. Entrepreneurship exploded in the City with many new startups and investors in emerging companies in the IT, biotech, and social media fields. The Roberts Towers, Mayfair Hotel and Orpheum concert hall were purchased by a Chicago-based developer and plans to revive those projects are underway. Development occurred in city neighborhoods also. Plans moved forward on the conversion of the Carondelet Coke former coke plant into new industrial space. A long-vacant former grocery store in the Lafayette Square neighborhood has been transformed into a new grocery store, fitness center, and other services. In the Dogtown area, a former television station was razed to make way for a new Mercedes Benz dealership relocating to the City. The City is also investing in itself, with plans to upgrade infrastructure to make downtown "smart," accessible and user-friendly, a new Mississippi River Bridge, re-design of the Arch grounds, and establishing the North Riverfront Corridor as a new site for business and development along with the major companies already located there, such as Procter & Gamble, Henkel Corp., and Mallinckrodt. The City also approved its first Sustainability Plan, a comprehensive blueprint for achieving even greater success in the City's economic, social, and environmental quality of life.

LONG TERM FINANCIAL PLANNING

The City continues to address the challenges of the current economic climate in the fiscal year 2014 budget. Revenues, for the most part, continue a trend of restrained growth. An environment in which base revenues grow approximately at a rate of two percent presents a challenge when the cost of providing City services and maintaining infrastructure continues to outpace the growth. The City has made efforts in recent years to reduce operating expenditures and staffing when possible without impacting key City services. Initiatives to reform the City's pension systems are ongoing and a major part of the overall effort. The recent passage of the 3/16 sales tax for park improvements will assist in the challenge of maintaining infrastructure in many regional and neighborhood parks.

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, 2012 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the twenty-sixth year the City has received this prestigious award.

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

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

ACKNOWLEDGMENT

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Darlene Green". The signature is written in black ink and is positioned above the printed name and title.

Darlene Green
Comptroller



Government Finance Officers Association

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

Presented to

**City of St. Louis
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

The City of St. Louis, Missouri
Elected Officials
June 30, 2013

Board of Aldermen

(Aldermen listed to numerical order by ward)

FRANCIS G. SLAY
Mayor

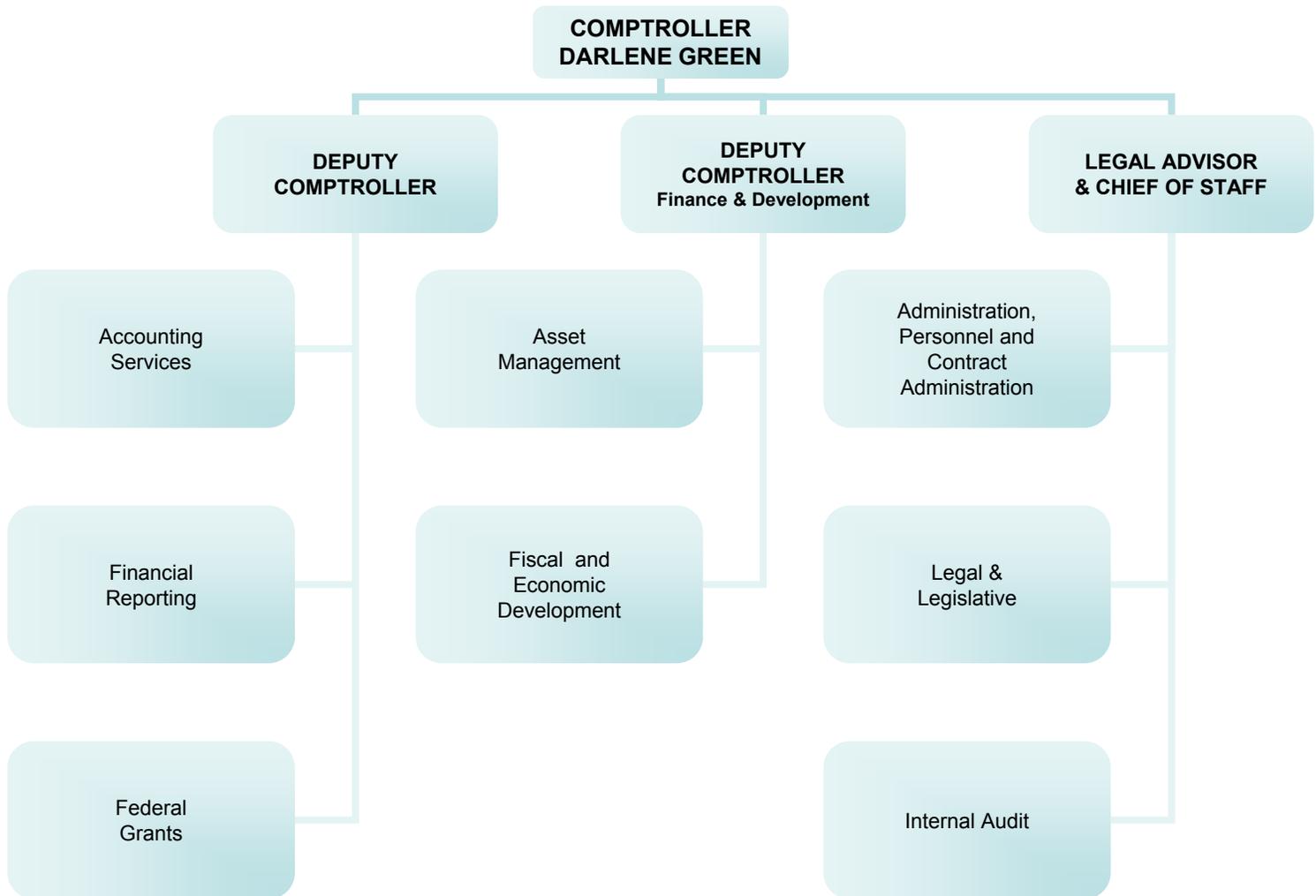
DARLENE GREEN
Comptroller

LEWIS REED
President,
Board of Aldermen

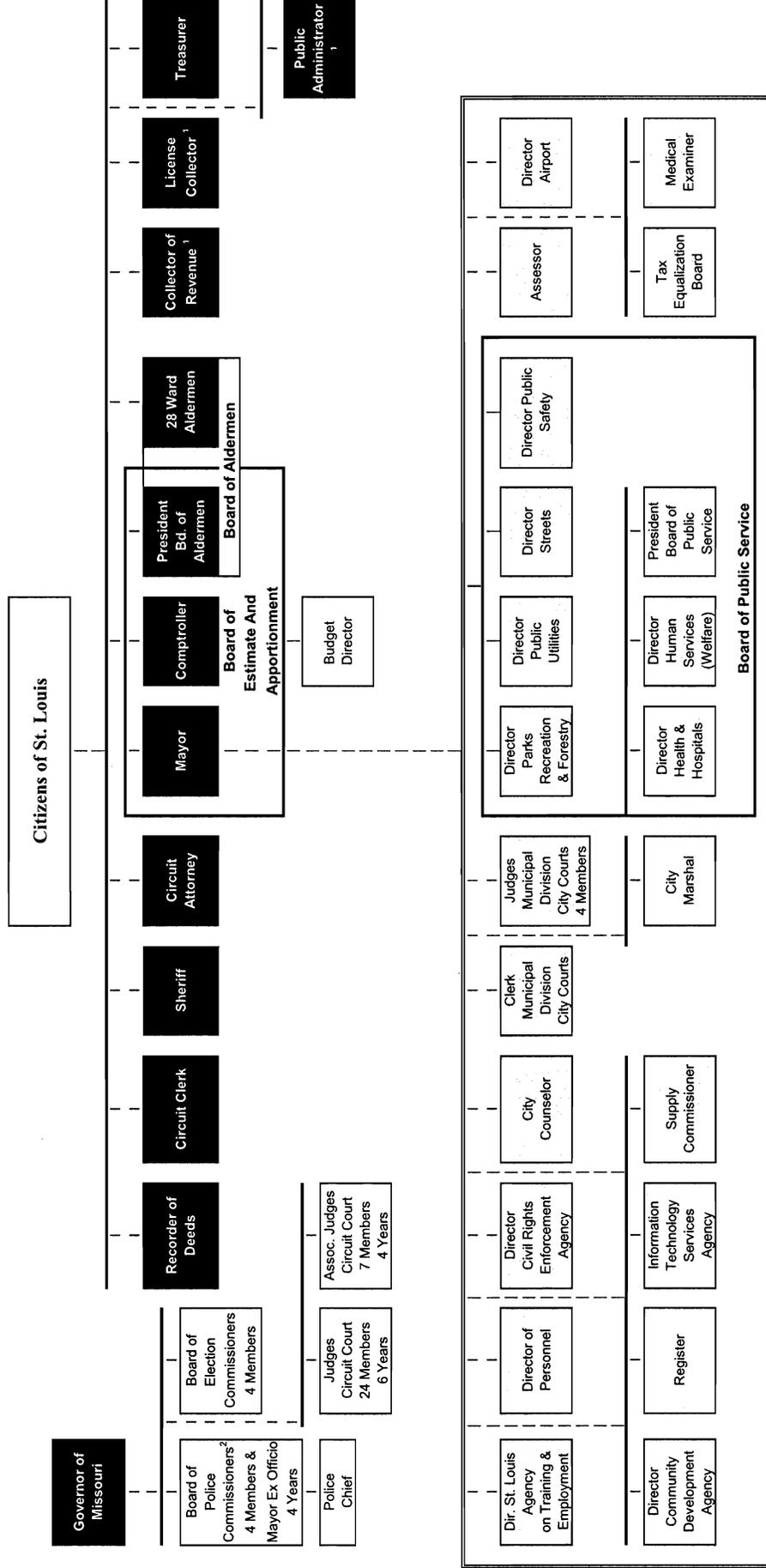
Sharon Tyus
Dionne Flowers
Freeman Bosley, Sr.
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Phyllis Young
Stephen Conway
Kenneth Ortmann
Joseph Vollmer
Thoma Albert Villa
Larry Arnowitz
Alfred Wessels, Jr.
Carol Howard
Jennifer Florida
Donna Baringer
Joseph D. Roddy
Terry Kennedy
Marlene E. Davis
Craig N. Schmid
Antonio D. French
Jeffrey L. Boyd
Joe Vaccaro
Scott Ogilvie
Shane Cohn
Frank Williamson
Chris Carter
Lyda Krewson

The City of St. Louis, Missouri

Office of the Comptroller



Government of the City of St. Louis, Missouri



■ Elective Offices - 4 Years

□ Offices appointed by Mayor

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

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



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of St. Louis, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 60% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 56% and 12% of the assets and revenues, respectively, of the aggregate discretely presented component units. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal



control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in note 29, effective September 1, 2013, as documented in Ordinance #69489, the City of St. Louis, Missouri accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the Board of Police Commissioners for the Metropolitan Police Department of the City of St. Louis, Missouri. Thus, as of September 1, 2013, the Metropolitan Police Department of the City of St. Louis, Missouri will no longer meet the definition of a discretely presented component unit of the City of St. Louis, Missouri and all the activities of the Metropolitan Police Department of the City of St. Louis, Missouri from September 1, 2013 forward, will be reported on as part of the City of St. Louis, Missouri reporting entity. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 20, the Budgetary Comparison Information on pages 129 through 134, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 135 through 136 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are the responsibility of management and were derived from and relate directly to the



underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013 on our consideration of the City of St. Louis, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis, Missouri's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 27, 2013

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

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, 2013. The information presented here should be read in conjunction with our letter of transmittal and the City's basic financial statements including footnotes. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (excluding discretely presented component units)

- On a government-wide basis, the City's total assets exceeded its liabilities for the current fiscal year by \$1.3 billion.
- Governmental activities and business-type activities had net position of \$39.1 million and \$1.3 billion, respectively.
- The cost of services for the City's governmental activities was \$734.4 million in fiscal year 2013 (excluding interest and fiscal charges).
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$162.7 million. Of this amount, \$1.1 million is unassigned fund balance.
- The unassigned fund balance for the general fund was \$25.8 million, or 5.5%, of total general fund expenditures.
- In fiscal year 2013, the City issued \$90.5 million in long-term debt to finance projects and refund debt. There was a net decrease of \$41.6 million in debt during the current fiscal year.
- Net pension obligations/assets changed by \$4.5 million due to the difference between the actuarial determined pension contributions to the pension funds and the amounts actually contributed.
- Development and tax increment financing (TIF) debt increased liabilities in the amount of \$50 million. There is no related asset for TIF debt, so net increases in TIF debt reduce unrestricted net position by an equal amount.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

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

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

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

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

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

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

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013

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, health insurance, and fuel purchase and distribution.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

3. *Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets that can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City's pension trust funds and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

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.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2013

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2013 was \$1.3 billion, the same as fiscal year 2012. Looking at the net position of governmental and business-type activities separately provides additional information.

The City of St. Louis, Missouri
Schedule of Net Position Summary
June 30, 2013 and 2012
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 377.8	394.1	391.0	425.9	768.8	820.0
Capital assets	850.0	864.8	1,875.3	1,864.2	2,725.3	2,729.0
Total assets	1,227.8	1,258.9	2,266.3	2,290.1	3,494.1	3,549.0
Liabilities:						
Long-term debt outstanding	1,054.6	1,046.7	911.0	955.2	1,965.6	2,001.9
Other liabilities	134.1	128.0	66.8	68.8	200.9	196.8
Total liabilities	1,188.7	1,174.7	977.8	1,024.0	2,166.5	2,198.7
Net position:						
Net investment in capital assets	502.8	496.0	1,033.9	1,014.9	1,536.7	1,510.9
Restricted	30.8	31.8	149.7	150.7	180.5	182.5
Unrestricted (deficit)	(494.5)	(443.6)	104.9	100.5	(389.6)	(343.1)
Total net position	\$ 39.1	84.2	1,288.5	1,266.1	1,327.6	1,350.3

ANALYSIS OF NET POSITION

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$1.3 billion at the close of the most recent fiscal year.

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

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Included in the City's total net position at the end of fiscal year 2013 and fiscal 2012, respectively, is \$180.5 million and \$182.5 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by \$46.5 million for the year ended June 30, 2013. Unrestricted governmental activities net position showed a \$494.5 million deficit at the end of 2013 as compared with a \$443.6 million deficit in 2012. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims and amounts to pay for unused employee vacation and sick days. The City will continue to include these amounts in future year's budgets as they come due.

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

- Section 108 loan agreements, \$39.5 million
- Joint venture financing agreement for the expansion of the convention center, \$42.1 million
- Obligations with component unit for the convention center hotel, \$36.5 million
- Obligations with component units for downtown development, \$16.6 million
- Tax increment financing debt for economic development projects in the amount of \$296.1 million

Although the net position of the business-type activities account for 97.1% of overall net position, these resources cannot be used to make up for the unrestricted net position deficit in governmental activities. The City generally can only use the net position to finance the continuing operations of the Airport, Water Division, and the Parking Division.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2013

The City of St. Louis, Missouri
Changes in Net Position
For the Fiscal Years ended June 30, 2013 and 2012
(dollars in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 131.6	129.6	236.2	230.8	367.8	360.4
Operating grants and contributions	64.8	71.5	0.8	1.1	65.6	72.6
Capital grants and contributions	14.8	31.6	21.6	10.1	36.4	41.7
General revenues:						
Taxes	525.9	522.8	—	—	525.9	522.8
Investment income	0.3	0.5	2.3	2.0	2.6	2.5
Total revenues	<u>737.4</u>	<u>756.0</u>	<u>260.9</u>	<u>244.0</u>	<u>998.3</u>	<u>1,000.0</u>
Expenses:						
General government	73.2	72.0	—	—	73.2	72.0
Convention and tourism	5.5	5.0	—	—	5.5	5.0
Parks and recreation	30.8	28.5	—	—	30.8	28.5
Judicial	52.2	51.0	—	—	52.2	51.0
Streets	68.4	70.4	—	—	68.4	70.4
Public safety:						
Fire	75.5	69.1	—	—	75.5	69.1
Police - Payment to the Police	138.0	140.8	—	—	138.0	140.8
Police Pension	28.5	19.8	—	—	28.5	19.8
Other	61.3	59.1	—	—	61.3	59.1
Health and welfare	61.2	52.1	—	—	61.2	52.1
Public service	62.3	71.5	—	—	62.3	71.5
Community development	77.5	80.1	—	—	77.5	80.1
Interest and fiscal charges	57.7	59.8	—	—	57.7	59.8
Airport	—	—	174.0	171.6	174.0	171.6
Water Division	—	—	45.8	43.6	45.8	43.6
Parking Division	—	—	13.6	13.2	13.6	13.2
Total expenses	<u>792.1</u>	<u>779.2</u>	<u>233.4</u>	<u>228.4</u>	<u>1,025.5</u>	<u>1,007.6</u>
Excess (deficiency) before						
extraordinary item and transfer	(54.7)	(23.2)	27.5	15.6	(27.2)	(7.6)
Loss on sale of capital asset	0.0	(1.1)	0.0	0.0	0.0	(1.1)
Extraordinary item - natural disaster	—	—	4.3	—	4.3	0.0
Transfers	9.4	9.4	(9.5)	(9.4)	(0.1)	0.0
Change in net position	<u>(45.3)</u>	<u>(14.9)</u>	<u>22.3</u>	<u>6.2</u>	<u>(23.0)</u>	<u>(8.7)</u>
Net position-beginning	84.4	99.3	1,266.1	1,259.9	1,350.5	1,359.2
Net position-ending	\$ <u>39.1</u>	<u>84.4</u>	<u>1,288.4</u>	<u>1,266.1</u>	<u>1,327.5</u>	<u>1,350.5</u>

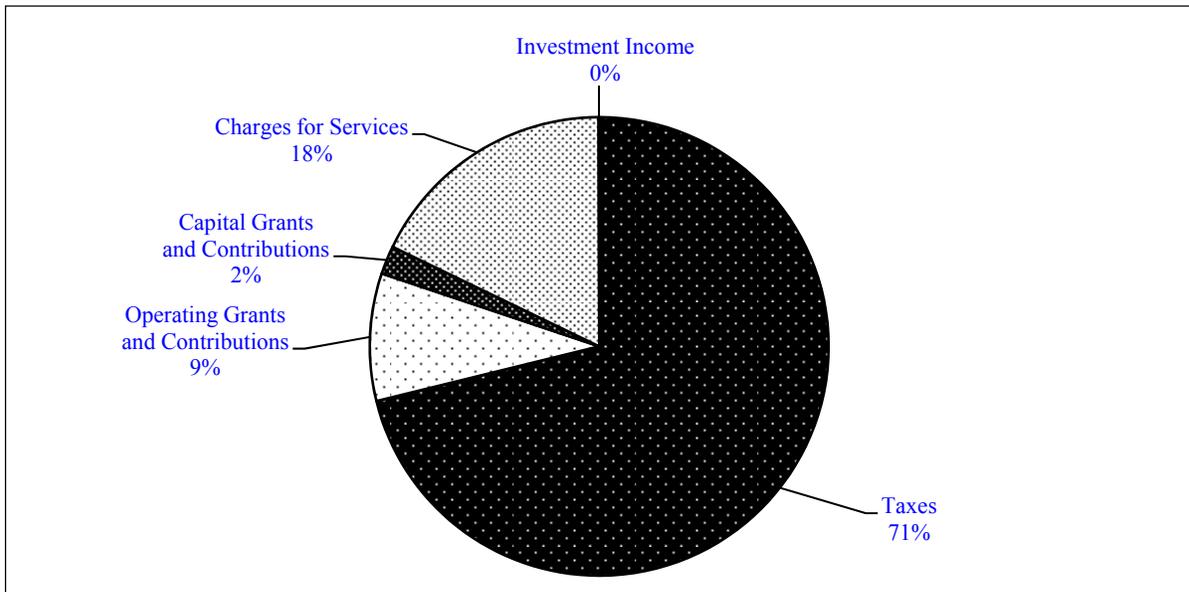
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

Changes in net position. The City's total revenue on a government-wide basis was \$998.3 million, a decrease of \$1.7 million over the previous year. Taxes represent 52.7% of the City's revenue as compared with 52.3% last year. Additionally, 36.8% comes from fees charged for services, as compared to 36.0% of the previous year's revenue. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

The total cost of all programs and services was \$1,025.5 million, an increase from \$1,007.6 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

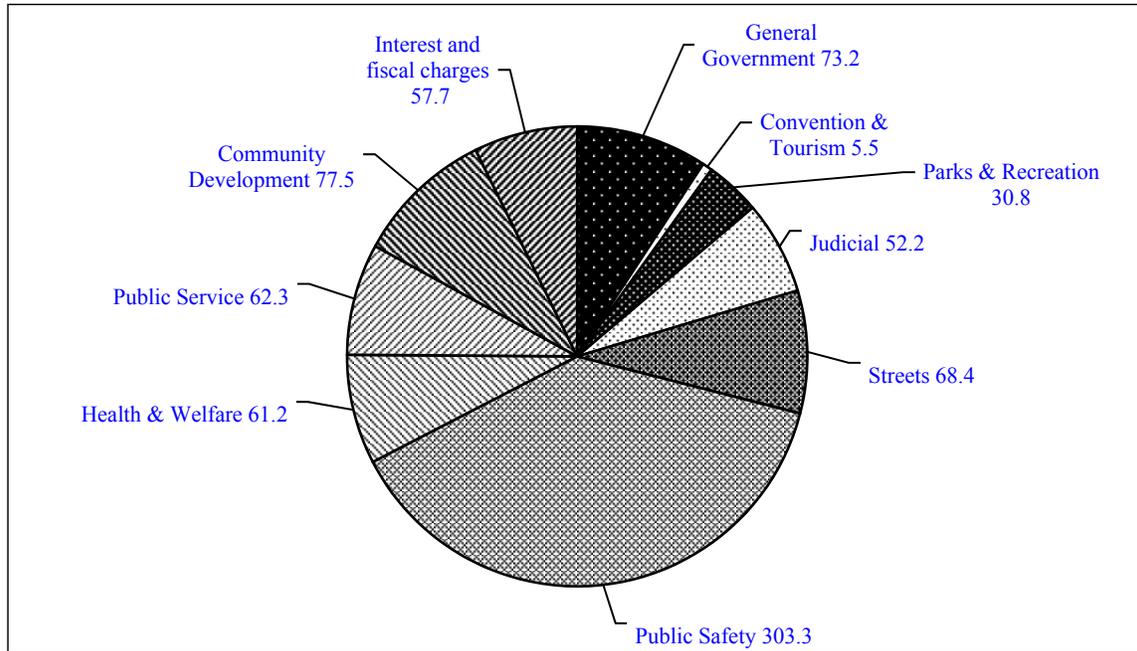
Governmental activities. As a result of this year's operations, the net position of governmental activities decreased by \$45.3 million or 53.7%. The net position decrease is primarily related to the anticipated level of spending over the expected growth in revenues. Revenues decreased by \$18.6 million or 2.5%. Total expenses increased by \$12.9 million or 1.7%. Police pension expenses increased by \$8.7 million and community development expenses funded by tax increment financing decreased by \$2.6 million.

The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2013.

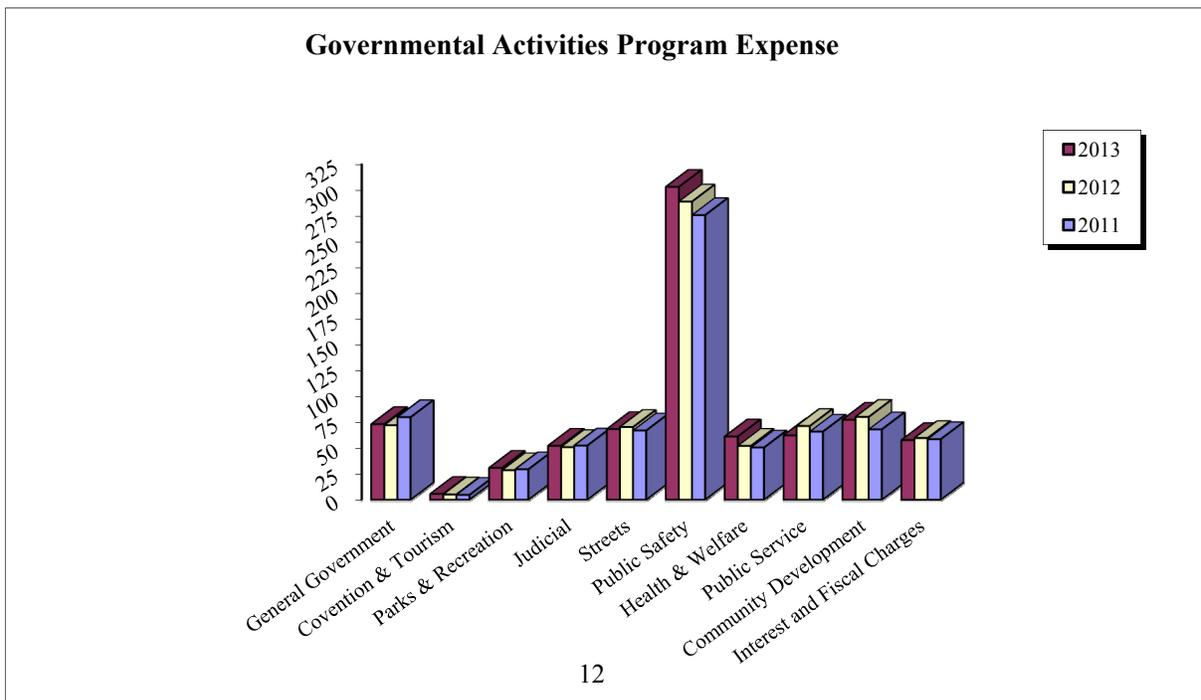


**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was \$792.1 million, an increase of \$12.9 million or 1.7% over the prior year. As shown, public safety is the largest function in expense (38.3%). The majority of the spending was the result of funding the Police Department \$138.0 million and the Fire Department \$75.5 million.

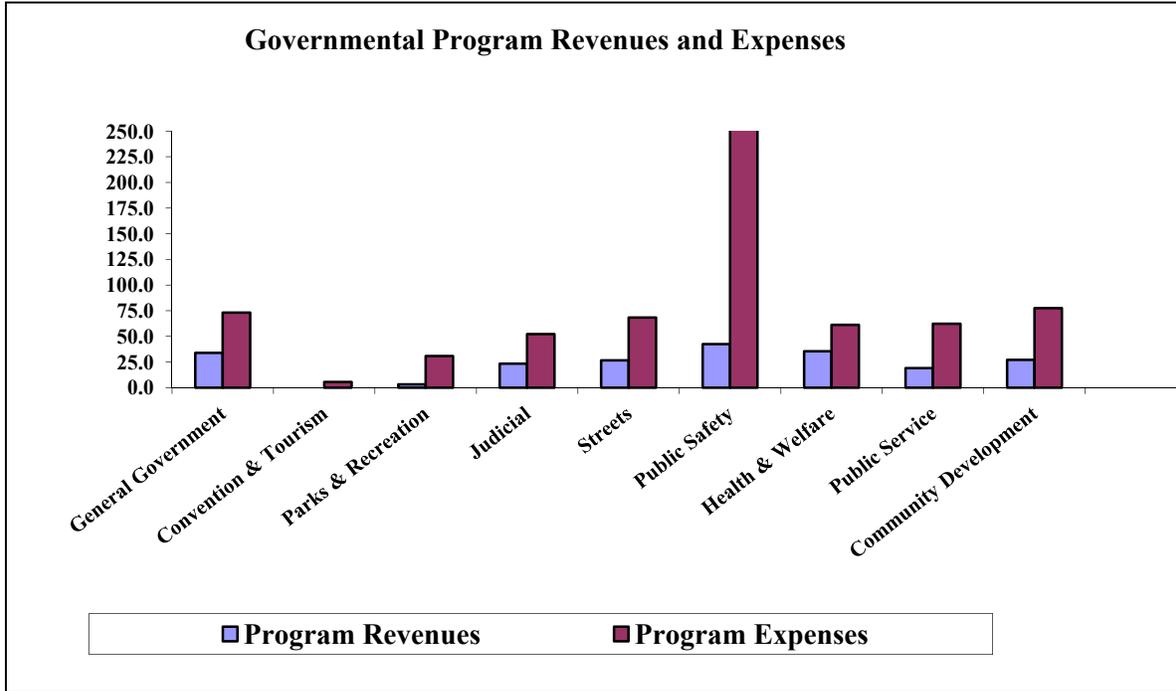


The following chart is a comparison of expense of governmental activities for fiscal years ended 2013, 2012, and 2011.



**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2013.



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

	Total Cost of Services		Net Costs of Services	
	2013	2012	2013	2012
General government	\$ 73.2	72.0	39.3	34.2
Convention and tourism	5.5	5.0	5.5	5.0
Parks and recreation	30.8	28.5	27.5	20.6
Judicial	52.2	51.0	28.8	29.9
Streets	68.4	70.4	41.7	42.3
Public Safety:				
Fire	75.5	69.1	56.6	60.9
Police-Payment to Police	138.0	140.8	138.0	140.8
Police pension	28.5	19.8	28.5	19.8
Other	61.3	59.1	37.8	33.8
Health and welfare	61.2	52.1	25.8	20.2
Public service	62.3	71.5	43.2	49.5
Community development	77.5	80.1	50.4	29.8
Totals	\$ 734.4	719.4	523.1	486.8

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$734.4 million compared with \$719.4 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 \$525.9 million. The primary difference of \$211.3 million comprises charges for services (\$131.6 million), operating grants and contributions (\$64.8 million), and capital grants and contributions (\$14.9 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$22.4 million or 1.8%.

Lambert – St. Louis International Airport. The net position of the Airport increased by \$12.8 million or 1.2%. The operating income was \$7.3 million this year versus operating income of \$1.8 million in 2012. Total operating revenues for 2013 was \$139.4 million. Of this amount, major sources of operating revenue included aviation revenue (67.2%), concession revenue (16.7%), parking (12.9%), and lease revenue (3.2%). A significant non-operating revenue is passenger facility charges which accounts for \$25.1 million.

At June 30, 2013, the capital assets balance was \$1,650.4 million. This amount includes buildings and structures (net of accumulated depreciation) with \$196.0 million, pavings with \$586.0 million, and equipment with \$24.3 million, all net of accumulated depreciation. Land is \$751.5 million, construction in progress is \$89.1 million, and easements is \$3.5 million.

At June 30, 2013, the Airport had bonded debt of \$794.6 million.

Water Division. The net position of the Water Division increased by \$7.8 million or 4.7%. Operating income was \$10.1 million this year versus an operating income of \$15.0 million in 2012. Total operating revenues for 2013 was \$55.5 million. Of this amount, major sources of operating revenue included metered revenue (43.2%) and flat rate revenue (45.5%).

At June 30, 2013, the capital assets balance was \$147.1 million. This amount includes buildings and structures (net of accumulated depreciation) with \$16.5 million, reservoirs and water mains, lines and accessories with \$91.8 million, equipment with \$35.3 million, land with \$1.2 million, and construction-in-progress with \$2.3 million.

At June 30, 2013, the Water Division had bonded debt of \$7.6 million.

Parking Division. The net position of the Parking Division increased by \$1.7 million or 5.8%. Operating income was \$4.4 million in fiscal year 2013 and \$5.3 million in fiscal year 2012. Total operating revenues for 2013 was \$14.6 million. Of this amount, major sources of operating revenue included parking meter revenue (14.8%), parking violations notices revenue (30.4%), and parking facilities revenue (50.7%).

At June 30, 2013, the capital assets balance was \$77.7 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$53.1 million, parking meters and lot equipment with \$1.1 million, equipment with \$0.6 million, and land with \$22.9 million.

At June 30, 2013, the Parking Division had bonded debt of \$70.5 million.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2013

The City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2013
(dollars in millions)

		<u>2013</u>	<u>2012</u>	<u>2013 vs. 2012</u> <u>\$ Change</u>	<u>2013 vs. 2012</u> <u>% Change</u>
Total assets	\$	323.4	353.8	(30.4)	-8.6%
Total liabilities		160.6	182.1	(21.5)	-11.8%
Fund balance:					
Restricted		85.9	96.3	(10.4)	-10.8%
Committed		65.2	62.6	2.6	4.2%
Assigned		10.5	3.3	7.2	218.2%
Unassigned		1.1	9.5	(8.4)	-88.4%
Total fund balance		162.7	171.7	(9.0)	-5.2%
Total liabilities and fund balance	\$	323.3	353.8	(30.5)	-8.6%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows, outflows and balances of current financial resources that are available for spending. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$25.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance of \$25.8 million represents 5.3% of total general fund expenditures and transfers out of \$482.7 million.

The total fund balance in the City's general fund decreased by \$1.2 million or 2.2% in the current fiscal year. The City's general fund increased by \$6.5 million or 13.2% in the prior fiscal year.

The total fund balance in the City's capital projects fund decreased by \$7.8 million or 22.8% in the current fiscal year. The City's capital projects fund decreased by \$55.0 million or 61.7% in the prior fiscal year.

The grants fund received \$66.4 million in intergovernmental revenues that funded community development in the amount of \$24.1 million, or 36.3%, and health and welfare in the amount of \$32.7 million, or 49.3%.

The total fund balance in the City's other governmental funds increased by \$6 thousand or .007 % in the current fiscal year. The City's other governmental funds increased by \$8.6 million or 11.7 % in the prior fiscal year.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net position for the Airport was \$70.0 million, the Water Division was \$28.5 million, and the Parking Division was \$6.3 million, as compared with \$72.7 million, \$22.2 million, and \$5.6 million, respectively in 2012. The total increase in net position for the enterprise funds was \$22.4 million in the current year an increase of \$16.3 million from the previous year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Police Retirement System, and the Employee's Retirement System. As of the end of the current fiscal year, the net position of the pension funds totaled \$1.8 billion, an increase of \$194 million from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled \$48.4 position. 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 for fiscal year 2013. As discussed in footnote 29, effective September 1, 2013, as documented in Ordinance #69489, the City accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the Board of Police Commissioners for the Metropolitan Police Department of the City. Thus, as of September 1, 2013, the Metropolitan Police Department of the City will no longer meet the definition of a discretely presented component unit of the City and all activities of the Metropolitan Police Department of the City from September 1, 2013 forward will be reported on as part of the City reporting entity.

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

The original general fund revenue estimate including transfers in, totaled \$464.8 million. Actual results for the fiscal year's revenues and transfers in were \$471.4 million, which was above the original estimates by \$6.6 million.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

The original general fund expense budget was \$472.8 million including transfers out. Prior year encumbrances and commitments of \$8.9 million were set aside and reappropriated. There was a supplemental appropriation during the fiscal year of \$2.0 million added to the original budget. Actual expenditures and transfers out totaled \$465.8 million. This includes expenditures of \$5.8 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2013 budget total \$8.1 million. The general fund ended the fiscal year with a budget-basis-operating surplus of \$5.6 million. In addition, a transfer out of \$0.9 million was made to a 27th Pay Reserve. As of June 30, 2013, the unreserved fund balance of the general fund was \$15.6 million on a cash basis.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2013**

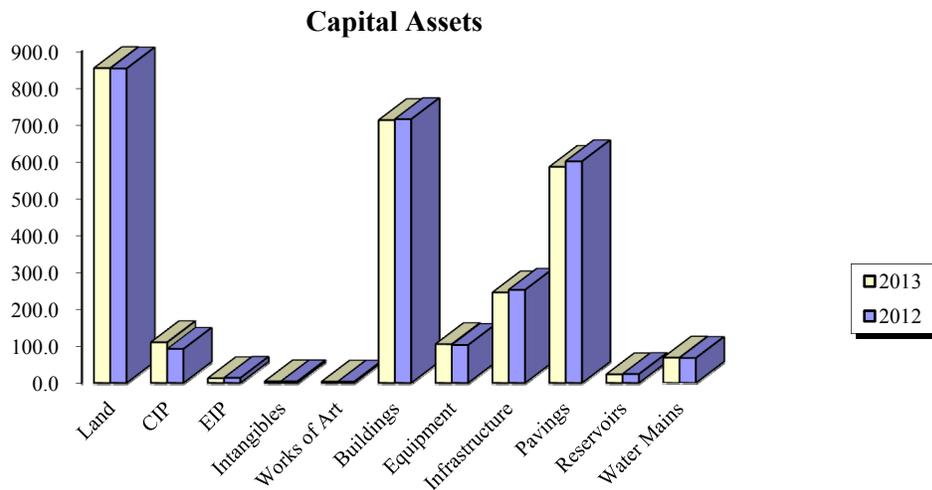
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

		Governmental Activities		Business-type Activities		Total	
		2013	2012	2013	2012	2013	2012
Land	\$	78.1	78.1	775.7	774.6	853.8	852.7
Construction in progress		18.5	27.8	91.5	64.4	110.0	92.2
Equipment in progress		12.6	13.6	—	—	12.6	13.6
Intangibles		0.7	0.5	3.5	3.5	4.2	4.0
Works of art		3.5	3.5	—	—	3.5	3.5
Buildings and improvements		447.2	446.8	265.6	268.5	712.8	715.3
Equipment		44.0	41.9	61.1	60.9	105.1	102.8
Infrastructure		245.4	252.5	—	—	245.4	252.5
Pavings		—	—	586.0	601.0	586.0	601.0
Reservoirs		—	—	23.2	23.9	23.2	23.9
Water mains, lines, accessories		—	—	68.6	67.5	68.6	67.5
Total	\$	850.0	864.7	1,875.2	1,864.3	2,725.2	2,729.0



CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2013

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 2013, the City had outstanding long-term debt obligations for governmental activities in the amount of \$968.4 million compared with \$964.6 million in fiscal year 2012. Of this amount, \$35.1 million are general obligation bonds and \$296.1 million are development and tax increment financing bonds. Leasehold revenue obligations outstanding totaled \$473.4 million.

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

	<u>Fiscal Year</u> <u>2013</u>	<u>Fiscal Year</u> <u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds payable	\$ 35.1	39.0	(3.9)	-10.0%
Section 108 Loan Guarantee				
Assistance Programs	39.5	43.3	(3.8)	-8.8%
Firemen's Retirement EAN Note	4.4	5.3	(0.9)	-17.0%
Loan agreement with FPF	1.9	0.0	1.9	100.0%
Development and tax increment financing bonds and notes payable	296.1	246.1	50.0	20.3%
Loan agreement with Missouri				
Department of Natural Resources	0.0	0.1	(0.1)	-100.0%
Loan agreement with Missouri Transportation Finance Corporation	2.5	2.9	(0.4)	-13.8%
Capital lease—rolling stock	13.7	17.3	(3.6)	-20.8%
Certificates of participation	6.7	7.3	(0.6)	-8.2%
Obligations with component units	53.0	54.7	(1.7)	-3.1%
Leasehold revenue improvement and refunding bonds	473.4	502.4	(29.0)	-5.8%
Joint venture financing agreement	42.1	46.2	(4.1)	-8.9%
Total	\$ 968.4	964.6	3.8	0.4%

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 2013 was \$423,933 million. The City's effective legal debt margin as of June 30, 2013 was \$397,596 million. For additional information on long-term debt, refer to the notes 13 to 16 to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2013

The City's underlying general obligation credit ratings remained unchanged for fiscal year 2013. The City ratings on uninsured general obligation bonds as of June 30, 2013 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 2013	Fiscal Year 2012	\$ Change	% Change
Airport	\$ 794.6	834.0	(39.4)	-4.72%
Water Division	7.6	11.5	(3.9)	-33.91%
Parking Division	70.5	72.7	(2.2)	-3.03%
Total	\$ 872.7	918.2	(45.5)	-4.96%

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2013 and 2012 were \$872.7 million and \$918.2 million, respectively. The amount reflects a decrease of \$45.5 million, or 5.0%. This amount includes Airport bonds of \$794.6 million, Water Division bonds of \$7.6 million, and Parking Division bonds of \$70.5 million. For additional information on revenue bonds of the business-type activities, refer to notes 13 and 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2014 annual operating budget allocates \$985.2 million among all budgeted funds, consistent with the previous year's budget.
- The fiscal year 2014 general fund budget is \$479.3 million compared with \$464.8 million in the prior year. This amount reflects an increase of \$14.5 million, or 3.1%.
- Total positions for fiscal year 2014 are 6,683, a decrease of 20 positions mainly in the public safety division.

Requests for Information

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

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

City of St. Louis, Missouri
Statement of Net Position
June 30, 2013
(dollars in thousands)

Assets	Primary Government			Component units		
	Governmental activities	Business-type activities	Total	SLDC	SLPD	SWMDC
Cash and cash equivalents	\$ 75,567	94,277	169,844	11,980	893	1,505
Investments	7,961	44,256	52,217	—	—	500
Receivables, net	157,004	25,581	182,585	16,258	1,289	—
Inventories	—	4,477	4,477	—	1,390	—
Restricted assets	66,465	214,282	280,747	—	2,850	—
Deferred charges	16,643	15,781	32,424	—	—	—
Internal balances	9,908	(9,908)	—	—	—	—
Other assets	50	2,268	2,318	559	852	—
Receivable from primary government	—	—	—	751	9,902	—
Receivable from component unit	1,844	—	1,844	—	—	—
Net pension asset	42,327	—	42,327	—	—	—
Property held for development, net	—	—	—	17,003	—	—
Capital assets, net:						
Nondepreciable	113,236	870,639	983,875	4,914	6,663	—
Depreciable	736,821	1,004,640	1,741,461	24,385	26,687	6,918
Total assets	1,227,826	2,266,293	3,494,119	75,850	50,526	8,923
Liabilities						
Accounts payable and accrued liabilities	14,295	30,782	45,077	1,954	1,023	—
Accrued salaries and other benefits	10,824	11,186	22,010	—	5,717	—
Accrued interest payable	94,473	20,428	114,901	—	—	—
Unearned revenue	2,603	4,388	6,991	—	1,475	—
Other liabilities	1,249	—	1,249	—	—	—
Payable to primary government	—	—	—	—	1,844	—
Payable to component units	10,653	—	10,653	—	—	—
Payable to other government agencies	4	55	59	—	—	—
Long-term liabilities:						
Due within one year	84,963	36,528	121,491	19,231	20,451	—
Due in more than one year	969,663	874,471	1,844,134	25,665	147,687	—
Total liabilities	1,188,727	977,838	2,166,565	46,850	178,197	—
Net Position						
Net investments in capital assets	502,818	1,033,922	1,536,740	19,431	33,350	6,918
Restricted:						
Debt service	—	112,642	112,642	—	—	—
Capital projects	—	7,923	7,923	—	—	—
Passenger facility charges	—	29,134	29,134	—	—	—
Statutory restrictions	30,799	—	30,799	—	2,857	—
Unrestricted (deficit)	(494,518)	104,834	(389,684)	9,569	(163,878)	2,005
Total net position	\$ 39,099	1,288,455	1,327,554	29,000	(127,671)	8,923

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2013
(dollars in thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net position					
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			Component units		
					Governmental activities	Business-type activities	Total	SLDC	SLPD	SWMDC
Primary government:										
Governmental activities:										
General government	\$ 73,204	33,375	542	—	(39,287)	—	(39,287)	—	—	—
Convention and tourism	5,513	—	—	—	(5,513)	—	(5,513)	—	—	—
Parks and recreation	30,818	2,958	322	—	(27,538)	—	(27,538)	—	—	—
Judicial	52,232	21,542	1,856	—	(28,834)	—	(28,834)	—	—	—
Streets	68,402	26,012	87	630	(41,673)	—	(41,673)	—	—	—
Public safety:										
Fire	75,460	18,887	—	—	(56,573)	—	(56,573)	—	—	—
Police – payment to SLPD	138,028	—	—	—	(138,028)	—	(138,028)	—	—	—
Police pension	28,492	—	—	—	(28,492)	—	(28,492)	—	—	—
Other	61,264	19,537	3,973	—	(37,754)	—	(37,754)	—	—	—
Health and welfare	61,162	1,041	34,336	—	(25,785)	—	(25,785)	—	—	—
Public service	62,301	2,906	1,926	14,252	(43,217)	—	(43,217)	—	—	—
Community development	77,530	5,332	21,740	—	(50,458)	—	(50,458)	—	—	—
Interest and fiscal charges	57,674	—	—	—	(57,674)	—	(57,674)	—	—	—
Total governmental activities	792,080	131,590	64,782	14,882	(580,826)	—	(580,826)	—	—	—
Business-type activities:										
Airport	173,968	164,606	751	21,615	—	13,004	13,004	—	—	—
Water Division	45,799	56,902	—	—	—	11,103	11,103	—	—	—
Parking Division	13,558	14,657	—	—	—	1,099	1,099	—	—	—
Total business-type activities	233,325	236,165	751	21,615	—	25,206	25,206	—	—	—
Total primary government	\$ 1,025,405	367,755	65,533	36,497	(580,826)	25,206	(555,620)	—	—	—
Component units:										
SLDC	\$ 18,148	9,599	14,351	—	—	—	—	5,802	—	—
SLPD	206,767	5,260	32,580	1,971	—	—	—	—	(166,956)	—
SWMDC	969	150	—	493	—	—	—	—	—	(326)
Total component units	\$ 225,884	15,009	46,931	2,464	—	—	—	5,802	(166,956)	(326)
General revenues:										
Taxes:										
Property taxes, levied for general purpose					\$ 73,234	—	73,234	—	—	—
Property taxes, levied for debt service					7,140	—	7,140	—	—	—
Sales taxes					157,302	—	157,302	—	—	—
Earnings/payroll taxes					189,762	—	189,762	—	—	—
Gross receipts taxes (includes franchise tax)					94,721	—	94,721	—	—	—
Miscellaneous taxes					3,784	—	3,784	—	—	—
Unrestricted investment earnings					265	2,336	2,601	147	—	1
Support provided by City of St. Louis, Missouri					—	—	—	—	138,521	—
Extraordinary item - Natural disaster					—	4,300	4,300	—	—	—
Transfers					9,470	(9,470)	—	—	—	—
Total general revenues and transfers					535,678	(2,834)	532,844	147	138,521	1
Change in net position					(45,148)	22,372	(22,776)	5,949	(28,435)	(325)
Net position – beginning of year					84,247	1,266,083	1,350,330	23,051	(99,236)	9,248
Net position – end of year					\$ 39,099	1,288,455	1,327,554	29,000	(127,671)	8,923

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2013
(dollars in thousands)

Assets	Major funds			Nonmajor funds	Total governmental funds
	General fund	Capital projects fund	Grants fund	Other governmental funds	
Cash and cash equivalents:	\$				
Restricted	5,024	12,764	2,816	15,641	36,245
Unrestricted	34,431	—	—	37,658	72,089
Investments:					
Restricted	9,908	14,730	—	5,582	30,220
Unrestricted	2,346	1,530	324	3,644	7,844
Receivables, net of allowances:					
Taxes	86,059	3,019	—	43,038	132,116
Licenses and permits	2,517	—	—	205	2,722
Intergovernmental	3,421	1,925	9,282	875	15,503
Charges for services	3,697	32	—	1,545	5,274
Other	334	13	—	32	379
Due from component units	1,844	—	—	—	1,844
Due from other funds	13,518	—	—	5,627	19,145
Total assets	\$ 163,099	34,013	12,422	113,847	323,381
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,456	4,011	5,162	1,379	14,008
Accrued salaries and other benefits	9,093	126	626	979	10,824
Due to component units	8,440	1,462	—	686	10,588
Due to other funds	4,481	1,991	6,696	1,423	14,591
Due to other governmental agencies	4	—	—	—	4
Advance to other funds	17,771	—	—	—	17,771
Deferred revenue:					
Property taxes	59,204	—	—	23,052	82,256
Other taxes	1,891	—	—	—	1,891
Other revenue	2,726	43	—	2,024	4,793
Unearned revenue	61	—	—	2,542	2,603
Other liabilities	1,314	—	—	—	1,314
Total liabilities	108,441	7,633	12,484	32,085	160,643
Fund balances (deficit):					
Nonspendable	—	—	—	11	11
Restricted	14,784	22,027	—	49,090	85,901
Committed	8,054	28,939	—	28,188	65,181
Assigned	6,043	—	—	4,473	10,516
Unassigned	25,777	(24,586)	(62)	—	1,129
Total fund balances	54,658	26,380	(62)	81,762	162,738
Total liabilities and fund balances	\$ 163,099	34,013	12,422	113,847	323,381

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013
(dollars in thousands)

Total fund balances—governmental funds—balance sheet	\$	162,738
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and certain other assets used in governmental activities, which exceed capitalization threshold amounts (excluding internal service fund capital assets), are not financial resources and, therefore, are not reported in the fund financial statements.		850,019
The City reports a net pension asset on the statement of net position 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.		42,327
Various taxes related to fiscal year 2013 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.		6,684
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, 2013 and payable on December 31, 2013 are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		82,256
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 position.		1,427
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.		16,643
Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported on the government-wide statement of net position. Also, during the year, the City issued new debt and refunded some of its existing debt. Discounts, premiums, and deferred amounts on refunding are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt on the government-wide financial statements.		
Balances as of June 30, 2013 are:		
Accrued vacation and sick leave		(25,194)
Net pension obligation		(36,815)
Accrued interest payable		(94,473)
Joint venture financing agreement		(42,085)
Certificates of participation		(6,740)
Obligations with component unit		(53,015)
Capital leases-rolling stock		(13,698)
Leasehold improvement and refunding revenue bonds		(473,403)
Development and TIF bonds and notes payable		(296,122)
General obligation bonds		(35,050)
Section 108 Loan Guarantee Assistance Programs		(39,530)
Fireman’s Retirement EAN Note		(4,372)
Other long-term debt		(4,390)
Unamortized discounts		4,301
Unamortized premiums		(7,574)
Unamortized deferred amounts on refunding		5,165
Total net position—governmental activities—statement of net position	\$	<u><u>39,099</u></u>

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, 2013
(dollars in thousands)

	Major funds			Nonmajor funds	Total governmental funds
	General fund	Capital projects fund	Grants fund	Other governmental funds	
Revenues:					
Taxes	\$ 344,561	18,992	—	160,875	524,428
Licenses and permits	18,358	—	—	6,001	24,359
Intergovernmental	21,203	14,771	66,355	4,960	107,289
Charges for services, net	35,760	300	—	16,287	52,347
Court fines and forfeitures	11,022	—	—	—	11,022
Investment income	192	30	—	43	265
Interfund services provided	5,531	—	—	—	5,531
Miscellaneous	4,799	414	—	8,301	13,514
Total revenues	<u>441,426</u>	<u>34,507</u>	<u>66,355</u>	<u>196,467</u>	<u>738,755</u>
Expenditures:					
Current:					
General government	45,896	—	648	17,436	63,980
Convention and tourism	112	—	—	4	116
Parks and recreation	19,050	1,201	380	5,058	25,689
Judicial	47,137	—	1,897	2,815	51,849
Streets	32,714	3,648	72	944	37,378
Public Safety:					
Fire	70,582	—	—	1,013	71,595
Police	115,497	—	—	22,507	138,004
Police-pension	26,221	—	—	2,271	28,492
Other	47,609	—	5,448	7,121	60,178
Health and welfare	10,939	—	32,702	17,068	60,709
Public services	22,100	963	1	38,455	61,519
Community development	—	—	24,051	53,479	77,530
Capital outlay	16	36,534	—	364	36,914
Debt service:					
Principal	22,195	13,358	1,000	18,656	55,209
Interest and fiscal charges	12,633	6,606	156	27,759	47,154
Total expenditures	<u>472,701</u>	<u>62,310</u>	<u>66,355</u>	<u>214,950</u>	<u>816,316</u>
Deficiency of revenues over expenditures	<u>(31,275)</u>	<u>(27,803)</u>	<u>—</u>	<u>(18,483)</u>	<u>(77,561)</u>
Other financing sources (uses):					
Sale of capital assets	—	3	—	—	3
Issuance of leasehold revenue bonds	—	1,890	—	—	1,890
Issuance of tax increment financing notes	—	—	—	57,195	57,195
Transfers in	40,058	19,155	—	2,930	62,143
Transfers out	(9,995)	(1,042)	—	(41,636)	(52,673)
Total other financing sources, net	<u>30,063</u>	<u>20,006</u>	<u>—</u>	<u>18,489</u>	<u>68,558</u>
Net change in fund balances	<u>(1,212)</u>	<u>(7,797)</u>	<u>—</u>	<u>6</u>	<u>(9,003)</u>
Fund balances:					
Beginning of year	55,870	34,177	(62)	81,756	171,741
End of year	<u>\$ 54,658</u>	<u>26,380</u>	<u>(62)</u>	<u>81,762</u>	<u>162,738</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2013
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances \$ (9,003)

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	36,914
Capital contribution	261
Loss on disposal of capital assets	(305)
Depreciation expense	(51,659)
	(14,789)

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	(2,924)
Property taxes due in the fiscal year following the fiscal year in which they were assessed	1,376
	(1,548)

Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds. The change in position of internal service funds attributable to governmental activities is reported on the statement of activities. (728)

The City reports a net pension obligation/asset on the statement of net position 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. (4,537)

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

Debt issued during the current year:	
Development and Tax increment financing bonds and notes payable	(57,195)
Loan agreement with Forest Park Forever	(1,890)
Repayments during the current year:	
Annual principal payments on bonds and notes payable	46,943
Annual principal payments on joint venture financing agreement	4,080
Annual principal payments on capital lease	3,574
Annual principal payments Certificates of Participation	615
	(3,873)

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

This adjustment combines the net changes of the following:

Accrued vacation and sick leave	(147)
Accrued interest payable	(11,799)
Unamortized discounts	(202)
Unamortized premiums	2,108
Deferred bond issuance costs, net of amortization	741
Unamortized deferred amounts on refunding	(1,371)
	(10,670)

Change in net position—governmental activities—statement of activities \$ (45,148)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Position
Proprietary Funds
June 30, 2013
(dollars in thousands)

Assets	Major funds – Enterprise funds			Total Enterprise Funds	Internal Service Funds
	Lambert – St. Louis International Airport	Water Division	Parking Division		
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 17,867	3,998	7,545	29,410	—
Unrestricted cash and cash equivalents	49,555	21,363	10,966	81,884	3,478
Investments:					
Restricted investments	33,051	—	—	33,051	—
Unrestricted investments	—	—	—	—	117
Receivables, net of allowances:					
Intergovernmental	121	—	—	121	1,000
Charges for services	7,376	9,929	129	17,434	10
Insurance recovery	4,300	—	—	4,300	—
Passenger facility charges	3,638	—	—	3,638	—
Accrued interest	88	—	—	88	—
Prepaid assets	—	—	—	—	50
Due from other funds	—	—	—	—	5,354
Advance from other funds	—	—	—	—	17,771
Inventories	2,245	2,232	—	4,477	—
Other current assets	558	—	21	579	—
Total current assets	<u>118,799</u>	<u>37,522</u>	<u>18,661</u>	<u>174,982</u>	<u>27,780</u>
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	36,031	2,604	—	38,635	—
Unrestricted cash and cash equivalents	—	12,393	—	12,393	—
Investments – unrestricted	44,256	—	—	44,256	—
Investments – restricted	108,312	—	4,874	113,186	—
Capital assets:					
Property, plant, and equipment	1,603,311	284,668	83,559	1,971,538	112
Less accumulated depreciation	(796,977)	(141,162)	(28,759)	(966,898)	(74)
	<u>806,334</u>	<u>143,506</u>	<u>54,800</u>	<u>1,004,640</u>	<u>38</u>
Land and easements	755,023	1,238	22,903	779,164	—
Construction-in-progress	89,129	2,346	—	91,475	—
Capital assets, net	<u>1,650,486</u>	<u>147,090</u>	<u>77,703</u>	<u>1,875,279</u>	<u>38</u>
Deferred charges and other assets, net	12,983	1,325	1,473	15,781	—
Other assets	1,689	—	—	1,689	—
Total noncurrent assets	<u>1,853,757</u>	<u>163,412</u>	<u>84,050</u>	<u>2,101,219</u>	<u>38</u>
Total assets	<u>1,972,556</u>	<u>200,934</u>	<u>102,711</u>	<u>2,276,201</u>	<u>27,818</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	9,490	1,246	537	11,273	287
Accrued salaries and other benefits	1,976	3,871	191	6,038	—
Accrued vacation and compensatory time benefits	3,252	1,743	153	5,148	—
Contracts and retainage payable	19,509	—	—	19,509	—
Accrued interest payable	20,205	103	120	20,428	—
Current portion of revenue bonds	30,465	3,765	2,298	36,528	—
Due to other funds	5,364	3,910	634	9,908	—
Due to other government agencies	—	—	55	55	—
Claims payable	—	—	—	—	26,104
Deferred revenue	717	1,958	1,713	4,388	—
Total current liabilities	<u>90,978</u>	<u>16,596</u>	<u>5,701</u>	<u>113,275</u>	<u>26,391</u>
Noncurrent liabilities:					
Revenue bonds payable, net	782,581	3,820	63,601	850,002	—
Customer deposits	—	1,854	—	1,854	—
Other liabilities	14,862	6,055	1,698	22,615	—
Total noncurrent liabilities	<u>797,443</u>	<u>11,729</u>	<u>65,299</u>	<u>874,471</u>	<u>—</u>
Total liabilities	<u>888,421</u>	<u>28,325</u>	<u>71,000</u>	<u>987,746</u>	<u>26,391</u>
Net Position					
Net investments in capital assets	881,435	139,505	12,982	1,033,922	39
Restricted:					
Debt service	95,625	4,598	12,419	112,642	—
Capital projects	7,923	—	—	7,923	—
Passenger facility charges	29,134	—	—	29,134	—
Unrestricted	70,018	28,506	6,310	104,834	1,388
Total net position	<u>\$ 1,084,135</u>	<u>172,609</u>	<u>31,711</u>	<u>1,288,455</u>	<u>1,427</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2013
(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	\$ 93,691	—	—	93,691	—
Concessions	23,340	—	—	23,340	—
Water sales	—	52,586	—	52,586	—
Lease revenue	4,458	—	—	4,458	—
Parking, net	17,938	—	14,050	31,988	—
Charges for services	—	—	—	—	25,302
Intergovernmental revenue	—	—	—	—	891
Miscellaneous	—	2,872	595	3,467	—
Total operating revenues	<u>139,427</u>	<u>55,458</u>	<u>14,645</u>	<u>209,530</u>	<u>26,193</u>
Operating expenses:					
Claims incurred	—	—	—	—	20,195
Premiums	—	—	—	—	1,550
Personnel services	39,308	15,612	4,915	59,835	282
Material and supplies	6,335	9,405	175	15,915	4,894
Purchased power	—	2,953	—	2,953	—
Contractual services	34,391	5,975	1,063	41,429	—
Miscellaneous	97	3,553	1,167	4,817	—
Depreciation and amortization	48,890	5,051	2,758	56,699	6
Interfund services used	3,106	2,833	153	6,092	—
Total operating expenses	<u>132,127</u>	<u>45,382</u>	<u>10,231</u>	<u>187,740</u>	<u>26,927</u>
Operating income (loss)	<u>7,300</u>	<u>10,076</u>	<u>4,414</u>	<u>21,790</u>	<u>(734)</u>
Nonoperating revenues (expenses):					
Intergovernmental revenue	751	—	—	751	—
Investment income (expense)	2,137	(19)	218	2,336	—
Interest expense	(40,283)	(266)	(3,327)	(43,876)	—
Passenger facility charges	25,060	—	—	25,060	—
Amortization of bond issue costs	(1,558)	(72)	—	(1,630)	—
Loss on disposal of capital assets	—	(79)	—	(79)	(12)
Miscellaneous, net	119	1,444	12	1,575	—
Total nonoperating revenues (expenses), net	<u>(13,774)</u>	<u>1,008</u>	<u>(3,097)</u>	<u>(15,863)</u>	<u>(12)</u>
Income (loss) before transfers and capital contributions	<u>(6,474)</u>	<u>11,084</u>	<u>1,317</u>	<u>5,927</u>	<u>(746)</u>
Transfers in	—	—	908	908	—
Transfers out	(6,607)	(3,271)	(500)	(10,378)	—
Extraordinary item - natural disaster	4,300	—	—	4,300	—
Capital contributions	21,615	—	—	21,615	18
Change in net position	<u>12,834</u>	<u>7,813</u>	<u>1,725</u>	<u>22,372</u>	<u>(728)</u>
Total net position—beginning of year	<u>1,071,301</u>	<u>164,796</u>	<u>29,986</u>	<u>1,266,083</u>	<u>2,155</u>
Total net position—end of year	<u>\$ 1,084,135</u>	<u>172,609</u>	<u>31,711</u>	<u>1,288,455</u>	<u>1,427</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2013
(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	\$ 132,882	54,633	14,362	201,877	—
Other operating cash receipts	—	—	160	160	—
Payments to suppliers of goods and services	(40,763)	(19,967)	(3,624)	(64,354)	(25,485)
Payments to employees	(39,374)	(15,706)	(4,924)	(60,004)	(280)
Payments for interfund services used	(2,708)	(3,272)	—	(5,980)	26,591
Net cash provided by operating activities	<u>50,037</u>	<u>15,688</u>	<u>5,974</u>	<u>71,699</u>	<u>826</u>
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(206)	—	(206)	—
Transfers from the State of Missouri	—	—	12	12	—
Transfers from other funds	—	—	907	907	—
Transfers to other funds	(6,607)	(3,271)	(500)	(10,378)	—
Net cash provided by (used in) noncapital financing activities	<u>(6,607)</u>	<u>(3,477)</u>	<u>419</u>	<u>(9,665)</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	24,946	—	—	24,946	—
Receipts from federal financing assistance	27,687	—	—	27,687	—
Acquisition and construction of capital assets	(64,610)	(4,130)	(1,425)	(70,165)	—
Insurance recoveries	3,000	—	—	3,000	—
Proceeds from sale of surplus property	2,123	—	—	2,123	—
Cash paid for bond refunding	(41,819)	—	—	(41,819)	—
Proceeds from issuance of bond	34,839	—	—	34,839	—
Principal paid on revenue bond maturities	(30,655)	(3,895)	(2,236)	(36,786)	—
Cash paid for interest	(41,804)	(60)	(3,025)	(44,889)	—
Other capital and financing activities	—	1,411	—	1,411	—
Net cash used in capital and related financing activities	<u>(86,293)</u>	<u>(6,674)</u>	<u>(6,686)</u>	<u>(99,653)</u>	<u>—</u>
Cash flows from investing activities:					
Purchase of investments	(285,232)	—	(9,517)	(294,749)	48
Proceeds from sales and maturities of investments	355,149	—	9,517	364,666	—
Interest expense on cash and investments	—	(19)	—	(19)	—
Investment income	2,528	—	214	2,742	—
Net cash provided by (used in) investing activities	<u>72,445</u>	<u>(19)</u>	<u>214</u>	<u>72,640</u>	<u>48</u>
Net increase (decrease) in cash and cash equivalents	<u>29,582</u>	<u>5,518</u>	<u>(79)</u>	<u>35,021</u>	<u>874</u>
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	37,737	27,778	11,503	77,018	2,604
Restricted	36,134	7,062	7,087	50,283	—
	<u>73,871</u>	<u>34,840</u>	<u>18,590</u>	<u>127,301</u>	<u>2,604</u>
End of year:					
Unrestricted	49,555	33,756	10,966	94,277	3,478
Restricted	53,898	6,602	7,545	68,045	—
	<u>\$ 103,453</u>	<u>40,358</u>	<u>18,511</u>	<u>162,322</u>	<u>3,478</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 7,300	10,076	4,414	21,790	(734)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	48,890	5,052	2,758	56,700	6
Changes in assets and liabilities:					
Receivables, net	(6,404)	115	(5)	(6,294)	(467)
Inventories	190	(92)	—	98	—
Prepaid assets	—	—	—	—	2
Other assets, net	193	—	20	213	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(290)	551	153	414	253
Claims payable	—	—	—	—	901
Deferred revenue	236	(373)	(118)	(255)	—
Due to/from other funds	495	358	(1,243)	(390)	340
Advance to other funds	—	—	—	—	525
Customer deposits	—	76	—	76	—
Other long term liabilities	(573)	(75)	(5)	(653)	—
Total adjustments	<u>42,737</u>	<u>5,612</u>	<u>1,560</u>	<u>49,909</u>	<u>1,560</u>
Net cash provided by operating activities	<u>\$ 50,037</u>	<u>15,688</u>	<u>5,974</u>	<u>71,699</u>	<u>826</u>
Supplemental disclosure for noncash activities:					
Contributed capital	\$ —	—	—	—	18
Unrealized (loss) gain on investments	<u>(340)</u>	<u>79</u>	<u>115</u>	<u>(146)</u>	<u>—</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2012*)	Agency Funds
Assets:		
Cash and cash equivalents - unrestricted	\$ 24,407	23,906
Cash and cash equivalents - restricted	—	1,729
Pension trust investments:		
Bonds	153,711	—
Domestic bond funds	77,777	—
Stocks	564,348	—
Mortgage-backed securities	14,301	—
Collective investment funds	438,379	—
Real estate equities and investment trust	140,620	—
Investment property	1,170	—
Hedge funds	86,357	—
Money market mutual funds and other short-term investments	65,999	—
Managed international equity funds	187,343	—
Total investments	1,730,005	—
Securities lending collateral	4,241	—
Receivables, net of allowances:		
Taxes	—	21,498
Contributions	13,093	—
Accrued interest	1,814	—
Other	1,822	1,295
Capital assets, net	1,199	—
Total assets	1,776,581	48,428
Liabilities:		
Accounts payable and accrued liabilities	2,056	1,565
Deposits held for others	329	17,569
Due to other governmental agencies	—	29,294
Securities lending collateral liability	4,241	—
Other liabilities	1,794	—
Total liabilities	8,420	48,428
Net position:		
Net position held in trust for pension benefits	\$ 1,768,161	—

*See footnote 10.

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2013
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2012*)
Additions:	
Contributions:	
Members	\$ 6,743
Employer	80,557
Investment income:	
Interest and dividends	26,115
Net appreciation in fair value of investments	234,490
Investment income	260,605
Less investment expense	(7,644)
Net investment income	252,961
Total additions	340,261
Deductions:	
Benefits	137,744
Refunds of contributions	5,116
Administrative expense	3,254
Total deductions	146,114
Net increase	194,147
Net position held in trust for pension benefits:	
Beginning of year	1,574,014
End of year	\$ 1,768,161

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

1) Blended Component Units

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

Public Facilities Protection Corporation (PFPC)

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

St. Louis Municipal Finance Corporation (SLMFC)

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

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

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

Grand Center Municipal Parking Finance Corporation (MPFC)

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

2) Discretely Presented Component Units

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

St. Louis Development Corporation (SLDC)

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

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 (also see footnote 29).

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

Solid Waste Management and Development Corporation (SWMDC)

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

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

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

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

3) Related Organizations

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

4) Joint Venture

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

5) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2012, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see footnote 10).

Government-wide and Fund Financial Statements

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

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

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has determined that the general fund, the capital projects fund, and the grants fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements. The City has three enterprise funds (business-type activities): Lambert-St. Louis International Airport (the Airport), the Water Division of the City of St. Louis (the Water Division), and the Parking Division. Each of these enterprise funds is a major fund within the fund financial statements. Additionally, the City has 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 position, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

Division, and the Parking Division. The Airport is used to account for the activities of the Airport. The principal services provided are financed primarily through landing fees and terminal concession revenues. The Water Division is used to account for sale of water to the general public and the operation of the water delivery system. The Parking Division is used to account for the operation of public parking facilities and parking meters. Each of the enterprise funds is a major fund in the fund financial statements.

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

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.

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.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

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 for the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits, court fines, and forfeitures.

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

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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.

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 2012 was \$1.6092 per \$100 (in dollars) of assessed valuation of which \$1.4672 (in dollars) is for the general fund and \$0.142 (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.

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Cash and Investments

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

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

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

Inventories

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.

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

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costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

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

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

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

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

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

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

2) Business-type Activities Capital Assets

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

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3) Airport

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

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

4) Water Division

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

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

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

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

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5) Parking Division

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

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

6) Mailroom

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

7) Component Unit—SLDC

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

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

8) Component Unit—SLPD

Capital assets are capitalized at cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value as of the date received. Major outlays for capital assets

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and improvements are capitalized when projects are operational or useful. All capital assets over the capitalization levels are depreciated. SLPD's capitalization threshold is \$5.

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

	<u>Years</u>
Buildings	50 – 100
Building improvements	5 – 25
Furniture and fixtures and other equipment	3 – 10
Automotive equipment	3 – 15
Communication equipment	5 – 8
Computer and software	3 – 5
Internally generated computer software	3 – 8

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.

Long-term Liabilities

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

Passenger Facility Charges (PFCs)

The Airport collects a \$4.50 (in dollars) facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an \$0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2013 were \$3,638. This amount was collected during July and August 2013.

Capital Contributions

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

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Capitalization of Interest

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

Bond Premiums, Discounts, and Issuance Costs

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

Vacation and Sick Leave

The City grants vacation to full-time and part-time employees who work 50% of full-time or more based on years of continuous service. The entire accrued benefit liability related to the City's vacation and sick leave has been recorded in the government-wide financial statements and in the proprietary funds in the fund financial statements. Amounts have been recorded in the governmental fund financial statements as part of accrued salaries and other benefits, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2013.

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

Component Unit—SLPD

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

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

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from SLPD with 2200+ hours of sick leave accrued and 30+ years of service will be paid 50% of their unused sick leave. Civilian employees retiring from SLPD with 2200+ hours of sick leave accrued and who have 85 points (years of service plus age) or reached age 65 will be paid 50% of their unused sick leave.

Effective June 30, 2011, at point of termination, all benefit payouts greater than \$3,000 are paid in thirds as follows: first third is paid immediately, second third is paid twelve months from first payment and the third and the final third is paid twelve months from the second payment.

Interfund Transactions

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

1) Transfers

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

2) Interfund Services Provided/Used

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

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

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

Fund Balance Designation

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

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

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

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- Committed: This consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance which can only be modified or rescinded by a subsequent formal action.
- Assigned: This consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned balances are a result of the Board of Estimate and Apportionment approval and authorization of projects or actions prior to July 1, 2013.
- Unassigned: This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned.

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

Net Position

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

1) Net Investment in Capital Assets

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

2) Restricted

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

3) Unrestricted

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

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Statement of Cash Flows

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

Use of Estimates

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

Individual Fund Deficit

At June 30, 2013, the grants fund has a deficit fund balance of \$62. This amount will be offset by future commissions.

Implementation of New Accounting Standards

During the year, the City adopted the GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses service concession arrangements, which are a type of public-private partnership. This Statement did not have a significant impact on the City's financial statements.

During the year, the City adopted GASB Statement No. 61, *The Financial Reporting Entity Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial report entity display and disclosure requirements. This Statement did not have a significant impact on the City's financial statements.

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

During the year, the City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concept Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. The Statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net

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position. The Statement impacted the format and reporting of the statements formerly referred to as the Statement of Net Assets at the government wide level and the proprietary and fiduciary fund level.

Reclassifications

Certain 2012 amounts within the accompanying footnotes have been reclassified to conform with the fiscal year 2013 presentation.

2. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2013:

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

	Cash and Cash and Equivalents	Investments	Restricted Assets	Total
Government-wide statement of net position	\$ 169,844	52,217	280,747	502,808
Fiduciary statement of fiduciary net position —agency funds	23,906	—	1,729	25,635
Total primary government excluding pension trust funds	<u>193,750</u>	<u>52,217</u>	<u>282,476</u>	<u>528,443</u>
Fiduciary statement of fiduciary net position —pension trust funds:				
Firemen's System	17,304	420,634	—	437,938
Police System	6,937	646,861	—	653,798
Employees' System	166	662,510	—	662,676
Total pension trust funds	<u>24,407</u>	<u>1,730,005</u>	<u>—</u>	<u>1,754,412</u>
Total primary government	<u>\$ 218,157</u>	<u>1,782,222</u>	<u>282,476</u>	<u>2,282,855</u>

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1) Primary Government Excluding Pension Trust Funds

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

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

As of June 30, 2013, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$	43,331
Federal Home Loan Mortgage Corp.		35,832
Federal Home Loan Bank		58,603
Federal Farm Credit Discount Notes		2,498
Federal National Mortgage Pool		14,545
Federal Agricultural Mortgage Corp.		17,239
United States Treasuries		54,781
Government Backed Trusts		1,034
Money Market Mutual Funds		76,251
Certificates of Deposit		24,641
Other Cash Deposits		199,688
	\$	528,443

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

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

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Interest Rate Risk

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

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2013:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Federal National					
Mortgage Association	\$ 43,331	10,788	32,543	—	—
Federal Home Loan					
Mortgage Corp.	35,832	28,594	7,238	—	—
Federal Home Loan Bank	58,603	51,756	6,847	—	—
Federal Farm Credit Discount					
Notes	2,498	2,498	—	—	—
Federal National Mortgage					
Pool	14,545	14,545	—	—	—
Federal Agricultural					
Mortgage Corp.	17,239	17,239	—	—	—
United States Treasuries	54,781	50,121	4,660	—	—
Government Backed					
Trusts	1,034	—	1,034	—	—
Money Market Mutual					
Funds	76,251	76,251	—	—	—
	<u>\$ 304,114</u>	<u>251,792</u>	<u>52,322</u>	<u>—</u>	<u>—</u>

Credit Risk

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

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The investments of the primary government (excluding the pension trust funds) were rated as follows by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service as of June 30, 2013:

	Fair Value	AAA	A-1+	AA+	A	Not Rated
Federal National Mortgage Association	\$ 43,331	—	7,784	35,547	—	—
Federal Home Loan Mortgage Corp.	35,832	—	25,918	9,914	—	—
Federal Home Loan Bank	58,603	—	15,923	42,680	—	—
Federal Farm Credit Discount Notes	2,498	—	—	2,498	—	—
Federal National Mortgage Pool	14,545	—	—	—	—	14,545
Federal Agricultural Mortgage Corp.	17,239	—	—	—	—	17,239
United States Treasuries* Government Backed Trusts	54,781 1,034	— —	— —	1,034	—	54,781
Money Market Mutual Funds	76,251	76,251	—	—	—	—
	<u>\$ 304,114</u>	<u>76,251</u>	<u>49,625</u>	<u>91,673</u>	<u>—</u>	<u>86,565</u>

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

Custodial Credit Risk

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

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

At June 30, 2013, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$9,123 of Federal National Mortgage Association securities, \$2,419 of Federal Home Loan Mortgage Corporation securities, \$393 Federal Home Loan Bank securities, and \$2,173 of U.S. Treasury securities. All remaining City investments

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and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities and Other Cash Deposits, 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, 2013, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	8.20%
Federal Home Loan Mortgage Corp.	6.78
Federal Home Loan Bank	11.09
Federal Farm Credit Discount Notes	0.47
Federal National Mortgage Pool	2.75
Federal Agricultural Mortgage Corp.	3.26
United States Treasuries	10.37
Government Backed Trusts	0.20
Money Market Mutual Funds	14.43
Certificates of Deposit	4.66
Other Cash Deposits	37.79
	100.00%
	100.00%

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

As of September 30, 2012, the Firemen's System had the following cash deposits and investments:

Common stock	\$	194,619
Collective investment—equity		42,910
Limited partnership units		22,346
Hedge funds—equity		38,929
Collective investment—bonds		68,404
Real estate investment trust		46,860
Money market funds		6,567
Other cash deposits		17,304
		17,304
	\$	437,939

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

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currency exposures by asset class schedules are presented to provide an illustration of the Firemen's System's current level of exposure to various risks.

The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2012:

	Fair Value	No Maturity	Investment maturities (in years)			
			Less than 1	1-5	6-10	More than 10
Common stock	\$ 194,619	194,619	—	—	—	—
Collective investment – equity	42,910	42,910	—	—	—	—
Limited partnership units	22,346	22,346	—	—	—	—
Hedge fund – equity	38,929	38,929	—	—	—	—
Collective investment – bonds	68,404	—	583	36,787	19,961	11,073
Real estate investment trust	46,860	46,860	—	—	—	—
Money market funds	6,567	6,567	—	—	—	—
	<u>\$ 420,635</u>	<u>352,231</u>	<u>583</u>	<u>36,787</u>	<u>19,961</u>	<u>11,073</u>

The Firemen's System's current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2012:

Credit Rating Level	Common stock	Collective investment	Limited partnership	Hedge fund	Real estate investment	Money market
AAA	\$ —	42,605	—	—	—	—
AA	—	6,509	—	—	—	—
A	—	7,202	—	—	—	—
BBB	—	8,774	—	—	—	—
BB	—	462	—	—	—	—
B	—	90	—	—	—	—
N/A	194,619	42,910	22,346	—	46,860	—
Not Rated	—	2,762	—	38,929	—	6,567
	<u>\$ 194,619</u>	<u>111,314</u>	<u>22,346</u>	<u>38,929</u>	<u>46,860</u>	<u>6,567</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen’s System’s policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio’s foreign currency exposure. The following table demonstrates the Firemen’s System’s current level of foreign currency exposure as of September 30, 2012:

	Money market	Equities	Fixed income	Hedge fund	Real estate investment trust	Total
Australian Dollar	\$ —	2,849	—	—	—	2,849
Brazilian Real	—	743	—	—	—	743
British Pound Sterling	—	10,800	—	—	—	10,800
Canadian Dollar	—	1,453	—	—	—	1,453
Danish Krone	—	1,313	—	—	—	1,313
Euro	—	19,738	—	—	—	19,738
Hong Kong Dollar	—	1,771	—	—	—	1,771
Japanese Yen	—	6,381	—	—	—	6,381
Mexican Peso	—	582	—	—	—	582
Singapore Dollar	—	488	—	—	—	488
South Korean Won	—	1,526	—	—	—	1,526
Swedish Krona	—	700	—	—	—	700
Swiss Franc	—	4,504	—	—	—	4,504
Total foreign currency	—	52,848	—	—	—	52,848
U.S. Dollar	6,567	207,027	68,404	38,929	46,860	367,787
Total	\$ 6,567	259,875	68,404	38,929	46,860	420,635

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

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

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

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

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

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

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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2012 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	\$	52,451
The Principal US Property Account		46,860
Acadian International Small Cap Fund		27,210

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession—but not title—of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution 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

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do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2012, \$43,895 in loans were outstanding to borrowers. The Firemen’s System earned income of \$236 for its participation in the securities lending program for the year ended September 30, 2012.

3) Primary Government—Pension Trust Fund—Police System

As of September 30, 2012, the Police System had the following cash deposits and investments:

Equities:	
Common stock	\$ 129,323
Collective investment funds	233,221
Real estate securities fund	28,263
Mortgaged-backed securities-government	5,665
Mortgaged-backed securities-non-government	8,636
Fixed income collective investment fund	93,844
Corporate bonds	46,068
Hedge fund of funds	25,315
Government securities	23,533
Short-term notes and commercial paper	4,496
Money market funds	41,748
Investment property	1,170
Partnership interest	5,579
Other cash deposits	6,937
	\$ 653,798

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

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

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The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2012:

	Fair Value	No Maturity	Investment maturities (in years)			
			Less than 1	1 – 5	6 – 10	More than 10
Equities	\$ 390,806	390,806	—	—	—	—
Mortgaged-backed securities – government	5,665	—	—	231	744	4,690
Mortgaged-backed nongovernment	8,636	—	—	1,902	928	5,806
Collective investment funds	93,844	—	3,956	45,287	28,642	15,959
Corporate bonds	46,068	—	3,970	27,929	14,169	—
Guaranteed fixed income securities	23,533	—	2,020	8,254	13,154	105
Hedge fund of funds	25,316	25,316	—	—	—	—
Short-term notes and commercial paper	4,496	—	4,496	—	—	—
Money market funds	41,748	41,748	—	—	—	—
Partnership	5,579	5,579	—	—	—	—
Investment property	1,170	1,170	—	—	—	—
	<u>\$ 646,861</u>	<u>464,619</u>	<u>14,442</u>	<u>83,603</u>	<u>57,637</u>	<u>26,560</u>

The Police System's current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2012:

Credit rating level	Equities	Government mortgage-backed securities	Nongovernment mortgage-backed securities	Corporate bonds	Collective investment funds	Government securities	Hedge fund of funds	Short-term notes and commercial paper	Money market fund	Investment property and partnership
AAA	\$ —	5,665	4,441	—	22,413	7,795	—	4,496	—	—
AA	—	—	202	4,463	47,487	14,348	—	—	—	—
A	—	—	54	32,085	7,558	166	—	—	—	—
BBB	—	—	—	7,652	14,015	—	—	—	—	—
BB	—	—	352	—	2,371	—	—	—	—	—
B	—	—	184	—	—	—	—	—	—	—
CCC	—	—	829	—	—	—	—	—	—	—
N/A	390,806	—	—	—	—	—	—	—	—	6,749
Not Rated	—	—	2,574	1,868	—	1,224	25,316	—	41,748	—
	<u>\$ 390,806</u>	<u>5,665</u>	<u>8,636</u>	<u>46,068</u>	<u>93,844</u>	<u>23,533</u>	<u>25,316</u>	<u>4,496</u>	<u>41,748</u>	<u>6,749</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Police System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Police System's current level of foreign currency exposure as of September 30, 2012:

	Money money market/ Commercial paper	Investment property and partnership	Equities	Fixed income	Hedge fund of funds	Total
Australian Dollar	\$ —	—	—	929	—	929
British Pound Sterling	—	—	2,393	863	—	3,256
Canadian Dollar	—	—	860	1,762	—	2,622
Chilean Peso	—	—	168	—	—	168
Euro	—	—	953	1,788	—	2,741
Indian Rupee	—	—	779	—	—	779
Israeli Shekel	—	—	399	—	—	399
Japanese Yen	—	—	—	288	—	288
Swiss Franc	—	—	930	908	—	1,838
Total foreign currency	—	—	6,482	6,538	—	13,020
U.S. Dollar	46,244	6,749	384,324	171,208	25,316	633,841
Total	\$ 46,244	6,749	390,806	177,746	25,316	646,861

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

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

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

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

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

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

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

Collective funds:	
Trilogy International Group Trust I	76,250
J.P. Morgan CB Emerging Market Equity	
Focused Fund	42,824
TBC Index & Blue Chip	70,995
MFB Daily S&P 500 Equity Index Fund	43,151

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

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the net lending fees generated by each loan of securities. The financial institution receives the remaining 40% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2009, the Police System has recorded a liability of \$1,330 due to collateral deficiency resulting from a borrower's bankruptcy. During fiscal year 2010, the financial institution recognized the entire collateral deficiency as a realized loss. Outstanding loans to borrowers at September 30, 2012 were \$53,575. The Police System earned income of \$184 for its participation in the securities lending program for the year ended September 30, 2012.

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

As of September 30, 2012, the Employees' System had the following cash deposits and investments:

Common stocks	\$	218,060
Managed international equity funds		187,343
Bonds		84,111
Domestic bond funds		77,777
Real estate funds		65,498
Temporary cash investments		7,609
Managed hedge fund of funds		22,112
Other cash deposits		166
	\$	<u><u>662,676</u></u>

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

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Foreign Currency Risk

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

	<u>Short- term</u>	<u>Debt</u>	<u>Total</u>
British Pound	\$ 19	1,728	1,747
Brazilian Real	6	384	390
Australian Dollar	8	—	8
Canadian Dollar	39	876	915
Euros	142	6,503	6,645
Japanese Yen	42	4,594	4,636
Swedish Krona	23	823	846
Total	<u>\$ 279</u>	<u>14,908</u>	<u>15,187</u>

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 quality ratings:

<u>Quality rating</u>	
Aaa/U.S. Governments	\$ 98,120
Aa	9,433
A	23,117
Baa	17,572
Below Baa	13,690
Not Rated	481
Total	<u>\$ 162,413</u>

All temporary cash investments held by the Employees' Retirement System at September 30, 2012 were unrated.

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Interest Rate Risk

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

<u>Investment</u>	<u>Fair value</u>	<u>Effective duration</u>
Payden and Rygel	\$ 29,932	6.05 years
Allegiant (PNC)	54,704	5.74 years
SSGA	32,232	4.84 years
Loomis	16,029	6.18 years
Vanguard	29,516	8.50 years
	<u>\$ 162,413</u>	

The Employees' System participates in a securities lending program administered by a financial institution. Brokers who borrow the securities provide collateral, usually in the form of cash valued at 102% for domestic securities loaned, resulting in no credit risk for the system. During 2009, the Board of Trustees decided to reduce the amount of securities that can be loaned at one time. At September 30, 2012, the term to maturity of the securities on loan is matched with the term to maturity of the investment of the cash collateral. These loans can be terminated on demand by either the lender or borrower. The Employees' System cannot pledge or sell non-cash collateral unless the borrower defaults. As of September 30, 2012, the Employees' System has lending arrangements outstanding with a market value for securities lent of \$4,091.

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Concentration of Credit Risk

At September 30, 2012, the Employees' System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent five percent or more of total investments to the Employees' System:

Acadian Asset Management		
Emerging Market Fund	\$	46,562
CastleArk Management		
U.S. Large Cap Growth Equity		42,596
INTECH Investment Management		
U.S. Large Cap Core Equity		84,539
LSV Asset Management		
U.S. Large Cap Value Equity		44,672
PNC Capital Advisors		
U.S. Broad Market Core Fixed Income		54,704
Principal Global Investors		
Real Estate Group Annuity Contract		65,498
Silchester International Advisors		
International Value Equity Group Trust		70,734
Walter Scott & Partners		
International Growth Equity Group Trust		49,940

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, 2013, 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 except for an uncollateralized amount of \$1,237 at one institution. At June 30, 2013, the market value of investments approximated the carrying value of \$43.

c. Component Unit—SLPD

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

As of June 30, 2013, the SLPD had the following cash and cash equivalents:

Certificates of deposit	\$	2,350
Other cash deposits		5,334
		<u>7,684</u>
	\$	<u>7,684</u>

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State statutes and SLPD investment policies are the same as for the primary government. SLPD funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the City's name. Actual investment decisions of SLPD are made by the Director of Budget and Finance, the Board of Police Commissioners, and 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 (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's investments in Certificates of Deposit all have a maturity of less than one year as of as of June 30, 2013.

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 sole investments were in Certificates of Deposit which are not rated as of June 30, 2013.

Custodial Credit Risk

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

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

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At June 30, 2013, all department investments and all collateral securities pledged against SLPD deposits were held by the counterparty's trust department or agent in the SLPD's name.

Concentration of Credit Risk

The SLPD does not have an investment policy related to the concentration of credit risk but utilizes the policy established by the City of St. Louis. At June 30, 2013, 100% of the SLPD's investments (excluding other cash deposits) were in Certificates of Deposit.

d. **Component Unit—SWMDC**

At June 30, 2013, 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 \$500 at year-end consisted entirely of Federal Home Loan Mortgage Corporation Notes with less than one year to maturity and rated A-1+ by Standard & Poor's Corporation.

3. **RECEIVABLES, NET**

	<u>Taxes</u>	<u>Intergovern- mental</u>	<u>Charges for Services</u>	<u>Notes and Loans</u>	<u>Insurance Recovery</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities:							
General fund	\$ 86,059	3,421	3,697	—	—	2,851	96,028
Capital projects fund	3,019	1,925	32	—	—	13	4,989
Grants fund	—	9,282	—	—	—	—	9,282
Other governmental funds	43,038	875	1,545	—	—	237	45,695
Internal service funds	—	1,000	10	—	—	—	1,010
Total governmental activities	<u>\$ 132,116</u>	<u>16,503</u>	<u>5,284</u>	<u>—</u>	<u>—</u>	<u>3,101</u>	<u>157,004</u>
Business-type activities:							
Airport	\$ —	121	7,376	—	4,300	3,726	15,523
Water Division	—	—	9,929	—	—	—	9,929
Parking Division	—	—	129	—	—	—	129
Total business-type activities	<u>\$ —</u>	<u>121</u>	<u>17,434</u>	<u>—</u>	<u>4,300</u>	<u>3,726</u>	<u>25,581</u>

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

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4. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

Governmental activities:	
Taxes receivable—general fund	\$ 1,176
Taxes receivable—other governmental funds	128
License and permits receivable—general fund	26
Charges for services receivable—general fund	1,640
Charges for services receivable—other governmental funds	345
Business-type activities:	
Charges for services receivable—Airport	104
Charges for services receivable—Water Division	3,001
	\$ 6,420
	\$ 6,420

5. COMPONENT UNIT—SLDC RECEIVABLES

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

6. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2013:

Airport bond fund:	
Debt service account	\$ 50,919
Debt service reserve account	44,618
Airport renewal and replacement fund	3,500
Passenger facility charge fund	25,496
Airport debt service stabilization fund	38,211
Airport construction fund	30,508
Drug enforcement agency funds	2,009
	\$ 195,261
	\$ 195,261

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

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

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

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

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

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

b. Water Division

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2013 is as follows:

Bond funds:		
Waterworks bond fund	\$	3,848
Water replacement and improvement account		750
Total bond funds		4,598
Customer deposits		1,854
Service line maintenance		150
Total restricted cash	\$	6,602

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

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Series 2011 Water Revenue Refunding Bond Funds

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

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c. Parking Division

Cash and investments restricted in accordance with bond indentures at June 30, 2013 are as follows:

Series 2007 and 2006 bonds:	
Debt service reserve	\$ 4,942
Debt Service	1,223
Repair and replacement	3,853
Net project revenues	120
Parking trust—Parking Division accounts	1,921
Total series 2007 and 2006 bonds	12,059
Series 2003A and 2003B bonds:	
Gross revenues	70
Bond	159
Repair and replacement	12
Operating reserve	100
Redemption	19
Total series 2003A and 2003B bonds	360
Total restricted cash and investments	\$ 12,419

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

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

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

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

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- 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—SLPD

Restricted cash at June 30, 2013 consists of cash and legally restricted by outside parties through the provisions of grant programs or contractual agreements.

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7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 78,086	44	—	—	78,130
Construction in progress	27,784	16,790	—	(26,031)	18,543
Equipment in progress	13,595	607	—	(1,625)	12,577
Intangibles	519	—	—	—	519
Works of art	3,467	—	—	—	3,467
Total capital assets not being depreciated	<u>123,451</u>	<u>17,441</u>	<u>—</u>	<u>(27,656)</u>	<u>113,236</u>
Capital assets being depreciated:					
Buildings	569,692	4,468	(920)	11,676	584,916
Improvements other than buildings	85,393	629	—	920	86,942
Equipment	112,181	8,125	(4,282)	612	116,636
Infrastructure	609,552	6,524	—	14,448	630,524
Intangibles	275	—	—	—	275
Total capital assets being depreciated	<u>1,377,093</u>	<u>19,746</u>	<u>(5,202)</u>	<u>27,656</u>	<u>1,419,293</u>
Less accumulated depreciation for:					
Buildings	179,318	14,528	—	—	193,846
Improvements other than buildings	28,949	1,898	—	—	30,847
Equipment	70,286	7,207	(4,885)	—	72,608
Infrastructure	357,090	28,025	—	—	385,115
Intangibles	55	1	—	—	56
Total accumulated depreciation	<u>635,698</u>	<u>51,659</u>	<u>(4,885)</u>	<u>—</u>	<u>682,472</u>
Total capital assets being depreciated, net	<u>741,395</u>	<u>(31,913)</u>	<u>(317)</u>	<u>27,656</u>	<u>736,821</u>
Governmental activities capital assets, net	<u>\$ 864,846</u>	<u>(14,472)</u>	<u>(317)</u>	<u>—</u>	<u>850,057</u>

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

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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2013. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 774,647	1,011	—	—	775,658
Construction-in-progress	64,373	59,213	(1,651)	(30,460)	91,475
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>842,526</u>	<u>60,224</u>	<u>(1,651)</u>	<u>(30,460)</u>	<u>870,639</u>
Capital assets being depreciated:					
Buildings and structures	635,196	2,370	—	13,114	650,680
Equipment	93,452	4,494	(227)	113	97,832
Pavings	975,361	—	—	15,142	990,503
Parking meters and lot equipment	7,371	148	—	—	7,519
Reservoirs	34,513	—	—	—	34,513
Boiler plant equipment	661	—	—	—	661
Pumping equipment	10,850	12	—	61	10,923
Purification basins and equipment	42,875	—	—	804	43,679
Water mains, lines, and accessories	123,983	2,798	(250)	—	126,531
Motor vehicle equipment	8,380	620	(303)	—	8,697
Total capital assets being depreciated	<u>1,932,642</u>	<u>10,442</u>	<u>(780)</u>	<u>29,234</u>	<u>1,971,538</u>
<i>Less accumulated depreciation for:</i>					
Buildings and structures	366,670	18,393	—	—	385,063
Equipment	65,086	4,171	(193)	—	69,064
Pavings	374,411	30,050	—	—	404,461
Parking meters and lot equipment	6,103	362	—	—	6,465
Reservoirs	10,634	665	—	—	11,299
Boiler plant equipment	638	3	—	—	641
Pumping equipment	8,729	221	—	—	8,950
Purification basins and equipment	15,692	848	—	—	16,540
Water mains, lines, and accessories	56,495	1,584	(179)	—	57,900
Motor vehicle equipment	6,474	336	(295)	—	6,515
Total accumulated depreciation	<u>910,932</u>	<u>56,633</u>	<u>(667)</u>	<u>—</u>	<u>966,898</u>
Total capital assets being depreciated, net	<u>1,021,710</u>	<u>(46,191)</u>	<u>(113)</u>	<u>29,234</u>	<u>1,004,640</u>
Business-type activities capital assets, net	<u>\$ 1,864,236</u>	<u>14,033</u>	<u>(1,764)</u>	<u>(1,226)</u>	<u>1,875,279</u>

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

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

Governmental activities:

General government	\$ 6,107
Convention and tourism	5,392
Parks and recreation	5,052
Judicial	250
Streets	31,003
Public safety:	
Fire	2,294
Other	687
Health and welfare	329
Public service	545
	<u>51,659</u>
Total depreciation expense, governmental activities	\$ <u>51,659</u>

Business-type activities:

Airport	\$ 48,890
Water Division	5,051
Parking Division	2,692
	<u>56,633</u>
Total depreciation expense, business-type activities	\$ <u>56,633</u>

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b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the year ended June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 4,914	—	—	4,914
Construction in Progress	11,435	6,700	—	18,135
Total capital assets not being depreciated	<u>16,349</u>	<u>6,700</u>	<u>—</u>	<u>23,049</u>
Capital assets being depreciated:				
Leasehold improvements	3,000	—	—	3,000
Equipment	713	—	—	713
Parking facilities	18,990	134	—	19,124
Total capital assets being depreciated	<u>22,703</u>	<u>134</u>	<u>—</u>	<u>22,837</u>
Less accumulated depreciation for:				
Leasehold improvements	2,300	200	—	2,500
Equipment	663	17	—	680
Parking facilities	12,889	518	—	13,407
Total accumulated depreciation	<u>15,852</u>	<u>735</u>	<u>—</u>	<u>16,587</u>
Total capital assets being depreciated, net	<u>6,851</u>	<u>(601)</u>	<u>—</u>	<u>6,250</u>
SLDC capital assets, net	<u>\$ 23,200</u>	<u>6,099</u>	<u>—</u>	<u>29,299</u>

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c. Component Unit—SLPD

The following represents a summary of SLPD's capital assets for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 2,074	—	—	—	2,074
Construction in progress	3,439	817	—	(233)	4,023
Software in progress	329	371	—	(134)	566
Total capital assets not being depreciated	<u>5,842</u>	<u>1,188</u>	<u>—</u>	<u>(367)</u>	<u>6,663</u>
Capital assets being depreciated:					
Buildings and improvements	41,540	639	—	233	42,412
Furniture, fixtures, and other equipment	6,584	278	(274)	—	6,588
Automotive equipment	13,705	1,884	(344)	—	15,245
Communications equipment	6,089	48	—	—	6,137
Computers and software	5,042	394	(49)	—	5,387
Internally generated computer software	370	206	—	134	710
Total capital assets being depreciated	<u>73,330</u>	<u>3,449</u>	<u>(667)</u>	<u>367</u>	<u>76,479</u>
Less accumulated depreciation for:					
Buildings and improvements	(21,042)	(879)	—	—	(21,921)
Furniture, fixtures, and other equipment	(5,347)	(487)	274	—	(5,560)
Automotive equipment	(11,111)	(1,425)	318	—	(12,218)
Communications equipment	(4,826)	(341)	—	—	(5,167)
Computers and software	(4,297)	(401)	49	—	(4,649)
Internally generated computer software	(140)	(137)	—	—	(277)
Total accumulated depreciation	<u>(46,763)</u>	<u>(3,670)</u>	<u>641</u>	<u>—</u>	<u>(49,792)</u>
Total capital assets being depreciated, net	<u>26,567</u>	<u>(221)</u>	<u>(26)</u>	<u>367</u>	<u>26,687</u>
SLPD capital assets, net	<u>\$ 32,409</u>	<u>967</u>	<u>(26)</u>	<u>—</u>	<u>33,350</u>

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d. Component Unit—SWMDC

The following represents a summary in SWMDC’s capital assets for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets being depreciated:				
Infrastructure	\$ 10,904	868	—	11,772
Total capital assets being depreciated	10,904	868	—	11,772
Less accumulated depreciation for:				
Infrastructure	4,476	378	—	4,854
Total accumulated depreciation	4,476	378	—	4,854
SWMDC capital assets, net	\$ 6,428	490	—	6,918

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, 2013, SLDC has established a reserve for impairment of \$8,797 on its properties held for development.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 3,452	4	3,456
Capital projects fund	2,761	1,250	4,011
Grants fund	5,162	—	5,162
Other governmental funds	1,367	12	1,379
Internal service	287	—	287
Total governmental activities	\$ 13,029	1,266	14,295
Business-type activities:			
Airport	\$ 9,490	19,509	28,999
Water Division	1,246	—	1,246
Parking Division	537	—	537
Total business-type activities	\$ 11,273	19,509	30,782

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10. RETIREMENT PLANS

The City contributes to the following defined benefit retirement plans: The Firemen’s Retirement System of St. Louis (FRS) and the Police Retirement System of St. Louis (Police System), which 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 approximately 90% of the total participation of all employers, the disclosures provided for the Employees’ System are those for a single-employer plan.

Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) replacing the Firemen’s Retirement System of St. Louis (FRS) with a new retirement system, The Firefighters’ Retirement Plan (FRP).

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

<u>System</u>	<u>System fiscal year-end</u>
Firemen’s	September 30, 2012
Police	September 30, 2012
Employees’	September 30, 2012

a. Firemen’s Retirement System of St. Louis

As of February 1, 2013 the FRS plan was frozen. The following disclosures are based on the September 30, 2012 financial statements and the October 1, 2012 actuarial valuation. Due to the freezing of the FRS plan, a new actuarial valuation is in the process of being performed.

1) System Description

All firefighters qualify as members of the FRS and are thereby eligible to participate from their date of hire.

The FRS 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 FRS provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service. The monthly allowance consists of 40% of the final two-year average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service over 25 years with a maximum pension of 75%.

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Unused accrued sick pay may increase the maximum pension beyond the 75% limitation. Such benefits are authorized by State statutes and adopted by City ordinance.

The FRS, in accordance with Ordinance 62994 of the City, initiated during the FRS's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP option is available to members of the FRS 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.

2) Funding Policy

Covered members contribute 8% of their salary to the FRS, as mandated per the State statute and adopted by City ordinance. The City is required to contribute the remaining amounts necessary to fund the FRS. Members of the FRS 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 FRS as of October 1, 2012, the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial accrued liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAAL As A percentage of covered payroll</u>
October 1, 2012	\$ 427,124	\$ 453,529	\$ 26,405	94.2%	\$ 36,013	73.3%

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.

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4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the FRS for the year ended June 30, 2013 are as follows:

Annual required contribution	\$	(22,598)
Interest on net pension asset		3,132
Adjustment to annual required contribution		<u>(3,521)</u>
Annual pension cost		(22,987)
Contributions made		<u>21,680</u>
Increase in net pension asset		(1,307)
Net pension asset, beginning of year		<u>41,079</u>
Net pension asset, end of year	\$	<u><u>39,772</u></u>

The net pension asset of \$39,772 as of June 30, 2013 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 FRS is presented below to help readers assess the FRS's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

<u>Fiscal year</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension asset</u>
2013	\$ 22,987	94% \$	39,772
2012	19,514	118	41,079
2011	13,927	128	37,521

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

Date of actuarial valuation	October 1, 2012
Actuarial cost method	Entry age-frozen liability method
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	3.35%, per year to retirement age
Projected postretirement benefit increases:	
Under age 60:	
20-24 service years	1.5%, per year
25-29 service years	2.25%, per year
30 or more service years	3.0%, per year
Over age 60	3% with a maximum of 25% in increases after age 60

5) Impact of City Ordinances #69149 and #69245 (amended by #69353)

Various City ordinances effectively discontinued the accrual of pension benefits under the FRS for service performed and compensation paid after February 1, 2013, and established a new pension plan, the FRP, to provide retirement income, disability, and survivor death benefits for service rendered after February 1, 2013.

The FRS continues to pay retirement income benefits only for service rendered and compensation paid up to February 1, 2013. Service after February 1, 2013 is recognized by the FRS only for purposes of determining eligibility to receive a retirement income benefit, such as vesting and the pension commencement date. Years of service rendered and compensation paid after February 1, 2013 does not increase the amount of benefits to be paid by the FRS. No employee contributions were made to the FRS with respect to payroll periods beginning on or after February 1, 2013.

The FRS continues to pay: retirement income benefits to members who retired before February 1, 2013; disability benefits to members who became disabled before February 1, 2013; and survivor benefits to surviving spouses and beneficiaries of members who died before February 1, 2013.

The FRP provides retirement income benefits for service rendered after February 1, 2013. Employee contributions for payroll periods on or after February 1, 2013 are made to the FRP. Disability benefits for a participant who becomes disabled after February 1, 2013 will be paid from the FRP. Survivor benefits for a beneficiary of a participant who dies after February 1, 2013 will be paid from the FRP.

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Retirement income benefits under the FRP are calculated in substantially the same way as under the FRS, except that after February 1, 2013 the FRP calculates the benefit based on years of service credited under both plans, and then offset the benefit that is payable from the FRS. In effect, the retirement income benefit paid by the FRP is based solely on years of service rendered after February 1, 2013, but the rate of accrual for each such year is based on total years of service as a firefighter. Retirement income benefits attributable to compensation paid after February 1, 2013 accrue only under the FRP.

The retirement income benefit payable under the FRP, when combined with the benefit payable from the FRS, is the same as the total retirement income benefit that would have been payable to such a participant under the RFS if it had not been frozen.

The FRP continues the FRS DROP program in all material respects. The only change was that under the FRP, any DROP participant with less than 20 years of service as of February 1, 2013 and who enters DROP before age 55 will have an actuarial reduction applied to his/her retirement income benefit attributable to service worked after February 1, 2013.

6) Actuarial Cost Methods

The FRS utilizes the frozen initial liability (entity age normal) actuarial cost method. This method determines a normal cost on an aggregate basis expressed as a level percentage of pay. The normal cost rate equals the ratio of (a) the present value of future benefits less the actuarial value of assets less the frozen unfunded actuarial liability, to (b) the present value of future salaries. Under this method, the actuarial gains (losses), as they occur, reduce (increase) future normal costs.

The FRP will utilize the Entry Age Normal (level percent of salary) Actuarial Cost Method, with entry age determined at the age at date of employment. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by service. Actuarial accrued liability is offset by the FRS Plan's actuarial accrued liability and normal cost is offset by projected employee contributions.

Amortization of Unfunded Accrued Liabilities

Under the FRS, unfunded actuarial accrued liabilities for changes in assumptions, plan provisions, or methods are amortized on a level dollar basis over 30 years from the creation of the unfunded base. As a result of the benefit freeze, the unfunded accrued liability under the frozen initial liability cost method is less than zero. Therefore, the amortization payment due to the unfunded accrued liability has been removed. Effectively, the FRS now operates under the aggregate cost method (pursuant to Section 87.330 of the Missouri Revised Statutes).

Under the FRP, the total unfunded actuarial accrued liability (UAL) is amortized over a 30-year closed period as a level percent of payroll.

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b. Firefighter's Retirement Plan (FRP)

The fiscal year end of the FRP is September 30. As the FRP began on February 1, 2013, no financial statements are currently available. The City did not make a contribution to the FRP during fiscal year 2013. The total employee contributions to the FRP were approximately \$1 million. The activity of the FRP during fiscal year 2013 was not material to the aggregate remaining fund information.

c. 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 are 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

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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, 2012, the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
October 1, 2012	\$ 674,080	864,762	190,682	77.9%	\$ 70,077	272.1%

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

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

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the Police System for the year ended June 30, 2013 are as follows:

Annual required contribution	\$ (28,474)
Interest on net pension asset	200
Adjustment to annual required contribution	<u>(224)</u>
Annual pension cost	(28,498)
Contributions made	<u>28,474</u>
Decrease in net pension asset	(24)
Net pension asset, beginning of year	<u>2,578</u>
Net pension asset, end of year	<u><u>\$ 2,554</u></u>

The net pension asset of \$2,554 is reflected as a net pension asset within governmental activities in the government-wide financial statements.

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

<u>Fiscal year</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension asset</u>
2013	\$ 28,498	100% \$	2,554
2012	20,172	99	2,578
2011	17,590	99	2,713

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

Date of actuarial valuation	October 1, 2012
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarial accrued liabilities)
Asset valuation method	5-year smoothed average of market value
Inflation rate	2.5%, per year
Investment rate of return	7.75%, per year
Projected salary increases	3.0% – 6.5%, varying by age
Projected postretirement benefit increases	2.5% maximum per year, cumulative 30% cap

d. 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. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the

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U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

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

2) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 14.27% effective July 1, 2012, and 12.69% of active member payroll effective July 1, 2011.

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.

3) Funded Status

The funded status of the Employees System for the actuarial valuation as of October 1, 2012 is as follows:

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL As A percentage of covered payroll
October 1, 2012	\$ 653,002	866,891	213,889	75.3%	\$ 224,822	95.1%

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The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued 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, 2013 are as follows:

Annual required contribution	\$	(31,840)
Interest on net pension obligation		(3,249)
Adjustment to annual required contribution		<u>3,608</u>
Annual pension cost		(31,481)
Contributions made		<u>28,364</u>
Increase in net pension obligation		(3,117)
Net pension obligation, beginning of year		<u>(40,611)</u>
Net pension obligation, end of year	\$	<u><u>(43,728)</u></u>

The net pension obligation of \$(43,728) is reflected as a long-term liability within the accompanying basic financial statements as follows:

Governmental activities	\$	(36,815)
Business-type activities		(3,832)
Component unit – SLPD		<u>(3,081)</u>
	\$	<u><u>(43,728)</u></u>

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
2013	\$ 31,481	90%	\$ (43,728)
2012	29,176	86	(40,611)
2011	28,214	85	(36,461)

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

Date of actuarial valuation	October 1, 2012
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar open amortization period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.50% to 7.017%
Cost of living adjustments	3.125% simple with a 25% lifetime cap

e. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year-ended June 30, 2013 contributions of \$305, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2013, SLDC's current covered payroll was \$3,386 and total payroll amounted to \$3,393. 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.

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The SLPD has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the results of the most recent valuation. At July 1, 2011, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,518
Terminated plan members entitled to, but not yet receiving benefits	91
Active members	1,865
Total plan members	3,474

Funding Policy

Contributions made to the SLPD's OPEB plan are established and may be amended by the Board of Police Commissioners. For the year ended June 30, 2013, the SLPD contributed \$9,909, 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, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The annual required contribution represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the 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	\$ 41,208
Interest on net OPEB obligation	2,729
Adjustment to annual required contribution	(4,640)
Annual OPEB cost	39,297
Contribution made	9,909
Increase in net OPEB obligation	29,388
Net OPEB obligation, beginning of year	90,950
Net OPEB obligation, end of year	\$ 120,338

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

<u>Fiscal year</u>		<u>Annual OPEB cost (AOC)</u>	<u>Percentage of AOC contributed</u>		<u>Net OPEB obligation</u>
2013	\$	39,297	25.2%	\$	120,338
2012		38,333	24.4		90,950
2011		25,914	36.8		61,978

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 0% funded. The July 1, 2011 actuarial valuation stated the actuarial accrual liability for benefits was \$443,392, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$93,289, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 475.3%.

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 3% discount rate and an annual healthcare cost trend rate of 9.00% initially, reduced by decrements to an ultimate rate of 5% after eight years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a 30-year amortization period.

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12. DEFERRED COMPENSATION PLAN

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

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

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13. LONG-TERM LIABILITIES

a. Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds payable	\$ 38,955	—	(3,905)	35,050	4,090
Section 108 Loan Guarantee					
Assistance Programs	43,250	—	(3,720)	39,530	3,950
Development and Tax increment					
financing bonds and notes payable	246,079	57,195	(7,152)	296,122	11,923
Loan agreement with Missouri					
Department of Natural Resources	67	—	(67)	—	—
Loan agreement with MTFC	2,944	—	(444)	2,500	463
Capital lease – rolling stock	17,272	—	(3,574)	13,698	3,003
Certificates of participation	7,355	—	(615)	6,740	630
Obligations with component unit	54,739	—	(1,724)	53,015	1,234
Firemen’s Retirement EAN Note	5,278	—	(906)	4,372	976
Loan agreement with FPF	—	1,890	—	1,890	31
Leasehold revenue improvement and					
refunding bonds	502,428	—	(29,025)	473,403	32,596
Joint venture financing agreement	46,165	—	(4,080)	42,085	4,241
Unamortized discounts	(4,503)	—	202	(4,301)	—
Unamortized premiums	9,682	—	(2,108)	7,574	—
Unamortized deferred amounts					
on refunding	(6,536)	—	1,371	(5,165)	—
Net pension obligation	33,608	3,207	—	36,815	—
Accrued vacation					
and sick leave	25,047	11,713	(11,566)	25,194	11,634
Claims and judgments payable	24,833	19,961	(18,690)	26,104	10,192
Governmental activities					
long-term					
liabilities	\$ <u>1,046,663</u>	<u>93,966</u>	<u>(86,003)</u>	<u>1,054,626</u>	<u>84,963</u>

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

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	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 833,960	31,460	(70,805)	794,615	30,465
Net pension obligation	1,759	—	(26)	1,733	—
Pension funding project	5,345	—	(91)	5,254	97
Other	461	—	(22)	439	—
Accrued vacation and sick time benefits	5,636	3,684	(3,855)	5,465	3,682
Unamortized discounts, premiums, and deferred amounts on refunding	16,833	2,811	(1,214)	18,430	—
Deferred lease revenue	6,031	—	(280)	5,751	—
Total airport	<u>870,025</u>	<u>37,955</u>	<u>(76,293)</u>	<u>831,687</u>	<u>34,244</u>
Water Division:					
Revenue bonds payable	11,480	—	(3,895)	7,585	3,765
Customer deposits	1,778	76	—	1,854	—
Net pension obligation	1,444	1,952	(1,970)	1,426	—
Pension funding project	3,117	—	(57)	3,060	—
Accrued vacation and sick time benefits	3,348	—	(36)	3,312	1,743
Total water division	<u>21,167</u>	<u>2,028</u>	<u>(5,958)</u>	<u>17,237</u>	<u>5,508</u>
Parking Division:					
Revenue bonds payable	72,763	—	(2,236)	70,527	2,298
Net pension obligation	680	11	—	691	—
Pension funding project	860	—	(14)	846	—
Other	162	53	(54)	161	—
Unamortized discounts, premiums, and deferred amounts on refunding	(4,935)	307	—	(4,628)	—
Total parking division	<u>69,530</u>	<u>371</u>	<u>(2,304)</u>	<u>67,597</u>	<u>2,298</u>
Business-type activities long-term liabilities	<u>\$ 960,722</u>	<u>40,354</u>	<u>(84,555)</u>	916,521	42,050
Less amounts recorded in:					
Accrued salaries and other benefits				(5,425)	(5,425)
Accounts payable and accrued liabilities				(97)	(97)
				<u>\$ 910,999</u>	<u>36,528</u>

City of St. Louis, Missouri
Notes to Basic Financial Statements
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b. General Obligation Bonds

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 4,090	1,590	5,680
2015	4,275	1,413	5,688
2016	4,485	1,210	5,695
2017	4,720	993	5,713
2018	4,990	771	5,761
2019 – 2023	9,085	1,512	10,597
2024 – 2026	3,405	290	3,695
	<u>\$ 35,050</u>	<u>7,779</u>	<u>42,829</u>

c. Section 108 Loan Guarantee Assistance Programs

In July 2011 the HUD Section 108 notes were defeased in order to take advantage of a call on the notes. HUD offered a new Section 108 financing, allowing the City to secure a lower fixed rate. The offering took place in November 2011 and the City was able to secure a low, fixed rate through the life of the note. The HUD notes will mature on August 1, 2020 and bear interest rates ranging from 0.35% to 2.45%. Principal and interest requirements for the combined Section 108 program notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 3,950	574	4,524
2015	4,210	551	4,761
2016	4,460	516	4,976
2017	4,750	467	5,217
2018	5,050	399	5,449
2019 – 2021	17,110	593	17,703
	<u>\$ 39,530</u>	<u>3,100</u>	<u>42,630</u>

City of St. Louis, Missouri
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d. Development and Tax Increment Financing Bond and Notes Payable

The City issued \$44,695 in TIF bonds and notes payable during fiscal year 2013.

During fiscal year 2013, the City issued \$12,500 Development Financing Revenue Bonds for the Ballpark Village Development project.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 11,923	19,269	31,192
2015	12,688	18,505	31,193
2016	13,502	17,691	31,193
2017	14,369	16,823	31,192
2018	15,280	15,970	31,250
2019 – 2023	90,416	63,706	154,122
2024 – 2028	95,576	32,398	127,974
2029 – 2033	34,250	8,514	42,764
2034 – 2038	2,614	2,715	5,329
2039 – 2043	3,665	1,580	5,245
2044 – 2045	1,839	210	2,049
	<u>\$ 296,122</u>	<u>197,381</u>	<u>493,503</u>

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 463	105	568
2015	482	86	568
2016	502	65	567
2017	523	44	567
2018	530	22	552
	<u>\$ 2,500</u>	<u>322</u>	<u>2,822</u>

City of St. Louis, Missouri
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f. Capital Lease—Rolling Stock

The following is a schedule of future minimum lease payments as of June 30, 2013.

Year ending June 30:		
2014	\$	3,452
2015		2,907
2016		2,313
2017		1,862
2018		1,862
2019 – 2020		2,790
		<hr/>
Total future minimum lease payments		15,186
Amount representing interest		(1,488)
		<hr/>
Present value of net minimum lease payments	\$	<u>13,698</u>

g. Certificates of Participation

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation, which supports the Kiel Premises, as of June 30, 2013.

Year ending June 30:		
2014	\$	891
2015		894
2016		895
2017		894
2018		910
2019 – 2022		3,623
		<hr/>
Total future minimum obligation payments		8,107
Amount representing interest		(1,367)
		<hr/>
Present value of net minimum obligation payments	\$	<u>6,740</u>

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

City of St. Louis, Missouri
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h. Obligations with Component Unit

1) Convention Center – SLDC Series 2000 Bonds

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2013.

Year ending June 30:		
2014	\$	2,285
2015		—
2016		15,295
2017		15,295
2018		15,295
2019 – 2021		45,885
Total future minimum obligation payments		94,055
Amount representing interest		(57,590)
Present value of net minimum obligation payments	\$	36,465

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

2) 600 Washington Project – SLDC Series 2010 Bonds

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

City of St. Louis, Missouri
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The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2013.

Year ending June 30:					
2014		\$		930	
2015				948	
2016				976	
2017				998	
2018				1,023	
2019 – 2023				5,479	
2024 – 2028				6,262	
2029 – 2033				7,209	
2034 – 2038				8,017	
2039 – 2040				2,867	
				34,709	
Total future minimum obligation payments				34,709	
				(18,159)	
Amount representing interest				(18,159)	
				16,550	
Present value of net minimum obligation payments	\$			16,550	

i. Firemen’s Retirement EAN Note

The Firemen’s System and the City entered into an Agreement of Understanding if legislation at the state level changing the actuarial method to entry age normal (EAN) did not pass, the City would have the option to issue a note amortizing the unpaid amount to make up the shortfall of the contribution required in fiscal year 2013. The state failed to pass the bill causing the issuance of the note in the amount of \$5,278.

Principal and interest requirements under the loan agreement with the Firemen’s System are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 976	333	1,309
2015	1,050	259	1,309
2016	1,130	179	1,309
2017	1,216	93	1,309
	\$ 4,372	864	5,236

City of St. Louis, Missouri
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j. Loan agreement with Forest Park Forever

During fiscal year 2013, the SLMFC issued \$1,890 in Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	Principal	Interest	Total
Year ending June 30:			
2014	\$ 31	86	117
2015	32	85	117
2016	33	84	117
2017	35	82	117
2018	37	80	117
2019-2023	210	375	585
2024-2028	262	323	585
2029-2033	328	257	585
2034-2038	410	175	585
2039-2043	512	73	585
	\$ 1,890	1,620	3,510

14. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

a. Pension Funding Project 2007

The long-term liability for the Employees' System portion of the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2013:

Governmental activities	\$	31,061
Business-type activities		9,218
Component unit – SLPD		4,159
	\$	44,438

City of St. Louis, Missouri
Notes to Basic Financial Statements
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b. Principal and Interest Requirements

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

	<u>Civil Courts</u>		<u>Convention Center</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2014	\$ 2,685	138	12,325	3,100
2015	2,690	47	16,038	3,771
2016	—	—	—	2,417
2017	—	—	—	2,417
2018	—	—	—	2,417
2019 – 2023	—	—	17,324	25,349
2024 – 2028	—	—	36,799	51,758
2029 – 2033	—	—	29,072	59,478
2034 – 2038	—	—	22,171	68,852
2039	—	—	17,235	463
	<u>\$ 5,375</u>	<u>185</u>	<u>150,964</u>	<u>220,022</u>

	<u>Justice Center</u>		<u>Forest Park</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2014	\$ 8,265	2,352	\$ 930	443
2015	8,615	2,008	965	403
2016	9,030	1,587	1,010	360
2017	9,485	1,136	1,050	322
2018	9,920	697	1,100	269
2019-2023	5,420	289	4,945	534
	<u>\$ 50,735</u>	<u>8,069</u>	<u>10,000</u>	<u>2,331</u>

City of St. Louis, Missouri
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	Carnahan Courthouse		Abram Building (1520 Market Street)	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2014	\$ 1,235	954	1,294	297
2015	1,280	904	1,337	254
2016	1,330	853	1,381	209
2017	1,385	800	1,483	162
2018	1,440	744	1,036	118
2019 – 2023	8,100	2,809	3,295	169
2024 – 2027	8,435	956	—	—
	<u>\$ 23,205</u>	<u>8,020</u>	<u>9,826</u>	<u>1,209</u>

	Recreation sales tax		Police Capital Improvement sales tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2014	\$ 1,065	2,172	315	996
2015	1,110	2,129	325	983
2016	1,155	2,084	340	970
2017	1,185	2,036	350	958
2018	1,280	1,985	365	944
2019 – 2023	7,300	9,008	3,310	4,433
2024 – 2028	9,235	7,099	5,065	3,481
2029 – 2033	11,635	4,700	6,285	2,258
2034 – 2037	11,590	1,483	6,135	705
	<u>\$ 45,555</u>	<u>32,696</u>	<u>22,490</u>	<u>15,728</u>

City of St. Louis, Missouri
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	Public safety sales tax		Juvenile detention center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2014	\$ 1,735	692	540	1,006
2015	1,825	600	565	984
2016	1,930	494	585	961
2017	2,045	380	610	938
2018	2,165	261	635	913
2019 – 2023	2,290	134	3,565	4,166
2024 – 2028	—	—	4,380	3,355
2029 – 2033	—	—	5,450	2,284
2034 – 2038	—	—	6,785	943
	<u>\$ 11,990</u>	<u>2,561</u>	<u>23,115</u>	<u>15,550</u>

	Pension funding project	
	Principal	Interest
Year ending June 30:		
2014	\$ 2,455	8,680
2015	2,615	8,520
2016	2,785	8,349
2017	2,970	8,168
2018	3,160	7,975
2019 – 2023	19,165	36,516
2024 – 2028	26,250	29,424
2029 – 2033	35,975	19,708
2034 – 2037	38,150	6,394
	<u>\$ 133,525</u>	<u>133,734</u>

15. JOINT VENTURE FINANCING AGREEMENT

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

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

City of St. Louis, Missouri
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At June 30, 2013, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Preservation payments</u>	<u>Total</u>
Year ending June 30:				
2014	\$ 3,145	1,759	1,096	6,000
2015	3,315	1,590	1,095	6,000
2016	3,490	1,411	1,099	6,000
2017	3,670	1,223	1,107	6,000
2018	3,865	1,025	1,110	6,000
2019 – 2022	17,595	1,907	1,498	21,000
	<u>\$ 35,080</u>	<u>8,915</u>	<u>7,005</u>	<u>51,000</u>

16. COMPONENT UNIT—LONG-TERM LIABILITIES

a. Component Unit – SLDC Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLDC for the year ended June 30, 2013:

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>	<u>Within One Year</u>
Due to other governmental agencies	\$ 8,867	1,260	(3,453)	6,674	1,003
Notes payable	20,743	20,241	(10,728)	30,256	15,600
Other liabilities	7,011	5,160	(4,204)	7,967	2,629
Revenue bonds	10,235	—	(10,235)	—	—
	<u>\$ 46,856</u>	<u>26,661</u>	<u>(28,620)</u>	<u>44,897</u>	<u>19,232</u>

Maturities on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 15,599	895	16,494
2015	222	594	816
2016	233	583	816
2017	246	570	816
2018	259	557	816
2019 – 2020	13,697	742	14,439
	<u>\$ 30,256</u>	<u>3,941</u>	<u>34,197</u>

City of St. Louis, Missouri
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b. Component Unit— SLPD Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLPD for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due within One Year
Accrued vacation and sick leave pay	\$ 25,470	(15,750)	16,044	25,764	6,343
Worker's compensation	15,579	3,102	(3,886)	14,795	3,478
Net pension obligation	3,119	3,162	(3,200)	3,081	—
Pension obligation payable	4,232	—	(72)	4,160	76
Claims payable	128	—	(128)	—	—
Net OPEB obligation	90,950	39,297	(9,909)	120,338	10,554
	<u>\$ 139,478</u>	<u>29,811</u>	<u>(1,151)</u>	<u>168,138</u>	<u>20,451</u>

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

a. Airport

Bonds outstanding at June 30, 2013 are summarized as follows:

Bond Series 1997 B, interest rate of 6%, payable in varying amounts through 2015	\$ 11,515
Bond Series 2002, Series A, interest rates ranging from 4.00% to 5.25%, payable in varying amounts through 2014	1,760
Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	263,695
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033	222,605
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028	104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.63%, payable in varying amounts through 2035	107,240
Bond Series 2011AB, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2016	20,210
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	31,395
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019	<u>31,460</u>
	794,615
Less:	
Current maturities	(30,465)
Unamortized discounts and premiums	39,603
Deferred amounts on refunding	<u>(21,173)</u>
	<u>\$ 782,580</u>

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

On June 30, 2013, the Airport issued \$31,460 in Series 2013 Revenue Refunding Bonds payable in varying amounts from 2014 through 2019 with interest rates ranging from 2.00% to 5.00%. At June 30, 2013, \$40,150 of 2003 A 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 Airport completed the advance refunding to reduce its total debt service payments over the next 5 years by \$10,383 and to obtain an economic gain (difference between the present value of the old and the new debt service payments) of \$3,365.

The deferred amounts on refunding of \$21,173 at June 30, 2013 are included in revenue bonds payable within the accompanying balance sheet. The deferred amounts on refunding are amortized as a component of interest expense using the bonds outstanding method over the life of the new bonds or the old bonds, whichever is less.

City of St. Louis, Missouri
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As of June 30, 2013, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	Principal	Interest	Total
Year(s) ending June 30:			
2014	\$ 30,465	40,378	70,843
2015	37,560	39,457	77,017
2016	39,785	37,565	77,350
2017	38,400	35,551	73,951
2018	40,475	33,475	73,950
2019 – 2023	198,940	136,265	335,205
2024 – 2028	209,850	84,669	294,519
2029 – 2033	181,125	28,857	209,982
2034 – 2036	18,015	1,213	19,228
	\$ 794,615	437,430	1,232,045

In prior years, the Airport advance refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements. At June 30, 2013, \$459,290 of these outstanding bonds is considered defeased.

b. Water Division

Water revenue bonds outstanding at June 30, 2013 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2011 Water Revenue Refunding Bonds, 1.50% payable in varying amounts through July 1, 2014	\$	7,585
Less:		
Current maturities		(3,765)
	\$	3,820

In September 2011, the Water Division issued \$11,480 in Water Revenue Refunding Bonds (Series 2011 Bonds) with an interest rate of 1.50% to advance refund \$12,260 of the outstanding Series 1998 Bonds, maturing on July 1, 2014. The net proceeds of \$11,273 (after the subtraction of payment of \$207 in issuance costs) were deposited in an irrevocable trust with an escrow agent. The net proceeds and the balance of \$1,207 from the Series 1998 Debt Service Reserve Fund, totaling \$12,480, provided payment on the \$12,260 principal of the Series 1998 Bonds. As a result, Series 1998 Bonds were considered to be defeased and the liability for those bonds has been removed from the basic financial statements. At June 30, 2013, no defeased Series 1998 Bonds remain outstanding.

City of St. Louis, Missouri
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Debt service requirements to maturity for the Series 2011 Bonds are as follows:

	Principal	Interest	Total
For the year ending June 30:			
2014	\$ 3,765	85	3,850
2015	3,820	29	3,849
	\$ 7,585	114	7,699

Interest payments are due semiannually on January 1 and July 1.

c. Parking Division

Revenue bonds outstanding at June 30, 2013 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2028	\$ 3,165
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038	6,142
Series 2006 revenue bonds interest ranging from 3.75% to 5.14% payable in varying amounts through 2032	49,615
Series 2007 revenue bonds interest ranging from 4.125% to 6.00% payable in varying amounts through 2034	11,605
	70,527
Less:	
Current maturities	(2,298)
Unamortized discount, premium, and deferred loss on refunding	(4,628)
	\$ 63,601

City of St. Louis, Missouri
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Debt service requirements for the Parking Division revenue bonds at June 30, 2013 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2014	\$ 2,298	3,221	5,519
2015	2,419	3,102	5,521
2016	2,584	2,989	5,573
2017	2,689	2,882	5,571
2018	2,804	2,770	5,574
2019 – 2023	16,148	11,741	27,889
2024 – 2028	18,476	7,809	26,285
2029 – 2033	20,151	2,896	23,047
2034 – 2038	2,958	336	3,294
	<u>\$ 70,527</u>	<u>37,746</u>	<u>108,273</u>

18. PLEDGED REVENUES

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

a. Governmental activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2026. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2013, the total principal and interest remaining to be paid on the debt is \$42,829. Principal and interest paid was \$5,684 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$6,257. During fiscal year 2013, the proportion of pledged revenues needed for debt service to revenues collected was 90.8%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS is to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2033. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. It has also been pledged to pay debt on the Section 108 Loan for the Convention Center Hotel and the 600 Washington obligation with component unit. Annual principal and interest payments on

City of St. Louis, Missouri
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the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2013, the total principal and interest remaining is \$559,456. Principal and interest paid was \$25,578 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$22,064. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 100%.

A \$45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a \$5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Civil Court and Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Civil Courts building and the Carnahan Courthouse, respectively. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2013, the total principal and interest remaining on these financings is \$36,785. Principal and interest paid was \$3,961 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$1,460. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. The purpose of the financings was to construct a new Justice Center. The term of commitment related to such pledged revenues extend to fiscal year 2020. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2013, total principal and interest remaining on the debt is \$58,804. Principal and interest paid was \$9,843 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$4,620. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds, whose purpose was to finance improvements to Forest Park. As legally committed by ordinance, 10.4% of the revenue collected from this sales tax is allocated for Forest Park. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2013, total principal and interest remaining on the debt is \$12,330. Principal and interest paid was \$1,368 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$1,815. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 75.4%.

The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2013, total principal and interest remaining on the debt is \$78,251. Principal and interest paid was \$3,238 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended

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June 30, 2013 was \$4,323. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 74.9%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2013, total principal and interest remaining on the debt is \$38,218. Principal and interest paid was \$1,308 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$1,742. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 75.0%.

The 3.5% sales tax imposed on the amount of sales or charges for all rooms paid by the transient guests of hotels and motels is pledged by the City to fund the Convention and Sports Facility Refunding Bonds Series C 2007, whose purpose was to construct a multipurpose convention and indoor sports facility. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2013, total principal and interest remaining on the debt is \$51,000. Principal and interest paid was \$6,000 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$7,542. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 80.0%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2013, total principal and interest outstanding on this portion of the debt is \$8,714. The pledged net revenue recognized for the year ended June 30, 2013 related to the collection of PILOTs and EATs was \$1,423. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Euclid-Buckingham parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2013, total principal and interest outstanding on this portion of the debt is \$8,714. The pledged net revenue recognized for the year ended June 30, 2013 related to the collection of PILOTs and EATs was \$1,423. During fiscal year 2013, the proportion of pledged revenues needed to revenues collected was 100%.

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The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2006 and Series 2007 in parity with the Parking Division to make up any shortfall of other committed sources. The term of commitment related to such pledged revenues extend to fiscal year 2038. As of June 30, 2013, total principal and interest remaining on the debt is \$46,592. During fiscal year 2013, revenue from the police parking ticket revenues totaled \$877. During fiscal year 2013, none of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment. See footnote 18b.

b. Business-type activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$794,615 in various long-term debt issuances, as outlined in note 17. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2013, the total principal and interest remaining to be paid on the bonds is \$1,232,045. Principal and interest paid was \$73,001 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$91,157.

Water

The Water Division has pledged specific revenue streams to secure repayment of the Series 2011 Water Revenue Refunding Bonds (Series 2011 Bonds). (The bonds were issued for the purpose of funding various Water Division infrastructures.) As of June 30, 2013, the remaining principal and interest requirement is \$7,699, payable through July 2014 (fiscal year 2015). The proportion of pledged revenue to revenue collected is estimated at 7.3% at June 30, 2013.

Parking

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment the City of St. Louis Parking Revenue Bonds, Series 2006 and 2007. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2013, the remaining principal and interest requirement is \$93,184, payable through fiscal year 2034. Principal and interest paid for the Series 2006 and 2007 Parking Revenue Bonds was \$4,771 for the year ended June 30, 2013. The pledged net revenue recognized for the year ended June 30, 2013 was \$8,687.

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19. SHORT-TERM DEBT

a. City

The City issued \$65,000 of general fund Tax and Revenue Anticipation notes dated July 11, 2012 and redeemed May 30, 2013. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

Short-term debt activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Issued	Redeemed	Balance June 30, 2013
Tax revenue anticipation notes	\$ —	65,000	(65,000)	—
	\$ —	65,000	(65,000)	—
	\$ —	65,000	(65,000)	—

20. OPERATING LEASES

- a. At June 30, 2013, 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:				
2014	\$		932	
2015			684	
2016			559	
2017			484	
2018			413	
2019 – 2023			395	
2024 – 2028			250	
2029			17	
			3,734	
	\$		3,734	

Rental and lease expenditures for the fiscal year 2013 totaled \$3,516.

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

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

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

During fiscal year 2013, revenues from signatory air carriers accounted for 55.4% of total Airport operating revenues.

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

The following is a summary of aviation revenue by category and source from signatory and non-signatory air carriers for the year ended June 30, 2013:

	<u>Signatory</u>	<u>Non-signatory</u>	<u>Total</u>
Airfield	\$ 54,901	12,869	67,770
Terminal and concourses	21,597	2,637	24,234
Hangars and other buildings	384	570	954
Cargo buildings	291	442	733
	<u>\$ 77,173</u>	<u>16,518</u>	<u>93,691</u>

No assurance can be given as to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including: (1) the

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growth in the population and the economy of the area served by the Airport (2) national and international political and economic conditions, including the effects of any past or future terrorist attacks; (3) air carrier economics and air fares; (4) the availability and price of aviation fuel; (5) air carrier service and route networks; (6) the capacity of the air traffic control system; and (7) the capacity of the Airport/airways system.

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

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

Year(s) ending June 30:		
2014	\$	23,525
2015		17,238
2016		10,411
2017		9,821
2018		9,712
2019 – 2023		36,504
2024 – 2028		9,895
2029 – 2033		9,895
2034 – 2037		609
Total minimum future rentals	\$	127,610

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$2,997 for the year ended June 30, 2013.

Deferred lease revenues included in Airport other long-term liabilities in the amount of \$5,751 as of June 30, 2013 represent the up front lease revenues received by the Airport for the lease of certain land.

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The Airport leases computer and other equipment and has service agreements under non-cancelable arrangements that expire at various dates through 2017. Expenses for operating leases and service agreements were \$98 for the year ended June 30, 2013. Future minimum payments are as follows:

Year ending June 30:		
2014	\$	48
2015		39
2016		30
2017		12
Total minimum future rentals	\$	129

c. Component Unit—SLDC

During the year ended June 30, 2011, SLDC signed a sub-lease agreement with the City that commenced March 1, 2012 until June 30, 2031 with rental payments of \$620 per year for the first 10 years and variable amounts for the remaining 10 years.

Future minimum base rents under the terms of the lease agreements are as follows:

Year ending June 30:		
2014	\$	360
2015		360
2016		359
2017		360
2018		359
2019 – 2021		1,079
	\$	2,877

Additionally, at June 30, 2013, SLDC was committed through a 25-year operating lease with the City, which requires annual rental payments of \$1 (in dollars) for property at the City terminal site. Under the lease agreement, SLDC shall make improvements to the leased premises and award subleases for all or a portion of the leased premises. Sublease revenue is retained by SLDC for use at the terminal site.

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21. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2013 are as follows:

Receivable fund	Payable fund	Amount
General fund	Capital projects fund Special revenue—Grants fund Other governmental nonmajor funds Enterprise: Airport Water Division Parking Division	\$ 1,636 6,696 318 3,184 1,262 422 <hr/> 13,518
Other governmental nonmajor funds	General fund Capital projects fund Other governmental nonmajor funds	4,168 355 1,104 <hr/> 5,627
Internal service funds	General fund Other governmental nonmajor funds Enterprise: Airport Water Division Parking Division	313 1 2,180 2,648 212 <hr/> 5,354 <hr/> \$ 24,499

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, 2013.

Advances to/from other funds as of June 30, 2013 are as follows:

Advance from	Advance to	Amount
General fund	Internal Service Fund	\$ 17,771

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22. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2013 consisted of the following:

	<u>Transfer To</u>					<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Parking Division</u>	<u>Grants Fund</u>	
General fund	\$ —	7,602	2,393	—	—	9,995
Capital Projects fund	1,042	—	—	—	—	1,042
Other Governmental Funds	28,638	11,553	537	908	—	41,636
Transfer From						
Parking	500	—	—	—	—	500
Airport	6,607	—	—	—	—	6,607
Water Division	3,271	—	—	—	—	3,271
	<u>\$ 40,058</u>	<u>19,155</u>	<u>2,930</u>	<u>908</u>	<u>—</u>	<u>63,051</u>

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

23. COMMITMENTS AND CONTINGENCIES

a. Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2013, claims have been made on the City to make refunds under certain programs and other programs are still open as to compliance determination by the respective agencies. In the opinion of City officials, settlement of these matters will not result in a material liability to the City.

b. Commitments

At June 30, 2013, the City had outstanding commitments amounting to approximately \$15,530, resulting primarily from service agreements.

Additionally, at June 30, 2013, the Airport had outstanding commitments amounting to approximately \$34,030 resulting primarily from contracts for construction projects. In addition, the Airport has \$26,167 in outstanding commitments resulting from service agreements.

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c. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end are not accounted for as expenditures and liabilities, but are included in fund balance. As of June 30, 2013 encumbrances of \$6,043 were reported in the general fund, \$19,124 in the capital projects services fund and \$2,541 in the other governmental funds.

d. American Airlines and Southwest Airlines

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

American provided 11% of the Airport's total operating revenues and 20% of total revenues from signatory air carriers for the fiscal year ended June 30, 2013. Accounts receivable at June 30, 2013 contained \$1,002 relating to amounts owed to the Airport by American. This amount includes \$95 of unbilled aviation revenues at June 30, 2013.

Southwest provided 27% of the Airport's total operating revenues and 49% of total revenues from signatory air carriers for the fiscal year ended June 30, 2013. Accounts receivable at June 30, 2013 contained \$143 relating to amounts owed to the Airport by Southwest. This amount includes \$414 of unbilled aviation revenues at June 30, 2013.

e. Asbestos Removal

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

f. Parking Capital Commitments and Subsequent Events

On June 10, 2010, several employees who were part of an outsourcing of the meter collections, filed suit against the Parking Division. On August 24, 2012, the Court found the Parking Division liable by outsourcing the duties of employees. The damage portion remains to be tried and the Parking Division intends to vigorously defend itself. This case is still being contended in court.

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 City as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to

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provide support for economic development in the City. Revenues from these contracts amounted to \$3,214 during the year ended June 30, 2013.

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

SLDC was required to create Community Development Entities (CDE) so as to demonstrate its mission of serving low-income residents and its accountability to the low income community. The NMTC program requires the credits to be transferred to the QALICB's by for-profit partnerships or corporations for federal tax purposes. To comply with this provision, SLDC created 40 subsidiary CDEs – St. Louis New Markets Tax Credit Fund, LLC I through XL with the intent that each project to be allocated would be assigned its own CDE. The entire Round 2, Round 6, and Round 8 allocations have been sub-allocated to projects as of June 30, 2013. Seven of the Round 7 transactions have closed leaving just \$13,500 in remaining credits from that allocation. Seven of the Round 9 transactions have closed leaving just \$7,000 in remaining credits from that allocation. None of the Round 10 allocation (\$30,000) has been sub-allocated yet. The remaining \$50,500 in credits either are in underwriting or are committed to high impact projects in the City.

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 grantor 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 basic financial statements of SLDC or SLPD at June 30, 2013.

24. RISK MANAGEMENT

a. Primary Government

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured with respect to its obligation to provide workers' compensation, general liability, unemployment benefits, and prescription drug coverage. Effective February 1, 2003, the City became self-insured for property damage caused by garbage and refuse trucks. The City has sovereign tort immunity from liability and suit for compensatory damages for negligent acts or omissions, except in the case of injuries arising out of the operation of City motor vehicles or caused by the condition of City property. The maximum claim settlement established by state statute for such claims is \$300 per person and \$2,000 per

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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 \$25,488 at June 30, 2013, relating to these matters is recorded in the self-insurance internal service fund—PFPC. The City obtains periodic funding valuations from a claims-servicing company managing the appropriate level of estimated claims liability. Enterprise funds reimburse PFPC on a cost-reimbursement basis.

The City is self-insured for the prescription drug coverage provided to employees and retirees. The estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of \$616 at June 30, 2013 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2013, the following claims were recorded/accrued within the noted funds because the claims are not accounted for within the PFPC internal service fund; General fund in the amount of \$454.

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, 2013 and, for the years ended June 30, 2013 and 2012 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2013 and 2012 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2013	\$ 24,833	19,961	(18,690)	26,104
2012	24,789	17,570	(17,526)	24,833

Additionally, there is an estimate of general liability claims outstanding of \$10,121 – \$11,365 which the City Counselor’s office has determined there is a reasonable possibility that a loss contingency may be incurred but no accrual has been made within the government-wide financial statements or fund financial statements because the loss is not both probable and estimateable.

b. Component Unit—SLPD

SLPD is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A number of legal suits against

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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 legislation became effective modifying the coverage provided to the SLPD by the State of Missouri for general liability and various other claims and legal actions. State of Missouri Bill No. 420 provides that the State of Missouri is liable annually for funding general liability claims on an equal share basis per claim with the Public Facilities Protection Corporation (PFPC), an internal service fund of the City, up to a maximum of \$1,000. The SLPD is covered by PFPC for most self-insured risks, including general liability and various other claims and legal actions, exceeding the limitations set forth by the enacted legislation. Accounting for and funding of these self-insured risks is generally covered by the City.

At June 30, 2013, \$3,023 to \$3,123 of claims with a reasonable possibility of adverse outcome was not covered by PFPC. No amounts have been accrued within the accompanying financial statements for these claims.

SLPD has established a risk management program and retains the risk related to workers' compensation. At June 30, 2013, these liabilities amounted to \$14,795 for workers' compensation claims and are reflected within the accompanying statement of net position. Of SLPD's total workers' compensation liability, \$4,403 has been accrued for benefits to be paid for long-term medical care for officers seriously injured in the line of duty. Benefit payments for these cases amounted to approximately \$230 for the year ended June 30, 2013.

Changes in the balances of claims payable and workers' compensation claims liabilities during fiscal years ended June 30, 2013 and 2012 were as follows:

	<u>Beginning of year</u>	<u>Incurred claims and changes in estimates</u>	<u>Claim payments</u>	<u>End of year</u>
Claims payable:				
2013	\$ 128	—	(128)	—
2012	271	128	(271)	128
Worker's compensation claims:				
2013	\$ 15,579	3,102	(3,886)	14,795
2012	16,883	1,507	(2,811)	15,579

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.

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25. GRANT LOAN PROGRAMS

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

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

26. COMPONENT UNIT—SLDC CONDUIT DEBT

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

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27. FUND BALANCE

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

	<u>General fund</u>	<u>Capital projects fund</u>	<u>Grant funds</u>	<u>Other governmental fund</u>	<u>Total</u>
Nonspendable:					
Health and welfare	\$ —	—	—	10	10
Parks and recreation	—	—	—	1	1
Total Nonspendable	<u>—</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>11</u>
Restricted:					
Redevelopment	—	—	—	22,086	22,086
Streets and bridges	—	2,855	—	44	2,899
Public safety	—	6,115	—	69	6,184
Parks and recreation	—	3,852	—	1,710	5,562
Transportation	—	5,108	—	5,162	10,270
Debt service	14,784	1,053	—	18,304	34,141
Other	—	3,044	—	1,715	4,759
Total Restricted	<u>14,784</u>	<u>22,027</u>	<u>—</u>	<u>49,090</u>	<u>85,901</u>
Committed:					
Health and welfare	—	—	—	12,131	12,131
Streets and bridges	—	3,699	—	2,102	5,801
Public safety	—	1,022	—	5,100	6,122
Parks and recreation	—	7,453	—	2,802	10,255
Convention and tourism	—	—	—	4,318	4,318
Debt service	808	—	—	—	808
Payroll reserve	7,246	—	—	—	7,246
Other	—	16,765	—	1,735	18,500
Total Committed	<u>8,054</u>	<u>28,939</u>	<u>—</u>	<u>28,188</u>	<u>65,181</u>
Assigned:					
Redevelopment	—	—	—	2,113	2,113
Health and welfare	—	—	—	1,572	1,572
Streets and bridges	—	—	—	19	19
Public safety	—	—	—	542	542
Parks and recreation	—	—	—	179	179
Convention and tourism	—	—	—	10	10
Other	6,043	—	—	38	6,081
Total Assigned	<u>6,043</u>	<u>—</u>	<u>—</u>	<u>4,473</u>	<u>10,516</u>
Unassigned	<u>25,777</u>	<u>(24,586)</u>	<u>(62)</u>	<u>—</u>	<u>1,129</u>
Total fund balance	<u>\$ 54,658</u>	<u>26,380</u>	<u>(62)</u>	<u>81,762</u>	<u>162,738</u>

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

28. FUTURE ACCOUNTING PRONOUNCEMENTS

In March 2012, the GASB issued Statement No. 65, *Items Previously Report as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The City is required to implement this Statement beginning with the year ending June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The City is required to implement this Statement beginning with the year ending June 30, 2014.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which intends to improve financial reporting by state and local governmental pension plans. Also, in June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27*, which will enhance accounting and financial reporting by state and local governments for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The adoption of Statements No. 67 and No. 68 will require the City to record a Net Pension Liability on its Statement of Net Position. The City has determined adoption will have a significant impact on its financial statements and reduce its unrestricted net position when implemented. The City is required to implement Statements No. 67 and No. 68 beginning with the years ending June 30, 2014 and 2015, respectively.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The City is required to implement this Statement beginning with the year ending June 30, 2015.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. The City is required to implement this Statement beginning with the year ending June 30, 2014.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City is required to implement this Statement beginning with the year ending June 30, 2015.

29. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 10, 2013, the City issued \$65,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on May 30, 2014 and bear interest at a rate of 2.00% per year.

b. Development and Tax Increment Revenue Notes

Subsequent to June 30, 2013, the City issued development and tax increment revenue notes totaling \$5,939 with interest rates ranging from 6.85% to 9%.

c. General Obligation Bonds Defeasance

On August 21, 2013, the City defeased \$2,830 of General Obligation Bonds Series 2006.

d. Capital Lease – Rolling Stock Debt

On August 30, 2013, the City amended its lease agreement with JP Morgan Chase Bank, N.A. resulting in new debt of \$16,605. The proceeds of the debt will be used to buy rolling stock and other equipment and repair various buildings and bridges.

e. Arch Tax

On April 2, 2013, the City voters approved the addition of three sixteenths of one cent to the one tenth of one cent sales tax earmarked for the Metropolitan Parks and Recreation District. The three sixteenths of one cent tax collected will be divided and distributed 60% to the Metropolitan Park and Recreation District for the Gateway Arch grounds and other regional park and trail improvements and 40% to the City for the six major parks as well as neighborhood parks. The collection of the tax began October 1, 2013.

f. Loan Agreement with Forest Park Forever

An additional installment of \$845 was issued September 30, 2013 of the \$30 million Forest Park Taxable Subordinate Leasehold Revenue Improvement Bonds, Series 2013. As of this date, the total borrowed is \$2,735 of the \$30 million allowed by ordinance.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

g. Demolition of Cupples 7 Building

On January 27, 2012, the Parking Division entered into a Loan Sale Agreement with Montgomery Bank. The Parking Division agreed to purchase from the Bank the real property known as Cupples 7 for \$850. The Cupples 7 building had been declared unstable and the neighboring streets were closed as a safety precaution. The closing on the loan purchase was contingent on the City issuing an Approval of Demolition for the building. In July 2013, the Approval of Demolition permit was issued and the Parking Division completed the purchase. The Parking Division entered into a contract with Spiritas Wrecking for the demolition of the building. The land, which is adjacent to the Cupples Garage, will be turned into a green space. A total of \$650 was appropriated for demolition and conversion to green space.

h. Parking Revenue Bonds

On August 19, 2013, the City issued \$1,500 of Subordinated Parking Revenue Bonds, Series 2013A (the Series 2013A Bond), acting through the Treasurer of the City in her capacity as Supervisor of Parking Meters. The Series 2013A Bond constitutes debt of the Parking Division and was issued for the purpose of financing the acquisition of the Cupples 7 building, the subsequent demolition of the building, the landscaping and improvement of the site, and the cost of issuance. The Series 2013A Bond is a tax-exempt subordinate parking revenue bond, bearing interest at the rate of 2.30% per annum, maturing on December 15, 2022.

i. Water Revenue Refunding Bonds

In November 2013, the Water Division issued \$9,500 (not to exceed) in Water Revenue Refunding Bonds (Series 2013) through the Missouri Department of Natural Resources Direct Loan Program. This issue is a draw down loan with an interest rate of 1.56%. This issue funds various projects at the water treatment plants and throughout the distribution system.

j. American Airlines Bankruptcy

American Airlines parent AMR Corp. has emerged from Chapter 11 Bankruptcy protection and completed its merger with US Airways effective December 9, 2013. The companies officially formed the new American Airlines Group, Inc. on December 9, 2013. In addition, the Airport has an unsecured claim for approximately \$4.5 million that was granted to the City under the Settlement Agreement with American Airlines that it will receive in mandatory preferred stock. This mandatory preferred stock will be sold for cash that will be deposited into the Airport's Revenue Fund.

k. SLDC

On July 29, 2013, the Business Development Section of SLDC was split off and merged with the St. Louis County Economic Council to form a new entity, the St. Louis Economic Development Partnership. The new entity will provide business development services for both St. Louis City and St. Louis County. A principal reason for the creation of the Partnership is to provide a more unified and regional approach to business attraction and development. The two Boards serviced by the Business Development Section (IDA and LDC) will continue to meet and be housed by the SLDC home office. Under the agreement, SLDC will provide funding for the SLDC personnel transferred to the Partnership.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2013
(dollars in thousands)

1. SLPD Local Control

Effective September 1, 2013, as documented in Ordinance #69489, the City accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the Board of Police Commissioners for the Metropolitan Police Department of the City. Thus, as of September 1, 2013, the SLPD will no longer meet the definition of a discretely presented component unit of the City and all activities of the SLPD from September 1, 2013 forward will be reported on as part of the City reporting entity.

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Gross receipts	\$ 6,532	6,532	7,065	533
City earnings	147,750	147,750	150,990	3,240
Franchise	51,614	52,614	53,390	776
Sales	49,500	49,500	47,920	(1,580)
Property	53,471	54,471	55,521	1,050
Payroll	35,180	35,180	35,868	688
Motor vehicle	3,000	3,000	2,735	(265)
Other	628	628	557	(71)
Total taxes	<u>347,675</u>	<u>349,675</u>	<u>354,046</u>	<u>4,371</u>
Licenses and permits:				
Graduated business	6,913	6,913	6,330	(583)
Cigarette	1,448	1,448	1,638	190
Building division	5,095	5,095	6,033	938
Communication transmission	1,421	1,421	1,440	19
Liquor	483	483	497	14
Other	686	686	559	(127)
Motor vehicle	1,408	1,408	1,404	(4)
Total licenses and permits	<u>17,454</u>	<u>17,454</u>	<u>17,901</u>	<u>447</u>
Intergovernmental:				
Motor fuel tax allocation	9,500	9,500	8,023	(1,477)
Juvenile detention center	2,086	2,086	2,084	(2)
Public safety	6,640	6,640	6,368	(272)
Other intergovernmental	431	431	406	(25)
Total intergovernmental	<u>18,657</u>	<u>18,657</u>	<u>16,881</u>	<u>(1,776)</u>
Charges for services:				
Parks and recreation	356	356	321	(35)
Streets	17,612	17,612	17,151	(461)
Public safety	6,056	6,056	5,540	(516)
Health	880	880	781	(99)
Fee offices	5,092	5,092	4,577	(515)
Other	24	24	41	17
Services provided to other funds	4,215	4,215	3,936	(279)
Total charges for services	<u>34,235</u>	<u>34,235</u>	<u>32,347</u>	<u>(1,888)</u>
Court fines and forfeitures	<u>7,622</u>	<u>7,622</u>	<u>10,896</u>	<u>3,274</u>
Interest	<u>1</u>	<u>1</u>	<u>28</u>	<u>27</u>
Miscellaneous	<u>3,966</u>	<u>3,966</u>	<u>3,570</u>	<u>(396)</u>
Total revenues	<u>429,610</u>	<u>431,610</u>	<u>435,669</u>	<u>4,059</u>
EXPENDITURES				
Excess of revenues over expenditures	89,854	89,824	96,014	6,190
Other financing sources (uses):				
Transfers in	35,186	35,186	35,708	522
Transfers to component units	(124,584)	(124,879)	(115,574)	9,305
Transfers out	(8,495)	(8,170)	(10,526)	(2,356)
Total other financing sources (uses), net	<u>(97,893)</u>	<u>(97,863)</u>	<u>(90,392)</u>	<u>7,471</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (8,039)</u>	<u>(8,039)</u>	<u>5,622</u>	<u>13,661</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2013
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures	Total Expenditures	
General government:						
110 Board of Alderman	\$ 2,852	2,852	2,604	172	2,776	76
120 Mayor's Office	1,846	1,750	1,499	155	1,654	96
123 Department of Personnel	3,351	3,251	2,583	280	2,863	388
124 Registrar	175	175	166	7	173	2
126 Civil Rights Enforcement Agency	308	308	301	10	311	(3)
127 Information Technology Service Agency	5,458	5,458	3,239	1,852	5,091	367
137 Division of the Budget	430	413	402	5	407	6
139 City Counselor	5,087	5,496	2,875	4,714	7,589	(2,093)
141 Planning and Urban Design	113	113	80	-	80	33
160 Comptroller	7,677	7,677	4,331	3,363	7,694	(17)
162 Municipal Garage	320	320	265	33	298	22
163 Microfilm Section	333	333	257	40	297	36
170 Supply Commissioner	677	677	677	14	691	(14)
171 Multigraph Section	870	870	498	230	728	142
330 Tax Equalization Board	12	12	6	-	6	6
333 Recorder of Deeds	2,642	2,642	2,222	275	2,497	145
334 Election and Registration	4,120	4,120	2,339	1,409	3,748	372
340 Treasurer	741	741	715	15	730	11
Prior year encumbrance	1,228	1,228	-	148	148	1,080
Sub total general government	<u>38,240</u>	<u>38,436</u>	<u>25,059</u>	<u>12,722</u>	<u>37,781</u>	<u>655</u>
190 City-Wide Accounts	8,257	8,633	6,693	2,295	8,988	(355)
Prior year encumbrance	-	-	-	-	-	-
Sub total city-wide accounts	<u>8,257</u>	<u>8,633</u>	<u>6,693</u>	<u>2,295</u>	<u>8,988</u>	<u>(355)</u>
Total general government	<u>46,497</u>	<u>47,069</u>	<u>31,752</u>	<u>15,017</u>	<u>46,769</u>	<u>300</u>
Convention and tourism:						
930 Soldier's Memorial Building	147	147	113	1	114	33
Total convention and tourism	<u>147</u>	<u>147</u>	<u>113</u>	<u>1</u>	<u>114</u>	<u>33</u>
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	499	499	462	35	497	2
213 Division of Recreation	1,476	1,476	1,277	160	1,437	39
214 Division of Forestry	7,889	7,889	6,781	953	7,734	155
220 Division of Parks	8,518	8,518	7,820	737	8,557	(39)
225 Soulard Market	230	230	117	65	182	48
250 Tower Grove Park	700	700	-	700	700	-
Total parks and recreation	<u>19,312</u>	<u>19,312</u>	<u>16,457</u>	<u>2,650</u>	<u>19,107</u>	<u>205</u>

(continued)

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2013
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures	Total Expenditures	
Judicial:						
310 Circuit Court (Circuit Judges)	\$ 1,004	1,034	141	756	897	137
311 Circuit Court (General)	7,258	7,228	4,306	2,677	6,983	245
312 Circuit Attorney	6,968	7,018	6,301	593	6,894	124
313 Board of Jury Supervisors	1,394	1,394	466	878	1,344	50
314 Probate Court	42	42	-	30	30	12
315 Sheriff	9,086	9,086	8,642	353	8,995	91
316 City Courts	2,558	2,503	1,867	404	2,271	232
317 City Marshal	1,378	1,388	1,299	64	1,363	25
320 Probation Department and Juvenile Detention Center	16,433	16,433	14,508	1,376	15,884	549
321 Drug Court	211	211	-	67	67	144
Prior year encumbrance	113	113	-	98	98	15
Total judicial	46,445	46,450	37,530	7,296	44,826	1,624
Streets:						
510 Director of Streets	1,047	1,047	964	58	1,022	25
511 Transportation and Traffic Division	8,776	8,776	4,847	4,347	9,194	(418)
513 Auto Towing and Storage	1,696	1,696	1,332	219	1,551	145
514 Street Division	7,009	7,159	4,728	1,805	6,533	626
516 Refuse Division	15,170	15,020	7,427	7,361	14,788	232
Prior year encumbrance	-	-	-	-	-	-
Total streets	33,698	33,698	19,298	13,790	33,088	610
Public safety - fire:						
611 Fire Department Operations	49,932	49,862	47,788	3,153	50,941	(1,079)
612 Firemen's Retirement System	18,775	18,745	18,775	-	18,775	(30)
Total public safety - fire	68,707	68,607	66,563	3,153	69,716	(1,109)
Public safety - other:						
610 Director of Public Safety	677	777	579	143	722	55
614 Office of Special Events	172	172	174	-	174	(2)
616 Excise Commissioner	426	426	402	17	419	7
620 Building Commissioner	7,337	7,317	6,829	513	7,342	(25)
622 Neighborhood Stabilization	2,564	2,564	2,387	130	2,517	47
625 City Emergency Management Agency	339	339	245	74	319	20

(continued)

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2013
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual		Total Expenditures	Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures		
632 Medium Security Institution	\$ 15,993	15,536	9,716	5,413	15,129	407
633 City Jail	20,304	20,446	14,638	6,173	20,811	(365)
651 Police Retirement System	26,226	26,226	26,221	-	26,221	5
Total public safety-other	<u>74,038</u>	<u>73,803</u>	<u>61,191</u>	<u>12,463</u>	<u>73,654</u>	<u>149</u>
Health and welfare:						
335 Medical Examiner	1,912	1,912	829	1,009	1,838	74
800 Director of Human Services	1,283	1,283	1,224	98	1,322	(39)
Total health and welfare	<u>3,195</u>	<u>3,195</u>	<u>2,053</u>	<u>1,107</u>	<u>3,160</u>	<u>35</u>
Public services:						
900 President's Office, Board of Public Services	2,569	2,569	2,182	189	2,371	198
903 Building Operations	10,096	10,096	2,469	7,377	9,846	250
910 Equipment Services Division	9,141	9,141	3,914	5,121	9,035	106
Total public services	<u>21,806</u>	<u>21,806</u>	<u>8,565</u>	<u>12,687</u>	<u>21,252</u>	<u>554</u>
Debt service:						
Principal	17,262	19,050	-	19,984	19,984	(934)
Interest and fiscal charges	8,649	8,649	-	7,985	7,985	664
Total debt service	<u>25,911</u>	<u>27,699</u>	<u>-</u>	<u>27,969</u>	<u>27,969</u>	<u>(270)</u>
Total expenditures	<u>\$ 339,756</u>	<u>341,786</u>	<u>243,522</u>	<u>96,133</u>	<u>339,655</u>	<u>2,131</u>

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, 2013
(Dollars in thousands)

1. EXPLANATION OF BUDGETARY PROCESS

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

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

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

Schedule 2, Continued

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund – UNAUDITED (continued)
For the year ended June 30, 2013
(Dollars in thousands)

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

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

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

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

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

Budget basis	\$	5,622
Increase (decrease) due to:		
Revenue accruals		5,769
Expenditure accruals		(13,749)
Unbudgeted activities and funds		1,146
GAAP basis	\$	<u>(1,212)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2013

(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)
10/1/12	\$ 427,124	\$ 453,529	\$ 26,405	94.2%	\$ 36,013	73.3%
10/1/11	404,101	430,755	26,654	93.8	37,157	71.7
10/1/10	407,028	439,352	32,324	92.6	40,789	79.2

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)
10/1/12	\$ 674,080	\$ 864,762	\$ 190,682	77.9%	\$ 70,077	272.1%
10/1/11	695,422	855,618	160,196	81.3	67,594	237.0
10/1/10	718,137	814,927	96,790	88.1	71,095	136.1

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

Schedule 3, Continued

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2013
(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)
10/1/12	\$ 653,002	\$ 866,891	\$ 213,889	75.3%	\$ 224,822	95.1%
10/1/11	661,932	841,763	179,831	78.6	223,061	80.6
10/1/10	671,609	820,670	149,061	81.8	232,452	64.1

SLPD – Other Postemployment Benefits Plan

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

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/11	—	\$ 443,392	\$ 443,392	0.0	\$ 93,289	475.3%
7/1/09	—	243,709	243,709	0.0	95,706	254.6
7/1/07	—	236,138	236,138	0.0	85,372	276.6

See accompanying independent auditors' report.

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

Development Projects Financing – Used to account for the revenues, expenditures, and other activities relating to the tax increment financing districts and other development pledged revenues.

State Subsidized Redevelopment Projects – Used to record the activity relating to funding associated with state subsidized redevelopment projects using super tax increment financing funds or Missouri Downtown Economic Stimulus Act (MODESA) funding.

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

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

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

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

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

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

Nonmajor Governmental Funds

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

Debt Service Fund

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

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Development Projects Financing	State Subsidized Redevelopment Projects
Assets									
Cash and cash equivalents:									
Restricted	\$ —	—	—	—	—	—	—	7,375	4,258
Unrestricted	10,358	—	1,426	—	289	1,232	936	11,000	3,955
Investments:									
Restricted	—	—	—	—	—	—	—	—	—
Unrestricted	688	—	95	—	19	678	—	993	—
Receivables, net of allowances:									
Taxes	4,888	5,536	3,161	722	—	—	—	16,418	—
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	403	—	—	319	—
Charges for services	—	—	—	—	—	770	—	—	—
Other	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	5,385	242
Total assets	<u>\$ 15,934</u>	<u>5,536</u>	<u>4,682</u>	<u>722</u>	<u>711</u>	<u>2,680</u>	<u>936</u>	<u>41,490</u>	<u>8,455</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 743	—	—	—	—	112	—	52	—
Accrued salaries and other benefits	390	—	—	—	156	24	—	10	—
Due to component units	—	—	—	—	—	—	—	—	—
Due to other funds	1	374	385	271	—	—	—	—	—
Deferred revenue:									
Property taxes	—	—	—	—	—	—	—	16,095	—
Other revenue	—	—	—	—	403	660	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—
Total liabilities	<u>1,134</u>	<u>374</u>	<u>385</u>	<u>271</u>	<u>559</u>	<u>796</u>	<u>—</u>	<u>16,157</u>	<u>—</u>
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	—	5,162	—	14	152	—	936	23,220	8,455
Committed	13,402	—	4,297	—	—	1,884	—	—	—
Assigned	1,398	—	—	437	—	—	—	2,113	—
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	<u>14,800</u>	<u>5,162</u>	<u>4,297</u>	<u>451</u>	<u>152</u>	<u>1,884</u>	<u>936</u>	<u>25,333</u>	<u>8,455</u>
Total liabilities and fund balances	<u>\$ 15,934</u>	<u>5,536</u>	<u>4,682</u>	<u>722</u>	<u>711</u>	<u>2,680</u>	<u>936</u>	<u>41,490</u>	<u>8,455</u>

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(dollars in thousands)

	Special revenue							Debt Service Fund	Total Other Governmental Fund	
	License Collector	Demolition and Board-up	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue			Total Special Revenue
Assets										
Cash and cash equivalents:										
Restricted	\$ —	—	—	—	828	—	2	12,463	3,178	15,641
Unrestricted	1,718	2,012	398	614	1,223	908	1,589	37,658	—	37,658
Investments:										
Restricted	—	—	—	—	—	—	—	—	5,582	5,582
Unrestricted	—	134	26	41	81	60	829	3,644	—	3,644
Receivables, net of allowances:										
Taxes	—	—	—	2,768	691	1,606	—	35,790	7,248	43,038
Licenses and permits	—	—	200	—	—	5	—	205	—	205
Intergovernmental	—	—	—	—	—	143	10	875	—	875
Charges for services	—	—	—	—	—	770	5	1,545	—	1,545
Other	—	27	—	—	—	4	1	32	—	32
Due from other funds	—	—	—	—	—	—	—	5,627	—	5,627
Total assets	\$ 1,718	2,173	624	3,423	2,823	3,496	2,436	97,839	16,008	113,847
Liabilities and Fund Balances										
Liabilities:										
Accounts payable and accrued liabilities	\$ —	—	—	170	92	160	50	1,379	—	1,379
Accrued salaries and other benefits	—	—	36	2	136	223	2	979	—	979
Due to component units	—	—	—	—	—	—	686	686	—	686
Due to other funds	—	—	—	304	88	—	—	1,423	—	1,423
Deferred revenue:										
Property taxes	—	—	—	—	—	—	—	16,095	6,957	23,052
Other revenue	—	—	79	—	—	534	10	1,686	338	2,024
Unearned revenue	—	27	—	—	—	2,515	—	2,542	—	2,542
Total liabilities	—	27	115	476	316	3,432	748	24,790	7,295	32,085
Fund balances:										
Nonspendable	—	—	—	—	—	—	11	11	—	11
Restricted	1,718	—	—	—	1,637	(1,803)	886	40,377	8,713	49,090
Committed	—	2,108	509	2,947	870	2,120	51	28,188	—	28,188
Assigned	—	38	—	—	—	21	466	4,473	—	4,473
Unassigned	—	—	—	—	—	—	—	—	—	—
Total fund balances	1,718	2,146	509	2,947	2,507	338	1,414	73,049	8,713	81,762
Total liabilities and fund balances	\$ 1,718	2,173	624	3,423	2,823	3,770	2,162	97,839	16,008	113,847

See accompanying independent auditors' report.

(Continued)

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2013
(dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	Development Projects Financing	State Subsidized Redevelopment Projects
Revenues:									
Taxes	\$ 28,064	35,636	12,863	8,431	2,223	—	—	25,601	1,541
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	417	—	—	1,605	727
Charges for services, net	—	—	—	—	7	2,581	8,708	—	—
Investment income	4	—	—	—	—	(1)	24	—	—
Miscellaneous	63	—	—	1,000	—	—	439	939	2,061
Total	<u>28,131</u>	<u>35,636</u>	<u>12,863</u>	<u>9,431</u>	<u>2,647</u>	<u>2,580</u>	<u>9,171</u>	<u>28,145</u>	<u>4,329</u>
Expenditures:									
General government	(38)	—	135	195	4,150	—	8,176	504	—
Convention and tourism	—	—	—	—	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—	—	—	—
Judicial	—	—	—	—	—	—	—	—	—
Streets	658	—	—	—	—	—	—	—	—
Public safety:									
Fire	—	—	—	4	—	—	—	—	—
Police	9,040	—	—	4,250	—	—	—	—	—
Police-Pension	—	—	—	—	—	—	—	—	—
Other	3,189	—	—	—	—	—	—	—	—
Health and welfare	16,669	—	—	—	—	—	—	—	—
Public services	—	35,699	—	—	—	2,688	—	—	—
Community development	—	42	—	—	—	—	—	46,612	6,825
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service:									
Principal	—	(8)	—	451	—	—	—	7,405	2,720
Interest and fiscal charges	—	(34)	—	59	—	—	—	15,359	2,116
Total expenditures	<u>29,518</u>	<u>35,699</u>	<u>135</u>	<u>4,959</u>	<u>4,150</u>	<u>2,688</u>	<u>8,176</u>	<u>69,880</u>	<u>11,661</u>
Excess (deficiency) of revenues over expenditures	<u>(1,387)</u>	<u>(63)</u>	<u>12,728</u>	<u>4,472</u>	<u>(1,503)</u>	<u>(108)</u>	<u>995</u>	<u>(41,735)</u>	<u>(7,332)</u>
Other financing sources (uses):									
Issuance of tax increment revenue notes	—	—	—	—	—	—	—	44,695	12,500
Transfers in	—	—	—	—	1,540	—	—	—	—
Transfers out	(625)	—	(12,595)	(6,633)	(39)	(4)	(59)	(840)	(2,293)
Total other financing sources (uses), net	<u>(625)</u>	<u>—</u>	<u>(12,595)</u>	<u>(6,633)</u>	<u>1,501</u>	<u>(4)</u>	<u>(59)</u>	<u>43,855</u>	<u>10,207</u>
Net change in fund balances	<u>(2,012)</u>	<u>(63)</u>	<u>133</u>	<u>(2,161)</u>	<u>(2)</u>	<u>(112)</u>	<u>936</u>	<u>2,120</u>	<u>2,875</u>
Fund balances:									
Beginning of year	16,812	5,225	4,164	2,612	154	1,996	—	23,213	5,580
End of year	<u>\$ 14,800</u>	<u>5,162</u>	<u>4,297</u>	<u>451</u>	<u>152</u>	<u>1,884</u>	<u>936</u>	<u>25,333</u>	<u>8,455</u>

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2013
(dollars in thousands)

	License Collector	Demolition and Board-up	Public Safety Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Revenues:										
Taxes	\$ —	—	—	17,307	4,312	18,633	—	154,611	6,264	160,875
Licenses and permits	—	—	2,950	—	—	3,051	—	6,001	—	6,001
Intergovernmental	—	—	—	—	—	1,870	341	4,960	—	4,960
Charges for services, net	1,820	7	—	—	—	2,455	709	16,287	—	16,287
Investment income	—	—	—	—	—	1	9	37	6	43
Miscellaneous	—	1,156	—	646	—	1,688	309	8,301	—	8,301
Total	1,820	1,163	2,950	17,953	4,312	27,698	1,368	190,197	6,270	196,467
Expenditures:										
General government	1,723	—	437	—	—	1,533	621	17,436	—	17,436
Convention and tourism	—	—	—	—	—	—	4	4	—	4
Parks and recreation	—	8	—	—	3,711	1,150	189	5,058	—	5,058
Judicial	—	—	309	181	—	2,181	144	2,815	—	2,815
Streets	—	—	—	—	—	207	79	944	—	944
Public safety:										
Fire	—	—	—	1,000	—	—	9	1,013	—	1,013
Police	—	—	2,100	6,720	—	397	—	22,507	—	22,507
Police-Pension	—	—	—	2,271	—	—	—	2,271	—	2,271
Other	—	965	—	585	—	2,344	38	7,121	—	7,121
Health and welfare	—	—	—	—	—	390	9	17,068	—	17,068
Public services	—	—	—	2	—	—	66	38,455	—	38,455
Community development	—	—	—	—	—	—	—	53,479	—	53,479
Capital outlay	—	—	—	—	315	49	—	364	—	364
Debt service:										
Principal	—	—	—	3,158	1,025	—	—	14,751	3,905	18,656
Interest and fiscal charges	—	—	—	6,215	2,251	—	2	25,968	1,791	27,759
Total expenditures	1,723	973	2,846	20,132	7,302	8,251	1,161	209,254	5,696	214,950
Excess (deficiency) of revenues over expenditures	97	190	104	(2,179)	(2,990)	19,447	207	(19,057)	574	(18,483)
Other financing sources (uses):										
Issuance of tax increment revenue notes	—	—	—	—	—	—	—	57,195	—	57,195
Transfers in	—	30	—	—	400	953	5	2,928	2	2,930
Transfers out	(13)	—	(8)	—	(15)	(18,481)	(31)	(41,636)	—	(41,636)
Total other financing sources (uses), net	(13)	30	(8)	—	385	(17,528)	(26)	18,487	2	18,489
Net change in fund balances	84	220	96	(2,179)	(2,605)	1,919	181	(570)	576	6
Fund balances:										
Beginning of year	1,634	1,926	413	5,126	5,112	(1,581)	1,233	73,619	8,137	81,756
End of year	\$ 1,718	2,146	509	2,947	2,507	338	1,414	73,049	8,713	81,762

See accompanying independent auditors' report.

(Continued)

City of St. Louis, Missouri
Use Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 29,000	29,000	28,668	(332)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	35	35	5	(30)
Miscellaneous	—	—	63	63
Total revenues	<u>29,035</u>	<u>29,035</u>	<u>28,736</u>	<u>(299)</u>
Expenditures:				
Current:				
General government	123	123	123	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	666	666	665	1
Public safety:				
Fire	—	—	—	—
Police	8,840	9,040	9,040	—
Other	3,341	3,241	3,129	112
Health and welfare	24,141	24,041	16,600	7,441
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>37,111</u>	<u>37,111</u>	<u>29,557</u>	<u>7,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,076)</u>	<u>(8,076)</u>	<u>(821)</u>	<u>7,255</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(530)	(530)	(530)	—
	<u>(530)</u>	<u>(530)</u>	<u>(530)</u>	<u>—</u>
Net change in fund balances	<u>\$ (8,606)</u>	<u>(8,606)</u>	<u>(1,351)</u>	<u>7,255</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Transportation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 39,500	39,500	35,652	(3,848)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	20	20	—	(20)
Miscellaneous	—	—	—	—
Total revenues	<u>39,520</u>	<u>39,520</u>	<u>35,652</u>	<u>(3,868)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	39,500	39,500	35,699	3,801
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>39,500</u>	<u>39,500</u>	<u>35,699</u>	<u>3,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20</u>	<u>20</u>	<u>(47)</u>	<u>(67)</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(20)	(20)	—	20
	<u>(20)</u>	<u>(20)</u>	<u>—</u>	<u>20</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>(47)</u>	<u>(47)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Convention and Tourism Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 11,342	11,342	12,812	1,470
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>11,342</u>	<u>11,342</u>	<u>12,812</u>	<u>1,470</u>
Expenditures:				
Current:				
General government	135	135	135	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>135</u>	<u>135</u>	<u>135</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,207</u>	<u>11,207</u>	<u>12,677</u>	<u>1,470</u>
Other financing sources (uses):				
Transfers in				
Transfers out	(11,207)	(11,207)	(12,595)	(1,388)
	<u>(11,207)</u>	<u>(11,207)</u>	<u>(12,595)</u>	<u>(1,388)</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>82</u>	<u>82</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Licensed Gaming Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 9,900	9,900	8,497	(1,403)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	1	1	—	(1)
Miscellaneous	1,000	1,000	1,000	—
Total revenues	<u>10,901</u>	<u>10,901</u>	<u>9,497</u>	<u>(1,404)</u>
Expenditures:				
Current:				
General government	195	195	195	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	4	21
Police	4,450	4,450	4,250	200
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	1,170	1,170	—	1,170
Debt service	515	515	510	5
Total expenditures	<u>6,355</u>	<u>6,355</u>	<u>4,959</u>	<u>1,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,546</u>	<u>4,546</u>	<u>4,538</u>	<u>(8)</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(6,715)	(6,715)	(6,633)	82
	<u>(6,715)</u>	<u>(6,715)</u>	<u>(6,633)</u>	<u>82</u>
Net change in fund balances	<u>\$ (2,169)</u>	<u>(2,169)</u>	<u>(2,095)</u>	<u>74</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Assessor's Office Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,984	1,984	2,223	239
Licenses and permits	—	—	—	—
Intergovernmental	470	470	417	(53)
Charges for service, net	9	9	7	(2)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,463</u>	<u>2,463</u>	<u>2,647</u>	<u>184</u>
Expenditures:				
Current:				
General government	4,270	4,270	4,191	79
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>4,270</u>	<u>4,270</u>	<u>4,191</u>	<u>79</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,807)</u>	<u>(1,807)</u>	<u>(1,544)</u>	<u>263</u>
Other financing sources (uses):				
Transfers in	1,540	1,540	1,540	—
Transfers out	—	—	—	—
	<u>1,540</u>	<u>1,540</u>	<u>1,540</u>	<u>—</u>
Net change in fund balances	<u>\$ (267)</u>	<u>(267)</u>	<u>(4)</u>	<u>263</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Lateral Sewer Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,541	2,541	2,580	39
Court fines and forfeitures	—	—	—	—
Investment income	5	5	—	(5)
Miscellaneous	—	—	—	—
Total revenues	<u>2,546</u>	<u>2,546</u>	<u>2,580</u>	<u>34</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,891	2,891	2,677	214
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,891</u>	<u>2,891</u>	<u>2,677</u>	<u>214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(345)</u>	<u>(345)</u>	<u>(97)</u>	<u>248</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (345)</u>	<u>(345)</u>	<u>(97)</u>	<u>248</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Development Projects Financing Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 24,067	24,067	24,067	—
Licenses and permits	—	—	—	—
Intergovernmental	1,422	1,422	1,422	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	1	1	1	—
Miscellaneous	939	939	939	—
Total revenues	<u>26,429</u>	<u>26,429</u>	<u>26,429</u>	<u>—</u>
Expenditures:				
Current:				
General government	515	515	515	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	46,611	46,611	46,611	—
Capital outlay	—	—	—	—
Debt service	22,764	22,764	22,764	—
Total expenditures	<u>69,890</u>	<u>69,890</u>	<u>69,890</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,461)</u>	<u>(43,461)</u>	<u>(43,461)</u>	<u>—</u>
Other financing sources (uses):				
Proceeds net of refunding	44,695	44,695	44,695	—
Transfers in	—	—	—	—
Transfers out	(857)	(857)	(857)	—
	<u>43,838</u>	<u>43,838</u>	<u>43,838</u>	<u>—</u>
Net change in fund balances	<u>\$ 377</u>	<u>377</u>	<u>377</u>	<u>—</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
State Subsidized Redevelopment Projects Financing Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,299	1,299	1,299	—
Licenses and permits	—	—	—	—
Intergovernmental	727	727	727	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	2,061	2,061	2,061	—
Total revenues	<u>4,087</u>	<u>4,087</u>	<u>4,087</u>	<u>—</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	6,825	6,825	6,825	—
Capital outlay	—	—	—	—
Debt service	4,836	4,836	4,836	—
Total expenditures	<u>11,661</u>	<u>11,661</u>	<u>11,661</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,574)</u>	<u>(7,574)</u>	<u>(7,574)</u>	<u>—</u>
Other financing sources (uses):				
Proceeds net of refunding	12,500	12,500	12,500	—
Transfers in	—	—	—	—
Transfers out	(2,293)	(2,293)	(2,293)	—
	<u>10,207</u>	<u>10,207</u>	<u>10,207</u>	<u>—</u>
Net change in fund balances	<u>\$ 2,633</u>	<u>2,633</u>	<u>2,633</u>	<u>—</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Public Safety Trust Fund Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollards in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	3,193	3,193	2,949	(244)
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>3,193</u>	<u>3,193</u>	<u>2,949</u>	<u>(244)</u>
Expenditures:				
Current:				
General government	537	537	438	99
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	553	553	307	246
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,100	2,100	2,100	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>3,190</u>	<u>3,190</u>	<u>2,845</u>	<u>345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3</u>	<u>3</u>	<u>104</u>	<u>101</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ 3</u>	<u>3</u>	<u>104</u>	<u>101</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Public Safety Sales Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollards in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 17,820	17,820	17,305	(515)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>17,820</u>	<u>17,820</u>	<u>17,305</u>	<u>(515)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	335	335	160	175
Streets	—	—	—	—
Public safety:				
Fire	1,000	1,000	1,000	—
Police	8,991	8,991	8,991	—
Other	1,458	1,458	551	907
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,727	3
Total expenditures	<u>20,514</u>	<u>20,514</u>	<u>19,429</u>	<u>1,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,694)</u>	<u>(2,694)</u>	<u>(2,124)</u>	<u>570</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u><u>\$ (2,694)</u></u>	<u><u>(2,694)</u></u>	<u><u>(2,124)</u></u>	<u><u>570</u></u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Parks & Recreation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollards in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 4,410	4,410	4,323	(87)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	1	1	—	(1)
Miscellaneous	2,000	2,000	—	(2,000)
Total revenues	<u>6,411</u>	<u>6,411</u>	<u>4,323</u>	<u>(2,088)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	3,730	5,177	3,718	1,459
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	1,896	442	315	127
Debt service	3,286	3,293	3,293	—
Total expenditures	<u>8,912</u>	<u>8,912</u>	<u>7,326</u>	<u>1,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,501)</u>	<u>(2,501)</u>	<u>(3,003)</u>	<u>(502)</u>
Other financing sources (uses):				
Transfers in	400	400	400	—
Transfers out	—	—	—	—
	<u>400</u>	<u>400</u>	<u>400</u>	<u>—</u>
Net change in fund balances	<u>\$ (2,101)</u>	<u>(2,101)</u>	<u>(2,603)</u>	<u>(502)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Other Budgeted Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,604	18,241	18,753	512
Licenses and permits	1,885	1,885	3,046	1,161
Intergovernmental	2,535	2,535	1,873	(662)
Charges for service, net	4,028	4,028	3,959	(69)
Court fines and forfeitures	—	—	—	—
Investment income	5	5	1	(4)
Miscellaneous	1,035	1,075	1,689	614
Total revenues	23,092	27,769	29,321	1,552
Expenditures:				
Current:				
General government	1,540	1,560	1,524	36
Convention and tourism	—	—	—	—
Parks and recreation	1,265	1,265	1,171	94
Judicial	2,774	2,774	2,219	555
Streets	248	248	208	40
Public safety:				
Fire	—	—	—	—
Police	550	550	397	153
Other	2,639	2,639	2,359	280
Health and welfare	750	770	417	353
Public service	784	784	—	784
Capital outlay	92	92	76	16
Debt service	425	425	—	425
Total expenditures	11,067	11,107	8,371	2,736
Excess (deficiency) of revenues over (under) expenditures	12,025	16,662	20,950	4,288
Other financing sources (uses):				
Transfers in	750	750	953	203
Transfers out	(17,400)	(22,400)	(19,893)	2,507
	(16,650)	(21,650)	(18,940)	2,710
Net change in fund balances	\$ (4,625)	(4,988)	2,010	6,998

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, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 5,770	5,770	6,252	482
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	5	5	5	—
Miscellaneous	—	—	—	—
Total revenues	<u>5,775</u>	<u>5,775</u>	<u>6,257</u>	<u>482</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	5,704	5,704	5,696	8
Total expenditures	<u>5,704</u>	<u>5,704</u>	<u>5,696</u>	<u>8</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71</u>	<u>71</u>	<u>561</u>	<u>490</u>
Other financing sources (uses):				
Transfers in	—	—	2	2
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>
Net change in fund balances	<u>\$ 71</u>	<u>71</u>	<u>563</u>	<u>492</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Capital Projects Fund – Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2013
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 19,510	19,510	19,009	(501)
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	247	247	185	(62)
Total revenues	<u>20,387</u>	<u>20,387</u>	<u>19,824</u>	<u>(563)</u>
Expenditures:				
Current:				
General government	661	651	—	651
Convention and tourism	—	—	—	—
Parks and recreation	2,240	2,664	963	1,701
Judicial	—	—	—	—
Streets	5,607	7,071	4,436	2,635
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	10,129	10,005	2,227	7,778
Capital outlay	15,565	21,034	7,536	13,498
Debt service	21,882	19,659	19,618	41
Total expenditures	<u>56,084</u>	<u>61,084</u>	<u>34,780</u>	<u>26,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,697)</u>	<u>(40,697)</u>	<u>(14,956)</u>	<u>25,741</u>
Other financing sources (uses):				
Sale of general fixed assets	320	320	3	(317)
Transfers in	15,620	20,620	17,928	(2,692)
Transfers out	—	—	—	—
	<u>15,940</u>	<u>20,940</u>	<u>17,931</u>	<u>(3,009)</u>
Net change in fund balances	<u>\$ (19,757)</u>	<u>(19,757)</u>	<u>2,975</u>	<u>22,732</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Schedule of Reconciling Items Between Change in Fund Balances—Budget Basis and Change in Fund Balances—GAAP Basis
Year ended June 30, 2013
(dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Development Projects Financing	State Subsidized Redevelopment Projects	Public Safety Trust Fund	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Debt Service Fund	Capital Projects Fund
Net change in fund balances—budget basis	\$ (1,351)	(47)	82	(2,095)	(4)	(97)	377	2,633	104	(2,124)	(2,603)	2,010	563	2,975
Differences—budget to GAAP:														
Revenues are recorded when received in cash on a budget basis. However, revenues are recorded when measurable and available on a GAAP basis.	(605)	(16)	51	(66)	—	—	1,738	242	1	2	(11)	(168)	11	192
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(56)	—	—	—	2	(15)	5	—	(9)	(57)	9	77	—	818
Certain activities and accounts, which are included within the funds on a GAAP basis, are not included within the annual operating budgets adopted by the Board of Alderman.	—	—	—	—	—	—	—	—	—	—	—	—	2	(11,782)
Net change in fund balances—GAAP basis	\$ (2,012)	(63)	133	(2,161)	(2)	(112)	2,120	2,875	96	(2,179)	(2,605)	1,919	576	(7,797)

See accompanying independent auditors' report.

Internal Service Funds

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

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

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

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

Equipment Services – Used to account for fuel services provided to other funds.

City of St. Louis, Missouri
Combining Statement of Net Position
Internal Service Funds
June 30, 2013
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 1,728	46	1,467	237	3,478
Investments – unrestricted	—	3	98	16	117
Receivable, net of allowances:					
Intergovernmental	1,000	—	—	—	1,000
Charges for services	—	10	—	—	10
Prepaid assets	—	50	—	—	50
Due from other funds	4,989	—	239	126	5,354
Advance from other funds	17,771	—	—	—	17,771
Total current assets	<u>25,488</u>	<u>109</u>	<u>1,804</u>	<u>379</u>	<u>27,780</u>
Noncurrent assets:					
Capital assets	—	112	—	—	112
Less accumulated depreciation	—	(74)	—	—	(74)
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>38</u>	<u>—</u>	<u>—</u>	<u>38</u>
Total assets	<u>25,488</u>	<u>147</u>	<u>1,804</u>	<u>379</u>	<u>27,818</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	52	—	235	287
Claims payable	25,488	—	616	—	26,104
Total current liabilities	<u>25,488</u>	<u>52</u>	<u>616</u>	<u>235</u>	<u>26,391</u>
Total liabilities	<u>25,488</u>	<u>52</u>	<u>616</u>	<u>235</u>	<u>26,391</u>
Net Position					
Net investment in capital assets	—	39	—	—	39
Unrestricted	—	56	1,188	144	1,388
Total net position	<u>\$ —</u>	<u>95</u>	<u>1,188</u>	<u>144</u>	<u>1,427</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year ended June 30, 2013
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 13,877	539	6,108	4,778	25,302
Intergovernmental revenue	891	—	—	—	891
Total operating revenues	<u>14,768</u>	<u>539</u>	<u>6,108</u>	<u>4,778</u>	<u>26,193</u>
Operating expenses:					
Claims incurred	13,218	—	6,977	—	20,195
Premiums	1,550	—	—	—	1,550
Personnel services	—	282	—	—	282
Material and supplies	—	260	—	4,634	4,894
Depreciation and amortization	—	6	—	—	6
Total operating expenses	<u>14,768</u>	<u>548</u>	<u>6,977</u>	<u>4,634</u>	<u>26,927</u>
Operating income (loss)	<u>—</u>	<u>(9)</u>	<u>(869)</u>	<u>144</u>	<u>(734)</u>
Nonoperating revenues (expenses):					
Loss on disposal of capital assets	—	(12)	—	—	(12)
Total nonoperating revenues (expenses), net	<u>—</u>	<u>(12)</u>	<u>—</u>	<u>—</u>	<u>(12)</u>
Income (loss) before capital contributions	<u>—</u>	<u>(21)</u>	<u>(869)</u>	<u>144</u>	<u>(746)</u>
Capital contributions	—	18	—	—	18
Changes in net position	<u>—</u>	<u>(3)</u>	<u>(869)</u>	<u>144</u>	<u>(728)</u>
Total net position – beginning of year	<u>—</u>	<u>98</u>	<u>2,057</u>	<u>—</u>	<u>2,155</u>
Total net position – end of year	<u>\$ —</u>	<u>95</u>	<u>1,188</u>	<u>144</u>	<u>1,427</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2013
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 15,314	571	6,054	4,652	26,591
Payments to suppliers of goods and services	(13,927)	(242)	(6,917)	(4,399)	(25,485)
Payments to employees	—	(280)	—	—	(280)
Net cash provided by (used in) operating activities	<u>1,387</u>	<u>49</u>	<u>(863)</u>	<u>253</u>	<u>826</u>
Cash flows from investing activities:					
Purchase of investments	—	(3)	67	(16)	48
Net cash (used in) provided by investing activities	<u>—</u>	<u>(3)</u>	<u>67</u>	<u>(16)</u>	<u>48</u>
Net increase (decrease) in cash and cash equivalents	1,387	46	(796)	237	874
Cash and cash equivalents beginning of year	341	—	2,263	—	2,604
Cash and cash equivalents end of year	<u>\$ 1,728</u>	<u>46</u>	<u>1,467</u>	<u>237</u>	<u>3,478</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(9)	(869)	144	(734)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	6	—	—	6
Change in assets and liabilities:					
Receivables, net	(457)	(10)	—	—	(467)
Due to/from other funds	478	42	(54)	(126)	340
Advance to other funds	525	—	—	—	525
Prepaid assets	—	2	—	—	2
Accounts payable and accrued liabilities	—	18	—	235	253
Claims payable	841	—	60	—	901
Total adjustments	<u>1,387</u>	<u>58</u>	<u>6</u>	<u>109</u>	<u>1,560</u>
Net cash provided by (used in) operating activities	<u>\$ 1,387</u>	<u>49</u>	<u>(863)</u>	<u>253</u>	<u>826</u>
Supplemental disclosure of non cash activities:					
Contributed capital	<u>\$ —</u>	<u>18</u>	<u>—</u>	<u>—</u>	<u>18</u>

See accompanying independent auditors' report.

Pension Trust Funds

Pension trust funds are used to account for the activity of the three public employee retirement systems for which the City acts as a trustee.

Firemen's System – 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 Position
Pension Trust Funds
June 30, 2013
(dollars in thousands)

	Firemen's System (as of September 30, 2012*)	Police System (as of September 30, 2012*)	Employees' System (as of September 30, 2012*)	Total (as of September 30, 2012*)
Assets				
Current assets:				
Cash and cash equivalents – unrestricted	\$ 17,304	6,937	166	24,407
Investments – unrestricted:				
Bonds	—	69,600	84,111	153,711
Domestic bond funds	—	—	77,777	77,777
Stocks	216,965	129,323	218,060	564,348
Mortgage-backed securities	—	14,301	—	14,301
Collective investment funds	111,314	327,065	—	438,379
Real estate equities and investment trust	46,859	28,263	65,498	140,620
Investment property	—	1,170	—	1,170
Hedge funds	38,929	25,316	22,112	86,357
Money market mutual funds and other short term investments	6,567	51,823	7,609	65,999
Managed international equity funds	—	—	187,343	187,343
Total investments	420,634	646,861	662,510	1,730,005
Securities lending collateral	—	—	4,241	4,241
Receivables, net of allowances:				
Contributions	11,826	—	1,267	13,093
Accrued interest	278	919	617	1,814
Other	844	764	214	1,822
Capital assets, net	715	484	—	1,199
Total assets	451,601	655,965	669,015	1,776,581
Liabilities				
Accounts payable and accrued liabilities	712	808	536	2,056
Deposits held for others	187	142	—	329
Securities lending collateral liability	—	—	4,241	4,241
Other liabilities	541	1,152	101	1,794
Total liabilities	1,440	2,102	4,878	8,420
Net position				
Net position held in trust for pension benefits	\$ 450,161	653,863	664,137	1,768,161

*See footnote 10.
See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year ended June 30, 2013
(dollars in thousands)

	Firemen's System (as of September 30, 2012*)	Police System (as of September 30, 2012*)	Employees' System (as of September 30, 2012*)	Total (as of September 30, 2012*)
Additions:				
Contributions:				
Member	\$ 2,570	4,154	19	6,743
Employer	21,680	28,481	30,396	80,557
Investment income:				
Interest and dividends	5,889	12,250	7,976	26,115
Net appreciation in fair value of investments	67,196	74,158	93,136	234,490
Investment income	73,085	86,408	101,112	260,605
Less investment expense	(2,021)	(2,770)	(2,853)	(7,644)
Net investment income	71,064	83,638	98,259	252,961
Total additions	95,314	116,273	128,674	340,261
Deductions:				
Benefits	33,372	54,863	49,509	137,744
Refunds of contributions	2,303	2,813	—	5,116
Administrative expense	1,580	1,059	615	3,254
Total deductions	37,255	58,735	50,124	146,114
Net increase	58,059	57,538	78,550	194,147
Net position held in trust for pension benefits:				
Beginning of year	392,102	596,325	585,587	1,574,014
End of year	\$ 450,161	653,863	664,137	1,768,161

*See footnote 10.
See accompanying independent auditors' report.

Agency Funds

Agency funds are used to account for assets which the City holds on behalf of other entities. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Collector of Revenue – Used to account for the receipt and disbursement of various taxes and other charges that are collected by the Collector of Revenue and remitted to various City funds and other governmental agencies that levy taxes on residents of the City and on corporations located within the City limits and the employees.

Property Tax Escrow – Used to account for property taxes paid under protest whose disposition is still pending and duplicate payments of property taxes which have not been claimed.

General Insurance – Used to control funds for payroll withholdings and other City deposits to be used for the payment of insurance premiums due from employees and the City.

Bail Bonds – Used to account for bail bonds deposited by court defendants. The bonds are held until court orders are issued to refund the bonds to the defendants or others.

License Collector – Used to account for the receipt and disbursement of municipal manufacturer's and hotel taxes that are collected by the License Collector and remitted to various City funds and other governmental agencies.

Circuit Clerk – Used to account for funds held in a fiduciary capacity by the Circuit Clerk's Office. These funds include various litigation fees, garnishments, and bail bonds, in addition to funds related to the parent locator program.

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 Position
Agency Funds
June 30, 2013
(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	\$ 4,310	857	—	1,094	4,432	7,845	5,368	23,906
Cash and cash equivalents—restricted	—	—	—	—	—	1,729	—	1,729
Receivables, net of allowances:								
Taxes	21,498	—	—	—	—	—	—	21,498
Other	—	—	1,295	—	—	—	—	1,295
Total assets	<u>25,808</u>	<u>857</u>	<u>1,295</u>	<u>1,094</u>	<u>4,432</u>	<u>9,574</u>	<u>5,368</u>	<u>48,428</u>
LIABILITIES								
Accounts payable and accrued liabilities	—	—	1,295	—	—	—	270	1,565
Deposits held for others	—	857	—	1,094	3,597	7,851	4,170	17,569
Due to other governmental agencies	25,808	—	—	—	835	1,723	928	29,294
Total liabilities	<u>25,808</u>	<u>857</u>	<u>1,295</u>	<u>1,094</u>	<u>4,432</u>	<u>9,574</u>	<u>5,368</u>	<u>48,428</u>
NET POSITION	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2013
(dollars in thousands)

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<u>Collector of Revenue</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 2,116	379,782	(377,588)	4,310
Receivables, net of allowances—taxes	28,104	8,047	(14,653)	21,498
Total assets	<u>\$ 30,220</u>	<u>387,829</u>	<u>(392,241)</u>	<u>25,808</u>
Liabilities—due to other governmental agencies	30,220	387,829	(392,241)	25,808
Total liabilities	<u>\$ 30,220</u>	<u>387,829</u>	<u>(392,241)</u>	<u>25,808</u>
<u>Property Tax Escrow</u>				
Assets—cash and cash equivalents—unrestricted	<u>\$ 2,402</u>	<u>2,473</u>	<u>(4,018)</u>	<u>857</u>
Liabilities—deposits held for others	<u>\$ 2,402</u>	<u>2,473</u>	<u>(4,018)</u>	<u>857</u>
<u>General Insurance</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ —	34,700	(34,700)	—
Receivables, net of allowances—other	1,312	1,295	(1,312)	1,295
Total assets	<u>\$ 1,312</u>	<u>35,995</u>	<u>(36,012)</u>	<u>1,295</u>
Liabilities—accounts payable and accrued liabilities	<u>\$ 1,312</u>	<u>35,995</u>	<u>(36,012)</u>	<u>1,295</u>
<u>Bail Bonds</u>				
Assets—cash and cash equivalents—unrestricted	<u>\$ 1,377</u>	<u>734</u>	<u>(1,017)</u>	<u>1,094</u>
Liabilities—deposits held for others	<u>\$ 1,377</u>	<u>734</u>	<u>(1,017)</u>	<u>1,094</u>
<u>License Collector</u>				
Assets—cash and cash equivalents—unrestricted	<u>\$ 5,309</u>	<u>19,629</u>	<u>(20,506)</u>	<u>4,432</u>
Liabilities:				
Deposits held for others	4,409	2,611	(3,423)	3,597
Due to other governmental agencies	900	17,018	(17,083)	835
Total liabilities	<u>\$ 5,309</u>	<u>19,629</u>	<u>(20,506)</u>	<u>4,432</u>

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2013
(dollars in thousands)

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<u>Circuit Clerk</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 8,785	25,036	(25,976)	7,845
Cash and cash equivalents—restricted	4,896	921	(4,088)	1,729
Total assets	<u>\$ 13,681</u>	<u>25,957</u>	<u>(30,064)</u>	<u>9,574</u>
Liabilities:				
Deposits held for others	11,276	21,649	(25,074)	7,851
Due to other governmental agencies	2,405	4,309	(4,991)	1,723
Total liabilities	<u>\$ 13,681</u>	<u>25,958</u>	<u>(30,065)</u>	<u>9,574</u>
<u>Other Agency</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 4,688	39,469	(38,789)	5,368
Total assets	<u>\$ 4,688</u>	<u>39,469</u>	<u>(38,789)</u>	<u>5,368</u>
Liabilities:				
Accounts payable and accrued liabilities	591	1,963	(2,284)	270
Deposits held for others	3,168	7,341	(6,339)	4,170
Due to other governmental agencies	929	30,165	(30,166)	928
Total liabilities	<u>\$ 4,688</u>	<u>39,469</u>	<u>(38,789)</u>	<u>5,368</u>
<u>Total—All Agency Funds</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 24,677	501,823	(502,594)	23,906
Cash and cash equivalents—restricted	4,896	921	(4,088)	1,729
Receivables, net of allowances:				
Taxes	28,104	8,047	(14,653)	21,498
Other	1,312	1,295	(1,312)	1,295
Total assets	<u>\$ 58,989</u>	<u>512,086</u>	<u>(522,647)</u>	<u>48,428</u>
Liabilities:				
Accounts payable and accrued liabilities	1,903	37,958	(38,296)	1,565
Deposits held for others	22,632	34,808	(39,871)	17,569
Due to other governmental agencies	34,454	439,321	(444,481)	29,294
Total liabilities	<u>\$ 58,989</u>	<u>512,087</u>	<u>(522,648)</u>	<u>48,428</u>

See accompanying independent auditors' report.

**Solid Waste Management Development Corporation—
Discretely Presented Component Unit**

Solid Waste Management Development Corporation (SWMDC) owns a system of underground pressurized steam transport pipe in the downtown area commonly known as the steam loop. The steam loop is leased on a long term basis to a steam generating private entity unrelated to the City.

Separate financial statements are not prepared for SWMDC. Accordingly, a statement of revenues, expenses, changes in net position, and a statement of cash flows for SWMDC have been included within the City's comprehensive annual financial report.

City of St. Louis, Missouri
Statement of Revenues, Expenses, and Changes in Net Position
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2013
(dollars in thousands)

Operating revenues:		
Lease revenue		\$ <u>150</u>
Total operating revenues		<u>150</u>
Operating expenses:		
Depreciation		378
Professional fees and other operating expenses		<u>591</u>
Total operating expenses		<u>969</u>
Operating loss		<u>(819)</u>
Nonoperating revenues:		
Investment income		<u>1</u>
Total nonoperating revenues		<u>1</u>
Net loss before capital contributions		(818)
Capital contributions		<u>493</u>
Change in net position		(325)
Total net position —beginning of year		<u>9,248</u>
Total net position —end of year		<u>\$ <u>8,923</u></u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Statement of Cash Flows
Solid Waste Management Development Corporation (SWMDC)
Year ended June 30, 2013
(dollars in thousands)

Cash flows from operating activities:	
Receipts from customers and users	\$ 150
Payments to service providers	(591)
Net cash used in operating activities	<u>(441)</u>
Cash flows from capital and related:	
Financing activities:	
Construction of capital assets	(375)
Net cash used in capital and related financing activities	<u>(375)</u>
Cash flows from investing activities:	
Purchases of investments	(1,000)
Proceeds from maturities of investments	1,000
Investment income	1
Net cash provided by investing activities	<u>1</u>
Net decrease in cash and cash equivalents	(815)
Cash and cash equivalents beginning of year	<u>2,320</u>
Cash and cash equivalents end of year	<u>\$ 1,505</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (819)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	378
Net cash used in operating activities	<u>\$ (441)</u>
Supplemental disclosure of non cash activities:	
Contributed capital	<u>\$ 493</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

This part of the City of St. Louis' (the City's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about The City's overall financial health.

Contents	Table Numbers
<i>Primary Government:</i>	
Financial Trends <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	1-4
Revenue Capacity <i>These tables contain information to help the reader assess the City's most significant local revenue sources.</i>	5-10
Debt Capacity <i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	11-15
Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</i>	16
Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	17-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
CITY OF ST. LOUIS, MISSOURI
Net Position by Component
Last Seven Fiscal Years
(dollars in thousands)
(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Primary government:							
Governmental activities:							
Net investments in capital assets	\$ 502,818	495,977	472,165	453,220	510,743	496,341	410,429
Restricted	30,799	31,822	34,179	29,390	32,784	29,855	103,898
Unrestricted	(494,518)	(443,552)	(407,047)	(392,115)	(366,224)	(312,367)	(253,168)
Total governmental activities net position	<u>39,099</u>	<u>84,247</u>	<u>99,297</u>	<u>90,495</u>	<u>177,303</u>	<u>213,829</u>	<u>261,159</u>
Business-type activities:							
Net investments in capital assets	1,033,922	1,014,901	1,075,403	1,071,899	1,094,296	1,058,030	1,072,894
Restricted	149,699	150,661	166,462	163,449	137,995	142,619	135,993
Unrestricted	104,834	100,521	18,072	23,375	10,456	23,349	31,001
Total business-type activities net position	<u>1,288,455</u>	<u>1,266,083</u>	<u>1,259,937</u>	<u>1,258,723</u>	<u>1,242,747</u>	<u>1,223,998</u>	<u>1,239,888</u>
Total primary government:							
Net investments in capital assets	1,536,740	1,510,878	1,547,568	1,525,119	1,605,039	1,554,371	1,483,323
Restricted	180,498	182,483	200,641	192,839	170,779	172,474	239,891
Unrestricted	(389,684)	(343,031)	(388,975)	(368,740)	(355,768)	(289,018)	(222,167)
Total primary government net position	<u>\$ 1,327,554</u>	<u>1,350,330</u>	<u>1,359,234</u>	<u>1,349,218</u>	<u>1,420,050</u>	<u>1,437,827</u>	<u>1,501,047</u>
Component Unit-SLPD:							
Net investments in capital assets	\$ —	—	—	—	—	32,375	30,208
Restricted	—	—	—	—	—	34	704
Unrestricted	—	—	—	—	—	(63,155)	(69,404)
Total SLPD net position *	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(30,746)</u>	<u>(38,492)</u>

* Fiscal year 2009 through 2013 SLPD net position information is not required as the St. Louis Police Department (SLPD) debt was retired in Fiscal year 2008.

Source: Basic financial statements.

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

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses:							
Governmental activities:							
General government	\$ 73,204	72,063	79,871	84,330	85,680	74,166	91,822
Convention and tourism	5,513	4,979	4,563	4,507	4,504	4,468	4,352
Parks and recreation	30,818	28,529	29,416	32,778	33,431	31,335	28,130
Judicial	52,232	50,931	52,362	54,880	56,159	50,684	46,990
Streets	68,402	70,420	66,952	66,263	63,646	62,566	58,606
Public safety:							
Fire	75,460	69,062	66,637	67,334	70,572	69,668	56,405
Police-payment to SLPD	138,028	140,815	139,010	141,805	146,955	143,452	138,871
Police pension	28,492	19,854	17,949	14,902	8,196	12,914	—
Other	61,264	59,068	52,182	55,980	60,020	63,687	59,984
Health and welfare	61,162	52,092	50,468	51,552	54,223	45,732	45,630
Public service	62,301	71,458	65,898	59,980	59,218	70,007	73,145
Community development	77,530	80,184	68,123	76,264	61,859	60,611	78,788
Interest and fiscal charges	57,674	59,750	58,612	57,933	54,684	49,963	36,024
Total governmental activities expenses	<u>792,080</u>	<u>779,205</u>	<u>752,043</u>	<u>768,508</u>	<u>759,147</u>	<u>739,253</u>	<u>718,747</u>
Business-type activities:							
Airport	173,968	171,574	187,449	181,775	175,758	215,691	178,110
Water division	45,799	43,637	44,530	43,479	47,500	45,157	42,395
Parking division	13,558	13,229	13,141	13,514	14,352	14,560	12,423
Total business-type activities expenses	<u>233,325</u>	<u>228,440</u>	<u>245,120</u>	<u>238,768</u>	<u>237,610</u>	<u>275,408</u>	<u>232,928</u>
Total primary government expenses	<u>\$ 1,025,405</u>	<u>1,007,645</u>	<u>997,163</u>	<u>1,007,276</u>	<u>996,757</u>	<u>1,014,661</u>	<u>951,675</u>

* Police pension expenses under Governmental activities for fiscal years 2008 and 2009 were reclassified. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

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

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program revenues:							
Governmental activities:							
Charges for services:							
General government	\$ 33,375	36,697	37,767	39,340	37,706	35,060	39,757
Convention and tourism	—	8	19	18	19	—	16
Parks and recreation	2,958	7,314	4,378	4,419	4,516	2,662	9,126
Judicial	21,542	18,996	20,524	20,791	18,952	18,894	14,855
Streets	26,012	27,514	34,842	17,644	17,734	15,621	17,184
Public safety:							
Fire	18,887	8,181	8,088	7,677	7,669	6,718	7,416
Other	19,537	19,218	17,527	19,022	19,632	18,635	22,797
Health and welfare	1,041	992	1,255	591	494	944	418
Public service	2,906	5,265	309	1,487	253	6,320	5,530
Community development	** 5,332	5,367	4,819	4,528	5,524	5,273	—
Operating grants and contributions	64,782	71,513	75,281	98,270	73,563	72,860	75,994
Capital grants and contributions	14,882	31,623	33,666	7,548	12,726	14,306	14,232
Total governmental activities program revenues	<u>211,254</u>	<u>232,688</u>	<u>238,475</u>	<u>221,335</u>	<u>198,788</u>	<u>197,293</u>	<u>207,325</u>
Business-type activities:							
Charges for services:							
Airport	164,606	157,154	149,438	160,378	159,061	163,460	155,295
Water Division	56,902	58,631	56,039	50,983	48,709	45,635	44,130
Parking Division	14,657	14,999	13,813	12,428	13,897	15,890	14,155
Operating grants and contributions	751	1,069	1,513	1,615	2,683	4,348	2,643
Capital grants and contributions	21,615	10,050	8,267	31,815	35,122	28,123	44,633
Total business-type activities program revenues	<u>258,531</u>	<u>241,903</u>	<u>229,070</u>	<u>257,219</u>	<u>259,472</u>	<u>257,456</u>	<u>260,856</u>
Total primary government program revenues	<u>\$ 469,785</u>	<u>474,591</u>	<u>467,545</u>	<u>478,554</u>	<u>458,260</u>	<u>454,749</u>	<u>468,181</u>

** Fiscal years 2008 and 2009 Community development revenues reflect TIF revenues previously reported under General government in prior fiscal years.

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

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net program (expense) revenue:							
Governmental activities	\$ (580,826)	(546,517)	(513,568)	(547,173)	(560,359)	(541,960)	(511,422)
Business-type activities	25,206	13,463	(16,050)	18,451	21,862	(17,952)	27,928
Total primary government net expense	<u>\$ (555,620)</u>	<u>(533,054)</u>	<u>(529,618)</u>	<u>(528,722)</u>	<u>(538,497)</u>	<u>(559,912)</u>	<u>(483,494)</u>
General revenues and other changes in net position:							
Governmental activities:							
Taxes							
Property taxes, levied for general purpose	\$ 73,234	68,531	66,767	67,291	67,562	62,424	62,333
Property taxes, levied for debt service	7,140	5,909	7,669	6,463	4,810	6,285	6,197
Sales tax	157,302	164,174	155,708	142,295	143,972	134,476	127,664
Earnings/payroll taxes	189,762	186,068	178,571	172,450	181,214	181,812	169,822
Gross receipt taxes (includes franchise tax)	94,721	93,587	97,327	90,291	108,178	84,652	75,378
Miscellaneous taxes	3,784	4,504	4,080	3,902	3,712	4,035	6,237
Unrestricted investment earnings	265	470	953	886	6,001	12,159	12,094
Gain/loss on sale of capital assets	—	(1,142)	2,528	62	83	47	(324)
Transfers	9,470	9,366	8,767	7,317	8,301	8,740	7,885
Total governmental activities	<u>535,678</u>	<u>531,467</u>	<u>522,370</u>	<u>490,957</u>	<u>523,833</u>	<u>494,630</u>	<u>467,286</u>
Business-type activities:							
Unrestricted investment earnings	2,336	2,049	2,941	3,878	5,188	10,776	12,522
Gain/loss on sale of capital assets	—	—	4	553	—	26	(78,105)
Extraordinary item – Natural disaster	4,300	—	23,086	—	—	—	—
Transfers	(9,470)	(9,366)	(8,767)	(6,906)	(8,301)	(8,740)	(7,885)
Total business-type activities	<u>(2,834)</u>	<u>(7,317)</u>	<u>17,264</u>	<u>(2,475)</u>	<u>(3,113)</u>	<u>2,062</u>	<u>(73,468)</u>
Total primary government	<u>\$ 532,844</u>	<u>524,150</u>	<u>539,634</u>	<u>488,482</u>	<u>520,720</u>	<u>496,692</u>	<u>393,818</u>

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

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Change in net position:							
Governmental activities:	\$ (45,148)	(15,050)	8,802	(56,216)	(36,526)	(47,330)	(44,136)
Business-type activities	22,372	6,146	1,214	15,976	18,749	(15,890)	(45,540)
Total primary government	\$ <u>(22,776)</u>	<u>(8,904)</u>	<u>10,016</u>	<u>(40,240)</u>	<u>(17,777)</u>	<u>(63,220)</u>	<u>(89,676)</u>

Source: Basic financial statements.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General fund:										
Nonspendable	\$ —	—	—	*	*	*	*	*	*	*
Restricted	14,784	16,755	16,723	*	*	*	*	*	*	*
Committed	8,054	8,063	6,895	*	*	*	*	*	*	*
Assigned	6,043	1,509	1,055	*	*	*	*	*	*	*
Unassigned	25,777	29,543	24,675	*	*	*	*	*	*	*
Reserved	—	—	—	31,284	26,484	21,150	21,079	23,139	25,185	25,127
Unreserved	—	—	—	22,132	35,570	33,721	53,649	57,155	47,612	44,779
Total general fund	\$ <u>54,658</u>	<u>55,870</u>	<u>49,348</u>	<u>53,416</u>	<u>62,054</u>	<u>54,871</u>	<u>74,728</u>	<u>80,294</u>	<u>72,797</u>	<u>69,906</u>
All other governmental funds:										
Nonspendable	\$ 11	11	11	*	*	*	*	*	*	*
Restricted	71,117	79,573	131,102	*	*	*	*	*	*	*
Committed	57,127	54,553	54,678	*	*	*	*	*	*	*
Assigned	4,473	1,837	3,200	*	*	*	*	*	*	*
Unassigned	(24,648)	(20,103)	(26,752)	*	*	*	*	*	*	*
Reserved	—	—	—	181,410	173,407	191,062	76,378	82,979	76,485	95,101
Unreserved, reported in:										
Special revenue funds	—	—	—	19,342	30,104	42,304	56,508	49,041	43,128	43,422
Capital projects funds	—	—	—	(13,961)	(10,689)	(9,253)	12,724	(7,204)	27,623	(2,735)
Total all other governmental funds	\$ <u>108,080</u>	<u>115,871</u>	<u>162,239</u>	<u>186,791</u>	<u>192,822</u>	<u>224,113</u>	<u>145,610</u>	<u>124,816</u>	<u>147,236</u>	<u>135,788</u>

* Effective July 1, 2011 the City adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Taxes	\$ 524,428	519,852	510,150	480,082	506,228	473,646	439,436	432,139	412,670	396,266
Licenses, fees and permits	24,359	21,259	21,716	24,214	22,238	22,208	24,395	23,708	21,754	19,585
Intergovernmental	107,289	130,079	138,141	117,084	116,693	119,197	123,119	122,332	113,237	139,637
Charges for services, net	52,347	46,166	44,659	30,906	28,316	28,752	29,592	28,373	28,200	29,211
Court fines and forfeitures	11,022	12,103	10,848	11,558	11,127	10,000	8,434	8,927	9,047	9,307
Investment income	265	470	953	886	6,001	12,159	12,094	9,492	3,112	2,693
Interfund services provided	5,531	4,293	4,631	3,043	6,354	3,868	4,094	4,009	4,519	3,921
Miscellaneous	13,514	17,651	15,845	15,987	12,865	13,902	14,303	11,148	13,174	10,486
Total revenues	738,755	751,873	746,943	683,760	709,822	683,732	655,467	640,128	605,713	611,106
Expenditures:										
General government	63,980	60,942	67,400	77,906	80,226	101,622	53,066	69,011	58,273	61,848
Convention and tourism	116	150	189	176	198	201	154	362	2,010	286
Parks and recreation	25,689	23,885	25,153	27,357	29,827	27,966	25,129	23,191	22,597	20,877
Judicial	51,849	50,821	52,498	53,985	55,222	50,806	46,633	46,837	47,486	47,249
Streets	37,378	40,772	39,498	37,356	37,500	38,086	35,320	37,415	35,218	33,976
Public Safety:										
Fire	71,595	69,887	68,518	66,590	62,010	115,605	53,547	53,959	49,204	49,394
Police	138,004	140,815	139,010	141,805	146,955	143,452	138,871	134,631	130,584	131,490
Police-pension	28,492	19,719	17,949	14,783	8,072	43,618				
Other	60,178	58,741	51,899	54,653	57,443	62,743	59,253	55,804	51,771	54,338
Health and welfare	60,709	51,855	50,127	51,230	53,441	45,379	45,067	45,905	40,275	36,592
Public service	61,519	70,840	65,916	59,315	58,594	70,095	72,991	67,600	62,415	72,885
Community development	77,530	80,184	68,123	76,264	63,220	60,710	79,351	66,555	57,291	55,149
Capital outlay	36,914	90,065	94,653	51,175	67,615	51,103	43,591	35,290	37,383	44,840
Debt service:										
Principal	55,209	54,952	58,091	46,721	41,759	46,484	39,008	30,933	35,240	23,146
Interest and fiscal charges	47,154	47,256	46,283	54,555	47,350	44,741	29,865	28,288	29,181	28,738
Cost of issuance	—	—	—	—	1,290	—	—	—	—	—
Advance refunding escrow	—	—	—	1,178	—	—	—	—	1,359	—
Total expenditures	816,316	860,884	845,307	815,049	810,722	902,611	721,846	695,781	660,287	660,808
Deficiency of revenues over expenditures	(77,561)	(109,011)	(98,364)	(131,289)	(100,900)	(218,879)	(66,379)	(55,653)	(54,574)	(49,702)

* Police pension expenses under Governmental activities were reclassified in fiscal years 2008 and 2009. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other financing sources (uses):										
Sale of capital assets	\$ 3	345	3,216	62	83	47	175	514	937	1,869
Issuance of note payable	—	—	—	—	9,068	—	—	—	—	—
Issuance of SLMFC Certificates of participation	—	—	—	—	9,100	—	—	—	—	—
Issuance of refunding bonds-revenue refunding bonds	—	49,825	2,690	—	—	—	—	—	—	—
Issuance of refunding bonds-leasehold revenue bonds	—	—	9,250	74,191	21,850	247,967	23,725	15,485	—	—
Issuance of contractual obligation with component unit	—	—	—	16,960	—	—	—	—	—	—
Premium on leasehold revenue bonds	1,890	4,038	145	396	—	653	4,178	504	—	—
Discount on leasehold revenue bonds	—	—	—	(384)	(525)	(3,965)	(467)	—	—	—
Proceeds of general obligation bonds and revenue bonds	—	—	—	—	—	—	13,000	—	98,953	—
Premium on general obligation bonds and revenue bonds	—	—	—	—	—	—	—	—	3,073	—
Discount on general obligation bonds	—	—	—	—	—	—	—	—	(29)	—
Issuance of capital lease	—	2,384	11,150	704	5,600	1,478	10,014	1,990	851	—
Issuance of tax increment revenue notes	57,195	51,101	46,503	28,352	32,669	37,737	55,158	30,043	12,964	14,766
Issuance of tax increment revenue bonds	—	—	4,580	—	—	—	—	—	—	—
Discount on tax increment revenue bonds	—	—	—	—	—	—	—	—	—	(40)
Issuance of loan agreement	—	—	—	—	—	4,500	—	782	1,000	—
Issuance of joint venture financing agreement	—	—	—	—	—	—	49,585	—	—	—
Payment to refunded escrow agent-joint venture	—	—	—	—	—	—	(51,316)	—	—	—
Payment to refunded escrow agent-leasehold revenue bonds	—	(53,172)	(2,416)	(12,391)	—	(8,632)	(22,830)	(15,421)	(55,962)	(7,747)
Payment to refunded escrow agent-obligation with component unit	—	—	—	—	(9,354)	—	—	—	—	—
Payment of refunded escrow agent-capital lease	—	—	(11,931)	(341)	—	—	—	—	—	—
Fireman's Retirement EAN note proceeds	—	5,278	—	—	—	—	—	—	—	—
Advance refunding on TIF bonds and notes payable	—	—	—	(16,961)	—	(11,000)	(7,500)	—	—	—
Recovery of legal judgment	—	—	—	—	—	—	—	—	—	2,972
Receipt of redevelopment lease proceeds from component unit	—	—	—	18,006	—	—	—	—	—	—
Transfers in	62,143	62,920	53,467	58,575	50,849	40,569	41,613	29,909	31,507	37,856
Transfers out	(52,673)	(53,554)	(46,910)	(50,549)	(42,548)	(31,829)	(33,728)	(22,508)	(24,381)	(30,637)
Total other financing sources, net	68,558	69,165	69,744	116,620	76,792	277,525	81,607	41,298	68,913	19,039
Net change in fund balances	\$ (9,003)	(39,846)	(28,620)	(14,669)	(24,108)	58,646	15,228	(14,355)	14,339	(30,663)
Debt service as a percentage of noncapital expenditures	13.1%	13.3%	13.9%	13.3%	12.0%	10.7%	10.2%	9.0%	10.3%	8.4%
Debt service expenditures	\$ 102,363	102,208	104,374	101,276	89,109	91,225	68,873	59,221	64,421	51,884
Non-capital expenditures	779,402	770,819	750,654	763,874	743,107	851,508	678,255	660,491	622,904	615,968

Table 5
CITY OF ST. LOUIS, MISSOURI
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Real estate		Personal property	Manufacturer's machinery, tools and equipment	Less: Tax-exempt property	Total taxable assessed value	Estimated actual taxable value	Total direct tax rate	Taxable assessed value to estimated actual taxable value
	Residential	Commercial							
2013	\$ 2,161,657	\$ 2,452,348	\$ 737,422	\$ 216,902	\$ 1,195,359	\$ 4,372,970	\$ 17,614,379	1.485	24.8%
2012	2,197,419	2,499,166	705,441	238,661	1,282,753	4,357,935	17,543,141	1.469	24.8
2011	2,281,376	2,542,399	723,739	221,519	1,281,865	4,487,158	18,126,314	1.422	24.8
2010	2,206,698	2,688,333	781,557	254,873	1,381,310	4,550,151	18,144,398	1.360	25.1
2009	2,256,467	2,440,325	861,837	287,366	1,162,841	4,683,154	18,841,886	1.323	24.9
2008	2,195,159	2,548,206	805,298	292,371	1,283,851	4,557,183	18,401,969	1.345	24.8
2007	1,798,234	2,318,384	767,274	286,014	1,277,160	3,892,746	15,486,668	1.459	25.1
2006	1,700,324	2,199,992	789,536	290,523	1,097,633	3,882,742	15,370,507	1.440	25.3
2005	1,242,646	1,998,611	770,104	285,353	930,989	3,365,725	12,910,940	1.591	26.1
2004	1,229,358	1,931,802	789,866	296,768	884,059	3,363,735	12,875,125	1.562	26.1

Source: City of St. Louis Assessor's Office

NOTE: Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property and manufacturer's machinery, tools and equipment assessed at 33-1/3%.

A complete reassessment is made on personal property by the Assessor every year and every odd year for real property.

Table 6
CITY OF ST. LOUIS, MISSOURI
Property Tax Rates Per \$100 Assessed Value – Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
City of St. Louis:										
Municipal purposes	\$ 0.9071	0.9002	0.8639	0.8500	0.8161	0.8059	0.8811	0.8687	0.9559	0.9368
County purposes	0.3270	0.3247	0.3113	0.3064	0.2940	0.2903	0.3179	0.3134	0.3455	0.3386
Hospital purposes	0.0933	0.0926	0.0888	0.0874	0.0839	0.0829	0.0908	0.0895	0.0987	0.0968
Public health purposes	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179	0.0197	0.0194
Recreation purposes	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182	0.0179	0.0197	0.0194
Interest and public debt	0.1200	0.1144	0.1228	0.0813	0.0949	0.1328	0.1328	0.1328	0.1513	0.1513
Total City of St. Louis	<u>1.4848</u>	<u>1.4691</u>	<u>1.4224</u>	<u>1.3601</u>	<u>1.3225</u>	<u>1.3451</u>	<u>1.4590</u>	<u>1.4402</u>	<u>1.5908</u>	<u>1.5623</u>
Overlapping governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	4.4071	4.1743	3.9865	3.8943	3.8028	3.7533	4.0193	3.9720	4.3040	4.1900
St. Louis Community College	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233	0.2231	0.2368	0.2312
Metropolitan St. Louis Sewer District	0.0821	0.0818	0.0790	—	—	0.0667	0.0687	0.0686	0.0690	0.0690
Sheltered Workshop District	0.1460	0.1445	0.1372	0.1346	0.1295	0.1278	0.1386	0.1368	0.1490	0.1459
St. Louis Public Library	0.5814	0.5435	0.5208	0.5019	0.4938	0.4768	0.5171	0.5104	0.5561	0.5446
Community Mental Health	0.0876	0.0867	0.0823	0.0800	0.0777	0.0767	0.0832	0.0821	0.0894	0.0875
Community Children's Service Fund	0.1900	0.1900	0.1880	0.1827	0.1775	0.1752	0.1900	0.1900	—	—
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763	0.0787	0.0620
Art Museum Subdistrict	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746	0.0763	0.0787	0.0620
Museum of Science and Natural History Subdistrict	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0320
Botanical Garden Subdistrict	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0320
Missouri History Museum Subdistrict	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373	0.0376	0.0394	0.0380
Total overlapping governments	<u>6.0126</u>	<u>5.7379</u>	<u>5.4963</u>	<u>5.2864</u>	<u>5.1470</u>	<u>5.1398</u>	<u>5.5313</u>	<u>5.4784</u>	<u>5.7099</u>	<u>5.5242</u>
Total City of St. Louis and overlapping governments	<u>\$ 7.4974</u>	<u>7.2070</u>	<u>6.9187</u>	<u>6.6465</u>	<u>6.4695</u>	<u>6.4849</u>	<u>6.9903</u>	<u>6.9186</u>	<u>7.3007</u>	<u>7.0865</u>

Source: City Assessor's Office.

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

Tax payer by industry classification (1)	Calendar year 2012			Calendar year 2003		
	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation
Utilities	\$ 98,872	1	2.38%	\$ 91,413	3	3.41%
Gaming	78,306	2	1.88%	—	—	—
Telecommunications	67,680	3	1.63%	94,780	1	3.53%
Manufacturing	64,564	4	1.55%	79,643	2	2.97%
Property Management	43,267	5	1.04%	—	—	—
Healthcare	32,202	6	0.77%	40,041	6	1.49%
Property Management	30,400	7	0.73%	—	—	—
Utilities	28,876	8	0.69%	74,748	5	2.79%
Financial Services	26,513	9	0.64%	36,625	4	1.37%
Manufacturing	25,074	10	0.60%	19,855	9	0.74%
Healthcare	—		—	NP	7	—
Educational Institution	—		—	NP	8	—
Retail	—		—	8,389	10	0.32%
	<u>\$ 495,754</u>		<u>11.91%</u>	<u>\$ 445,494</u>		<u>16.62%</u>

Source: City Assessor's Office and Collector of Revenue

Note: (1) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Table 8
CITY OF ST. LOUIS, MISSOURI
General and Debt Service Funds – Property Tax Levies And Collections
Last Ten Fiscal Years
(dollars in thousands)

(1) Fiscal year ended June 30	Taxes levied for the fiscal year	Collected within the Fiscal year of the Levy		Fiscal Year collections related to prior year levies	Total collections to date	
		(2) Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 58,797	\$ 53,545	91.1%	\$ —	\$ 53,545	91.1%
2012	57,723	52,191	90.4	2,874	55,065	95.4
2011	57,990	52,223	90.1	3,690	55,913	96.4
2010	56,169	49,634	88.4	5,273	54,907	97.8
2009	56,104	49,487	88.2	6,066	55,553	99.0
2008	* 57,734	48,627	84.2	8,408	57,035	98.8
2007	51,446	46,475	90.3	4,693	51,168	99.5
2006	50,929	43,833	86.1	6,481	50,314	98.8
2005	48,307	43,828	90.7	4,177	48,005	99.4
2004	47,268	42,941	90.8	4,327	47,268	100.0

NOTES: (1) Figures are based on the Collector of Revenue's fiscal year which begins the first Monday of March.

(2) Includes monies collected that were paid to the state for reassessment.

* Total collections does not reflect protest monies held in escrow of approximately \$4,100.

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

Table 9
CITY OF ST. LOUIS, MISSOURI
Earnings and Payroll Tax
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Earnings					Payroll	
	Revenue base		1% Tax		Total (1) earnings tax	Revenue base	(1) 0.5% Tax
	Business	Individual	Business	Individual			
2013	\$ 3,219,000	\$ 12,701,200	\$ 32,190	\$ 127,012	\$ 159,202	\$ 7,369,800	36,849
2012	3,354,200	12,482,700	33,542	124,827	158,369	7,021,600	35,108
2011	3,025,300	12,082,700	30,253	120,827	151,080	7,048,400	35,242
2010	2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568
2009	2,221,000	12,166,800	22,210	121,668	143,878	7,186,200	35,931
2008	2,671,400	12,046,700	26,714	120,467	147,181	7,451,200	37,256
2007	2,461,000	11,666,000	24,610	116,660	141,270	7,059,200	35,296
2006	2,178,200	11,383,800	21,782	113,838	135,620	7,295,000	36,475
2005	1,892,500	10,858,900	18,925	108,589	127,514	6,365,600	31,828
2004	1,884,200	10,620,500	18,842	106,205	125,047	6,334,600	31,673

Source: City of St. Louis Collector of Revenue

Note: Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Table 10
CITY OF ST. LOUIS, MISSOURI
Principal Earnings and Payroll Tax Payers
Top Ten Companies' Current Fiscal Year and Nine Years Ago
By Industry Classification
(dollars in thousands)

Top Ten companies by industry classification (2)	Fiscal Year 2013		(1)	Fiscal year 2004		(1)
	Total earnings and payroll tax	Rank	Percentage of total earnings and payroll tax	Total earnings and payroll tax	Rank	Percentage of total earnings and payroll tax
Manufacturing	\$ 9,007	1	5.53%	\$ 7,487	1	4.78%
Education	7,268	2	4.46%	4,710	3	3.01%
Financial Services	7,011	3	4.30%	3,837	5	2.45%
Manufacturing	6,635	4	4.07%	—	—	—
Healthcare	5,306	5	3.26%	4,534	4	2.89%
Utilities	4,543	6	2.79%	5,944	2	3.79%
Financial Services	3,987	7	2.45%	—	—	—
Education	3,320	8	2.04%	2,393	9	1.53%
Government	3,106	9	1.91%	3,203	6	2.04%
Utilities	2,650	10	1.63%	2,237	10	1.43%
Retailer	—		—	2,559	7	1.63%
Healthcare	—		—	2,470	8	1.58%
	<u>\$ 52,833</u>		<u>32.43%</u>	<u>\$ 39,374</u>		<u>25.12%</u>

Source: Collector of Revenue

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

(2) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

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

Fiscal Year	Governmental Activities								Business -Type Activities			Total Primary Government	(1)	(1)
	General Obligation Bonds	Development and Tax Increment Revenue Bonds	Lease Revenue Bonds	(2) Capital Leases	Joint Venture Financing Agreement	Federal Section 108	Other Obligations	Water Revenue Bonds	Airport Revenue Bonds	Parking Revenue Bonds	Percentage of Personal Income		Per Capita	
2013	\$ 35,050	\$ 296,122	\$ 473,403	\$ 66,713	\$ 42,085	\$ 39,530	\$ 15,502	\$ 7,585	\$ 794,615	\$ 70,527	\$ 1,841,132	15.55%	5,788	
2012	38,955	246,079	502,429	72,009	46,166	43,250	15,644	11,480	833,960	72,763	1,882,735	15.90	5,902	
2011	42,685	200,202	548,958	75,993	50,092	46,750	11,353	16,000	869,980	74,892	1,936,905	16.36	6,066	
2010	46,300	167,436	567,292	67,779	53,873	50,050	13,191	19,585	905,405	76,925	1,967,836	16.62	5,519	
2009	49,790	163,554	531,615	53,131	57,516	53,160	14,373	23,025	797,105	78,854	1,822,123	15.65	5,108	
2008	50,875	136,987	534,223	59,531	61,028	56,080	6,159	26,325	818,830	81,350	1,831,388	15.73	5,134	
2007	54,820	114,251	308,824	61,050	65,116	58,820	2,204	29,175	843,920	70,120	1,608,300	15.21	4,508	
2006	45,220	69,786	323,469	57,801	67,323	63,670	3,723	31,820	861,085	64,527	1,588,424	15.77	4,453	
2005	48,465	41,678	340,899	56,985	68,376	68,220	3,359	34,320	894,735	66,264	1,623,301	16.77	4,551	
2004	51,720	30,692	311,526	60,521	73,542	72,500	2,784	36,685	930,510	68,134	1,638,614	14.08	4,593	

Source: Notes to Basic Financial Statements

Note:

(1) See Table 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Capital Leases include rolling stock and obligations with component units.

Table 12
CITY OF ST. LOUIS, MISSOURI
Ratio of Net General Obligation Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands except per capita)

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Less Debt Service Fund	Total Net Bonded Debt	(1) Percentage of Actual Taxable Value of Property	(2) Per Capita (in dollars)
2013	\$ 35,050	\$ 8,713	26,337	0.15%	\$ 83
2012	38,955	8,137	30,818	0.17	97
2011	42,685	8,118	34,567	0.19	108
2010	46,300	7,331	38,969	0.21	109
2009	49,790	8,216	41,574	0.22	117
2008	50,875	9,008	41,867	0.22	118
2007	54,820	8,045	46,775	0.25	132
2006	45,220	7,239	37,981	0.25	107
2005	48,465	6,271	42,194	0.27	120
2004	51,720	6,528	45,192	0.35	129

Source: City Assessor's Office and Comptroller's Office

Note:

(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

Table 13
CITY OF ST. LOUIS, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1): General Obligation Debt	\$ 343,785	100.00%	\$ 343,785
Other debt			
Metropolitan St. Louis Sewer District (2)	877,067	9.61% *	84,295
St. Louis Public Library (3)	51,221	100.00% *	51,221
Junior College District of St. Louis (4)	<u>28,987</u>	19.77% *	<u>5,732</u>
Subtotal, overlapping debt	<u>\$ 1,301,060</u>		485,033
City of St. Louis direct debt (5)			<u>968,365</u>
Total direct and overlapping debt			<u>\$ 1,453,398</u>

Source:

- (1) Board of Education City of St. Louis.
- (2) Metropolitan St. Louis Sewer District
- (3) St. Louis Public Library
- (4) Junior College District of St. Louis
- (5) Notes to basic financial statements

Note:

* Based on assessed property value

Table 14
CITY OF ST. LOUIS, MISSOURI
Legal Debt Margin Calculation
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2013

Assessed Value	\$ 4,239,326
Debt limit (10% of assessed value)	423,933
Debt applicable to limit:	
General obligation bonds	35,050
Less: Amount set aside for repayment of general obligation debt.	(8,713)
Total net debt applicable to limit	<u>26,337</u>
Legal Debt Margin	<u>\$ 397,596</u>

	Fiscal Year Ended June 30, 2013									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$423,933	\$420,253	\$426,565	\$455,015	\$468,315	\$455,718	\$389,274	\$388,274	\$336,573	\$336,374
Total net debt applicable to limit	<u>26,337</u>	<u>30,818</u>	<u>34,567</u>	<u>38,969</u>	<u>41,574</u>	<u>41,867</u>	<u>46,775</u>	<u>37,981</u>	<u>42,194</u>	<u>45,192</u>
Legal debt margin	<u>\$397,596</u>	<u>\$389,435</u>	<u>\$391,998</u>	<u>\$416,046</u>	<u>\$426,741</u>	<u>\$413,851</u>	<u>\$342,499</u>	<u>\$350,293</u>	<u>\$294,379</u>	<u>\$291,182</u>
Total net debt applicable to the limit as a percentage of debt limit	6.21%	7.33%	8.10%	8.56%	8.88%	9.19%	12.02%	9.78%	12.54%	13.44%

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

Fiscal Year	Water Revenue Bonds (1)						Airport Revenue Bonds (1)					
	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Aviation Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2013	\$ 56,902	\$ 40,590	16,312	\$ 3,895	\$ 143	4.04	174,394	83,237	\$ 91,157	\$ 30,655	\$ 41,804	1.26
2012	58,631	38,126	20,505	3,740	650	4.67	161,518	81,872	79,646	19,985	41,501	1.30
2011	56,044	38,535	17,509	3,585	809	3.98	165,405	91,993	73,412	29,970	46,942	0.95
2010	51,295	37,549	13,746	2,440	959	4.04	170,429	87,385	83,044	21,670	44,157	1.26
2009	49,173	41,425	7,748	3,300	1,100	1.76	169,961	86,054	83,907	21,725	40,575	1.35
2008	46,709	39,414	7,295	2,850	1,469	1.69	178,960	93,600	85,360	25,090	39,664	1.32
2007	45,697	36,816	8,881	2,645	1,286	2.26	157,918	89,023	68,895	13,960	47,118	1.13
2006	46,266	34,405	11,861	2,500	1,444	3.01	126,037	76,833	49,204	34,090	34,949	0.71
2005	44,264	32,491	11,773	2,365	1,590	2.98	138,882	74,185	64,697	29,135	53,625	0.78
2004	42,061	33,119	8,942	2,235	1,727	2.26	145,433	73,622	71,811	31,030	30,552	1.17
2003	41,435	34,216	7,219	2,090	1,854	1.83	171,874	83,814	88,060	39,485	42,749	1.07

- (1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

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

Fiscal Year	Parking Revenue Bonds (1)						Tax Increment Financing Bonds (1) (2)					
	Parking/ Project Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2013	\$ 15,935	\$ 7,248	\$ 8,687	\$ 1,860	\$ 2,911	1.82	\$ 22,796	\$ 898	\$ 21,898	\$ 7,067	\$ 14,000	1.04
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	\$ 5,776	\$ 12,800	0.93
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83
2009	15,601	8,691	6,910	1,275	3,246	1.53	12,327	401	11,926	5,384	8,793	0.84
2008	15,945	8,331	7,614	1,475	3,756	1.46	9,449	324	9,125	4,000	7,409	0.80
2007	16,515	7,472	9,043	257	2,308	3.53	7,459	201	7,258	2,593	3,946	1.11
2006	16,676	7,586	9,090	1,727	3,400	1.77	5,632	126	5,506	3,705	4,138	0.70
2005	15,107	7,431	7,676	1,870	3,436	1.45	5,106	44	5,062	3,615	3,201	0.74
2004	15,093	7,116	7,977	993	3,360	1.83	5,490	42	5,448	2,150	2,229	1.24
2003	14,127	6,166	7,961	935	2,321	2.45	2,979	26	2,953	831	1,854	1.10

- (1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Section 108 Downtown Convention Headquarters Hotel Project							
Fiscal Year	Tax	Less:	Net	Debt Service		Coverage	
	Increment Revenue	Operating Expenses	Available Revenue	Principal	Interest		
2013	\$ 4,044	\$ 401	\$ 3,643	\$ 2,720	\$ 581	1.10	
2012	4,629	360	4,269	2,560	1,381	1.08	
2011	4,576	260	4,316	2,410	2,387	0.90	
2010	3,701	270	3,431	2,270	2,523	0.72	
2009	5,403	280	5,123	2,130	2,645	1.07	
2008	5,219	286	4,933	2,000	2,756	1.04	
2007	6,092	296	5,796	1,890	2,859	1.22	
2006	4,655	303	4,352	1,770	2,952	0.92	
2005	4,226	309	3,917	1,670	3,034	0.83	
2004	2,699	158	2,541	1,610	3,029	0.55	
2003	265	1	264	—	2,988	0.09	

- (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)

Justice Center Leasehold Revenue Bonds (1) (2)							
Fiscal Year	Prisoner Housing	Less: Operating	Net Available	Debt Service		Coverage	
	Reimbursement	Expenses	Revenue	Principal	Interest		
2013	\$ 4,620	\$ —	\$ 4,620	\$ 7,190	\$ 2,653	0.47	
2012	5,298	—	5,298	11,020	2,500	0.39	
2011	4,494	—	4,494	7,465	3,659	0.40	
2010	6,919	—	6,919	5,680	4,238	0.70	
2009	6,535	—	6,535	6,620	4,507	0.59	
2008	6,375	—	6,375	6,285	4,836	0.57	
2007	7,857	—	7,857	5,980	5,144	0.71	
2006	6,725	—	6,725	5,339	4,927	0.66	
2005	5,756	—	5,756	5,155	5,797	0.53	
2004	5,594	—	5,594	4,700	6,032	0.52	
2003	4,485	—	4,485	4,480	6,252	0.42	

(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)							
Fiscal Year	Court Fees	Less: Net		Debt Service		Coverage	
		Operating Expenses	Available Revenue	Principal	Interest		
2013	\$ 1,460	\$ —	\$ 1,460	\$ 2,580	\$ 246	0.5	
2012	1,492	—	1,492	2,635	1,332	0.4	
2011	1,368	—	1,368	160	1,349	0.9	
2010	1,419	—	1,419	2,255	493	0.5	
2009	1,499	—	1,499	2,155	1,563	0.4	
2008	1,496	—	1,496	2,075	1,651	0.4	
2007	1,354	—	1,354	1,985	1,908	0.3	
2006	1,406	—	1,406	1,905	1,992	0.4	
2005	1,355	—	1,355	1,850	2,050	0.3	
2004	1,417	—	1,417	1,540	2,365	0.4	
2003	1,311	—	1,311	1,465	2,297	0.3	

- (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)

Convention and Sports Facility Project Revenue Bonds								
Fiscal Year	3.5% hotel sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
				Principal	Interest			
2013	\$ 7,542	\$ —	\$ 7,542	\$ 4,080	\$ 1,920	1.26		
2012	7,365	—	7,365	3,927	2,073	1.23		
2011	6,417	—	6,417	3,781	2,219	1.07		
2010	6,255	—	6,255	3,643	2,357	1.04		
2009	6,513	—	6,513	3,512	2,488	1.09		
2008	5,616	—	5,616	4,088	1,912	0.94		
2007	5,767	—	5,767	3,261	2,739	0.96		
2006	5,388	—	5,388	3,158	2,842	0.90		
2005	5,278	—	5,278	3,061	2,939	0.88		
2004	5,104	—	5,104	2,951	3,049	0.85		
2003	5,208	—	5,208	2,831	3,169	0.87		

- (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						
Fiscal Year	10.4% of the	Less:	Net	Debt Service		Coverage
	1/2c capital sales Tax	Operating Expenses	Available Revenue	Principal	Interest	
2013	\$ 1,815	\$ —	\$ 1,815	\$ 895	\$ 473	1.33
2012	1,905	—	1,905	865	508	1.39
2011	1,740	—	1,740	835	533	1.27
2010	1,722	—	1,722	805	563	1.26
2009	1,814	—	1,814	785	587	1.32
2008	1,849	—	1,849	760	610	1.35
2007	1,839	—	1,839	740	632	1.34
2006	1,789	—	1,789	715	653	1.31
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

- (1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
- (2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Fiscal Year	Recreation Sales Tax Leasehold Revenue Bonds (1) (2)						Coverage
	Parks and Recreation Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2013	\$ 4,323	\$ —	\$ 4,323	\$ 1,025	\$ 2,213	1.34	
2012	4,520	—	4,520	985	2,252	1.40	
2011	4,152	—	4,152	950	2,290	1.28	
2010	4,055	—	4,055	910	2,326	1.25	
2009	4,280	—	4,280	875	2,361	1.32	
2008	4,425	—	4,425	1,665	1,442	1.42	
2007	—	—	—	—	—	—	
2006	—	—	—	—	—	—	
2005	—	—	—	—	—	—	
2004	—	—	—	—	—	—	
2003	—	—	—	—	—	—	

- (1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
- (2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Fiscal Year	Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)						Coverage
	10% of the 1/2c Capital Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2013	\$ 1,747	\$ —	\$ 1,747	\$ 300	\$ 1,008	1.34	
2012	1,830	—	1,830	290	1,019	1.40	
2011	1,671	—	1,671	280	1,030	1.28	
2010	1,654	—	1,654	265	1,041	1.27	
2009	1,742	—	1,742	255	1,051	1.33	
2008	1,777	—	1,777	1,120	189	1.36	
2007	—	—	—	—	—	—	
2006	—	—	—	—	—	—	
2005	—	—	—	—	—	—	
2004	—	—	—	—	—	—	
2003	—	—	—	—	—	—	

(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
2012	318,069	\$ 11,842,448	\$ 37,232	34.1	22,516	7.4%
2011	319,008	11,369,625	35,641	33.9	23,576	7.8
2010	318,842	10,928,301	34,275	34.6	25,046	8.7
2009	317,955	11,453,476	36,022	35.4	26,108	11.7
2008	317,959	10,925,710	34,362	36.3	27,574	7.8
2007	320,131	10,491,667	32,773	36.3	32,135	7.0
2006	324,945	9,854,572	30,327	35.6	35,361	6.9
2005	330,988	9,590,266	28,975	35.4	35,251	7.9
2004	* 350,705	9,285,829	26,478	35.7	36,954	8.7
2003	* 348,039	9,128,411	26,228	34.4	39,974	8.4

NOTES:

- (1) Source: Census Bureau -Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records methodology whereas the City has used a Housing Unit methodology.* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003, and 2004.
- (2) Data provided by the Missouri Dept. of Elementary and Secondary Education
- (3) Data provided by the U. S. Bureau of Labor Statistics.
- (4) Source: U.S. Bureau of Economic Analysis-Calendar Year 2011 figures are estimates; actual statistics for this period are released in November 2012. Calendar Years 2005-2011 have been updated to reflect actual statistics released as of April 2013.

Table 17
CITY OF ST. LOUIS, MISSOURI
Principal Employers,
Current Calendar Year and Nine Years Ago

Employer	Calendar Year 2012			Calendar Year 2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	14,705	1	3.44%	11,869	2	2.49%
BJC Healthcare	13,241	2	3.09	14,086	1	2.96
St. Louis University	10,096	3	2.36	9,205	4	1.93
City of St. Louis	8,098	4	1.89	9,516	3	2.00
Defense Finance & Acct Services	6,379	5	1.49	—	—	—
Wells Fargo	5,653	6	1.32	—	—	—
St. Louis Board of Education	4,992	7	1.17	8,433	5	1.77
State of Missouri	4,240	8	0.99	5,862	9	1.23
AT&T Services	4,016	9	0.94	—	—	—
US Postal Service	3,973	10	0.93	6,211	7	1.30
Anheuser Busch, Inc.				5,163	10	1.08
SBC				7,092	6	1.49
Tenet Health Systems				6,207	8	1.30
	<u>75,393</u>		<u>1421.44%</u>	<u>83,644</u>		<u>17.55%</u>

Source: City Collector of Revenue

Table 18
CITY OF ST. LOUIS, MISSOURI
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Full-time equivalent employees as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function/Program:										
Primary Government Employees										
General government	491	498	509	528	539	535	525	518	514	525
Convention and tourism	3	3	2	2	3	3	3	3	3	3
Parks and recreation	313	313	309	322	328	331	324	328	331	336
Judicial	679	706	714	709	721	717	705	717	726	731
Streets	455	455	455	464	463	458	452	454	456	466
Fire	778	813	829	830	830	830	831	831	830	829
Police	1,867	1,940	1,943	1,937	1,992	1,938	1,919	1,916	1,899	2,051
Other	750	709	716	774	814	804	753	756	762	812
Health and welfare	206	220	219	257	278	274	274	255	287	314
Public service	221	222	224	251	258	256	245	240	259	301
Community developmen	59	65	65	65	65	66	62	65	64	71
Business-Type Employees:										
Airport	540	555	580	583	637	637	634	623	582	589
Water Division	341	341	361	380	380	376	380	382	384	389
Parking Division	82	89	103	86	90	142	135	162	158	157
Total Employees	<u>6,785</u>	<u>6,929</u>	<u>7,029</u>	<u>7,188</u>	<u>7,398</u>	<u>7,367</u>	<u>7,242</u>	<u>7,250</u>	<u>7,255</u>	<u>7,574</u>

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

	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Government</u>										
Payroll checks issued	183,489	185,338	191,837	201,642	202,802	269,186	250,945	200,939	194,477	202,244
Invoices processed	95,572	96,571	95,375	98,772	103,352	108,703	107,796	107,943	109,385	109,346
Deeds recorded	74,138	58,991	61,841	66,351	65,740	81,692	107,042	101,638	97,069	96,827
Birth and death certificate copies issued	54,552	55,773	57,898	61,836	65,874	69,107	73,205	76,618	61,677	65,530
Marriage licenses processed	2,358	2,318	2,548	2,570	2,523	2,453	2,739	2,566	2,592	2,695
Real property parcels	143,357	145,166	145,572	145,858	145,507	145,930	142,168	142,351	140,979	139,927
Personal property accounts	107,666	109,439	108,257	108,427	110,285	106,176	105,571	109,342	114,442	113,737
Problem properties cases heard*	7,911	8,942	8,981	8,491	7,932	9,793	6,050	7,954	11,593	8,429
Citizen Service Bureau (CSB) calls answered	119,504	124,637	122,470	102,964	119,531	175,339	223,776	230,541	239,610	236,582
CSB service requests issued	98,306	109,596	119,109	107,116	90,177	107,431	104,909	97,050	96,134	98,589
<u>Parks and Recreation and Forestry</u>										
Park use permits issued	3,056	3,066	3,170	3,727	3,283	3,434	3,251	2,999	2,714	1,410
Vacant lot grass cuttings	52,079	51,845	52,110	51,015	52,929	95,191	68,904	71,578	80,949	77,363
Vacant building grass cuttings	24,366	24,870	24,124	23,520	22,332	51,663	33,320	31,927	41,320	36,691
CSB service requests received	23,116	24,009	25,660	23,007	26,655	47,408	24,665	23,745	22,524	23,635
<u>Judicial</u>										
Juvenile cases-referrals *	2,435	3,031	3,444	3,540	4,282	4,840	5,450	6,686	5,870	6,749
Jurors summoned	55,105	59,650	58,230	65,805	71,187	74,450	74,850	71,300	66,400	64,750
Jurors who served	22,596	23,186	20,019	21,582	26,030	23,874	21,059	22,131	21,628	22,286
<u>Streets</u>										
Tons of waste placed in landfills	150,645	164,134	173,812	185,848	199,725	186,132	195,958	220,085	246,613	213,591
Tons of waste recycled	15,618	12,830	4,842	3,851	4,900	4,855	4,141	1,848	1,784	1,368
Vehicles towed	8,880	8,470	9,850	9,765	11,523	8,829	10,489	11,793	11,508	13,505
<u>Public Safety</u>										
<u>Fire</u>										
Suppression calls	46,959	48,159	59,683	51,464	45,855	45,137	44,751	41,513	41,603	40,021
EMS calls	58,213	61,401	74,929	73,771	60,062	59,241	59,209	58,112	57,960	58,205
<u>Police</u>										
Directed calls for service*	267,435	300,921	309,696	321,015	325,958	348,648	320,499	333,351	343,149	347,630
Felony arrests*	14,205	15,309	13,424	13,284	14,186	14,930	15,162	13,837	13,084	14,213
Misdemeanor arrests*	6,307	8,574	6,986	7,948	8,569	10,048	10,440	10,323	10,820	10,244
Police reports written*	65,337	72,057	76,204	83,339	86,316	94,539	106,086	100,007	99,699	111,893

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

	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Public Service</u>										
Contracts executed	78	108	81	298	252	205	164	189	170	158
Bridges inspected	44	40	44	33	36	37	36	35	34	33
<u>Airport</u>										
Major airlines	9	10	10	10	10	9	10	9	10	9
Commuter airlines	18	19	19	19	20	22	22	13	12	12
Air cargo carriers	3	3	3	3	3	4	5	6	6	6
Passengers	12,747,102	12,681,341	12,399,226	12,514,653	13,271,170	15,220,080	15,136,182	16,655,185	14,072,947	16,064,247
Aircraft operations	189,068	191,653	186,908	195,409	226,052	255,800	260,151	304,631	254,399	293,474
<u>Water Division</u>										
Bills issued - metered	51,512	52,000	52,128	52,432	53,208	53,324	53,388	56,452	54,008	54,452
Bills issued - flat rate	316,904	316,000	316,596	321,720	325,420	327,804	330,420	330,012	328,572	330,936
Millions of gallons of water purified	44,922	46,597	43,345	44,015	46,223	47,479	48,137	48,923	49,724	49,883

* Information based on calendar year

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

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Parks and Recreation</u>										
Park acreage	3,248	3,248	3,243	2,960	2,722	2,717	2,717	2,717	2,717	2,717
Miles of bicycle paths	36	36	36	36	36	36	35	28	27	27
Athletic fields	153	153	152	152	152	152	152	188	188	188
Recreation centers	9	9	7	9	8	9	9	9	9	9
Neighborhood centers	-	-	-	-	1	1	1	1	1	1
Swimming pools	12	12	7	9	8	8	8	8	8	8
Golf courses	4	4	3	3	2	2	2	2	2	3
<u>Judicial</u>										
Court houses	3	3	3	3	3	3	3	3	3	3
<u>Streets</u>										
Alley containers	26,507	26,507	27,724	27,724	27,724	27,814	28,282	28,669	28,669	28,669
Rollout carts	39,952	39,952	34,770	21,202	21,202	19,899	20,379			
Recycling containers	5,744	5,744	3,434	125	136	130	135	116	116	116
Streets - paved (miles)	14	16	18	21	21	30	21	16	16	23
Streets - (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	450	450	450	450	450	450	450	400	400	400
Street, alley and easement lights	70,000	70,000	70,000	70,000	70,059	69,919	69,839	69,800	69,800	69,800
<u>Public Safety</u>										
<u>Fire</u>										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	122	122	122	114	114	144	144	178	178	177
<u>Police</u>										
Police stations	3	3	3	3	3	3	3	4	4	4
Police vehicles	759	757	694	710	703	703	700	651	601	642
<u>Public Service</u>										
Bridges structurally deficient	15	14	15	17	5	16	16	13	6	11
Bridges functionally obsolete	28	27	30	22	20	22	22	26	29	34
Total bridges	73	73	72	71	72	69	71	73	71	76
<u>Water Division</u>										
Miles of water mains	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Water storage capacity (gallons)	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000
Treatment Plants	2	2	2	2	2	2	2	2	2	2



**Prepared by
Office of the Comptroller
St. Louis, Missouri**



Honorable Darlene Green, Comptroller



Photos Courtesy of Brett Gregory Steen