

2016
Comprehensive
Annual Financial Report
City of St. Louis, Missouri



Fiscal Year Ended June 30

CITY OF ST. LOUIS, MISSOURI
COMPTROLLER



COMPLIMENTS OF THE COMPTROLLER
DARLENE GREEN

The City of Saint Louis, Missouri



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016

Prepared by
Office of the Comptroller

Darlene Green
Comptroller

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



DARLENE GREEN
Comptroller

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

January 20, 2017

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, 2016 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, 2016, 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, 2016, 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 complement MD & A and should be read in conjunction with it. The City's MD & A can be found immediately following the report of the independent auditors.



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

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

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

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

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

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

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

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

BUDGET PROCESS

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

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

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

ECONOMIC OUTLOOK

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

MAJOR INITIATIVES

On April 5, 2016, City voters approved the issuance of up to \$25 million in General Obligation Bonds for capital improvements as a no tax increase proposal. The measure passed with 82.9% of voter approval. The City issued the \$25 million General Obligation Bonds in November 2016 for the purpose of purchasing, replacing, repairing, and improving and maintaining the buildings, bridges, and equipment of the City.

On April 5, 2016, voters also chose to retain its one percent earnings tax on people who work or live in the City by 72.3%. City voters currently have to vote every five years to retain the tax.

Along with over \$700 million in development completed in the last six years, St. Louis looks forward to continued development. Amongst the projects is the National Geospatial-Intelligence Agency's decision to build its next western headquarters just north of downtown opening up the opportunity of further development around the project.

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

LONG TERM FINANCIAL PLANNING

Building on a longstanding commitment to fiscal discipline and sustainability, a recommended Long Range Financial Plan was prepared. It is a plan to better position St. Louis both to weather any future economic downturns and to benefit from future years of growth. As a beginning step to the plan, a revenue enhancement committee was formed made up of key members in the Department of Finance to look to enhance its revenue sources and identify new sources.

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, 2015 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the twenty-ninth year the City has received this prestigious award.

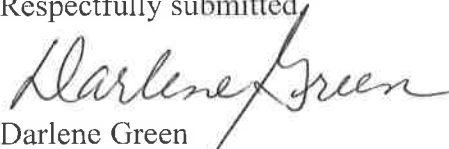
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements.

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 dark 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, 2015



Executive Director/CEO

The City of St. Louis, Missouri

Elected Officials

June 30, 2016

Board of Aldermen

(Aldermen listed to numerical order by ward)

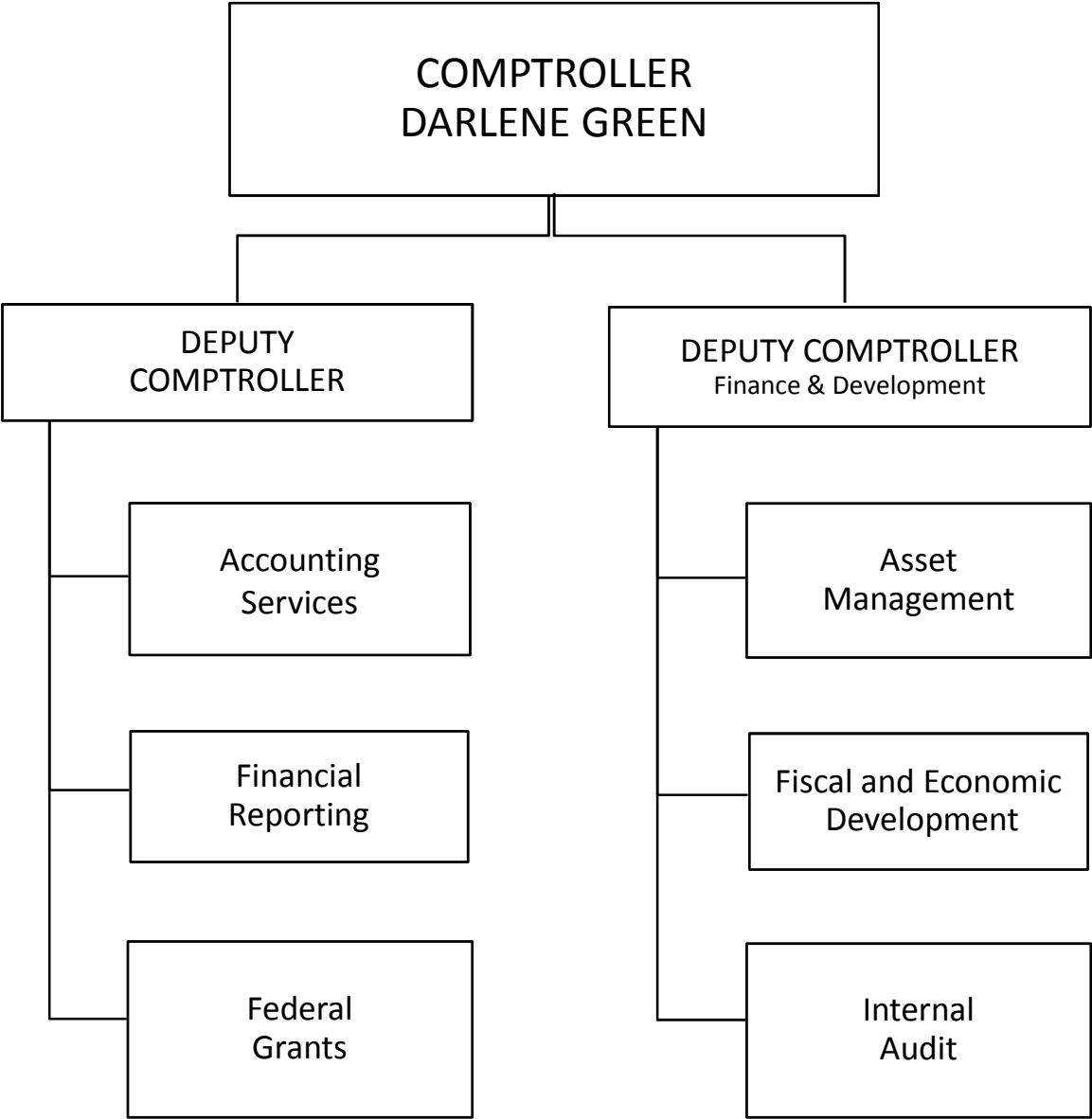
FRANCIS G. SLAY
Mayor

DARLENE GREEN
Comptroller

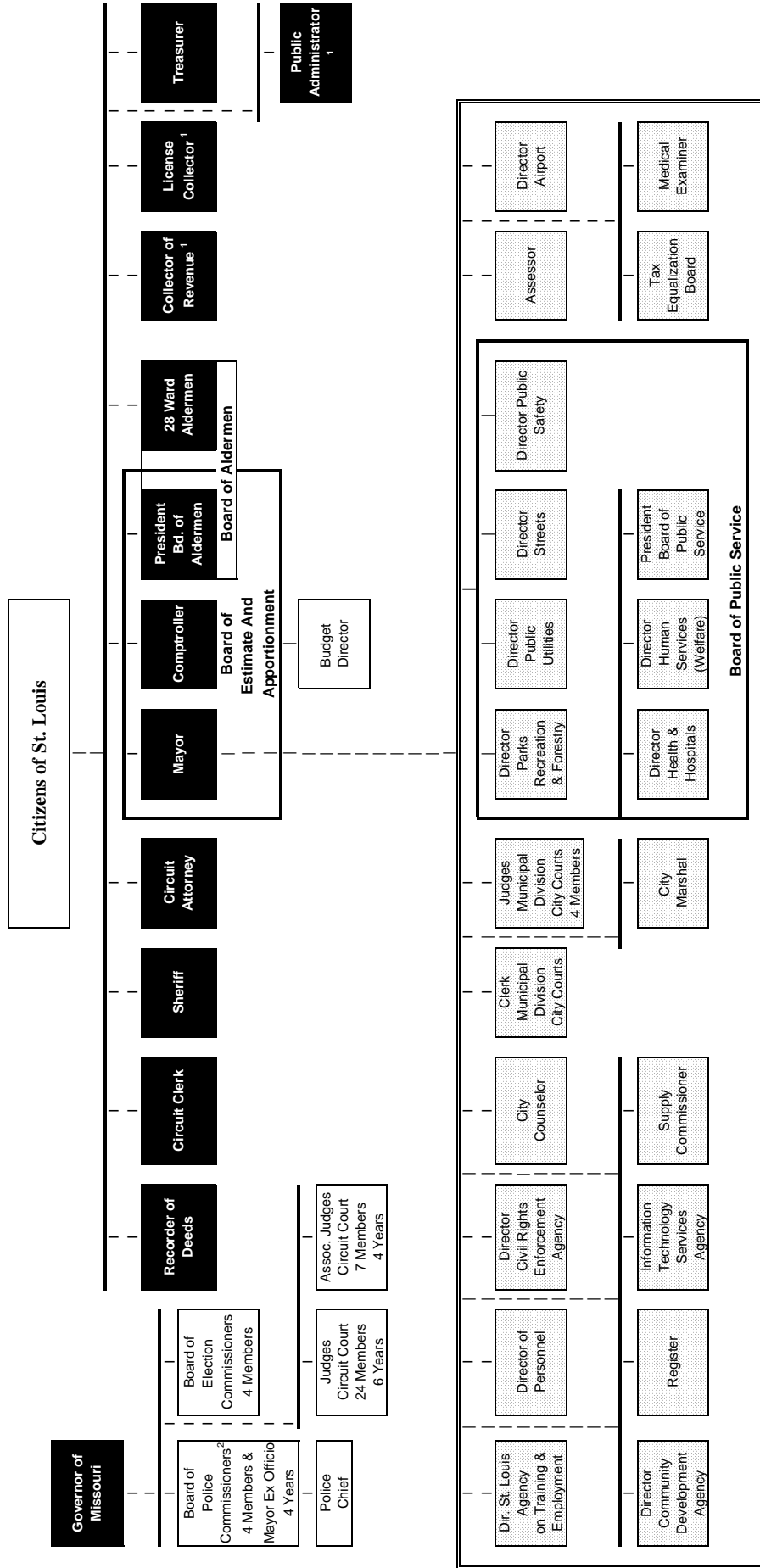
LEWIS REED
President,
Board of Aldermen

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

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 unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City'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 92% and 13% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 100% of the assets and revenues of the aggregate discretely presented component unit. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*.

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



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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1, effective July 1, 2015, the City of St. Louis, Missouri implemented Governmental Accounting Standards Board (GASB) No. 72, *Fair Value Measurement and Application*. Our opinions are 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 141 through 147, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 148 through 156 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 relates 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, the Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2017 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 City of St. Louis, Missouri's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
January 20, 2017

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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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, 2016. The information presented here should be read in conjunction with our letter of transmittal and the City's basic financial statements including the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (excluding discretely presented component unit)

- On a government-wide basis, the City's total assets and deferred outflow of resources exceeded its liabilities for the current fiscal year by \$744.7 million.
- Governmental activities and business-type activities had a net position of (\$569.3) million and \$1,314.0 billion, respectively.
- The cost of services for the City's governmental activities was \$824.6 million in fiscal year 2016 (excluding interest and fiscal charges).
- As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$172.6 million. Of this amount, (\$23.2) million is unassigned fund balance.
- In fiscal year 2016, the City issued \$121.0 million in long-term debt to finance projects and refund debt in governmental activities and \$39.6 million in long-term debt for business-type activities.
- Development and tax increment financing (TIF) debt increased liabilities in the amount of \$40.9 million. There is no related asset for TIF debt, so net increases in TIF debt reduce unrestricted net position by an equal amount.

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements.

Government-wide Financial Statements

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

The **Statement of Net Position** presents information on all of the City's assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency. Financial information for this component unit is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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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, redevelopment projects fund, capital projects fund, and grants fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of additional supplementary information as combining statements.

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

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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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 redevelopment projects fund, and required supplementary information pertaining to the Firemen's Retirement System of St. Louis, the Firefighter's Retirement Plan of the City of St. Louis, the Police Retirement System of St. Louis and the Employees' Retirement System of the City of St. Louis pension trust funds and other post-employment benefits.

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2016 was \$744.7 million, down from \$829.1 million from fiscal year 2015. Looking at the net position of governmental and business-type activities separately provides additional information.

City of St. Louis, Missouri
Schedule of Net Position Summary
June 30, 2016 and 2015
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets						
Current and other assets \$	374.8	398.4	364.5	382.6	739.3	781.0
Capital assets	821.2	839.4	1,817.6	1,841.2	2,638.8	2,680.6
Deferred outflow of resources	<u>213.6</u>	<u>33.5</u>	<u>43.1</u>	<u>24.6</u>	<u>256.7</u>	<u>58.1</u>
Total assets and deferred outflow of resources	<u>1,409.6</u>	<u>1,271.3</u>	<u>2,225.2</u>	<u>2,248.4</u>	<u>3,634.8</u>	<u>3,519.7</u>
Liabilities						
Long-term liabilities	1,791.9	1,556.2	856.5	882.6	2,648.4	2,438.8
Other liabilities	176.2	167.9	52.8	59.2	229.0	227.1
Deferred inflow of resources	<u>10.8</u>	<u>21.1</u>	<u>1.9</u>	<u>3.7</u>	<u>12.7</u>	<u>24.8</u>
Total liabilities	<u>1,978.9</u>	<u>1,745.2</u>	<u>911.2</u>	<u>945.5</u>	<u>2,890.1</u>	<u>2,690.7</u>
Net position						
Net investment in capital assets	522.7	544.3	918.6	1,055.4	1,441.3	1,599.7
Restricted	27.3	22.3	277.2	138.6	304.5	160.9
Unrestricted (deficit)	<u>(1,119.3)</u>	<u>(1,040.4)</u>	<u>118.2</u>	<u>108.8</u>	<u>(1,001.1)</u>	<u>(931.6)</u>
Total net position	<u>\$ (569.3)</u>	<u>(473.8)</u>	<u>1,314.0</u>	<u>1,302.8</u>	<u>744.7</u>	<u>829.0</u>

ANALYSIS OF NET POSITION

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflow of resources exceeded liabilities by \$744.7 million at the close of the most recent fiscal year.

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

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Included in the City's total net position at the end of fiscal year 2016 and fiscal 2015, respectively, is \$304.5 million and \$160.9 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by \$69.5 million for the year ended June 30, 2016. Unrestricted governmental activities net position showed a \$1,119.3 million deficit at the end of 2016 as compared with a \$1,040.4 million deficit in 2015. 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, \$26.9 million
- Joint venture financing agreement for the expansion of the convention center, \$28.8 million
- Obligations with component unit for the convention center hotel, \$28.4 million
- Obligations with component units for downtown development, \$15.8 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of \$381.2 million

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

<p align="center">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>

City of St. Louis, Missouri
Schedule of Changes in Net Position
For the Fiscal Years ended June 30, 2016 and 2015
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 136.5	129.9	237.4	235.3	373.9	365.2
Operating grants and contributions	67.1	60.8	0.7	1.3	67.8	62.1
Capital grants and contributions	6.5	8.0	9.4	23.6	15.9	31.6
General revenues:						
Taxes	568.6	559.2	—	—	568.6	559.2
Investment income	0.6	0.4	3.5	3.0	4.1	3.4
Total revenues	<u>779.3</u>	<u>758.3</u>	<u>251.0</u>	<u>263.2</u>	<u>1,030.3</u>	<u>1,021.5</u>
Expenses:						
General government	66.4	58.7	—	—	66.4	58.7
Convention and tourism	5.8	5.8	—	—	5.8	5.8
Parks and recreation	31.4	30.1	—	—	31.4	30.1
Judicial	51.1	50.7	—	—	51.1	50.7
Streets	75.7	73.4	—	—	75.7	73.4
Public safety:						
Fire	88.0	64.7	—	—	88.0	64.7
Police	226.5	202.1	—	—	226.5	202.1
Other	60.6	58.7	—	—	60.6	58.7
Health and welfare	57.1	54.1	—	—	57.1	54.1
Public service	79.5	78.0	—	—	79.5	78.0
Community development	82.5	65.5	—	—	82.5	65.5
Interest and fiscal charges	60.0	60.6	—	—	60.0	60.6
Airport	—	—	165.7	160.2	165.7	160.2
Water Division	—	—	49.7	46.8	49.7	46.8
Parking Division	—	—	15.3	13.9	15.3	13.9
Total expenses	<u>884.6</u>	<u>802.4</u>	<u>230.7</u>	<u>220.9</u>	<u>1,115.3</u>	<u>1,023.3</u>
Excess (deficiency) before extraordinary items and transfers	<u>(105.3)</u>	<u>(44.1)</u>	<u>20.3</u>	<u>42.3</u>	<u>(85.0)</u>	<u>(1.8)</u>
Extraordinary items	—	—	0.7	1.7	0.7	1.7
Transfers	9.9	9.6	(9.9)	(9.6)	—	—
Change in net position	<u>(95.4)</u>	<u>(34.5)</u>	<u>11.1</u>	<u>34.4</u>	<u>(84.3)</u>	<u>(0.1)</u>
Net position-beginning of year	<u>(473.9)</u>	<u>(149.9)</u>	<u>1,302.9</u>	<u>1,290.8</u>	<u>(149.9)</u>	<u>1,140.9</u>
Cumulative effect of change in accounting principles	<u>0.0</u>	<u>(289.5)</u>	<u>0.0</u>	<u>(22.3)</u>	<u>(289.5)</u>	<u>(311.8)</u>
Net position-beginning of year, adjusted	<u>(473.9)</u>	<u>(439.4)</u>	<u>1,302.9</u>	<u>1,268.5</u>	<u>829.0</u>	<u>829.1</u>
Net position-end of year	<u>\$ (569.3)</u>	<u>(473.9)</u>	<u>1,314.0</u>	<u>1,302.9</u>	<u>744.7</u>	<u>829.0</u>

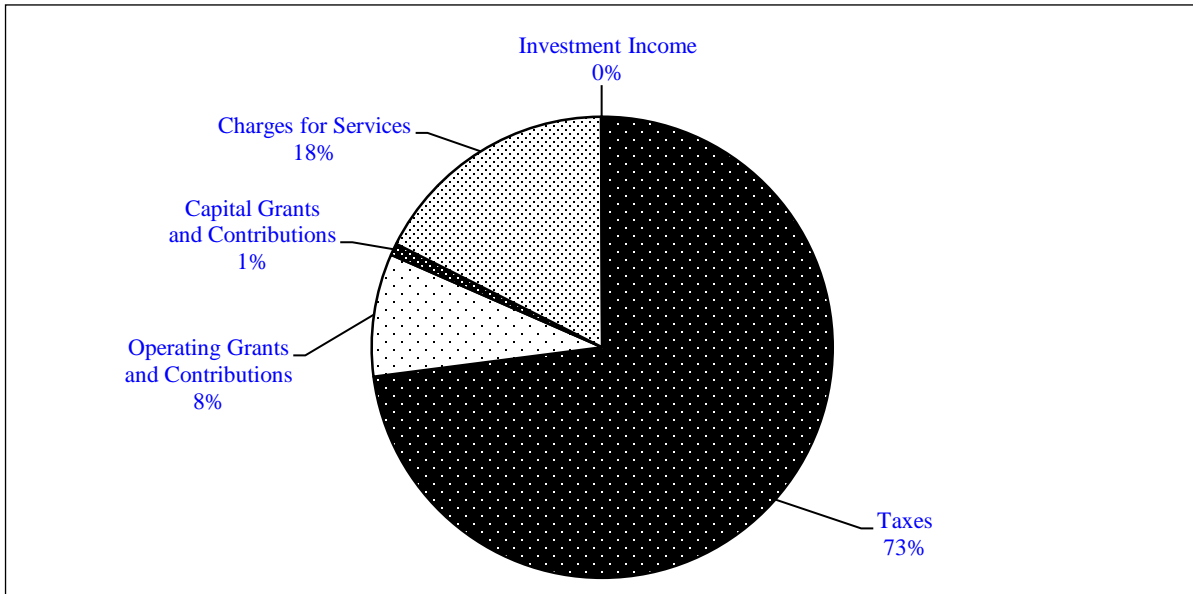
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2016**

Changes in net position. The City's total revenue on a government-wide basis was \$1,030.3 million, an increase of \$8.8 million over the previous year. Taxes represent 55.2% of the City's revenue as compared with 54.7% last year. Additionally, 36.3% comes from fees charged for services, as compared to 35.8% 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 \$1,115.3 million, an increase from \$1,023.3 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

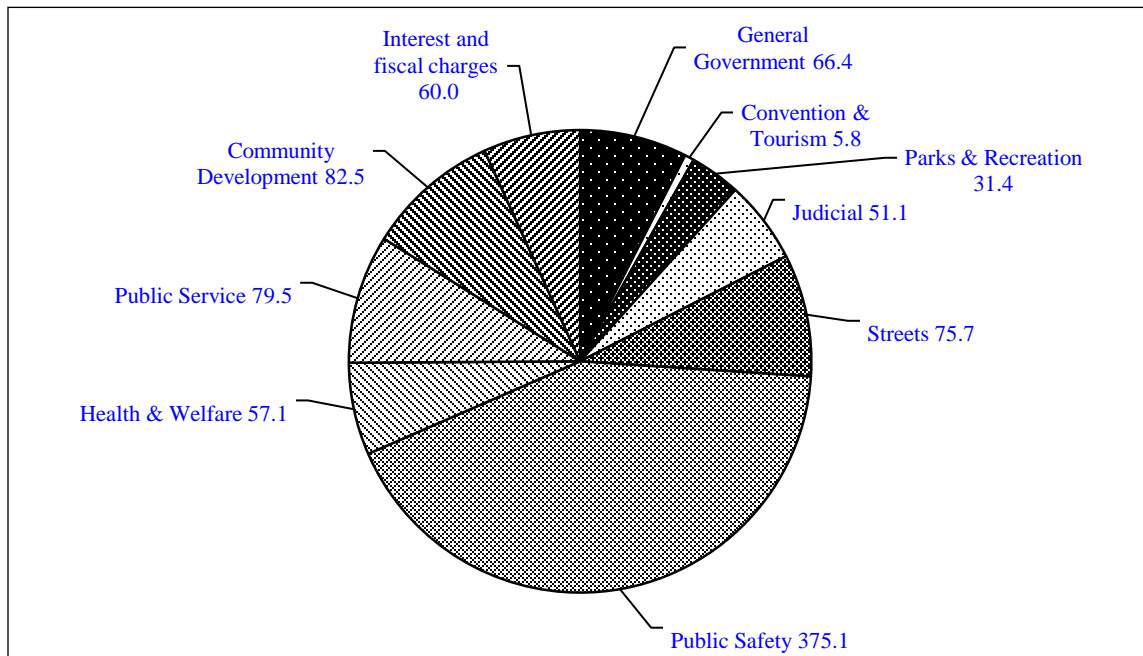
Governmental activities. As a result of this year's operations, the net position of governmental activities decreased by \$95.4 million or 20.1%. The net position decrease is primarily related to anticipated level of spending over the expected growth in revenues. Revenues increased by \$21.0 million or 2.8%. Total expenses increased by \$82.2 million or 10.2%. General government expenditures increased by \$7.7 million or 13.1%. Community development expenses increased due to an increase in debt issuances in fiscal year 2016.

The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2016.



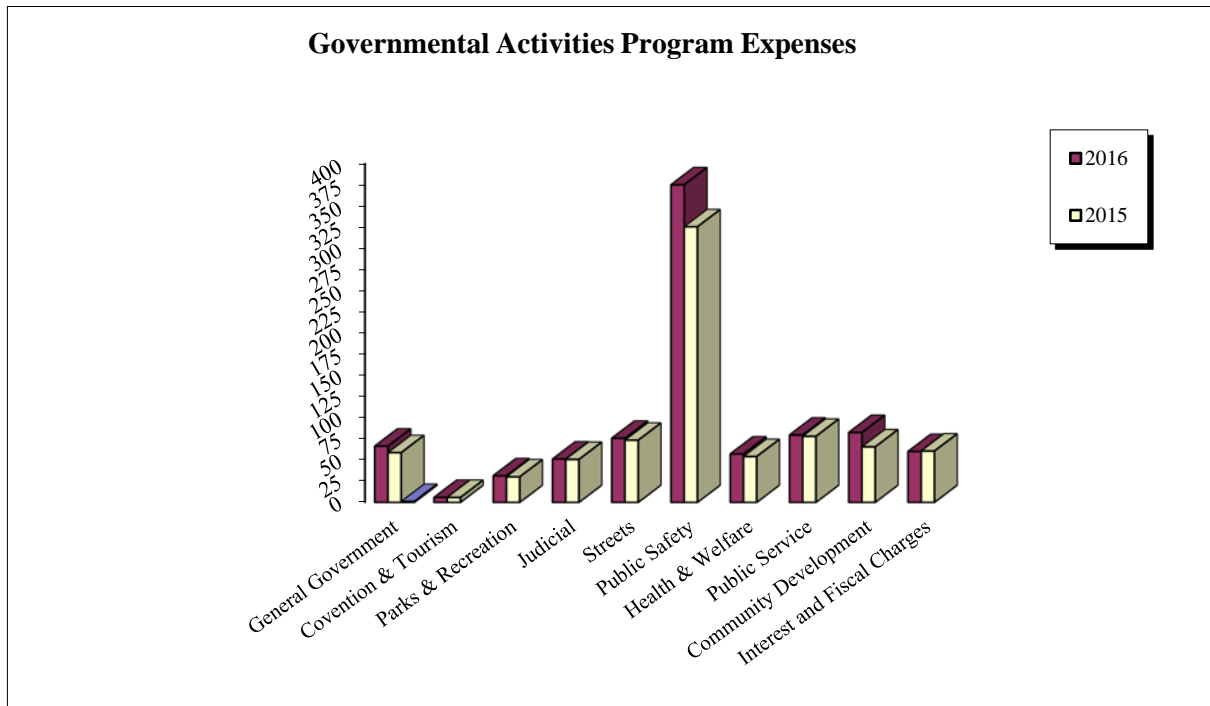
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2016

The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was \$884.6 million, an increase of \$82.2 million or 10.2% over the prior year. As shown, public safety is the largest function in expense (42.4%). The majority of the spending was the result of funding Police of \$226.5 million and Fire of \$88.0 million.



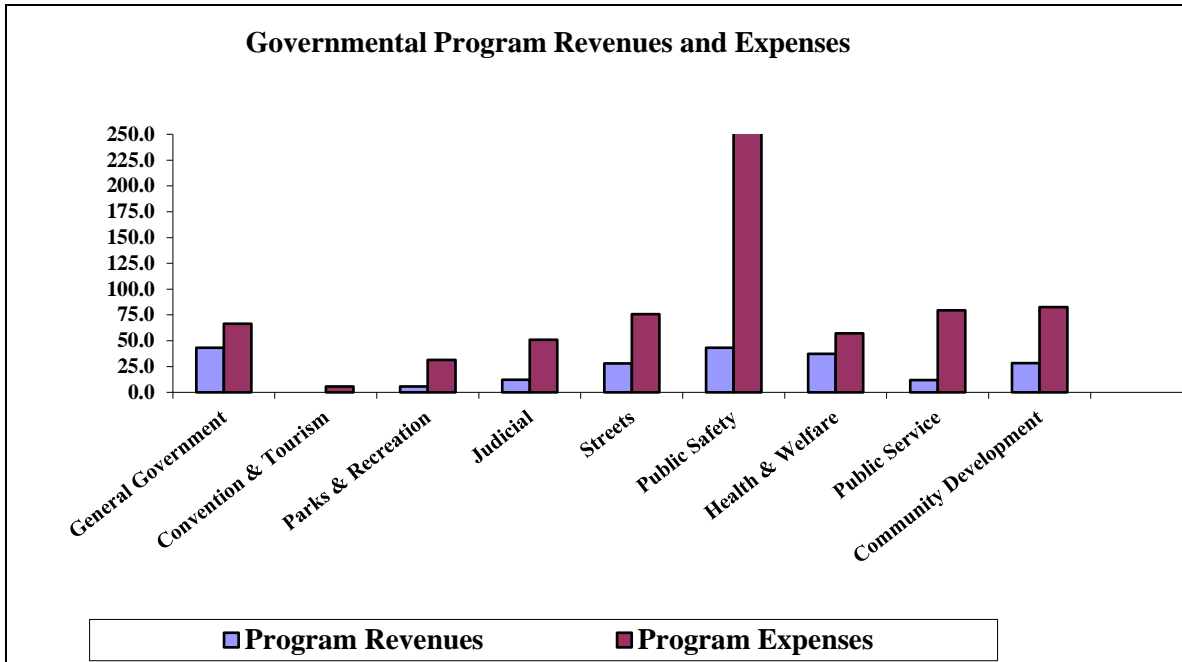
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2016

The following chart is a comparison of expense of governmental activities for fiscal years ended 2016 and 2015.



CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2016

The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2016.



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

	Total Cost of Services		Net Costs of Services	
	2016	2015	2016	2015
General government	\$ 66.4	58.7	23.1	26.1
Convention and tourism	5.8	5.8	5.8	5.8
Parks and recreation	31.4	30.1	25.5	24.8
Judicial	51.1	50.7	38.9	36.6
Streets	75.7	73.4	47.7	45.9
Public Safety:				
Fire	88.0	64.7	77.1	51.4
Police	226.5	202.1	219.8	193.0
Other	60.1	58.7	35.0	37.0
Health and welfare	57.1	54.1	19.9	18.9
Public service	79.5	78.0	67.6	62.4
Community development	82.5	65.5	54.2	41.1
Totals	\$ 824.1	741.8	614.6	543.0

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$824.1 million compared with \$741.8 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was \$568.6 million. The primary difference of \$255.5 million comprises charges for services (\$136.5 million), operating grants and contributions (\$67.1 million), and capital grants and contributions (\$6.5 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$11.1 million or 0.9%.

Lambert – St. Louis International Airport. The net position of the Airport increased by \$4.3 million or 0.4%. The operating income was \$5.5 million this year versus operating income of \$16.0 million in 2015. Total operating revenues for 2016 was \$136.7 million. Of this amount, major sources of operating revenue included aviation revenues (61.9%), concessions (18.4%), parking, net (16.1%), and lease revenue (3.6%). A significant non-operating revenue is passenger facility charges which accounts for \$25.8 million.

At June 30, 2016, the capital assets balance was \$1,585.7 million. This amount includes buildings and structures of \$261.2 million, pavings with \$529.1 million, and equipment with \$24.3 million, all net of accumulated depreciation. Land is \$751.1 million, construction in progress is \$16.5 million, and easements is \$3.5 million.

At June 30, 2016, the Airport had bonded debt of \$686.2 million.

Water Division

Operating income was \$7.0 million this year versus an operating income of \$7.4 million in 2015. Total operating revenues for 2016 was \$56.5 million. Of this amount, major sources of operating revenue included metered revenue (40.1%) and flat rate revenue (44.2%).

At June 30, 2016, the capital assets balance was \$155.5 million. This amount includes buildings and structures (net of accumulated depreciation) with \$14.5 million, reservoirs and water mains, lines and accessories with \$98.5 million, equipment with \$33.3 million, land with \$1.2 million, and construction-in-progress with \$8.0 million.

At June 30, 2016, the Water Division had bonded debt of \$5.1 million.

Parking Division. The net position of the Parking Division decreased by \$2.1 million or 6.3%. Operating income was \$6.1 million in fiscal year 2016 and \$6.1 million in fiscal year 2015. Total operating revenues for 2016 was \$17.1 million. Of this amount, major sources of operating revenue included parking meter revenue (16.7%), parking violations notices revenue (25.6%), and parking facilities revenue (53.9%).

At June 30, 2016, the capital assets balance was \$76.3 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$47.4 million, parking meters and lot equipment with \$5.1 million, equipment with \$0.9 million, and land with \$22.9 million.

<p align="center">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>

At June 30, 2016, the Parking Division had bonded debt of \$67.1 million.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2016
(dollars in millions)

	2016	2015	2016 vs. 2015 \$ Change	2016 vs. 2015 % Change
Total assets	\$ 366.5	357.2	9.3	2.6%
Total liabilities	96.2	97.4	(1.2)	-1.2%
Deferred inflow of resources	97.7	94.4	3.3	—%
Fund balance:				
Restricted and Nonspendable	110.5	101.8	8.7	8.5%
Committed	80.5	73.2	7.3	10.0%
Assigned	4.8	10.3	(5.5)	-53.4%
Unassigned	(23.2)	(19.9)	(3.3)	-16.6%
Total fund balance	172.6	165.4	7.2	4.4%
Total liabilities, deferred inflow of resources, and fund balance	\$ 366.5	357.2	9.3	2.6%

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 (\$5.2) million.

The total fund balance in the City's general fund decreased by \$6.4 million or 22.2% in the current fiscal year. The City's general fund decreased by \$7.1 million or 19.8% in the prior fiscal year.

The total fund balance in the redevelopment projects fund increased by \$5.3 million or 18% in the current fiscal year. Fiscal year 2016 is the first year the redevelopment project fund qualified to be a major fund so the comparison is based on detail within the nonmajor other governmental fund for fiscal year 2015.

The total fund balance in the City's capital projects fund increased by \$9.7 million or 18.0% in the current fiscal year. The City's capital projects fund decreased by \$3.9 million or 6.8% in the prior fiscal year.

The grants fund received \$67.1 million in intergovernmental revenues that funded community development in the amount of \$20.5 million, or 30.6%, and health and welfare in the amount of \$35.6 million, or 53.1% in the current fiscal year. The grants fund received \$60.8 million in intergovernmental revenues that funded community development in the amount of \$17.4 million, or 28.9%, and health and welfare in the amount of \$33.8 million, or 55.6% in the prior fiscal year.

The total fund balance in the City's other governmental funds decreased by \$1.4 million or 2.7 % in the current fiscal year. The comparison is takes into account the redevelopment project fund

<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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becoming a major fund. The City's other governmental funds decreased by \$355 thousand or 0.4 % in the prior fiscal year.

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net position for the Airport was \$71.1 million, the Water Division was \$26.7 million, and the Parking Division was \$20.4 million, as compared with \$68.9 million, \$24.7 million, and \$15.3 million, respectively in 2015. The total increase in net position for the enterprise funds was \$11.1 million in the current year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Firefighters' Plan, the Police Retirement System, and the Employee's Retirement System. As of the end of the funds' fiscal year ended September 30, 2015, the net position of the pension funds totaled \$1.9 billion, a decrease of \$0.1 billion 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 \$49.1 million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, and circuit clerk, and other miscellaneous agency activities.

General Fund Budgetary Highlights

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

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 \$492.6 million. Actual results for the fiscal year's revenues and transfers in were \$491.3 million, which was below the original estimates by \$1.3 million or 0.3% of the estimate.

The original general fund expense budget was \$496.6 million including transfers out. This also includes prior year encumbrances and commitments of \$3.9 million set aside and re-appropriated. Actual expenditures and transfers out totaled \$489.5 million. This includes expenditures of \$1.4 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2016 budget total \$3.7 million. The general fund ended the fiscal year with a budget-basis-operating surplus of \$1.8 million. In addition, a transfer out of \$1.0 million was made to a 27th Pay Reserve. As of June 30, 2016, the unreserved fund balance of the general fund was \$9.1 million on a cash basis.

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2016

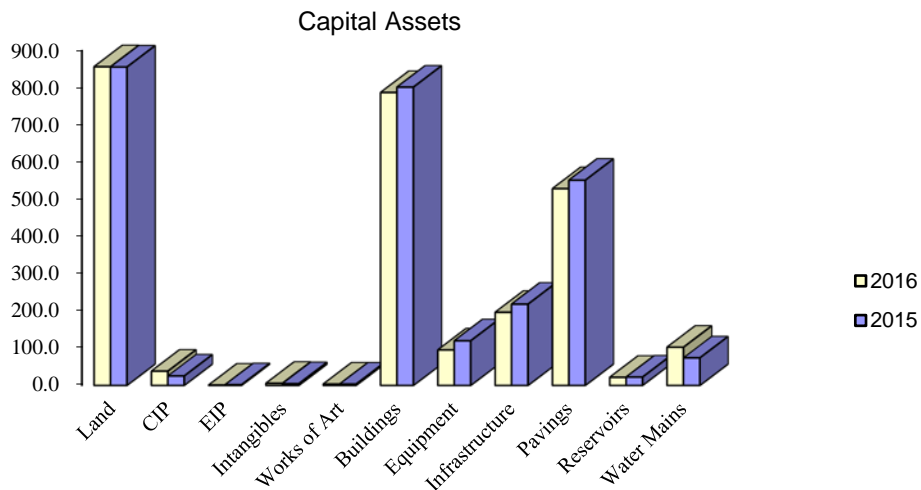
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had invested \$2.6 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems.

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

		Governmental Activities		Business-type Activities		Total	
		2016	2015	2016	2015	2016	2015
Land	\$	81.7	80.4	775.2	775.7	856.9	856.1
Construction in progress		13.9	9.6	24.5	15.8	38.4	25.4
Equipment in progress		0.0	0.8	—	—	0.0	0.8
Intangibles		2.2	1.2	3.5	3.5	5.7	4.7
Works of art		3.6	3.6	—	—	3.6	3.6
Buildings and improvements		464.5	463.8	323.1	338.3	787.6	802.1
Equipment		57.8	60.5	37.7	59.5	95.5	120.0
Infrastructure		196.6	218.5	—	—	196.6	218.5
Intangibles		0.9	1.0	—	—	0.9	1.0
Pavings		—	—	529.1	551.8	529.1	551.8
Reservoirs		—	—	21.8	22.5	21.8	22.5
Water mains, lines, accessories		—	—	102.7	74.1	102.7	74.1
Total	\$	821.2	839.4	1,817.6	1,841.2	2,638.8	2,680.6



<p style="text-align: center;">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>
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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 2016, the City had outstanding long-term debt obligations for governmental activities in the amount of \$976.5 million compared with \$953.2 million in fiscal year 2015. Of this amount, \$16.8 million are general obligation bonds and \$381.2 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled \$438.9 million.

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

	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2015</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds payable	\$ 16.8	23.0	(6.2)	-27.0%
Section 108 Loan Guarantee				
Assistance Programs	26.9	31.4	(4.5)	-14.3%
Loan agreement with FPF	8.0	5.2	2.8	53.8%
Development and tax increment financing bonds				
and notes payable	381.2	340.3	40.9	12.0%
Loan agreement with Missouri Transportation				
Finance Corporation	1.1	1.6	(0.5)	-31.3%
Capital lease—rolling stock	15.2	19.7	(4.5)	-22.8%
Certificates of participation	4.5	5.2	(0.7)	-13.5%
Obligations with component units	44.2	51.4	(7.2)	-14.0%
Leasehold revenue improvement and				
refunding bonds	438.9	435.0	3.9	0.9%
Joint venture financing agreement	28.9	33.5	(4.6)	-13.7%
Unamortized premium/discounts	10.8	6.9	3.9	56.5%
Total	\$ <u>976.5</u>	<u>953.2</u>	<u>23.3</u>	<u>2.4%</u>

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 2016 was \$437.3 million. The City's effective legal debt margin as of June 30, 2016 was \$427.6 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

<p align="center">CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2016</p>

The City's underlying general obligation credit ratings changed for fiscal year 2015. The City ratings on uninsured general obligation bonds as of June 30, 2016 were:

Moody's Investor's Service, Inc.	A2
Standard and Poor's Corporation	A+
Fitch IBCA, Inc. Ratings	A-

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

		Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
Airport	\$	686.2	726.0	(39.8)	-5.48%
Water Division		5.1	2.3	2.8	121.74%
Parking Division		67.1	73.5	(6.4)	-8.71%
Total	\$	<u>758.4</u>	<u>801.8</u>	<u>(43.4)</u>	<u>-5.41%</u>

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2016 and 2015 were \$758.4 million and \$801.8 million, respectively. The amount reflects a decrease of \$43.4 million, or 5.4%. This amount includes Airport bonds of \$686.2 million, Water Division bonds of \$5.1 million, and Parking Division bonds of \$67.1 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 2017 annual operating budget allocates \$1,041.2 million among all budgeted funds, a 2.4% increase over the previous year's budget.
- The fiscal year 2017 general fund budget is \$511.1 million compared with \$492.6 million in fiscal year 2016. This amount reflects an increase of \$18.5 million, or 3.8%.
- Total employee positions for fiscal year 2017 are 6,673, a decrease of 8 positions mainly in the sheriff's office.

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, 2016
(dollars in thousands)

Assets	Primary Government			Component unit
	Governmental activities	Business-type activities	Total	SLDC
Cash and cash equivalents	\$ 85,273	80,309	165,582	7,366
Investments	28,695	90,827	119,522	—
Receivables, net	172,849	23,476	196,325	15,374
Inventories	1,152	4,434	5,586	—
Restricted assets	73,659	171,987	245,646	—
Internal balances	10,108	(10,108)	—	—
Other assets	2,663	3,586	6,249	399
Receivable from component unit	408	—	408	—
Property held for development, net	—	—	—	24,998
Capital assets, net:				
Nondepreciable	101,362	803,258	904,620	8,058
Depreciable	719,826	1,014,322	1,734,148	21,574
Total assets	1,195,995	2,182,091	3,378,086	77,769
Deferred outflow of resources	213,598	43,113	256,711	—
Total assets and deferred outflow of resources	1,409,593	2,225,204	3,634,797	77,769
Liabilities				
Accounts payable and accrued liabilities	19,167	20,598	39,765	2,428
Accrued salaries and other benefits	24,814	8,425	33,239	—
Accrued interest payable	127,623	18,531	146,154	—
Unearned revenue	3,110	5,188	8,298	—
Other liabilities	1,474	—	1,474	—
Payable to primary government	—	—	—	408
Payable to other government agencies	2	53	55	—
Long-term liabilities:				
Due within one year	126,687	42,013	168,700	5,137
Due in more than one year	1,665,152	814,527	2,479,679	45,454
Total liabilities	1,968,029	909,335	2,877,364	53,427
Deferred inflow of resources	10,817	1,904	12,721	—
Total liabilities and deferred inflow of resources	1,978,846	911,239	2,890,085	53,427
Net Position				
Net investments in capital assets	522,729	918,588	1,441,317	16,643
Restricted:				
Debt service	3,947	103,808	107,755	—
Capital projects	72	150,430	150,502	—
Passenger facility charges	—	22,961	22,961	—
Statutory restrictions	23,295	—	23,295	—
Unrestricted (deficit)	(1,119,296)	118,178	(1,001,118)	7,699
Total net position	\$ (569,253)	1,313,965	744,712	24,342

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2016
(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 unit	
					Governmental activities	Business-type activities	Total	SLDC
Primary government:								
Governmental activities:								
General government	\$ 66,403	42,132	1,220	—	(23,051)	—	(23,051)	—
Convention and tourism	5,789	—	—	—	(5,789)	—	(5,789)	—
Parks and recreation	31,390	5,328	542	—	(25,520)	—	(25,520)	—
Judicial	51,085	9,746	2,418	—	(38,921)	—	(38,921)	—
Streets	75,707	27,330	57	630	(47,690)	—	(47,690)	—
Public safety:								
Fire	88,008	10,246	676	—	(77,086)	—	(77,086)	—
Police	226,537	4,051	2,724	—	(219,762)	—	(219,762)	—
Other	60,647	23,533	2,100	—	(35,014)	—	(35,014)	—
Health and welfare	57,112	1,073	36,105	—	(19,934)	—	(19,934)	—
Public service	79,451	5,977	—	5,894	(67,580)	—	(67,580)	—
Community development	82,459	7,076	21,210	—	(54,173)	—	(54,173)	—
Interest and fiscal charges	60,049	—	—	—	(60,049)	—	(60,049)	—
Total governmental activities	884,637	136,492	67,052	6,524	(674,569)	—	(674,569)	—
Business-type activities:								
Airport	165,756	162,837	692	9,378	—	7,151	7,151	—
Water Division	49,726	57,494	—	—	—	7,768	7,768	—
Parking Division	15,253	17,113	—	—	—	1,860	1,860	—
Total business-type activities	230,735	237,444	692	9,378	—	16,779	16,779	—
Total primary government	\$ 1,115,372	373,936	67,744	15,902	(674,569)	16,779	(657,790)	—
Component unit:								
SLDC	\$ 39,037	9,755	27,780	—	—	—	—	(1,502)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 82,397	—	82,397	—
Property taxes, levied for debt service					6,251	—	6,251	—
Sales taxes					179,362	—	179,362	—
Earnings/payroll taxes					204,013	—	204,013	—
Gross receipts taxes (includes franchise tax)					91,778	—	91,778	—
Miscellaneous taxes					4,791	—	4,791	—
Unrestricted investment earnings					632	3,585	4,217	122
Extraordinary item - Natural disaster					—	678	678	—
Transfers					9,957	(9,957)	—	—
Total general revenues, extraordinary item, and transfers					579,181	(5,694)	573,487	122
Change in net position					(95,388)	11,085	(84,303)	(1,380)
Net position – beginning of year					(473,865)	1,302,880	829,015	25,722
Net position – end of year					\$ (569,253)	1,313,965	744,712	24,342

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2016
(dollars in thousands)

	Major funds				Nonmajor funds	Total governmental funds
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	
Assets						
Cash and cash equivalents:	\$					
Restricted	3,829	3,453	25,498	1,190	2,758	36,728
Unrestricted	25,226	17,443	11,352	—	23,879	77,900
Investments:						
Restricted	11,256	3,087	17,589	—	4,999	36,931
Unrestricted	6,797	4,797	8,339	1,957	5,903	27,793
Receivables, net of allowances:						
Taxes	94,226	21,845	3,741	—	26,958	146,770
Licenses and permits	2,623	—	—	—	262	2,885
Intergovernmental	3,461	639	885	10,037	137	15,159
Charges for services	3,791	29	21	—	1,165	5,006
Other	434	—	524	2	655	1,615
Inventory	1,152	—	—	—	—	1,152
Prepaid asset	862	—	—	—	—	862
Due from component unit	—	—	—	—	447	447
Due from other funds	7,254	6,035	—	—	—	13,289
Total assets	\$ 160,911	57,328	67,949	13,186	67,163	366,537
Liabilities, Deferred Inflow of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,478	60	3,587	8,151	2,654	18,930
Accrued salaries and other benefits	22,071	32	170	1,212	1,329	24,814
Due to component unit	—	—	—	—	26	26
Due to other funds	4,920	—	534	2,993	1,419	9,866
Due to other governmental agencies	2	—	—	—	—	2
Advance to other funds	37,914	—	—	—	—	37,914
Unearned revenue	343	—	—	—	2,767	3,110
Other liabilities	1,490	—	—	—	—	1,490
Total liabilities	71,218	92	4,291	12,356	8,195	96,152
Deferred inflow of resources	67,407	22,096	113	—	8,141	97,757
Total liabilities and deferred inflow of resources	138,625	22,188	4,404	12,356	16,336	193,909
Fund balances (deficit):						
Nonspendable	3,768	—	—	—	11	3,779
Restricted	13,532	31,979	42,682	830	17,740	106,763
Committed	10,136	—	38,950	—	31,467	80,553
Assigned	—	3,161	—	—	1,609	4,770
Unassigned	(5,150)	—	(18,087)	—	—	(23,237)
Total fund balances	22,286	35,140	63,545	830	50,827	172,628
Total liabilities, deferred inflow of resources, and fund balances	\$ 160,911	57,328	67,949	13,186	67,163	366,537

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, 2016
(dollars in thousands)

Total fund balances—governmental funds—balance sheet	\$	172,628
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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.		821,159
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Various taxes related to fiscal year 2016 will be collected beyond the 60-day period and is not recognized as revenue in the fund financial statements. Revenue for this amount is recognized in the government-wide financial statements.		7,230
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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, 2016 and payable on December 31, 2016 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		90,527
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Internal service funds are used by management to charge the cost of risk management, mailroom services, health and equipment services to the individual funds, generally on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		4,733
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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, 2016 are:

Accrued vacation and sick leave		(50,751)
Net OPEB Obligation		(205,680)
Net pension liability		(507,792)
Accrued interest payable		(127,623)
Joint venture financing agreement		(28,845)
Certificates of participation		(4,490)
Obligations with component unit		(44,203)
Capital leases-rolling stock		(15,188)
Leasehold improvement and refunding revenue bonds		(438,932)
Development and TIF bonds and notes payable		(381,231)
General obligation bonds		(16,795)
Section 108 Loan Guarantee Assistance Programs		(26,910)
Other long-term debt		(9,048)
Deferred outflow of resources		213,598
Deferred inflow of resources		(10,817)
Unamortized discounts		3,124
Unamortized premiums		(13,947)

Total net position—governmental activities—statement of net position	\$	(569,253)
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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, 2016
(dollars in thousands)

	Major funds				Nonmajor funds	
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	Total governmental funds
Revenues:						
Taxes	\$ 364,291	35,558	24,009	—	140,630	564,488
Licenses and permits	19,830	—	—	—	7,117	26,947
Intergovernmental	22,413	4,037	6,524	67,052	920	100,946
Charges for services, net	31,927	29	367	—	18,725	51,048
Court fines and forfeitures	4,009	—	—	—	—	4,009
Investment income	390	27	174	—	41	632
Interfund services provided	4,488	—	—	—	—	4,488
Miscellaneous	7,499	2,917	2,291	—	8,208	20,915
Total revenues	454,847	42,568	33,365	67,052	175,641	773,473
Expenditures:						
Current:						
General government	39,875	890	—	1,088	17,855	59,708
Convention and tourism	124	—	—	—	—	124
Parks and recreation	19,236	—	1,191	572	4,806	25,805
Judicial	44,955	—	—	2,364	3,707	51,026
Streets	34,858	—	6,753	50	1,082	42,743
Public Safety:						
Fire	65,455	—	—	648	1,126	67,229
Police	157,922	—	—	2,115	23,300	183,337
Other	49,735	—	343	2,056	8,273	60,407
Health and welfare	3,415	—	—	35,626	17,818	56,859
Public services	32,880	—	2,431	—	43,378	78,689
Community development	—	52,606	9,322	20,531	—	82,459
Capital outlay	3,287	—	34,223	635	177	38,322
Debt service:						
Principal	14,710	12,497	18,594	1,190	8,706	55,697
Interest and fiscal charges	17,083	19,754	7,581	138	9,212	53,768
Advance refunding escrow	—	—	554	—	1,826	2,380
Total expenditures	483,535	85,747	80,992	67,013	141,266	858,553
Excess (deficiency) of revenues over expenditures	(28,688)	(43,179)	(47,627)	39	34,375	(85,080)
Other financing sources (uses):						
Issuance of leasehold revenue bonds	17,197	—	32,244	—	—	49,441
Issuance of general obligation bonds	—	—	—	—	16,795	16,795
Issuance of development and tax increment financing notes	—	49,757	—	—	—	49,757
Proceeds from agreement with Forest Park Forever	—	—	5,000	—	—	5,000
Payment to refunded escrow agent	(19,648)	—	(6,554)	—	(17,865)	(44,067)
Premium on bond issuances	3,012	—	1,247	—	1,175	5,434
Transfers in	37,397	—	25,430	—	2,904	65,731
Transfers out	(15,637)	(1,288)	(50)	(27)	(38,772)	(55,774)
Total other financing (uses) sources, net	22,321	48,469	57,317	(27)	(35,763)	92,317
Net change in fund balances	(6,367)	5,290	9,690	12	(1,388)	7,237
Fund balances:						
Fund balance, beginning of year	28,653	29,850	53,855	818	52,215	165,391
Fund balance, end of year	\$ 22,286	35,140	63,545	830	50,827	172,628

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, 2016
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances	\$ 7,237
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	38,322
Capital contribution	1,827
Loss on disposal of capital assets	(207)
Depreciation expense	(58,160)
	<u>(18,218)</u>
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	(1,045)
Property taxes due in the fiscal year following the fiscal year in which they were assessed	5,046
	<u>4,001</u>
Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds. The change in net position of internal service funds attributable to governmental activities is reported on the statement of activities.	
	2,116
The City reports a net pension liability and deferred outflows and inflows relating to pensions on the statement of net position relating to its defined benefit pension plans. These accounts are not reported in the fund financial statements. Fluctuations in net pension liabilities and deferred outflows and inflows relating to pensions are reported in the statement of activities.	
	(31,558)
The City reports a net other postemployment obligation on the statement of net position to the extent actual contributions to the City's other postemployment plan falls below the annual required contribution. This obligation is not reported in the fund financial statements. The fluctuation in the net pension obligation is reported in the statement of activities.	
	(27,953)
Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayments of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net position.	
Debt issued during the current year:	
Development and Tax increment financing bonds and notes payable	(49,757)
General obligation bonds	(16,795)
Loan agreement with Forest Park Forever	(5,000)
Leasehold revenue bonds	(49,441)
Repayments during the current year:	
Payments to refunded escrow agent - leasehold revenue bonds	26,446
Payments to refunded escrow agent - general obligation bonds	17,621
Advance to escrow agent	2,380
Annual principal payments on bonds and notes payable	45,860
Annual principal payments on joint venture financing agreement	4,589
Annual principal payments on capital lease	4,543
Annual principal payments Certificates of Participation	705
	<u>(18,849)</u>
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	(448)
Accrued interest payable	(7,360)
Unamortized discounts	(399)
Unamortized premiums	(3,506)
Deferred outflow of resources-bond refundings	(451)
	<u>(12,164)</u>
Change in net position—governmental activities—statement of activities	<u>\$ (95,388)</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Position
Proprietary Funds
June 30, 2016
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 57,141	229	1,224	58,594	—
Unrestricted cash and cash equivalents	40,200	19,515	20,594	80,309	7,373
Investments:					
Unrestricted investments	44,551	17,991	—	62,542	902
Receivables, net of allowances:					
Intergovernmental	4,281	—	—	4,281	—
Charges for services	3,171	13,010	499	16,680	1,316
Passenger facility charges	2,223	—	—	2,223	—
Accrued interest	292	—	—	292	—
Other	—	—	—	—	98
Prepaid assets	—	—	—	—	1,801
Due from component unit	—	—	—	—	3
Due from other funds	—	—	—	—	6,685
Advance from other funds	—	—	—	—	37,914
Inventories	2,320	2,114	—	4,434	—
Other current assets	552	74	20	646	—
Total current assets	154,731	52,933	22,337	230,001	56,092
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	21,018	3,229	—	24,247	—
Investments:					
Restricted investments	80,799	—	8,347	89,146	—
Unrestricted investments	27,083	1,202	—	28,285	—
Capital assets:					
Property, plant, and equipment	1,765,925	300,094	84,156	2,150,175	123
Less accumulated depreciation	(951,289)	(153,783)	(30,781)	(1,135,853)	(94)
	814,636	146,311	53,375	1,014,322	29
Land, infrastructure and easements	754,597	1,238	22,903	778,738	—
Construction-in-progress	16,521	7,999	—	24,520	—
	1,585,754	155,548	76,278	1,817,580	29
Capital assets, net	1,585,754	155,548	76,278	1,817,580	29
Intangibles and other assets, net	1,689	553	698	2,940	—
Total noncurrent assets	1,716,343	160,532	85,323	1,962,198	29
Deferred outflow of resources	30,663	5,293	7,157	43,113	—
Total assets and deferred outflow of resources	1,901,737	218,758	114,817	2,235,312	56,121
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	8,610	6,587	426	15,623	237
Accrued salaries and other benefits	2,254	517	243	3,014	—
Accrued vacation and compensatory time benefits	3,368	1,906	137	5,411	—
Contracts and retainage payable	4,975	—	—	4,975	—
Accrued interest payable	18,266	65	200	18,531	—
Current portion of revenue bonds	38,400	412	3,201	42,013	—
Due to other funds	4,686	4,153	1,269	10,108	—
Due to other government agencies	—	—	53	53	—
Claims payable	—	—	—	—	51,151
Unearned revenue and other deposits	1,745	1,767	1,676	5,188	—
Total current liabilities	82,304	15,407	7,205	104,916	51,388
Noncurrent liabilities:					
Revenue bonds payable, net	675,272	4,706	66,900	746,878	—
Net pension liability	30,885	13,273	3,522	47,680	—
Customer deposits	—	2,479	—	2,479	—
Other liabilities	12,160	4,355	975	17,490	—
Total noncurrent liabilities	718,317	24,813	71,397	814,527	—
Deferred inflow of resources	1,346	449	109	1,904	—
Total liabilities and deferred inflow of resources	801,967	40,669	78,711	921,347	51,388
Net Position					
Net investments in capital assets	912,411	—	6,177	918,588	29
Restricted:					
Debt service	93,258	979	9,571	103,808	—
Capital projects	—	150,430	—	150,430	—
Passenger facility charges	22,961	—	—	22,961	—
Unrestricted	71,140	26,680	20,358	118,178	4,704
Total net position	\$ 1,099,770	178,089	36,106	1,313,965	4,733

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, 2016
(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	\$ 84,566	—	—	84,566	—
Concessions	25,195	—	—	25,195	—
Water sales	—	53,229	—	53,229	—
Lease revenue	4,890	—	—	4,890	—
Parking, net	22,043	—	17,106	39,149	—
Charges for services	—	—	—	—	32,803
Miscellaneous	—	3,309	—	3,309	(265)
Total operating revenues	136,694	56,538	17,106	210,338	32,538
Operating expenses:					
Claims incurred	—	—	—	—	23,776
Premiums	—	—	—	—	2,552
Personnel services	39,928	16,872	5,891	62,691	300
Material and supplies	4,231	12,429	210	16,870	3,788
Purchased power	—	3,750	—	3,750	—
Contractual services	26,919	5,723	1,044	33,686	—
Miscellaneous	378	2,475	1,127	3,980	—
Depreciation	56,567	5,301	2,705	64,573	8
Interfund services used	3,214	2,944	66	6,224	—
Total operating expenses	131,237	49,494	11,043	191,774	30,424
Operating income	5,457	7,044	6,063	18,564	2,114
Nonoperating revenues (expenses):					
Intergovernmental revenue	692	—	—	692	—
Investment income	2,896	147	542	3,585	2
Interest expense	(34,448)	(228)	(3,771)	(38,447)	—
Passenger facility charges	25,785	—	—	25,785	—
Loss on disposal of capital assets	(71)	(4)	(439)	(514)	—
Miscellaneous, net	358	956	7	1,321	—
Total nonoperating revenues (expenses), net	(4,788)	871	(3,661)	(7,578)	2
Income (loss) before transfers, extraordinary item, and capital contributions, net	669	7,915	2,402	10,986	2,116
Transfers in	—	—	1,003	1,003	—
Transfers out	(6,415)	(3,276)	(1,269)	(10,960)	—
Extraordinary item - natural disaster	678	—	—	678	—
Capital contributions	9,378	—	—	9,378	—
Total transfers, extraordinary item, and capital contributions, net	3,641	(3,276)	(266)	99	—
Change in net position	4,310	4,639	2,136	11,085	2,116
Net position—beginning of year	1,095,460	173,450	33,970	1,302,880	2,617
Net position—end of year	\$ 1,099,770	178,089	36,106	1,313,965	4,733

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2016
(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	\$ 135,123	54,655	16,720	206,498	—
Other operating cash receipts	—	—	281	281	—
Payments to suppliers of goods and services	(34,595)	(21,189)	(4,223)	(60,007)	(30,432)
Payments to employees	(37,636)	(17,222)	(5,756)	(60,614)	(294)
(Payments)/receipts for interfund services used	(2,918)	(3,558)	—	(6,476)	33,988
Net cash provided by operating activities	59,974	12,686	7,022	79,682	3,262
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(264)	—	(264)	—
Transfers from the State of Missouri	—	—	7	7	—
Transfers from other funds	—	—	1,003	1,003	—
Transfers to other funds	(6,415)	(3,100)	(1,269)	(10,784)	—
Net cash used in noncapital financing activities	(6,415)	(3,364)	(259)	(10,038)	—
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	27,033	—	—	27,033	—
Receipts from federal financing assistance	17,293	—	—	17,293	—
Acquisition and construction of capital assets	(28,017)	(11,200)	(5,312)	(44,529)	—
Interest on deferred outflow of resources	—	—	326	326	—
Insurance recoveries	800	—	—	800	—
Proceeds from sale of surplus property	1,277	—	—	1,277	—
Proceeds from issuance of bonds	—	3,234	39,423	42,657	—
Principal paid on revenue bond maturities	(39,785)	(404)	(2,750)	(42,939)	—
Cash paid for interest	(37,399)	(25)	(3,760)	(41,184)	—
Other capital and financing activities	—	1,236	(41,772)	(40,536)	—
Net cash used in capital and related financing activities	(58,798)	(7,159)	(13,845)	(79,802)	—
Cash flows from investing activities:					
Purchase of investments	(250,517)	(25,971)	(19,113)	(295,601)	(753)
Proceeds from sales and maturities of investments	287,636	25,956	20,988	334,580	—
Interest expense on cash and investments	—	85	—	85	—
Investment income	3,206	—	557	3,763	—
Net cash provided by (used in) investing activities	40,325	70	2,432	42,827	(753)
Net increase (decrease) in cash and cash equivalents	35,086	2,233	(4,650)	32,669	2,509
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	36,989	17,241	18,353	72,583	4,864
Restricted	46,284	3,499	8,115	57,898	—
	83,273	20,740	26,468	130,481	4,864
End of year:					
Unrestricted	40,200	19,515	20,594	80,309	7,373
Restricted	78,159	3,458	1,224	82,841	—
	\$ 118,359	22,973	21,818	163,150	7,373
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 5,457	7,044	6,063	18,564	2,114
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	56,567	5,729	2,705	65,001	8
Changes in assets and liabilities:					
Receivables, net	(850)	(1,635)	(127)	(2,612)	(1,052)
Inventories	82	161	—	243	—
Prepaid assets	—	—	—	—	(1,061)
Other assets, net	73	(102)	(256)	(285)	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(3,143)	811	(1,098)	(3,430)	(119)
Claims payable	—	—	—	—	872
Unearned revenue and other deposits	(365)	391	22	48	—
Due to/from other funds	413	209	(478)	144	(503)
Advance to other funds	—	—	—	—	3,003
Customer deposits	—	(54)	—	(54)	—
Net pension liabilities	2,216	201	223	2,640	—
Other long term liabilities	(476)	(69)	(32)	(577)	—
Total adjustments	54,517	5,642	959	61,118	1,148
Net cash provided by operating activities	\$ 59,974	12,686	7,022	79,682	3,262
Supplemental disclosure for noncash activities:					
Unrealized (loss) gain on investments	\$ 704	—	(51)	653	—
Loss on disposal of capital assets	(71)	(4)	(439)	(514)	—

City of St. Louis, Missouri
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2015*)	Agency Funds
Assets		
Cash and cash equivalents - unrestricted	\$ 11,343	25,505
Cash and cash equivalents - restricted	—	2,471
Pension trust investments:		
Bonds	200,173	—
Domestic bond funds	78,530	—
Stocks	551,348	—
Mortgage-backed securities	20,065	—
Collective investment funds	321,262	—
Real estate equities and investment trust	175,747	—
Investment property	850	—
Hedge funds	155,508	—
Money market mutual funds and other short-term investments	59,669	—
Managed master limited partnership	154,548	—
Managed international equity funds	169,246	—
Total investments	1,886,946	—
Securities lending collateral	2,198	—
Receivables, net of allowances:		
Taxes	—	19,184
Contributions	134	—
Accrued interest	2,781	—
Due from Firemen's Retirement System	1,124	—
Other	1,645	1,951
Capital assets, net	1,064	—
Total assets	1,907,235	49,111
Deferred outflows of resources		
System's staff pension related	139	—
Total deferred outflows of resources	139	—
Total assets and deferred outflows of resources	1,907,374	49,111
Liabilities		
Accounts payable and accrued liabilities	2,080	8,550
Deposits held for others	109	14,133
Due to Firefighter's Retirement Plan	1,287	—
Due to other governmental agencies	—	26,428
Securities lending collateral liability	2,198	—
Other liabilities	7,094	—
Total liabilities	12,768	49,111
Deferred inflows of resources		
System's staff pension related	76	—
Total deferred inflows of resources	76	—
Total liabilities and deferred inflows of resources	12,844	49,111
Net position		
Net position restricted for pension benefits	\$ 1,894,530	—

*See note 10.

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2016
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2015*)
Additions:	
Contributions:	
Members	\$ 7,263
Employer	73,815
Investment income:	
Interest and dividends	28,908
Net depreciation in fair value of investments	(68,496)
Investment loss	(39,588)
Less investment expense	(9,096)
Net investment loss	(48,684)
Total additions	32,394
Deductions:	
Benefits	160,188
Refunds of contributions	3,833
Administrative expense	3,754
Total deductions	167,775
Decrease before transfers	(135,381)
Transfer in	1,071
Transfer out	(1,071)
Total transfers	—
Net decrease	(135,381)
Net position restricted for pension benefits:	
Beginning of year, as previously reported	2,030,335
Restatement-	
Effect of recording net pension liability	
System's staff pension related (note 10)	(424)
Beginning of year, adjusted	2,029,911
End of year	\$ 1,894,530

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

1) Blended Component Units

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

Public Facilities Protection Corporation (PFPC)

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

St. Louis Municipal Finance Corporation (SLMFC)

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

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

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

Grand Center Municipal Parking Finance Corporation (MPFC)

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

2) Discretely Presented Component Unit

The component unit column in the statement of net position and statement of activities include the financial data of the City's discretely presented component unit. This is reported individually to emphasize that it is 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 seven independent development agencies for the purpose of coordinating administrative services for all seven agencies. The agencies that are considered component units of SLDC are the Land Reutilization Authority (LRA), the Land Clearance for Redevelopment Authority (LCRA), the LCRA Holdings Corporation (LCRAH), the St. Louis Industrial Development Authority (IDA), the Planned Industrial Expansion Authority (PIEA), 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. The City realizes a financial benefit through the development activity with SLDC and the City subsidizes any deficit that SLDC has. 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.

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

3) Change in Reporting Entity

The City included the Solid Waste Management and Development Corporation (SWMDC) as a discretely component unit as of June 30, 2015. During 2016, the City determined that the economic resources held by SWMDC for the direct benefit of the City are not significant to the City and, hence, the City has recorded a change in their reporting entity and SWMDC is not presented as a discretely component unit as of and for the year ended June 30, 2016.

4) 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.

5) 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.

6) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2015, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see note 10).

Government-wide and Fund Financial Statements

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

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

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

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

1) Governmental Fund Types

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

The following are the City's governmental major funds:

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

Redevelopment Projects Fund—The redevelopment project fund is a special revenue fund that is used to record activity related to tax increment financing districts, funding associated with state subsidized redevelopment projects using super tax incrementing financing funds or Missouri Downtown Economic Stimulus Act (MODESA) funding or other development pledged revenues.

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

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

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

2) Proprietary Fund Types

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

The following are the City's proprietary fund types:

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

legal actions on behalf of other funds. The mailroom services fund is used to account for mail-handling services provided to other funds. The health fund is used to account for payment of health insurance claims for participants. The equipment service fund is used for the purchase and distribution of fuel to various city departments.

3) Fiduciary Fund Types

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

Measurement Focus and Basis of Accounting

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

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

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

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 unearned revenues until the period of the exchange.

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

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

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

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

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

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 and use is first permitted the following fiscal year. The City tax rate levied in November 2015 was \$1.6158 per \$100 (in dollars) of assessed valuation of which \$1.4828 (in dollars) is for the general fund and \$0.133 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

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

Investments are recorded at fair value. Fair values for investments are determined by closing market prices at year-end based on quotations from national security exchanges. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments.

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

Inventories

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

Capital Assets

1) Governmental Activities Capital Assets

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

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

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

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

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

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

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various

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classes of assets, except for roads, which is computed using the composite method. The estimated useful lives of depreciable capital assets are as follows:

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

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

2) Business-type Activities Capital Assets

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

3) Airport

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

	<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.

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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.

5) **Parking Division**

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

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

Non-depreciable assets include land.

6) **Mailroom**

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

7) **Component Unit—SLDC**

SLDC's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost. Historically, SLDC has maintained infrastructure asset records consistent with all other capital assets. SLDC generally capitalizes assets with costs of \$2,500 (in dollars) or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets

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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:

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

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/fund net position.

Pensions

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

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

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

Passenger Facility Charges (PFCs)

The Airport collects a \$4.50 (in dollars) facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFCs are withheld by the respective airlines for

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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, 2016 were \$2,223. This amount was collected during July and August 2016.

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.

Capitalization of Interest

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

Bond Premiums, Discounts, and Issuance Costs

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are included in interest expense when incurred.

Deferred Inflow/Outflow of Resources

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

Deferred outflows/inflows of resources include 1) unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of

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the new debt, 2) contributions made to retirement plans after the pension liability measurement date, and 3) various other pension related amounts (see note 10).

As of June 30, 2016 deferred outflows/inflows of resources consist of the following:

Deferred outflow of resources:	
Pension related:	
FRS	\$ 64,925
FRP	22,635
PRS	68,699
ERS	75,034
Loss on bond defeasance/refunding	<u>25,418</u>
	<u>\$ 256,711</u>
Deferred inflow of resources:	
Pension related:	
FRP	\$ 4,020
PRS	1,361
ERS	7,340
Loss on bond defeasance/refunding	<u>-</u>
	<u>\$ 12,721</u>

Vacation and Sick Leave

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

The City grants vacation to full-time and part-time employees who work 50% of full-time or more based on years of continuous service. The entire accrued benefit liability related to the City's vacation and sick leave has been recorded in the government-wide financial statements and in the proprietary funds in the fund financial statements. Amounts have been recorded in the governmental fund financial statements as part of accrued salaries and other benefits, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2016.

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.

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

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

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

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

Interfund Transactions

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

1) Transfers

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

2) Interfund Services Provided/Used

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

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

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

Fund Balance Designation

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

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

- **Nonspendable:** This consists of resources not in spendable form or are legally or contractually required to remain intact.
- **Restricted:** This consists of amounts that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- **Committed:** This consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance which can only be modified or rescinded by a subsequent formal action.
- **Assigned:** This consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned balances are a result of the Board of Estimate and Apportionment approval and authorization of projects or actions prior to July 1, 2016.
- **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.

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3) Unrestricted

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

Statement of Cash Flows

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

Use of Estimates

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

Individual Fund Deficit

At June 30, 2016, the Assessor’s Office nonmajor governmental fund has a deficit fund balance of \$217. This amount will be offset by future taxes.

Current Adoption of GASB Statements

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. This statement addresses accounting and financial reporting issues related to fair value measurements. The statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. In adopting this statement, the City has revised the note disclosure to reflect the level of fair value hierarchy for investments, as well as indicated the fair value methodology. The requirements of this statement are effective for the City for the year ended June 30, 2016. The information can be referenced in note 2.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued in June 2015. The objective of this statement is to improve the usefulness of information about pensions and clarifies the application of certain provisions of Statements No. 67 and 68. The requirements of this statement are effective for the City for the year ended June 30, 2016.

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

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Implementation of Future Accounting Standards

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued in June 2015. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental other postemployment benefit plans for making decisions and assessing accountability. The requirements of this statement are effective for the City for the year ending June 30, 2017. The City has not evaluated the impact of this statement.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the City beginning with the year ending June 30, 2018. The objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

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

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, will be effective for the City beginning with its year ending June 30, 2017. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units and amend the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to the component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The City has not evaluated the impact of this statement.

GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statement No. 67, No. 68 and No. 73*, will be effective for the City beginning with its year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Relate Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions if GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City has not evaluated the impact of this statement.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the City beginning with its year ending June 30, 2019. The objective of this Statement is to address accounting

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and financial reporting for certain retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The City had not evaluated the impact of this statement.

2. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2016:

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

	Cash and Cash and Equivalents	Investments	Restricted Cash	Restricted Investments	Total
Government-wide statement of net position	\$ 165,582	119,522	119,569	126,077	530,750
Fiduciary statement of fiduciary net position —agency funds	25,505	—	2,471	—	27,976
Total primary government excluding pension trust funds	191,087	119,522	122,040	126,077	558,726
Fiduciary statement of fiduciary net position —pension trust funds:					
Firemen's System	3,590	448,989	—	—	452,579
Firefighter's Plan	65	31,663	—	—	31,728
Police System	7,277	678,895	—	—	686,172
Employees' System	411	727,399	—	—	727,810
Total pension trust funds	11,343	1,886,946	—	—	1,898,289
Total primary government	\$ 202,430	2,006,468	122,040	126,077	2,457,015

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

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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, 2016, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$	74,447
Federal Home Loan Mortgage Corp.		24,432
Federal Home Loan Bank		65,310
United States Treasuries		66,736
Tennessee Valley Authority		3,645
Supra National Note		3,509
Commercial Paper		43,395
Money Market Mutual Funds		84,592
Certificates of Deposit		3,218
Other Cash Deposits		189,442
	\$	<u>558,726</u>

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

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

Fair Value Measurements

The City applies the provisions of GASB Statement No. 72 for the fair value measurements of financial assets and financial liabilities and for the fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the

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lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date. Level 1 investments include U.S. treasury obligations.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities. Level 2 investments include commercial paper and U.S. government agency obligations.
- Level 3 inputs are significant unobservable inputs for the asset. The City had no Level 3 investments as of June 30, 2016.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2016:

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Total			
Federal National				
Mortgage Association	\$ 74,447	—	74,447	—
Federal Home Loan				
Mortgage Corp.	24,432	—	24,432	—
Federal Home Loan Bank	65,310	—	65,310	—
United States Treasuries	66,736	66,736	—	—
Tennessee Valley Authority	3,645	—	3,645	—
Supra National Note	3,509	—	3,509	—
Commercial Paper	43,395	—	43,395	—
Money Market Mutual				
Funds	84,592	—	84,592	—
	<u>\$ 366,066</u>	<u>66,736</u>	<u>299,330</u>	<u>—</u>

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

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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 the bond issue.

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2016:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Federal National					
Mortgage Association	\$ 74,447	52,643	21,804	—	—
Federal Home Loan					
Mortgage Corp.	24,432	12,854	11,578	—	—
Federal Home Loan Bank	65,310	35,029	30,281	—	—
United States Treasuries	66,736	33,335	33,401	—	—
Tennessee Valley Authority	3,645	—	3,645	—	—
Supra National Note	3,509	—	3,509	—	—
Commercial Paper	43,395	43,395	—	—	—
Money Market Mutual					
Funds	84,592	84,592	—	—	—
	<u>\$ 366,066</u>	<u>261,848</u>	<u>104,218</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, 2016:

	<u>Fair Value</u>	<u>AAA</u>	<u>A-1+</u>	<u>AA+</u>	<u>A-1</u>	<u>Not Rated</u>
Federal National						
Mortgage Association	\$ 74,447	—	12,173	44,879	—	17,395
Federal Home Loan						
Mortgage Corp.	24,432	—	6,458	17,974	—	—
Federal Home Loan Bank	65,310	—	1,862	63,448	—	—
United States Treasuries*	66,736	—	—	—	—	66,736
Tennessee Valley						
Authority	3,645	—	—	3,645	—	—
Supra National Note	3,509	3,509	—	—	—	—
Commercial Paper	43,395	—	4,397	—	38,998	—
Money Market Mutual						
Funds	84,592	84,592	—	—	—	—
	<u>\$ 366,066</u>	<u>88,101</u>	<u>24,890</u>	<u>129,946</u>	<u>38,998</u>	<u>84,131</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, 2016, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$6,934 of Federal National Mortgage Association securities, \$6,258 of Federal Home Loan Mortgage Corporation securities, and \$8,297 Federal Home Loan Bank securities. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

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Concentration of Credit Risk

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

At June 30, 2016, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	13.32%
Federal Home Loan Mortgage Corp.	4.37
Federal Home Loan Bank	11.69
United States Treasuries	11.94
Tennessee Valley Authority	0.65
Supra National Note	0.63
Commercial Paper	7.77
Money Market Mutual Funds	15.14
Certificates of Deposit	0.58
Other Cash Deposits	33.91
	100.00%

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

As of September 30, 2015, the Firemen's System had the following cash deposits and investments:

Common stock	\$ 172,796
Collective investment—equity	48,390
Limited partnership units	16,629
Hedge funds—equity	49,671
Collective investment—bonds	66,747
Corporate bonds	27,621
Real estate investment trust	59,024
Money market funds	8,111
Other cash deposits	3,590
	\$ 452,579

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.

In fiscal year 2015, the Firemen's System adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firemen's System categorizes its fair

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value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The Firemen's System has the following recurring fair value measurements as of September 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 114,887	—	—	114,887
International	57,909	—	—	57,909
Collective investment funds - government bonds, agencies, and mortgaged-backed securities	—	5,520	—	5,520
Corporate bonds:				
Domestic	—	26,738	—	26,738
International	—	883	—	883
Collective investment funds - international equity	48,390	—	—	48,390
Collective investment funds - domestic fixed income	—	61,227	—	61,227
Hedge funds	—	49,671	—	49,671
Real estate investment trust	—	59,024	—	59,024
Limited partnership units - energy	—	16,629	—	16,629
Money market funds	8,111	—	—	8,111
Total investments	\$ 229,297	219,692	—	448,989

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

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2015:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Collective investment - bonds	\$ 66,747	9,369	19,943	23,475	13,960
Corporate bonds	27,621	746	6,049	19,804	1,022
	\$ 94,368	10,115	25,992	43,279	14,982

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The Firemen's System's fixed income investments level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2015:

Credit rating level	Total	Collective investment	Corporate bonds
AAA	\$ 35,408	35,408	—
AA	7,065	7,065	—
A	12,098	12,098	—
BBB	12,009	11,208	801
BB	11,477	271	11,206
B	14,244	483	13,761
Not rated	2,067	214	1,853
	<u>\$ 94,368</u>	<u>66,747</u>	<u>27,621</u>

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

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, 2015:

	Money market	Equities	Fixed income	Hedge fund	Real estate investment trust	Total
Australian Dollar	\$ —	1,824	—	—	—	1,824
British Pound Sterling	—	11,353	—	—	—	11,353
Danish Krone	—	2,072	—	—	—	2,072
Euro	—	20,136	—	—	—	20,136
Hong Kong Dollar	—	1,999	—	—	—	1,999
Japanese Yen	—	4,708	—	—	—	4,708
Singapore Dollar	—	714	—	—	—	714
South Korean Won	—	880	—	—	—	880
Swedish Krona	—	594	—	—	—	594
Swiss Franc	—	6,286	—	—	—	6,286
Total foreign currency	—	50,566	—	—	—	50,566
U.S. Dollar	8,111	187,249	94,368	49,671	59,024	398,423
Total	<u>\$ 8,111</u>	<u>237,815</u>	<u>94,368</u>	<u>49,671</u>	<u>59,024</u>	<u>448,989</u>

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

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

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

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future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the system's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity	4.3%
International equities	4.7
Fixed income	1.3
Real estate (REIT)	4.8
Nondirectional hedge fund of funds	2.2
Private equity (partnerships)	5.0
Money market	—

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.75%) and net of investment expenses (assumed at 0.5%).

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. (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, 2015 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	\$ 61,227
The Principal US Property Account	59,024
Acadian International Small Cap Fund	26,025
CF Magnitude International Ltd. Class A Initial	25,763
EnTrust Capital Diversified Fund QP, Ltd. Class E1 Series 0405 Hedge Fur	23,908

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.

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The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2015, \$68,038 in loans were outstanding to borrowers. The Firemen's System earned income of \$255 for its participation in the securities lending program for the year ended September 30, 2015.

3) Primary Government—Pension Trust Fund—Firefighters' Plan

As of September 30, 2015, the Firefighters' Plan had the following cash deposits and investments:

Equities	\$	22,267
Fixed income		5,783
Money market fund		3,613
Other cash deposits		65
	\$	<u>31,728</u>

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

In fiscal year 2015, the Firefighters' Plan adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firefighters' Plan categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant

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unobservable inputs. The Firefighters' Plan has the following recurring fair value measurements as of September 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 5,151	—	—	5,151
International	139	—	—	139
Government bonds, agencies and mortgage-backed securities	—	4,974	—	4,974
Corporate bonds:				
Domestic	—	809	—	809
Exchange traded funds				
Domestic equity	8,653	—	—	8,653
International equity	8,324	—	—	8,324
Money market funds	3,613	—	—	3,613
Total investments	\$ 25,880	5,783	—	31,663

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firefighters' Plan as of September 30, 2015:

	Fair Value	Investment maturities (in years)			
		Less than 1	1 – 5	6 – 10	More than 10
Government bonds, agencies, and mortgage-backed securities	\$ 4,974	399	1,281	832	2,462
Corporate bonds	809	—	—	809	—
Total	\$ 5,783	399	1,281	1,641	2,462

The Firefighters' Plan fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2015:

Credit Rating Level	Total
AAA	\$ —
AA	4,845
A	867
BBB	71
	\$ 5,783

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

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest 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 Firefighters' Plan's investment in a single issuer. The Firefighters' Plan policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value, with the exception of U.S. government obligations. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer. It is the Firefighters' Plan policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Domestic large cap equity	25%	30%	35%
Domestic mid cap equity	15	20	25
International equity	25	30	35
Fixed income	15	20	25

Long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset class	Long-term Expected Real Rate Of Return
Domestic equity	4.3%
International equity	4.7%
Fixed income	(1.3)
Money market	—

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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighters' Plan at September 30, 2015 are as follows:

Vanguard 500 Index Admiral Shares	\$	8,653
Vanguard FTSE All-World Ex-U.S. Fund		8,324
Northern Trust Collective Government Short-term Investment Fund		3,613
U.S. Treasury Bond, 2.75%, due 08/15/2042		1,594

4) Primary Government—Pension Trust Fund—Police System

As of September 30, 2015, the Police System had the following cash deposits and investments:

Equities:		
Common stock	\$	182,060
Collective investment funds		181,636
Real estate securities fund		29,919
Mortgaged-backed securities-government		2,170
Mortgaged-backed securities-non-government		17,895
Fixed income collective investment fund		24,489
Corporate bonds		54,740
Hedge funds of funds		31,320
Government securities		24,449
Money market funds		42,362
Investment property		850
Partnership interest		87,005
Other cash deposits		7,277
	\$	<u>686,172</u>

The Police System's bank deposits were fully secured or collateralized at September 30, 2015. The Police System's bank deposits and repurchase agreements were insured by the FDIC, collateralized with securities held by the Federal Reserve Bank in the Police System's name.

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

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In fiscal year 2015, the Police System adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Police System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Police System has the following recurring fair value measurements as of September 30, 2015:

	Total	Level 1	Level 2	Level 3
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 145,489	145,489	—	—
International	36,572	36,572	—	—
Government bonds, agencies and mortgage-backed securities	44,513	—	44,513	—
Corporate bonds:				
Domestic	54,741	—	54,741	—
Collective investment funds:				
International equity	181,636	181,636	—	—
Domestic fixed income	24,488	—	24,488	—
Limited partnership units:				
Venture Capital	79,468	—	—	79,468
Energy	7,537	—	—	7,537
Money market funds	42,362	42,362	—	—
Investment property	850	—	—	850
Total investments	<u>\$ 617,656</u>	<u>406,059</u>	<u>123,742</u>	<u>87,855</u>
Investments measured at net asset value (NAV):				
Hedge funds	31,320			
Real estate investment trust	<u>29,919</u>			
Total investments measured at NAV	<u>61,239</u>			
Total investments measured at fair value	<u>\$ 678,895</u>			

For the investments measured at NAV at September 30, 2015:

- There were no unfunded purchase commitments;
- Redemption frequency, when currently eligible, is quarterly;
- Notice period for redemptions is 1 to 90 days.

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

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

The following schedule provides a summary of the fixed income investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2015:

	Fair Value	Investment maturities (in years)			
		Less than 1	1 – 5	6 – 10	More than 10
Mortgaged-backed securities – government	\$ 2,170	3	146	—	2,021
Mortgaged-backed securities – nongovernment	17,895	—	2,416	2,435	13,044
Collective investment funds	24,489	8,326	6,122	6,123	3,918
Corporate bonds	54,740	9,278	19,836	20,452	5,174
Government Securities	24,449	3,376	16,253	3,592	1,228
	<u>\$ 123,743</u>	<u>20,983</u>	<u>44,773</u>	<u>32,602</u>	<u>25,385</u>

The Police System's fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2015:

Credit rating level	Total	Government mortgage- backed securities	Nongovernment mortgage- backed securities	Collective investment funds	Corporate bonds	Government securities	Short-term notes
AAA	\$ 18,240	2,170	3,610	—	1,674	10,786	—
AA	43,099	—	1,051	24,489	7,303	10,256	—
A	36,310	—	6,215	—	30,095	—	—
BBB	6,100	—	—	—	6,100	—	—
BB	—	—	—	—	—	—	—
CCC	522	—	522	—	—	—	—
CC	—	—	—	—	—	—	—
D	253	—	253	—	—	—	—
Not Rated	19,219	—	6,244	—	9,568	3,407	—
	<u>\$ 123,743</u>	<u>2,170</u>	<u>17,895</u>	<u>24,489</u>	<u>54,740</u>	<u>24,449</u>	<u>—</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, 2015:

	Equities	Fixed Income	Money Market	Hedge Funds of Funds	Investment Property and Partnership	Total
Australian Dollar	\$ —	519	—	—	—	519
British Pound Sterling	1,383	1,218	—	—	—	2,601
Canadian Dollar	957	2,985	—	—	—	3,942
Euro	1,259	2,049	—	—	—	3,308
Indian Rupee	754	—	—	—	—	754
Israeli Shekel	246	—	—	—	—	246
Japanese Yen	—	1,075	—	—	—	1,075
Norwegian Kron	21	—	—	—	—	21
Swiss Franc	1,286	713	—	—	—	1,999
Total foreign currency	5,905	8,560	—	—	—	14,465
U.S. Dollar	387,710	115,183	42,362	31,320	87,855	664,430
Total	\$ 393,615	123,743	42,362	31,320	87,855	678,895

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	14%	19%	24%
Domestic Equities:			
Large Cap	13	18	23
Mid Cap	1	6	11
Small Cap	1	6	11
Foreign equities:			
Developed markets	8	13	18
Emerging markets	1	6	11
Non-U.S. developing markets	1	6	11
Non-Directional Hedge Funds of Funds	—	5	10
Real Estate Equities	3	8	13
Private equity	3	8	13
Other	—	4	9

Long-term expected rate of return on the Police System investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Police System's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset class	Long-term Expected Real Rate Of Return
Fixed income	(0.35) %
Domestic equity	4.25
Foreign equity	4.75
Non-directional hedge fund of funds	2.10
Real estate (REIT)	4.05
Private equity (partnerships)	9.90

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

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

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

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

Collective funds:

Trilogy International Group Trust I	\$	58,621
Wellington Trust Company International Opportunities Fund		71,657
MFB Daily S&P 500 Equity Index Fund		51,357
Brandes Non-U.S. Small Cap Portfolio Fund		40,658
Lazard Emerging Markets Core Equity Trust		36,572
Crescent Capital High Income Fund		35,154

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession—but not title—of the security to the borrower. Collateral consisting of cash, letter of credit, or government securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. Outstanding loans to borrowers at September 30, 2015 were \$67,558. The Police System earned income of \$161 for its participation in the securities lending program for the year ended September 30, 2015.

City of St. Louis, Missouri
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5) Primary Government—Pension Trust Fund—Employees' System

As of September 30, 2015, the Employees' System had the following cash deposits and investments:

Common stocks	\$	157,597
Managed international equity funds		169,246
Managed master limited partnerships		67,543
Bonds		87,580
Domestic bond funds		78,530
Real estate funds		86,804
Temporary cash investments		5,582
Managed hedge fund of funds		74,517
Other cash deposits		411
	\$	<u>727,810</u>

The bank balances of the Employees' System at September 30, 2015 were insured by the Federal Deposit Insurance Corporation up to \$250. The remaining balances were collateralized by securities held by the pledging financial institution's trust department in the Employees' System's name.

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

GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Employees' System did not implement this statement as of September 30, 2015.

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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:

	Short- term	Debt	Total
Polish Zloty	\$ —	60	60
British Pound	29	2,025	2,054
Australian Dollar	41	511	552
Canadian Dollar	16	677	693
Euros	63	7,462	7,525
Japanese Yen	33	4,816	4,849
Mexican Peso	2	123	125
Danish Krone	2	65	67
Total	\$ 186	15,739	15,925

Credit Risk of Debt Securities

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

<u>Quality rating</u>	
Aaa/U.S. Governments	\$ 83,093
Aa	8,825
A	28,906
Baa	25,964
Below Baa	20,405
Not Rated	508
Total	\$ 167,701

All temporary cash investments held by the Employees' Retirement System at September 30, 2015 were unrated.

City of St. Louis, Missouri
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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	\$ 32,368	6.16 years
Allegiant (PNC)	56,803	5.48 years
SSGA	33,951	8.00 years
Loomis	25,392	4.52 years
Vanguard	19,187	5.44 years
	<u>\$ 167,701</u>	

The Employees' System participates in a securities lending program administered by a financial institution. Brokers who borrow the securities provide collateral, usually in the form of cash valued at 102% for domestic securities loaned, resulting in no credit risk for the system. At September 30, 2015, 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, 2015, the Employees' System has lending arrangements outstanding with a market value for securities lent of \$2,184.

City of St. Louis, Missouri
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Concentration of Credit Risk

At September 30, 2015, 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	\$ 40,061
INTECH Investment Management	
U.S. Large Cap Core Equity	67,249
LSV Asset Management	
U.S. Large Cap Value Equity	36,158
PNC Capital Advisors	
U.S. Broad Market Core Fixed Income	56,803
Principal Global Investors	
Real Estate Group Annuity Contract	86,804
Silchester International Advisors	
International Value Equity Group Trust	69,696
Evanston Weatherlow Offshore	
Hedge fund	39,151

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, 2016, all of SLDC's cash deposits were covered by federal depository insurance or collateral held by the pledging institution's trust department or agent in SLDC's name. At June 30, 2016, the market value of investments approximated the carrying value of \$882.

City of St. Louis, Missouri
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3. RECEIVABLES, NET

	<u>Taxes</u>	<u>Intergovern- mental</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities:					
General fund	\$ 94,226	3,461	3,791	3,057	104,535
Redevelopment project fund	21,845	639	29	—	22,513
Capital projects fund	3,741	885	21	524	5,171
Grants fund	—	10,037	—	2	10,039
Other governmental funds	<u>26,958</u>	<u>137</u>	<u>1,165</u>	<u>917</u>	<u>29,177</u>
Total governmental activities	<u>\$ 146,770</u>	<u>15,159</u>	<u>5,006</u>	<u>4,500</u>	<u>171,435</u>
Business-type activities:					
Airport	\$ —	4,281	3,171	2,515	9,967
Water Division	—	—	13,010	—	13,010
Parking Division	<u>—</u>	<u>—</u>	<u>499</u>	<u>—</u>	<u>499</u>
Total business-type activities	<u>\$ —</u>	<u>4,281</u>	<u>16,680</u>	<u>2,515</u>	<u>23,476</u>

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

4. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

Governmental activities:	
Taxes receivable—general fund	\$ 730
Taxes receivable—other governmental funds	97
License and permits receivable—general fund	25
Charges for services receivable—general fund	2,312
Charges for services receivable—other governmental funds	111
Business-type activities:	
Charges for services receivable—Airport	21
Charges for services receivable—Water Division	<u>3,356</u>
	<u>\$ 6,652</u>

5. COMPONENT UNIT—SLDC RECEIVABLES

SLDC notes and loans receivable consist principally of small business loans made to facilitate business growth. The commercial loans are primarily financed utilizing funds provided by the Community Development Administration (CDA) of the City, Economic Development Administration, Environmental Protection Agency, and the State. The proceeds from any repayment of these loans are generally payable

City of St. Louis, Missouri
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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, 2016:

Airport bond fund:	
Debt service account	\$ 57,141
Debt service reserve account	35,825
Airport renewal and replacement fund	3,500
Passenger facility charge fund	20,739
Airport debt service stabilization fund	38,211
Airport construction fund	1,456
Drug enforcement agency funds	2,086
	<hr/>
	\$ 158,958
	<hr/>

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.

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- 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 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.

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b. Water Division

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2016 is as follows:

Bond funds:	
Waterworks bond fund	\$ 229
Water replacement and improvement account	750
	<hr/>
Total bond funds	979
Customer deposits	2,479
	<hr/>
Total restricted cash	<u>\$ 3,458</u>

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

Series 2013 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 1/6 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 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.
4. 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, 2016 are as follows:

Series 2015A bonds:	
Debt service reserve	\$ 511
Debt service	172
Series 2015A project account	60
Total series 2015A bonds	<u>743</u>
Series 2013A bonds:	
Debt service reserve	83
Total series 2013A bonds	<u>83</u>
Series 2007 and 2006 bonds:	
Debt service reserve	1,869
Debt service	1,449
Repair and replacement	2,649
Net project revenues	375
Parking trust—Parking Division accounts	1,913
Total series 2007 and 2006 bonds	<u>8,255</u>
Series 2003A and 2003B bonds:	
Gross revenues	145
Bond	136
Repair and replacement	39
Operating reserve	100
Redemption	70
Total series 2003A and 2003B bonds	<u>490</u>
Total restricted cash and investments	<u>\$ 9,571</u>

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

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

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

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

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

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

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

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

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7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 80,382	1,289	—	—	81,671
Construction in progress	9,652	13,881	—	(9,643)	13,890
Equipment in progress	816	—	—	(816)	—
Works of art	3,558	3	—	—	3,561
Intangibles	1,153	193	—	894	2,240
Total capital assets not being depreciated	95,561	15,366	—	(9,565)	101,362
Capital assets being depreciated:					
Buildings	651,348	8,402	—	4,053	663,803
Improvements other than buildings	94,051	4,216	—	2,460	100,727
Equipment	171,679	6,720	(3,704)	136	174,831
Infrastructure	662,026	5,224	—	2,894	670,144
Intangibles	1,931	156	(91)	22	2,018
Total capital assets being depreciated	1,581,035	24,718	(3,795)	9,565	1,611,523
Less accumulated depreciation for:					
Buildings	246,700	16,296	—	—	262,996
Improvements other than buildings	34,833	2,197	—	—	37,030
Equipment	111,222	9,355	(3,562)	—	117,015
Infrastructure	443,527	30,017	—	—	473,544
Intangibles	908	295	(91)	—	1,112
Total accumulated depreciation	837,190	58,160	(3,653)	—	891,697
Total capital assets being depreciated, net	743,845	(33,442)	(142)	9,565	719,826
Governmental activities capital assets, net	\$ 839,406	(18,076)	(142)	—	821,188

Construction in progress consists primarily of park renovations and street and bridge projects.

City of St. Louis, Missouri
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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2016. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 775,687	—	(455)	—	775,232
Construction-in-progress	15,808	27,898	(17)	(19,169)	24,520
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	795,001	27,898	(472)	(19,169)	803,258
Capital assets being depreciated:					
Buildings and structures	760,976	856	(1,174)	7,926	768,584
Equipment	103,194	4,854	(1,663)	183	106,568
Pavings	1,017,671	—	—	9,138	1,026,809
Parking meters and lot equipment	8,225	3,906	(3,902)	—	8,229
Reservoirs	35,172	—	—	—	35,172
Boiler plant equipment	661	—	—	—	661
Pumping equipment	10,923	—	—	254	11,177
Purification basins and equipment	43,753	—	—	—	43,753
Water mains, lines, and accessories	134,462	3,293	(180)	976	138,551
Motor vehicle equipment	9,224	1,478	(719)	688	10,671
Total capital assets being depreciated	2,124,261	14,387	(7,638)	19,165	2,150,175
<i>Less accumulated depreciation for:</i>					
Buildings and structures	422,726	23,792	(1,002)	—	445,516
Equipment	75,925	4,760	(1,662)	—	79,023
Pavings	465,833	31,827	—	—	497,660
Parking meters and lot equipment	6,338	396	(3,635)	—	3,099
Reservoirs	12,629	731	—	—	13,360
Boiler plant equipment	647	3	—	—	650
Pumping equipment	9,416	233	—	—	9,649
Purification basins and equipment	18,397	938	—	—	19,335
Water mains, lines, and accessories	60,318	1,741	(172)	—	61,887
Motor vehicle equipment	5,806	581	(713)	—	5,674
Total accumulated depreciation	1,078,035	65,002	(7,184)	—	1,135,853
Total capital assets being depreciated, net	1,046,226	(50,615)	(454)	19,165	1,014,322
Business-type activities capital assets, net	\$ 1,841,227	(22,717)	(926)	(4)	1,817,580

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

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

Governmental activities:

General government	\$ 6,172
Convention and tourism	5,665
Parks and recreation	5,534
Judicial	338
Streets	33,018
Public safety:	
Fire	1,997
Police	4,018
Other	701
Health and welfare	309
Public service	408
Total depreciation expense, governmental activities	\$ <u>58,160</u>

Business-type activities:

Airport	\$ 56,568
Water Division	5,729
Parking Division	2,705
Total depreciation expense, business-type activities	\$ <u>65,002</u>

City of St. Louis, Missouri
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b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2016:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 7,376	—	—	7,376
Construction in Progress	369	313	—	682
Total capital assets not being depreciated	<u>7,745</u>	<u>313</u>	<u>—</u>	<u>8,058</u>
Capital assets being depreciated:				
Leasehold improvements	22,755	—	—	22,755
Equipment	713	—	—	713
Parking facilities	17,806	29	—	17,835
Total capital assets being depreciated	<u>41,274</u>	<u>29</u>	<u>—</u>	<u>41,303</u>
Less accumulated depreciation for:				
Leasehold improvements	3,900	600	—	4,500
Equipment	712	—	—	712
Parking facilities	14,111	406	—	14,517
Total accumulated depreciation	<u>18,723</u>	<u>1,006</u>	<u>—</u>	<u>19,729</u>
Total capital assets being depreciated, net	<u>22,551</u>	<u>(977)</u>	<u>—</u>	<u>21,574</u>
SLDC capital assets, net	<u>\$ 30,296</u>	<u>(664)</u>	<u>—</u>	<u>29,632</u>

8. COMPONENT UNIT—SLDC PROPERTY HELD FOR DEVELOPMENT

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC's financial statements based on management's intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. A reserve for impairment in the amount of \$101 has been established on these properties.

City of St. Louis, Missouri
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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>Vendors</u>	<u>Contracts and retainage payable</u>	<u>Total</u>
Governmental activities:			
General fund	\$ 4,460	18	4,478
Redevelopment projects fund	60	—	60
Capital projects fund	2,957	630	3,587
Grants fund	8,146	5	8,151
Other governmental funds	2,647	7	2,654
Internal service	237	—	237
Total governmental activities	<u>\$ 18,507</u>	<u>660</u>	<u>19,167</u>
Business-type activities:			
Airport	\$ 8,610	4,975	13,585
Water Division	6,587	—	6,587
Parking Division	426	—	426
Total business-type activities	<u>\$ 15,623</u>	<u>4,975</u>	<u>20,598</u>

10. RETIREMENT PLANS

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

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

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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, 2015
Firefighters'	September 30, 2015
Police	September 30, 2015
Employees'	September 30, 2015

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

1) System Description (FRS)

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

The following disclosures are based on the September 30, 2015 financial statements and the October 1, 2015 actuarial valuation. The valuation as of October 1, 2015, reflects the changes attributable to Ordinance #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the Firemen's System is as follows:

- Firemen's System is frozen as of February 1, 2013. That is, benefits paid from Firemen's System will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in Firemen's System are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013, are not members of Firemen's System.
- Vesting and eligibility service earned after February 1, 2013, in the newly established Firefighters' Plan will count towards vesting and eligibility service in Firemen's System.
- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid from the newly established Firefighters' Plan to the extent that benefits do not depend on service earned prior to February 1, 2013.
- Employer contributions to the frozen Firemen's System will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013, from "grandfathered" participants in Firemen's System will be paid to the Firefighters' Plan.
- Grandfathered members with 20 or more years of service as of February 1, 2013, are eligible to retire with unreduced Firefighters' Plan benefits if retirement commences before age 55.

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- Grandfathered members with less than 20 years of service as of February 1, 2013, are eligible to retire with actuarially reduced Firefighters' Plan benefits if retirement commences before age 55.

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

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

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

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

The Firemen's System, in accordance with Ordinance #62994 of the City, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP plan is available to members of the system who have achieved at least 20 years of creditable service and have eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the DROP plan, the member will not receive credit for employer contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, is available to the member in a lump sum or in installments.

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The Fireman's System membership consisted of the following as of September 30, 2015:

Retirees and beneficiaries currently receiving benefits	967
Current members:	
Vested – DROP	62
Vested – Non-DROP	172
Nonvested	323
Total current members	557
Total membership	1,524

2) Funding Policy (FRS)

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

3) Net Pension Liability (FRS)

The City's net pension liability as of June 30, 2016 was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (asset)
	(a)	(b)	(a)-(b)
Balances at July 1, 2015	\$ 451,542	494,440	(42,898)
Changes for the year:			
Interest	34,403	—	34,403
Refunds of member contributions	(1,294)	(1,294)	—
Benefit payments	(33,562)	(33,562)	—
Difference between expected and and actual experience	15	—	15
Assumption changes	43,915	—	43,915
Net investment income	—	(10,932)	10,932
Administrative expenses	—	(1,594)	1,594
Net changes	43,477	(47,382)	90,859
Balances at June 30, 2016	\$ 495,019	447,058	47,961

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The Firemen's System net pension liability is recorded within the accompanying financial statements as follows:

Governmental Activities	\$ 43,165
Airport	<u>4,796</u>
	<u>\$ 47,961</u>

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

Date of actuarial valuation	October 1, 2015
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal
Funding	Entry Age - frozen initial liability
Remaining amortization period	None - No unfunded actuarial liability
Asset valuation method	3-year smoothed average of market value
Inflation	2.75%
Investment rate of return	7.3%, net of investment and administrative expenses
Projected salary increases	Benefits frozen as of February 1, 2013; therefore no salary increases have been assumed
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the October 1, 2010, through September 30, 2014. The rates were adjusted slightly for members with less than 20 years of service as of February 1, 2013, due to the freezing of FRS benefits and the implementation of FRP.
Mortality	RP-2014 mortality table, sex distinct

The long-term expected rate of return on the Firemen's System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of October 1, 2015, these best estimates are summarized in the following table:

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Asset class	Target allocation	Long-term expected real rate of return
Fixed income	25%	1.30%
Domestic equity	26	4.30
International equity	24	4.70
Private equity	—	5.00
Real estate	15	4.80
Nondirectional hedge fund of funds	10	2.20
Total	100%	

The discount rate used to measure the total pension liability (asset) was 7.30%. The projection of cash flows used to determine the discount rate assumed that the City would make the required contributions as defined by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees and their beneficiaries. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset). For the October 1, 2015 actuarial valuation, a 7.30% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2016 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.30%	\$ 100,146
Current rate	7.30	47,961
1% increase	8.30	4,342

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

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4) Pension Expense (FRS)

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$17,071. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the City's fiscal year ended June 30, 2016 is summarized as follows:

Service cost	\$	—
Interest		34,404
Administrative expenses		1,594
Projected earnings on pension plan investments		(37,740)
Recognition of outflow due to assumption changes		11,291
Recognition of outflow due to investment experience		7,518
Recognition of outflow due to liability experience		4
		<u> </u>
Pension expense for year ended June 30, 2016	\$	<u><u>17,071</u></u>

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

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 32,289	—
Difference between expected and actual liability experience	11	—
Change in assumption	<u>32,625</u>	<u>—</u>
Total	<u><u>\$ 64,925</u></u>	<u><u>—</u></u>

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

<u>Year ended June 30</u>	<u>Recognition</u>
2017	\$ 18,813
2018	18,813
2019	17,565
2020	9,734
	<u>\$ 64,925</u>

6) Restatement of Fiduciary Net Position Restricted for Pension Benefits (FRS)

The previously stated net position balance has been restated as follows:

Net position, September 30, 2014, as previously reported	\$ 500,915
Restatement for GASB 68 implementation - proportionate share of FRS pension plan employees ERS' net pension liability at September 30, 2014	<u>(149)</u>
Net position, September 30, 2014, as restated	<u>\$ 500,766</u>

b. Firefighters' Retirement Plan (Firefighters' Plan or FRP)

1) System Description (FRP)

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

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

Effective February 1, 2013, benefit accruals under the Firemen's System were frozen. The Firefighters' Plan was established as of that date to provide retirement, disability and death benefits for service rendered after the effective date. Credited service accrued under the Firemen's System counts toward benefit accruals under the Firefighters' Plan, but benefits attributable to such services are offset by the benefits payable by the Firemen's System. Under the Firefighters' Plan, the plan provisions for members who were active as of February 1, 2013 (Grandfathered Participants) are substantially the same as the plan provisions for the Firemen's System.

The Firefighters' Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an

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early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

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

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

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

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The Firefighters' Plan membership consisted of the following as of September 30, 2015:

Retirees and beneficiaries currently receiving benefits	37
Current active members:	
Vested – Non-DROP	387
Vested – participating DROP	61
Nonvested	159
Total current active members	607
Total membership	644

2) Funding Policy (FRP)

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

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

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3) Net Pension Liability (FRP)

The City's net pension liability for Firefighters' Plan as of June 30, 2016 was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Balances at July 1, 2015	\$ 52,268	19,859	32,409
Changes for the year:			
Service cost	6,227	—	6,227
Interest	6,146	—	6,146
Difference between expected and actual experience	1,179	—	1,179
Change in benefits	979	—	979
Change in assumptions	22,244	—	22,244
Benefit payments	(263)	(263)	—
Contributions – employer	—	7,436	(7,436)
Contributions – transfer from FRS	—	1,071	(1,071)
Contributions – employee	—	2,829	(2,829)
Net investment income	—	(843)	843
Administrative expenses	—	(313)	313
Net changes	<u>36,512</u>	<u>9,917</u>	<u>26,595</u>
Balances at June 30, 2016	<u>\$ 88,780</u>	<u>29,776</u>	<u>59,004</u>

The Firefighters' Plan net pension liability is recorded within the accompanying financial statements as follows:

Governmental Activities	\$ 53,104
Airport	<u>5,900</u>
	<u>\$ 59,004</u>

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

Date of actuarial valuation	October 1, 2014
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal
Funding	Entry Age Normal
Remaining amortization period	Started February 1, 2013
Asset valuation method	5 - year smoothed market
Inflation	3.00%
Investment rate of return	7.625%, net of investment and administrative expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2000 mortality table, sex distinct, with rates projected to 2015

The long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2015, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Fixed income	20%	(1.30)%
Domestic equity	50	4.30
International equity	30	4.70
Total	<u>100%</u>	

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The discount rate used to measure the total pension liability was 7.63%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2014 actuarial valuation, a 7.63% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2016 for the City is as follows:

	<u>Discount rate</u>	<u>Net pension liability</u>
1% decrease	6.63%	\$ 71,810
Current rate	7.63	59,005
1% increase	8.63	48,376

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

4) Pension Expense (FRP)

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$12,047. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the City's fiscal year ended June 30, 2016 is summarized as follows:

Service cost	\$ 6,227
Interest	6,147
Administrative expenses	313
Contributions – employee	(2,829)
Projected earnings on pension plan investments	(1,599)
Benefit changes	979
Recognized portion of current-period liability gains and losses	(523)
Recognized portion of change in assumptions	2,781
Recognized portion of current-period investment gains and losses	551
Pension expense for year ended June 30, 2016	<u>\$ 12,047</u>

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

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,140	—
Differences between expected and actual experience	1,031	4,020
Change in assumptions	19,464	—
Total	<u>\$ 22,635</u>	<u>4,020</u>

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

Year ended June 30	Recognition
2017	\$ 2,808
2018	2,808
2019	2,808
2020	2,746
2021	2,258
Thereafter	5,187
	<u>\$ 18,615</u>

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

1) System Description (PRS)

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

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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.

The Police System membership consisted of the following as of September 30, 2015:

Retirees and beneficiaries currently receiving benefits	1,903
Current active members:	
Vested – in DROP	165
Vested – not in DROP	202
Total vested	367
Nonvested	875
Total current active members	1,242
Total members	3,145

2) Funding Policy (PRS)

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

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3) Net Pension Liability (PRS)

The City's net pension liability for Police System as of June 30, 2016 was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Balances at July 1, 2015	\$ 919,906	728,790	191,116
Changes for the year:			
Service cost	12,978	—	12,978
Interest	66,579	—	66,579
Difference between expected and actual experience	(2,041)	—	(2,041)
Change in assumption	16,249	—	16,249
Contributions – employer	—	30,600	(30,600)
Contributions – employee	—	4,488	(4,488)
Net investment income	—	(8,325)	8,325
Benefit payments	(69,533)	(69,533)	—
Administrative expenses	—	(1,125)	1,125
Net changes	24,232	(43,895)	68,127
Balances at June 30, 2016	\$ 944,138	684,895	259,243

The Police System net pension liability is recorded within governmental activities with the accompanying financial statements.

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

Date of actuarial valuation	October 1, 2014
Actuarial cost method	Entry Age Normal
GASB 67 reporting	Aggregate, reduced by employee contributions
Funding	None - aggregate is funded over the future working lifetime of current participants
Amortization method/period	5-year smoothed average of market value
Asset valuation method	2.5%
Inflation	7.75%, net of 0.15% administrative expenses
Investment rate of return	3.0% – 6.5%, varying by age
Projected salary increases	RP-2000 Blue Collar Combined projected to 2018
Mortality (Ordinary)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Accidental)	RP-2000 Disabled Retiree Mortality projected to 2018
Mortality (Disabled)	

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The long-term expected rate of return on the Police System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2015, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	19%	(0.35)%
Domestic equity	30	4.25
Foreign equity	26	4.75
Non-directional hedge fund of funds	5	2.10
Real estate (REIT)	8	4.05
Private equity (partnerships)	8	9.90
Money market	4	—
Total	100%	

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the high grade bond muni-bond rate for periods after the PNP is exhausted. The plan currently uses the long-term discount rate of 7.90% and expects assets will be sufficient to cover PNP until 2056. The muni-bond rate used in the valuation was 3.71% and is based on the Bond Buyers General Obligation 20 Year High Grade Rate Municipal Bond Index (AA/Aa or higher). Since the PNP was projected to be insufficient to make all projected benefit payments of current plan members, a blended discount rate of 7.29% was used to calculate the plan's present value of future benefit payments. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2016 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.29%	\$ 354,437
Current rate	7.29	259,243
1% increase	8.29	179,362

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

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4) Pension Expense (PRS)

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$41,199. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period. The pension expense for the fiscal year ended June 30, 2016 is summarized as follows:

Service cost	\$	12,978
Interest		66,579
Administrative expenses		1,125
Contributions – employee		(4,488)
Projected earnings on pension plan investments		(56,196)
Recognized portion of change in assumptions		7,633
Recognized portion of current-period liability gains and losses		(680)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		14,248
Pension expense for year ended June 30, 2016	\$	<u>41,199</u>

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

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual liability experience	\$ —	1,361
Net difference between projected and actual earnings on pension plan investments	55,650	—
Change in assumptions	13,049	—
Total	\$ <u>68,699</u>	<u>1,361</u>

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

<u>Year ended June 30</u>	<u>Recognition</u>
2017	\$ 21,201
2018	18,984
2019	14,249
2020	12,904
	<u>\$ 67,338</u>

6) Restatement of Fiduciary Net Position Restricted for Pension Benefits (PRS)

The previously stated net position balance has been restated as follows:

Net position, September 30, 2014, as previously reported	\$ 729,065
Restatement for GASB 68 implementation - proportionate share of PRS pension plan employees ERS' net pension liability at September 30, 2014	<u>(275)</u>
Net position, September 30, 2014, as restated	<u>\$ 728,790</u>

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

1) System Description (ERS)

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

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

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

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to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

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

2) Funding Policy (ERS)

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 13.93% effective July 1, 2015 and 15.17% of active member payroll effective July 2014.

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

The City's contributions to Employees System for the year ended June 30, 2016 were \$27,645.

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3) Net Pension Liability (ERS)

The City reported a liability of \$189,264 for its proportionate share of the net pension liability as of June 30, 2016. The Employees' System's net pension liability is recorded within the accompanying financial statements as follows:

Governmental Activities	\$	152,280
Airport		20,189
Water Division		13,273
Parking Division		3,522
	\$	<u>189,264</u>

The net pension liability was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the Employee's System relative to the contributions of all Employees' System participating employers. At September 30, 2015, the City's collective proportion was 83.5% percent, which was a decrease of 0.4% from its proportion measured as of September 30, 2014.

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

Date of actuarial valuation	October 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Layered 20-year amortization of unfunded liability
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Discount rate	7.50%
Projected salary increases	varies by age, ranging from 3.00% to 4.25%
Mortality	1994 Group Annuity Mortality Table

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

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For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2015, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Private equity	5.00%	8.25%
Real estate	10.00	5.00
Hedge funds	10.00	4.50
Master limited partnerships	7.50	6.00
International equity	21.50	6.84
Domestic equity	21.00	5.05
Fixed income	25.00	2.25
Total	100.00%	

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2015 actuarial valuation, a 7.50% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2016 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.50%	\$ 269,968
Current rate	7.50	189,264
1% increase	8.50	120,265

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

4) Pension Expense (ERS)

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$30,682. Annual pension expense consists of service cost, interest and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five year period.

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

In accordance with GASB Statements No. 67 and 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ —	3,033
Net difference between projected and actual earnings on pension plan investments	54,649	—
Changes in proportion	376	1,464
Changes in assumptions	—	2,843
Contributions subsequent to the measurement date	20,009	—
Total	<u>\$ 75,034</u>	<u>7,340</u>

The \$20,009 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

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

<u>Year ended June 30</u>	<u>Recognition</u>
2017	\$ 9,730
2018	9,730
2019	13,215
2020	15,010
	<u>\$ 47,685</u>

e. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year-ended June 30, 2016 contributions of \$276, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2016, SLDC's current covered payroll was

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\$3,064 and total payroll amounted to \$3,536. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5-1/2% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and completed at least six months of active service. The employees vest at a rate of 33% per annum with full vesting occurring after the end of their third year of service. The SLDC Plan does not hold any employer or related-party securities. All plan investments are self-directed by the respective plan participants, within the limitations of the plan.

11. OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

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

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

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

The City has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the results of the most recent valuation. At July 1, 2015, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,564
Terminated plan members entitled to, but not yet receiving benefits	103
Active members	<u>1,579</u>
Total plan members	<u><u>3,246</u></u>

Funding Policy

Contributions made to the OPEB plan are established and may be amended by the Board of Aldermen. For the year ended June 30, 2016, the City contributed \$11,201, which was based upon pay-as-you-go financing requirements.

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Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligation

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

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

Annual required contribution	\$ 42,890
Interest on net OPEB obligation	5,332
Adjustment to annual required contribution	<u>(9,068)</u>
Annual OPEB cost	39,154
Contribution made	<u>11,201</u>
Increase in net OPEB obligation	27,953
Net OPEB obligation, beginning of year	<u>177,727</u>
Net OPEB obligation, end of year	<u><u>\$ 205,680</u></u>

Historical trend information about 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>
2016	\$ 39,154	29.00 %	\$ 205,680
2015	40,133	28.00	177,727
2014	39,132	27.40	148,744

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The July 1, 2015 actuarial valuation stated the actuarial accrual liability for benefits was \$501,968, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$89,182, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 562.9%.

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2015 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 7.4% for Pre-Medicare and 8.7% for Post Medicare initially, reduced by decrements to an ultimate rate of 4.5% for Pre- Medicare and 4.9% for Post-Medicare after eight years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a 30-year amortization period.

12. DEFERRED COMPENSATION PLAN

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

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

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13. LONG-TERM LIABILITIES

a. Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2016:

	Primary government June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
Governmental activities:					
General obligation bonds payable	\$ 23,010	16,795	(23,010)	16,795	3,100
Section 108 Loan Guarantee					
Assistance Programs	31,370	—	(4,460)	26,910	4,750
Development and Tax increment					
financing bonds and notes payable	340,342	49,757	(8,868)	381,231	20,423
Loan agreement with MTFC	1,555	—	(502)	1,053	523
Capital lease – rolling stock	19,731	—	(4,543)	15,188	4,205
Certificates of participation	5,195	—	(705)	4,490	675
Obligations with component unit	51,426	—	(7,223)	44,203	6,583
Loan agreement with FPF	5,185	5,000	(2,190)	7,995	156
Leasehold revenue improvement and					
refunding revenue bonds	435,005	49,441	(45,514)	438,932	19,665
Joint venture financing agreement	33,434	—	(4,589)	28,845	4,777
Unamortized discounts	(3,523)	—	399	(3,124)	—
Unamortized premiums	10,441	5,434	(1,928)	13,947	—
Net pension liability	324,741	183,051	—	507,792	—
Net OPEB obligation	177,727	39,154	(11,201)	205,680	12,007
Accrued vacation					
and sick leave	50,303	26,510	(26,062)	50,751	23,351
Claims and judgments payable	50,279	30,650	(29,778)	51,151	26,472
Governmental activities					
long-term liabilities	\$ <u>1,556,221</u>	<u>405,792</u>	<u>(170,174)</u>	<u>1,791,839</u>	<u>126,687</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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	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 726,010	—	(39,785)	686,225	38,400
Net pension liability	17,247	13,638	—	30,885	—
Pension funding project	5,054	—	(109)	4,945	117
Other	396	—	(21)	375	—
Accrued vacation, compensatory, and sick time benefits	5,573	3,369	(3,526)	5,416	3,368
Unamortized discounts and premiums	31,660	—	(4,213)	27,447	—
Unearned lease revenues	5,190	—	(281)	4,909	—
Total airport	791,130	17,007	(47,935)	760,202	41,885
Water Division:					
Revenue bonds payable	2,288	3,234	(404)	5,118	412
Customer deposits	2,533	2,114	(2,168)	2,479	—
Net pension liability	9,007	4,266	—	13,273	—
Pension funding project	2,934	—	(69)	2,865	—
Accrued vacation and sick time benefits	3,439	148	(191)	3,396	1,906
Total water division	20,201	9,762	(2,832)	27,131	2,318
Parking Division:					
Revenue bonds payable	73,488	36,410	(42,785)	67,113	3,201
Net pension liability	1,968	1,554	—	3,522	—
Pension funding project	815	—	(18)	797	—
Other	191	—	(14)	177	—
Unamortized discounts and premiums, net	265	3,013	(290)	2,988	—
Total parking division	76,727	40,977	(43,107)	74,597	3,201
Business-type activities long-term liabilities	\$ 888,058	67,746	(93,874)	861,930	47,404
Less amounts recorded in:					
Accrued salaries and other benefits				(5,274)	(5,274)
Accounts payable and accrued liabilities				(117)	(117)
				\$ 856,539	42,013

b. General Obligation Bonds

On March 10, 2016, the City issued \$16,795 in General Obligation Refunding Bonds, Series 2016, with an average interest rate of 3.40% to refund \$12,130 in outstanding Series 2005 and \$7,220 in 2006 General Obligation Bonds with an average interest rate of 4.45% and 4.1%, respectively. A deposit of \$19,447 (after the addition of a \$1,175 premium and less a payment of \$206 in issuance costs and a \$157 discount, including \$1,826 of City funds), were placed with the Escrow Agent to be applied to the redemption of the Series 2005 and 2006 bonds. The current and advanced refunding decreased the total debt service payment by \$3,489 and resulted in an economic gain (difference between present value of

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old and new debt service payments) of \$3,384. As a result, the Series 2005 and Series 2006 General Obligation Bonds are considered defeased, and the liability removed from the financial statements.

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 3,100	459	3,559
2018	3,150	432	3,582
2019	3,230	369	3,599
2020	915	272	1,187
2021	960	226	1,186
2022 – 2026	5,440	642	6,082
	<u>\$ 16,795</u>	<u>2,400</u>	<u>19,195</u>

c. Section 108 Loan Guarantee Assistance Programs

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 4,750	467	5,217
2018	5,050	399	5,449
2019	5,360	312	5,672
2020	5,700	207	5,907
2021	6,050	74	6,124
	<u>\$ 26,910</u>	<u>1,459</u>	<u>28,369</u>

d. Development and Tax Increment Financing Bond and Notes Payable

The City issued a total of \$49,757 in TIF bonds and notes payable during fiscal year 2016.

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

	TIF Bonds and Notes		
	Principal	Interest	Total
Year ending June 30:			
2017	\$ 20,618	25,446	46,064
2018	18,986	24,139	43,125
2019	20,194	23,018	43,212
2020	21,498	21,739	43,237
2021	22,890	20,374	43,264
2022 – 2026	128,701	78,828	207,529
2027 – 2031	93,342	39,916	133,258
2032 – 2036	41,231	18,331	59,562
2037 – 2041	8,356	3,612	11,968
2042 – 2045	5,415	1,125	6,540
	<u>\$ 381,231</u>	<u>256,528</u>	<u>637,759</u>

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

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

	Principal	Interest	Total
Year ending June 30:			
2017	\$ 523	44	567
2018	530	22	552
	<u>\$ 1,053</u>	<u>66</u>	<u>1,119</u>

f. Capital Lease—Rolling Stock

The following is a schedule of future minimum lease payments as of June 30, 2016.

Year ending June 30:		
2017	\$	4,572
2018		4,572
2019		4,104
2020		2,750
Total future minimum lease payments		<u>15,998</u>
Amount representing interest		<u>(810)</u>
Present value of net minimum lease payments	\$	<u>15,188</u>

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g. Certificates of Participation

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

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, 2016.

Year ending June 30:		
2017	\$	803
2018		821
2019		821
2020		816
2021		818
2022		818
		<hr/>
Total future minimum obligation payments		4,897
Amount representing interest		<hr/> (407)
Present value of net minimum obligation payments	\$	<hr/> <hr/> 4,490

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

h. Obligations with Component Unit

1) Convention Center – SLDC Series 2000 Bonds

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

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The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2016.

Year ending June 30:		
2017	\$	15,295
2018		15,295
2019		15,295
2020		15,295
2021		15,295
		<hr/>
Total future minimum obligation payments		76,475
Amount representing interest		(48,047)
		<hr/>
Present value of net minimum obligation payments	\$	<u>28,428</u>

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

2) 600 Washington Project – SLDC Series 2010 Bonds

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2016.

Year ending June 30:		
2017	\$	969
2018		855
2019		852
2020		850
2021		1,064
2022 – 2026		5,780
2027 – 2031		6,664
2032 – 2036		7,659
2037 – 2040		5,448
		<hr/>
Total future minimum obligation payments		30,141
Amount representing interest		(14,366)
		<hr/>
Present value of net minimum obligation payments	\$	<u>15,775</u>

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i. Loan agreement with Forest Park Forever

During fiscal year 2016, the SLMFC issued \$5,000 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 156	365	521
2018	163	358	521
2019	171	351	522
2020	178	343	521
2021	187	335	522
2022 – 2026	1,069	1,538	2,607
2027 – 2031	1,336	1,271	2,607
2032 – 2036	1,671	936	2,607
2037 – 2041	2,089	518	2,607
2042 – 2043	975	67	1,042
	<u>\$ 7,995</u>	<u>6,082</u>	<u>14,077</u>

14. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING REVENUE BONDS

a. Pension Funding Project 2007

The long-term liability for 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, 2016:

Governmental activities	\$ 116,994
Business-type activities	<u>8,676</u>
	<u>\$ 125,670</u>

b. Carnahan Courthouse and 1520 Market Street Bonds

On September 1, 2015, The SLMFC issued 1520 Market St. Leasehold Refunding Revenue Bonds Series 2015A in the amount of \$7,000 to refund the Abram Building Leasehold Revenue Bonds, Series 2007 and the 1520 Market St. Leasehold Revenue Bonds Series 2011 A&B with an interest rate of 2.9%. The net proceeds as well as \$554 from the City were used to redeem the outstanding \$7,196 bonds. The

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current and advanced refunding increased the total debt service payments by \$774 and resulted in an economic gain of \$1,888.

The SLMFC also issued 1520 Market St. Taxable Leasehold Revenue Bonds, Series 2015B in the amount not to exceed \$13,000 with an interest rate of 4.25%. The proceeds of this issue will be loaned to the LCRA for the purpose of completing NGA preparation work. A line of credit enables LCRA to draw the money from the bank as needed. As of June 30, 2016, \$9,726 was drawn.

On May 4, 2016, the SLMFC issued \$16,865 Carnahan Courthouse Leasehold Revenue Refunding Bonds Series 2016A Bonds with an average interest rate of 4.83% to refund the outstanding Carnahan Courthouse Leasehold Revenue Refunding Bonds, Series 2006A, currently outstanding in the principal amount of \$19,360. The current and advanced refunding decrease the total debt service payment by \$2,135 and result in an economic gain (difference between present value of old and new debt service payments) of \$1,887. As a result, the Carnahan Courthouse Leasehold Revenue Refunding Bonds, Series 2006A are considered defeased, and the liability removed from the financial statements.

At the same time, the SLMFC also issued \$3,635 Taxable Qualified Energy Conservation Leasehold Revenue Bonds-Direct pay (Energy Efficiency Program). Series 2016B Bonds at an average interest rate of 4.072% to be used to (i) finance a public building energy conservation project consisting of improvements to the heating, ventilating and air conditioning (“HVAC”) systems of the Carnahan Courthouse, and energy efficiency improvements to other qualifying public buildings of the City (ii) fund loans, grants or other energy efficiency improvements through the City’s Energy Efficiency Program which qualify for financing with “Qualified Energy Conservation Bonds” (QEBC), as well as \$405 Taxable Leasehold Revenue Bonds (Energy Efficiency Program), Series 2016C Bonds at an average interest rate of 1.944% will be used to (i) finance additional program and financing costs relating to the City’s Energy Efficiency Program, (ii) fund capitalized interest on the Series 2016B Bonds, and (iii) pay certain costs of issuance of the Series 2016B Bonds and Series 2016C Bonds.

c. Refuse and Municipal Garage

On June 22, 2016, the SLMFC issued Refuse Facility and Municipal Garage Project Leasehold Revenue Bonds Series 2016A in the amount of \$5,975 with an average interest rate of 5.0% and Refuse Facility Project Taxable Leasehold Revenue Bonds, Series 2016B in the amount of \$5,835 with an average interest rate of 2.22%.

A portion of the proceeds of the Series 2016A Bonds will be used for costs associated with the acquisition of certain real property located at 1214-18 Central Industrial Drive in the City, and the improvements located thereon and the construction, renovation, improvement, equipping, and furnishing of a refuse and vehicle maintenance facility located on the Real Property. In addition, it will fund costs associated with the repair, construction, renovation, improvement, and equipping of a municipal garage located at 1122 Clark Avenue in the City. A portion of the proceeds of the Series 2016B Bonds will be used for the costs associated with the Refuse Facility Project. The City’s acquisition of the Real Property is authorized by Ordinance No. 70280.

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d. Principal and Interest Requirements

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

	City Parks		Convention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 515	1,089	\$ 135	2,247
2018	530	1,074	140	2,243
2019	555	1,052	145	2,239
2020	575	1,030	145	2,235
2021	605	1,002	150	2,230
2022 – 2026	3,430	4,598	40,752	47,622
2027 – 2031	4,200	3,833	35,013	53,367
2032 – 2036	5,130	2,899	19,314	69,235
2037 – 2041	6,490	1,539	28,678	26,914
2042 – 2043	3,030	183	—	—
	<u>\$ 25,060</u>	<u>18,299</u>	<u>\$ 124,472</u>	<u>208,332</u>

	Justice Center		Forest Park	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 9,485	1,135	\$ 1,015	281
2018	9,920	697	1,065	230
2019	3,630	218	1,105	187
2020	1,790	72	1,150	143
2021	—	—	1,205	86
2022	—	—	1,270	25
	<u>\$ 24,825</u>	<u>2,122</u>	<u>\$ 6,810</u>	<u>952</u>

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	Carnahan Courthouse/QEBC		1520 Market Street/ NGA	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 65	757	\$ 700	596
2018	970	936	770	588
2019	1,540	909	795	564
2020	1,595	849	820	540
2021	1,540	788	845	513
2022 – 2026	8,850	2,788	4,655	2,149
2027 – 2031	6,345	876	5,640	1,159
2032 – 2033	—	—	2,171	105
	<u>\$ 20,905</u>	<u>7,903</u>	<u>\$ 16,396</u>	<u>6,214</u>

	Recreation sales tax		Police Capital Improvement sales tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 1,185	2,036	\$ 350	958
2018	1,280	1,985	365	944
2019	1,335	1,931	380	930
2020	1,380	1,864	395	915
2021	1,460	1,806	810	899
2022 – 2026	8,415	7,915	4,635	3,908
2027 – 2031	10,580	5,753	5,760	2,785
2032 – 2036	13,480	2,865	7,180	1,367
2037	3,110	156	1,635	74
	<u>\$ 42,225</u>	<u>26,311</u>	<u>\$ 21,510</u>	<u>12,780</u>

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	Public safety sales tax Pension funding project 2008		Juvenile detention center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 2,045	380	\$ 610	938
2018	2,165	261	635	914
2019	2,290	134	660	888
2020	—	—	685	862
2021	—	—	710	834
2022 – 2026	—	—	4,025	3,709
2027 – 2031	—	—	4,990	2,743
2032 – 2036	—	—	6,215	1,515
2037 – 2038	—	—	2,895	197
	<u>\$ 6,500</u>	<u>775</u>	<u>\$ 21,425</u>	<u>12,600</u>

	Pension funding project		Refuse and Municipal Garage	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2017	\$ 2,970	8,169	\$ 1,125	335
2018	3,160	7,976	1,060	399
2019	3,365	7,770	1,080	379
2020	3,585	7,551	1,100	359
2021	3,820	7,318	1,125	335
2022 – 2026	23,145	32,531	6,320	970
2027 – 2031	31,715	23,965	—	—
2032 – 2036	43,455	12,227	—	—
2037	10,455	679	—	—
	<u>\$ 125,670</u>	<u>108,186</u>	<u>\$ 11,810</u>	<u>2,777</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

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appropriations) to make rental payments of \$2,500 and preservation payments of \$500 regardless of the principal and interest payments due.

At June 30, 2016, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

	Principal	Interest	Preservation payments	Total
Year ending June 30:				
2017	\$ 3,670	1,224	1,107	6,001
2018	3,865	1,025	1,110	6,000
2019	4,070	817	1,113	6,000
2020	4,280	597	1,122	5,999
2021	4,505	367	1,128	6,000
2022	4,740	125	(1,865)	3,000
	<u>\$ 25,130</u>	<u>4,155</u>	<u>3,715</u>	<u>33,000</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, 2016:

	June 30, 2015	Additions	Reductions	June 30, 2016	Within One Year
Due to other governmental agencies	\$ 4,726	980	(850)	4,856	968
Notes payable	20,224	338	(482)	20,080	2,344
Bank line of credit	2,435	14,744	(103)	17,076	—
Other liabilities	9,185	3,011	(3,617)	8,579	1,825
	<u>\$ 36,570</u>	<u>19,073</u>	<u>(5,052)</u>	<u>50,591</u>	<u>5,137</u>

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Maturities on notes payable and bank line of credit are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 2,345	1,491	3,836
2018	649	1,382	2,031
2019	2,816	1,358	4,174
2020	13,655	964	14,619
2021	229	750	979
2022 – 2035	17,462	7,032	24,494
	<u>\$ 37,156</u>	<u>12,977</u>	<u>50,133</u>

17. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2016 are summarized as follows:

Bond Series 2005, interest rate ranging from 5.00% to 5.50%, payable in varying amounts through 2032	\$ 228,645
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033	189,780
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028	98,475
Bond Series 2009A, interest rate ranging from 5.125% to 6.625%, payable in varying amounts through 2035	107,240
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	25,095
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019	19,680
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	17,310
	<u>686,225</u>
Less:	
Current maturities	(38,400)
Unamortized discounts and premiums	27,447
	<u>(10,953)</u>
	<u>\$ 675,272</u>

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

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As of June 30, 2016, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2017	\$ 38,400	35,522	73,922
2018	40,475	33,446	73,921
2019	42,585	31,254	73,839
2020	36,150	29,175	65,325
2021	37,935	27,261	65,196
2022 – 2026	201,260	105,874	307,134
2027 – 2031	210,525	51,165	261,690
2032 – 2036	78,895	6,207	85,102
	<u>\$ 686,225</u>	<u>319,904</u>	<u>1,006,129</u>

b. Water Division

Water revenue bonds outstanding at June 30, 2016 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2013 Water Revenue Refunding Bonds, 1.56%, drawdown loan, payable in varying amounts through January 1, 2034	\$ 5,118
Less:	
Current maturities	<u>(412)</u>
	<u>\$ 4,706</u>

Series 2013 Water Revenue Bonds

In November 2013, the Water Division issued \$9,500 (not to exceed) in Water Revenue Bonds (Series 2013 Bonds) through the Missouri Department of National Resources Direct Loan Program. This bond issue is a drawdown loan with a fixed interest rate of 1.56% to fund various projects at the water treatment plants and throughout the distribution system. At June 30, 2016, the Water Division has drawn down a total of \$5,721 of the loan.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending June 30:			
2017	\$ 412	80	492
2018	422	73	495
2019	430	67	497
2020	439	60	499
2021	448	53	501
2022 - 2026	2,385	158	2,543
2027 - 2028	582	10	592
	<u>\$ 5,118</u>	<u>501</u>	<u>5,619</u>

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

c. Parking Division

Revenue bonds outstanding at June 30, 2016 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2024	\$ 2,275
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038	5,826
Series 2006A revenue bonds interest ranging from 3.75% to 5.00% payable in varying amounts through 2032	13,780
Series 2007B revenue bonds, interest rates variable, not to exceed 6.00%, payable in varying amounts through 2018	1,215
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	1,167
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031	6,440
Series 2015B subordinated parking revenue bond interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033	36,410
	<u>67,113</u>
Less:	
Current portion of revenue bonds payable	(3,201)
Unamortized discount and premium	2,988
	<u>\$ 66,900</u>

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Debt service requirements of the revenue bonds at June 30, 2016 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 3,201	2,756	5,957
2018	3,166	2,632	5,798
2019	3,299	2,492	5,791
2020	3,442	2,344	5,786
2021	3,599	2,190	5,789
2022 – 2026	18,965	8,438	27,403
2027 – 2031	22,908	4,028	26,936
2032 – 2036	7,693	667	8,360
2037 – 2038	840	62	902
	<u>\$ 67,113</u>	<u>25,609</u>	<u>92,722</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, 2016, the total principal and interest remaining to be paid on the debt is \$19,195. Principal and interest paid was \$4,724 for the year ended June 30, 2016, as well as \$1,826 contributed to defease principal and interest of the Series 2016 refinancing. The pledged net revenue recognized for the year ended June 30, 2016 was \$6,635. During fiscal year 2016, the proportion of pledged revenues needed for debt service to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS is to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2036. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. It has also been pledged to pay debt on the Section 108 Loan for the Convention Center Hotel and the 600

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Washington obligation with component unit. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2016, the total principal and interest remaining is \$688,701. Principal and interest paid was \$32,205 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$29,413. During fiscal year 2016, 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 Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at 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, 2016, the total principal and interest remaining on these financings is \$22,534. Principal and interest paid was \$2,183 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$1,213. During fiscal year 2016, 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, 2016, total principal and interest remaining on the debt is \$26,947. Principal and interest paid was \$10,617 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$6,977. During fiscal year 2016, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds, whose purpose was to finance improvements to Forest Park. As legally committed by ordinance, 10.4% of the revenue collected from this sales tax is allocated for Forest Park. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. Forest Park Taxable Subordinate Leasehold Revenue Bonds issued pledge the remainder of the tax as well as any revenue generated in the park. As of June 30, 2016, total principal and interest remaining on the debt is \$21,839. Principal and interest paid was \$3,719 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$3,533. During fiscal year 2016, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2016, total principal and interest remaining on the debt is \$68,537. Principal and interest paid was \$3,239 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was

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\$4,855. During fiscal year 2016, the proportion of pledged revenues needed to revenues collected was 66.3%.

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, 2016, total principal and interest remaining on the debt is \$34,290. Principal and interest paid was \$1,310 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$1,831. During fiscal year 2016, the proportion of pledged revenues needed to revenues collected was 71.5%.

Sales tax revenues dedicated to City Parks have been pledged to pay debt outstanding on the City Parks Leasehold Improvement Dedicated Revenue Bonds. Debt payments will be made from dedicated revenues for parks in the Capital Improvement Sales Tax, Metropolitan Park and Recreation District Capital Improvement Sales Tax, and Arch-Metro Parks Sales Tax. Annual principal and interest payments on the bonds are expected to require less than 75% of estimated related revenues. As of June 30, 2016, total principal and interest remaining on the debt is \$43,358. Principal and interest paid was \$1,604 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2015 was \$3,091. During fiscal year 2016, the proportion of pledged revenues needed to revenue collected was 51.8%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006, as well as any refinancing there after 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, 2016, total principal and interest outstanding on this portion of the debt is \$4,653. The pledged net revenue recognized for the year ended June 30, 2016 related to the collection of PILOTs and EATs was \$1,664. During fiscal year 2016, 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 as well as any refinancing of the bonds hereafter 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, 2016, total principal and interest outstanding on this portion of the debt is \$5,785. The pledged net revenue recognized for the year ended June 30, 2016 related to the collection of PILOTs and EATs was \$321. During fiscal year 2016, 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, 2016, total principal and interest remaining on the debt is \$40,034. During fiscal year 2016, revenue from the police parking ticket revenues totaled \$636. During fiscal year 2016, none of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment. See note 18b.

b. Business-type activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$686,225 in various long-term debt issuances, as outlined in note 6. 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, 2016, the total principal and interest remaining to be paid on the bonds is \$1,006,129. Principal and interest paid was \$76,902 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$93,291.

Water Division

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2016, the remaining principal and interest requirement is \$5,619 payable through January 2028 (fiscal year 2028). Principal and interest paid for the Series 2013 Bonds was \$437. The proportion of pledged revenue to revenue collected is estimated at 0.8% at June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$56,538.

Parking Division

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2006, 2007, 2013A, 2015A and 2015B. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2016 the remaining principal and interest requirement is \$80,068 payable through fiscal year 2038. Principal and interest paid for the Series 2006, 2007, 2013A, 2015A and 2015B Parking Revenue Bonds was \$5,005 for the year ended June 30, 2016. The pledged net revenue recognized for the year ended June 30, 2016 was \$10,352.

19. SHORT-TERM DEBT

a. City

The City issued \$60,000 of general fund Tax and Revenue Anticipation notes dated July 7, 2015 and redeemed June 1, 2016. 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.

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Short-term debt activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Issued	Redeemed	Balance June 30, 2016
Tax and revenue anticipation notes	\$ —	60,000	(60,000)	—
	<u>\$ —</u>	<u>60,000</u>	<u>(60,000)</u>	<u>—</u>

20. OPERATING LEASES

- a. At June 30, 2016, 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:	
2017	\$ 983
2018	784
2019	425
2020	190
2021	90
2022 – 2026	250
2027 – 2031	117
	<u>\$ 2,839</u>

Rental and lease expenditures for the fiscal year 2016 totaled \$5,334.

- 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

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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 2016, revenues from signatory air carriers accounted for 50.4% 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, 2016:

	<u>Signatory</u>	<u>Non- signatory</u>	<u>Total</u>
Airfield	\$ 47,317	13,973	61,290
Terminal and concourses	20,926	781	21,707
Hangars and other buildings	508	668	1,176
Cargo buildings	127	266	393
	<u>\$ 68,878</u>	<u>15,688</u>	<u>84,566</u>

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

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

City of St. Louis, Missouri
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June 30, 2016
(dollars in thousands)

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:	
2017	\$ 24,323
2018	23,917
2019	22,816
2020	16,924
2021	9,815
2022 – 2026	20,338
2027 – 2031	11,391
2032 – 2036	5,080
2037 – 2040	28
Total minimum future rentals	<u>\$ 134,632</u>

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$4,001 for the year ended June 30, 2016.

Unearned lease revenues included in Airport other long-term liabilities in the amount of \$4,909 as of June 30, 2016 represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under non-cancelable arrangements that expire at various dates through April 2019. Expenses for operating leases and service agreements were \$62 for the year ended June 30, 2016. Future minimum payments are as follows:

Year ending June 30:	
2017	\$ 34
2018	19
2019	13
2020	8
Total minimum future rentals	<u>\$ 74</u>

c. Component Unit—SLDC

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

City of St. Louis, Missouri
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Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA and PDA as of June 30, 2016 are as follows:

Year ending June 30:	
2017	\$ 335
2018	336
2019	335
2020	336
2021	335
	<u>\$ 1,677</u>

Additionally, at June 30, 2016, 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.

SLDC entered into an agreement with the City to facilitate the acquisition and development of property for future use. As of June 30, 2016 SLDC has incurred debt of \$14,744 and capitalized \$16,307 of land and site improvements recorded as property held for development related to this project.

City of St. Louis, Missouri
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June 30, 2016
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21. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2016 are as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Special revenue—Grants fund	\$ 2,992
	Other governmental nonmajor funds	54
	Enterprise:	
	Airport	1,860
	Water Division	1,303
	Parking Division	1,045
		<u>7,254</u>
Redevelopment projects fund	General fund	4,138
	Capital projects fund	534
	Other governmental nonmajor funds	1,363
		<u>6,035</u>
Internal service funds	General fund	782
	Other governmental nonmajor funds	2
	Special revenue—Grants fund	1
	Enterprise:	
	Airport	2,826
	Water Division	2,850
	Parking Division	224
		<u>6,685</u>
		<u>\$ 19,974</u>

All of these interfund balances are due to either timing differences or due to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2017.

Advances to/from other funds as of June 30, 2016 are as follows:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General fund	Internal service fund	\$ 37,914

City of St. Louis, Missouri
Notes to Basic Financial Statements
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22. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

		Transfer To				
		General Fund	Capital Projects Fund	Other Governmental Funds	Parking Division	Total
Transfer From	General fund	\$ —	13,587	2,050	—	15,637
	Redevelopment projects fund	283	—	2	1,003	1,288
	Capital Projects fund	50	—	—	—	50
	Other Governmental funds	26,413	11,843	516	—	38,772
	Grants fund	—	—	27	—	27
	Parking Division	960	—	309	—	1,269
	Airport	6,415	—	—	—	6,415
	Water Division	3,276	—	—	—	3,276
		\$ 37,397	25,430	2,904	1,003	66,734

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, 2016, 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.

SLPD was exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A number of legal suits originally against SLPD are presently pending for alleged wrongful personal injuries, civil rights violations, and negligence in the line of duty.

During fiscal year 2005, the Court of Appeals for the State of Missouri affirmed that under Missouri State Statutes, Chapter 84, the SLPD was an agency of the state. As an agency of the state, the SLPD was covered by the State of Missouri's legal expense fund for most general liability and various other claims and legal actions occurring prior to August 28, 2005. On August 28, 2005, Missouri legislation

City of St. Louis, Missouri
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became effective modifying the coverage provided to the SLPD by the State of Missouri for general liability and various other claims and legal actions. State of Missouri Bill No. 420 provides that the State of Missouri was liable annually for funding general liability claims on an equal share basis per claim with the Public Facilities Protection Corporation (PFPC), an internal service fund of the City, up to a maximum of \$1,000. The SLPD was covered by PFPC for most self-insured risks, including general liability and various other claims and legal actions, exceeding the limitations set forth by the enacted legislation. Of these suits, \$3,862 is included in the self-insurance claim liability of \$51,151 and \$1,276 is included as the estimate of reasonably possible within the \$5,927.

b. Commitments

At June 30, 2016, the City had outstanding commitments amounting to approximately \$10,729, resulting primarily from service agreements.

Additionally, at June 30, 2016, the Airport had outstanding commitments amounting to approximately \$17,134 resulting primarily from contracts for construction projects. In addition, the Airport has \$36,648 in outstanding commitments resulting from service agreements.

c. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end are not accounted for as expenditures and liabilities. As of June 30, 2016 encumbrances of \$2,866 were reported in the general fund, \$30 in redevelopment projects fund, \$20,381 in the capital projects services fund and \$4,676 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 10% of the Airport's total operating revenues and 20% of total revenues from signatory air carriers for the fiscal year ended June 30, 2016. Accounts receivable at June 30, 2016 contained \$713 relating to amounts owed to the Airport by American. This amount includes \$573 of unbilled aviation revenues at June 30, 2016.

Southwest provided 26% of the Airport's total operating revenues and 51% of total revenues from signatory air carriers for the fiscal year ended June 30, 2016. Accounts receivable at June 30, 2016 contained \$516 relating to amounts owed to the Airport by Southwest. This amount includes \$1,158 of unbilled aviation revenues at June 30, 2016.

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.

City of St. Louis, Missouri
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f. Parking Capital Commitments

On June 10, 2010, several employees who were part of an outsourcing of the meter collections, filed suit against the Parking Division. On August 24, 2012, the Court found the Parking Division liable by outsourcing the duties of employees. However, in fiscal year 2014, the Parking Division won the case on appeal. In fiscal year 2015, the Parking Division won the summary judgment on all claims without going to trial. This summary judgment became final in fiscal year 2016.

g. Component Unit—SLDC

SLDC has entered into various cooperative agreements with the CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to \$3,034 during the year ended June 30, 2016.

SLDC has received eight allocation awards of New Market Tax Credit (NMTC) investment authority pursuant to Section 45D of the Internal Revenue Code: a Round 2, \$52,000 allocation received in 2005, a Round 6, \$45,000 allocation in October 2008, a Round 7, \$65,000 allocation received in October 2009, a Round 8, \$21,000 allocation in February 2011, a Round 9, \$50,000 allocation received in February 2012, a Round 10, \$30,000 allocation received in April 2013 and a Round 12, \$45,000 allocation received in June 2015 and a Round 13, \$75,000 allocation awarded in 2016 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 60 subsidiary CDEs – St. Louis New Markets Tax Credit Fund, LLC I through XL and 41 – 60 with the intent that each project to be allocated would be assigned its own CDE. All of SLDC's first 6 allocations have been fully deployed into 37 projects. The Round 12 allocation still has \$14,000 available; however two transactions totaling \$9,000 are currently in underwriting and expected to close within the next 2 months. The recently awarded Round 13 allocation will not be available to allocate until February 2017 and will be incumbent on SLDC and CDFI Fund entering into an allocation agreement.

SLDC receives financial assistance from several federal, state, and local government agencies in the form of grants and contracts. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the contract and grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become an SLDC liability. However, in the opinion of their management, any such disallowed claims will not have a material effect on the basic financial statements of SLDC at June 30, 2016.

City of St. Louis, Missouri
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(dollars in thousands)

24. RISK MANAGEMENT

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

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of \$51,151 at June 30, 2016, relating to these matters is recorded in the self-insurance internal service fund—PFPC. Of total workers' compensation liability, \$3,854 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 \$463 for the year ended June 30, 2016. 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 \$1,397 at June 30, 2016 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2016, 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 \$216.

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, 2016 and, for the years ended June 30, 2016 and 2015 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2016 and 2015 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2016	\$ 50,279	30,650	(29,778)	51,151
2015	45,825	31,797	(27,343)	50,279

City of St. Louis, Missouri
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June 30, 2016
(dollars in thousands)

Additionally, there is an estimate of general liability claims outstanding of \$5,927 which the City Counselor's office has determined there is a reasonable possibility that a loss contingency may be incurred but no accrual has been made within the government-wide financial statements or fund financial statements because the loss is not both probable and estimateable.

25. GRANT LOAN PROGRAMS

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

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

26. COMPONENT UNIT—SLDC CONDUIT DEBT

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

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Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

27. FUND BALANCE

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

	General fund	Redevelopment projects fund	Capital projects fund	Grant funds	Other governmental fund	Total
Nonspendable:						
Health and welfare	\$ —	—	—	—	10	10
Parks and recreation	—	—	—	—	1	1
Public safety	2,014	—	—	—	—	2,014
Other	1,754	—	—	—	—	1,754
Total	3,768	—	—	—	11	3,779
Restricted:						
Redevelopment	—	13,598	—	—	—	13,598
Streets and bridges	—	—	6,121	—	44	6,165
Public safety	—	—	568	830	135	1,533
Parks and recreation	—	—	23,501	—	2,197	25,698
Convention and tourism	—	—	2,791	—	—	2,791
Transportation	—	—	—	—	5,649	5,649
Debt service	13,532	18,381	5,127	—	8,873	45,913
Other	—	—	4,574	—	842	5,416
Total	13,532	31,979	42,682	830	17,740	106,763
Committed:						
Health and welfare	—	—	—	—	13,240	13,240
Streets and bridges	—	—	4,829	—	1,513	6,342
Public safety	—	—	504	—	7,435	7,939
Parks and recreation	—	—	11,115	—	1,884	12,999
Convention and tourism	—	—	—	—	3,192	3,192
Payroll reserve	10,136	—	—	—	—	10,136
Capital improvement	—	—	22,502	—	4,203	26,705
Total	10,136	—	38,950	—	31,467	80,553
Assigned:						
Redevelopment	—	3,161	—	—	—	3,161
Health and welfare	—	—	—	—	6	6
Streets and bridges	—	—	—	—	4	4
Public safety	—	—	—	—	1,199	1,199
Parks and recreation	—	—	—	—	63	63
Other	—	—	—	—	337	337
Total	—	3,161	—	—	1,609	4,770
Unassigned	(5,150)	—	(18,087)	—	—	(23,237)
Total	\$ 22,286	35,140	63,545	830	50,827	172,628

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

28. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 7, 2016, the City issued \$60,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 1, 2017 and bear interest at a rate of 2.00% per year.

b. Development and Tax Increment Revenue Notes

Subsequent to June 30, 2016, the City issued development and tax increment revenue notes totaling \$3,924 with interest rates of 6.06%.

c. 1520 Market Leasehold Revenue Bonds Series B

Subsequent to June 30, 2016, SLDC drew an additional \$3,208 of SLMFC 1520 Market St. Taxable Leasehold Revenue Bonds, Series 2015 for site preparation for the NGA property.

d. General Obligation Bonds

On November 10, 2016, the City sold \$25,000 General Obligation Bonds, Series 2016A with interest rates ranging from 1% to 5%. The financing was approved by the voters on April 5, 2016 for the purpose of purchasing, replacing, improving and maintaining the buildings, bridges, and equipment of the City.

e. Water Revenue Refunding Bonds

In October 2016, the Water Division drew down an additional \$2,132 of the Series 2013 Water Revenue Refunding Bonds.

In November 2016, the final draw down request of \$1,647 was submitted to Missouri Department of Natural Resources relating to the Series 2013 Water Revenue Bonds. This satisfies the loan draw down requirement of not to exceed \$9,500.

f. Property Taxes

The City tax rate levied in November 2016 was \$1.6231 per \$100 (in dollars) of assessed valuation of which \$1.49 (in dollars) is for the general fund and \$0.1331 (in dollars) is for the debt service fund.

g. Forest Park Forever Series 2013

Subsequent to June 30, 2016, an additional \$4,000 was drawn on the Forest Park Taxable Subordinate Leasehold Revenue Bonds Series 2013 bringing the total drawn to date to \$12,880.

h. Recreation Leasehold Revenue Refunding Bonds

On July 27, 2016 the SLMFC issued \$42,990 in Recreation Sales Tax Leasehold Revenue Refunding Bonds, Series 2016. A portion of the bonds refunded all outstanding Recreation Sales Tax Revenue Bonds, Series 2007 as well as fund a debt service reserve.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2016
(dollars in thousands)

i. Airport Long-Term Lease

Effective July 1, 2016, the Airport entered into a new long-term Airport Use and Lease Agreement (AUA) with signatory air carriers which will expire on June 30, 2021. Contemporaneously, the Airport also adopted a new companion Airline Operating Agreement and Terminal Building space permit (AOA), which the Airport will make available to airlines that elect not to enter into the AUA. The new agreements retain most to the provisions of the prior master agreements which expired on June 30, 2016.

j. Parking Bonds Refinancing

In December 12, 2016, the Parking Division issued \$12,365 Parking Revenue Refunding Bonds, Series 2016 to refund the outstanding Series 2006A bonds.

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, 2016
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Gross receipts	\$ 7,621	7,621	7,491	(130)
City earnings	164,285	164,285	166,156	1,871
Franchise	53,800	53,800	50,098	(3,702)
Sales	52,241	52,241	53,838	1,597
Property	58,258	58,258	58,295	37
Payroll	38,182	38,182	37,573	(609)
Motor vehicle	3,130	3,130	3,243	113
Other	706	706	552	(154)
Total taxes	<u>378,223</u>	<u>378,223</u>	<u>377,246</u>	<u>(977)</u>
Licenses and permits:				
Graduated business	6,476	6,476	6,250	(226)
Cigarette	1,626	1,626	1,681	55
Building division	8,221	8,221	7,592	(629)
Communication transmission	1,610	1,610	1,613	3
Liquor	549	549	559	10
Other	624	624	517	(107)
Motor vehicle	1,423	1,423	1,422	(1)
Total licenses and permits	<u>20,529</u>	<u>20,529</u>	<u>19,634</u>	<u>(895)</u>
Intergovernmental:				
Motor fuel tax allocation	8,550	8,550	8,438	(112)
Juvenile detention center	2,019	2,019	2,020	1
Public safety	6,200	6,200	4,268	(1,932)
Other intergovernmental	422	422	408	(14)
Total intergovernmental	<u>17,191</u>	<u>17,191</u>	<u>15,134</u>	<u>(2,057)</u>
Charges for services:				
Parks and recreation	313	313	321	8
Streets	16,865	16,865	16,817	(48)
Public safety	5,250	5,250	7,034	1,784
Health	773	773	811	38
Fee offices	4,156	4,156	4,261	105
Other	25	25	23	(2)
Services provided to other funds	4,729	4,729	4,933	204
Total charges for services	<u>32,111</u>	<u>32,111</u>	<u>34,200</u>	<u>2,089</u>
Court fines and forfeitures	<u>3,755</u>	<u>3,755</u>	<u>3,025</u>	<u>(730)</u>
Interest	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Miscellaneous	<u>3,444</u>	<u>3,444</u>	<u>3,514</u>	<u>70</u>
Total revenues	<u>455,253</u>	<u>455,253</u>	<u>452,762</u>	<u>(2,491)</u>
EXPENDITURES	<u>482,223</u>	<u>482,221</u>	<u>475,072</u>	<u>7,149</u>
Excess of revenues over expenditures	(26,970)	(26,968)	(22,310)	4,658
Other financing sources (uses):				
Transfers in	37,373	37,373	38,570	1,197
Transfers out	(14,412)	(14,414)	(14,414)	-
Total other financing sources (uses), net	<u>22,961</u>	<u>22,959</u>	<u>24,156</u>	<u>1,197</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,009)</u>	<u>(4,009)</u>	<u>1,846</u>	<u>5,855</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, 2016
(dollars in thousands)

		Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
General government:							
110	Board of Alderman	\$ 3,074	3,074	2,728	164	2,892	182
120	Mayor's Office	1,774	1,774	1,509	167	1,676	98
123	Department of Personnel	4,011	4,011	2,919	391	3,310	701
124	Registrar	168	168	162	8	170	(2)
126	Civil Rights Enforcement Agency	322	322	327	4	331	(9)
127	Information Technology Service Agency	5,730	5,730	3,495	2,088	5,583	147
137	Division of the Budget	442	442	412	6	418	24
139	City Counselor	7,544	7,544	4,022	3,289	7,311	233
141	Planning and Urban Design	507	507	393	108	501	6
160	Comptroller	6,570	7,108	3,806	2,589	6,395	713
162	Municipal Garage	346	327	280	36	316	11
163	Microfilm Section	377	256	214	33	247	9
170	Supply Commissioner	725	725	713	6	719	6
171	Multigraph Section	892	892	611	178	789	103
330	Tax Equalization Board	11	11	6	-	6	5
333	Recorder of Deeds	2,776	2,776	2,403	265	2,668	108
334	Election and Registration	2,938	2,938	1,921	682	2,603	335
340	Treasurer	735	735	696	27	723	12
	Prior year encumbrance	1,700	1,700	-	751	751	949
	Sub total general government	40,642	41,040	26,617	10,792	37,409	3,631
190	City-Wide Accounts	2,941	2,937	3,863	1,750	5,613	(2,676)
	Prior year encumbrance	-	-	-	-	-	-
	Sub total city-wide accounts	2,941	2,937	3,863	1,750	5,613	(2,676)
	Total general government	43,583	43,977	30,480	12,542	43,022	955
Convention and tourism:							
930	Soldier's Memorial Building	144	144	125	1	126	18
	Total convention and tourism	144	144	125	1	126	18

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	\$ 681	681	671	40	711	(30)
213 Division of Recreation	1,412	1,412	1,396	118	1,514	(102)
214 Division of Forestry	8,465	8,465	7,650	729	8,379	86
220 Division of Parks	7,249	7,249	7,097	644	7,741	(492)
225 Soulard Market	224	224	137	75	212	12
250 Tower Grove Park	715	715	-	715	715	-
Prior year encumbrance	25	25	-	25	25	-
Total parks and recreation	<u>18,771</u>	<u>18,771</u>	<u>16,951</u>	<u>2,346</u>	<u>19,297</u>	<u>(526)</u>
Judicial:						
310 Circuit Court (Circuit Judges)	-	-	-	-	-	-
311 Circuit Court (General)	10,041	10,141	5,250	3,919	9,169	972
312 Circuit Attorney	7,332	7,332	6,948	517	7,465	(133)
314 Probate Court	-	-	-	-	-	-
315 Sheriff	9,338	9,338	8,650	301	8,951	387
316 City Courts	2,661	2,661	2,023	459	2,482	179
317 City Marshal	-	-	-	-	-	-
320 Probation Department and Juvenile Detention Center	16,915	16,815	14,784	1,525	16,309	506
321 Drug Court	237	237	-	162	162	75
Prior year encumbrance	802	802	-	339	339	463
Total judicial	<u>47,326</u>	<u>47,326</u>	<u>37,655</u>	<u>7,222</u>	<u>44,877</u>	<u>2,449</u>
Streets:						
510 Director of Streets	1,297	1,297	1,239	43	1,282	15
511 Transportation and Traffic Division	9,933	9,933	5,049	4,650	9,699	234
513 Auto Towing and Storage	1,783	1,783	1,572	184	1,756	27
514 Street Division	6,948	6,948	5,689	1,519	7,208	(260)
516 Refuse Division	14,765	14,765	7,945	7,125	15,070	(305)
Prior year encumbrance	-	-	-	-	-	-
Total streets	<u>34,726</u>	<u>34,726</u>	<u>21,494</u>	<u>13,521</u>	<u>35,015</u>	<u>(289)</u>

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Personal Services	Actual Other Expenditures	Total Expenditures	Variance with Final Budget Positive (Negative)
Public safety - fire:						
611 Fire Department Operations	\$ 56,723	56,723	55,328	3,069	58,397	(1,674)
612 Firemen's Retirement System	6,615	6,615	6,615	-	6,615	-
Total public safety - fire	63,338	63,338	61,943	3,069	65,012	(1,674)
Public safety - police:						
650 Police Department	127,164	127,164	113,449	13,307	126,756	408
651 Police Retirement System	28,462	28,462	28,444	-	28,444	18
Prior year encumbrance	1,377	1,377	-	1,252	1,252	125
Total public safety - police	157,003	157,003	141,893	14,559	156,452	551
Public safety - other:						
610 Director of Public Safety	1,078	1,078	722	218	940	138
614 Office of Special Events	185	185	188	-	188	(3)
616 Excise Commissioner	452	452	423	19	442	10
620 Building Commissioner	8,247	8,247	7,654	518	8,172	75
622 Neighborhood Stabilization	2,699	2,699	2,270	103	2,373	326
625 City Emergency Management Agency	170	170	163	16	179	(9)
632 Medium Security Institution	16,283	16,223	9,973	5,165	15,138	1,085
633 City Jail	22,897	22,757	15,626	5,723	21,349	1,408
Prior year encumbrance	-	-	-	-	-	-
Total public safety-other	52,011	51,811	37,019	11,762	48,781	3,030
Health and welfare:						
335 Medical Examiner	2,135	2,135	965	1,130	2,095	40
800 Director of Human Services	1,485	1,485	1,266	78	1,344	141
Total health and welfare	3,620	3,620	2,231	1,208	3,439	181
Public services:						
900 President's Office, Board of Public Services	2,679	2,654	2,263	226	2,489	165
903 Building Operations	17,088	16,351	4,137	10,450	14,587	1,764
910 Equipment Services Division	14,989	15,551	7,612	7,462	15,074	477
Total public services	34,756	34,556	14,012	18,138	32,150	2,406
Debt service:						
Principal	13,833	13,905	-	13,905	13,905	-
Interest and fiscal charges	13,112	13,044	-	12,996	12,996	48
Total debt service	26,945	26,949	-	26,901	26,901	48
Total expenditures	\$ 482,223	482,221	363,803	111,269	475,072	7,149

See accompanying independent auditors' report.

City of St. Louis, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Redevelopment Projects Fund
UNAUDITED
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 34,332	34,332	34,332	—
Licenses and permits	—	—	—	—
Intergovernmental	3,919	3,919	3,919	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	2	2	2	—
Miscellaneous	2,917	2,917	2,917	—
Total revenues	41,170	41,170	41,170	—
Expenditures:				
Current:				
General government	947	947	874	(73)
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	52,538	52,538	52,538	—
Capital outlay	—	—	—	—
Debt service	32,304	32,304	32,304	—
Total expenditures	85,789	85,789	85,716	73
Excess (deficiency) of revenues over (under) expenditures	(44,619)	(44,619)	(44,546)	73
Other financing sources (uses):				
Proceeds net of refunding	49,757	49,757	49,757	—
Transfers in	348	348	348	—
Transfers out	(1,644)	(1,644)	(1,644)	—
	48,461	48,461	48,461	—
Net change in fund balances	\$ 3,842	3,842	3,915	73

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, 2016
(Dollars in thousands)

1. EXPLANATION OF BUDGETARY PROCESS

The City prepares annual budgets for the general fund, the redevelopment projects 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, 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 3, 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, 2016
(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:

	General fund	Redevelopment projects fund
Budget basis	\$ 1,846	3,915
Increase (decrease) due to:		
Revenue accruals	(7,245)	1,412
Expenditure accruals	(2,410)	(37)
Unbudgeted activities and funds	1,442	—
GAAP basis	\$ (6,367)	5,290

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Police Retirement System of St. Louis.

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

Total Pension Liability	Fiscal Year End June 30,									
	2015	2015	2014	2013	2012	2011	2010	2009	2008	2007
Service Cost	12,978	12,992								
Interest	66,579	65,906								
Difference between expected and actual experience	(2,041)	-								
Change in benefit	-	-	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>							
Change of assumptions	16,249	6,650								
Benefit payments	(69,533)	(60,973)								
Net change in total pension liability	24,232	24,575								
Total pension liability - beginning	919,906	895,331								
Total pension liability - ending (a)	\$ 944,138	\$ 919,906								
System Fiduciary Net Position										
Contributions - employer	30,600	32,325								
Contributions - employee	4,488	4,438								
Net investment income	(8,325)	48,095								
Benefit payments	(69,533)	(60,973)								
Administrative expenses	(1,125)	(1,096)								
Net change in fiduciary net position	(43,895)	22,789								
System fiduciary net position - beginning	728,790	706,277								
System fiduciary net position - ending (b)	\$ 684,895	\$ 729,066								
Net pension liability - ending: (a)-(b)	\$ 259,243	\$ 190,840								
System's fiduciary net position as a percentage of the total pension liability	72.54%	79.25%								
Covered-employee payroll*	83,141	78,610								
Net pension liability as a percentage of covered-employee payroll	311.81%	242.77%								

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

Police Retirement System of St. Louis, continued

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

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

	Covered Employee Payroll	Contributions as % of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal Year Ended June 30,					
2016	83,141	36.80%	30,600	30,600	-
2015	78,610	41.12%	32,325	32,325	-
2014	70,328	41.96%	29,513	32,629	(3,116)
2013	70,077	31.60%	22,146	28,474	(6,328)
2012	67,594	26.80%	18,116	20,037	(1,921)
2011	71,095	21.25%	15,108	17,476	(2,368)
2010	68,573	16.58%	11,368	14,318	(2,950)
2009	63,835	18.99%	12,123	10,384	1,739
2008	62,179	25.95%	16,136	42,289	(26,153)
2007	61,678	25.17%	15,525	8,093	7,432

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	None - aggregate is funded over the future working lifetime of current participants
Asset Valuation Method	5-year smoothed average of market value
Actuarial Assumptions:	
Investment Rate of Return	7.75%, net of 0.15% administrative expenses
Inflation	2.5%
Projected Salary Increases	3.0% – 6.5%, varying by age
Mortality (ordinary)	RP-2000 Blue collar combined projected to 2018
Mortality (accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (disabled)	RP-2000 disabled retiree mortality projected to 2018

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Firemen's Retirement System of St Louis

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

Total Pension Liability	Fiscal Year End June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Service Cost	-	-								
Interest	34,403	34,450								
Difference between expected and actual experience	15	-								
Change in benefit	-	-								
Change in assumptions	43,915	-								
Refunds	(1,294)	(1,205)								
Benefit payments	(33,562)	(34,002)								
Net change in total pension liability	43,477	(757)								
Total pension liability - beginning	451,542	452,299								
Total pension liability - ending (a)	\$ 495,019	\$ 451,542								
System Fiduciary Net Position										
Contributions - employer	-	1,008								
Refunds	(1,294)	(1,205)								
Net investment income	(10,932)	48,270								
Benefit payments	(33,562)	(34,002)								
Transfer out due to settlement agreement	-	(10,279)								
Administrative expenses	(1,594)	(1,424)								
Net change in fiduciary net position	(47,382)	2,368								
System fiduciary net position - beginning	494,440	492,222								
System fiduciary net position - ending (b)	\$ 447,058	\$ 494,590								
Net pension liability - ending: (a)-(b)	\$ 47,961	\$ (43,048)								
System's fiduciary net position as a percentage of the										
total pension liability	90.31%	109.53%								
Covered-employee payroll*	30,288	29,768								
Net pension liability as a percentage of covered-										
employee payroll	158.35%	-144.61%								

Firemen's Retirement System of St Louis, continued

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

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

	Covered Employee Payroll	Contributions as % of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal Year Ended June 30,					
2016	30,288	0.00%	-	-	-
2015	29,768	3.39%	1,008	1,008	-
2014	30,022	32.66%	9,804	10,137	(333)
2013	36,013	58.80%	21,177	21,685	(508)
2012	37,157	62.09%	23,072	23,072	-
2011	40,789	43.77%	17,855	17,855	-
2010	42,052	29.00%	12,194	12,194	-
2009	41,649	17.97%	7,485	7,485	-
2008	37,690	37.90%	14,285	49,398	(35,113)
2007	35,726	50.89%	18,180	4,109	14,071

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30-year closed period from establishment
Asset Valuation Method	3-year smoothed average of market value
Actuarial Assumptions:	
Investment Rate of Return	7.3%, net of investment expenses
Inflation	2.75%
Projected Salary Increases	Benefits have been frozen since February 1, 2013; therefore, no salary increases have been assumed
Mortality	RP-2014 mortality table, sex distinct

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Firefighters' Retirement Plan

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

Total Pension Liability	Fiscal Year End June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Service Cost	6,227	6,411								
Interest	6,146	4,088								
Difference between expected and actual experience	1,179	(5,360)								
Change in benefit	979	-	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>							
Change of assumptions	22,244	-								
Benefit payments	(263)	(133)								
Net change in total pension liability	36,512	5,006								
Total pension liability - beginning	52,268	47,262								
Total pension liability - ending (a)	\$ 88,780	\$ 52,268								
Plan Fiduciary Net Position										
Contributions - employer	8,507	15,825								
Contributions - employee	2,829	2,813								
Net investment income	(843)	(92)								
Benefit payments	(263)	(133)								
Administrative expenses	(313)	(207)								
Net change in fiduciary net position	9,917	18,206								
Plan fiduciary net position - beginning	19,859	1,653								
Plan fiduciary net position - ending (b)	\$ 29,776	\$ 19,859								
Net pension liability - ending: (a)-(b)	\$ 59,004	\$ 32,409								
Plan's fiduciary net position as a percentage of the total pension liability	33.54%	37.99%								
Covered-employee payroll*	40,889	39,102								
Net pension liability as a percentage of covered-employee payroll	144.30%	82.88%								

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

Firefighters' Retirement Plan, continued

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

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

	Covered Employee Payroll	Contributions as % of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal Year Ended June 30,					
2016	40,889	20.80%	7,436	7,436	-
2015	39,102	40.47%	8,942	15,825	(6,883)
2014	23,270	29.58%	6,883	6,883	-
2012					
2011					
2010					
2009					
2008					
2007					
2006					

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30-year closed period from establishment
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.625%, net of investment expenses
Inflation	3%
Projected Salary Increases	Varies based on employee's years of service
Mortality	RP-2000 mortality table, sex distinct, with rates projected to 2015

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Employees Retirement System of the City of St Louis

Schedule of Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years (In Thousands)

	Fiscal Year End June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Proportion of the net pension liability	83.50%	83.90%								
Proportionate share of the net pension liability	\$ 189,264	\$ 129,712								
Covered-employee payroll	213,053	212,684								
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	88.83%	60.99%								
Plan fiduciary net position as a percentage of the total pension liability	76.22%	83.54%								

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

Fiscal Year Ended June 30,	Covered Employee Payroll	Contributions as % of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
2016	213,053	13.89%	26,396	29,595	(3,199)
2015	212,684	14.51%	28,576	30,865	(2,289)
2014	192,141	0.00%	29,601	-	29,601
2013	191,099	13.52%	27,064	25,837	1,227
2012	189,602	13.13%	25,073	24,900	173
2011	197,584	11.67%	24,224	23,049	1,175
2010	204,348	11.34%	22,162	23,164	(1,002)
2009	202,896	12.71%	21,495	25,798	(4,303)
2008	196,375	30.86%	25,159	60,606	(35,447)
2007	190,502	7.03%	25,056	13,393	11,663

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Employees Retirement System of the City of St Louis, continued

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Layered 20-year amortization of unfunded liability
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Inflation	3.125%
Projected Salary Increases	Varies by age, ranging from 3.50% to 7.017%
Mortality	1994 Group Annuity Mortality Table

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2016
(dollars in thousands)

Other Postemployment Benefits Plan

The following required supplementary information relates to postemployment benefits plan.

Actuarial Valuation Date	Actuarial Value of System Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/15	—	501,968	501,968	0.0	89,182	562.9%
7/1/13	—	490,773	490,773	0.0	88,828	552.5
7/1/11	—	443,392	443,392	0.0	93,289	475.3



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.

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

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

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

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

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

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

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, 2016
(dollars in thousands)

	Special revenue						
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue
Assets							
Cash and cash equivalents:							
Restricted	\$ —	—	—	—	—	—	—
Unrestricted	7,490	—	—	486	—	1,683	1,142
Investments:							
Restricted	—	—	—	—	—	—	—
Unrestricted	2,062	—	—	133	—	464	—
Receivables, net of allowances:							
Taxes	4,439	6,097	3,494	616	—	—	—
Licenses and permits	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	742	—
Other	20	—	—	—	—	—	—
Due from component unit	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Total assets	<u>\$ 14,011</u>	<u>6,097</u>	<u>3,494</u>	<u>1,235</u>	<u>—</u>	<u>2,889</u>	<u>1,142</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,489	—	—	—	—	471	—
Accrued salaries and other benefits	499	—	—	—	217	26	—
Due to component units	—	—	—	—	—	—	—
Due to other funds	2	448	325	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—
Total liabilities	<u>1,990</u>	<u>448</u>	<u>325</u>	<u>—</u>	<u>217</u>	<u>497</u>	<u>—</u>
Deferred inflow of resources	—	—	—	—	—	620	—
Total liabilities and deferred inflow of resources	<u>1,990</u>	<u>448</u>	<u>325</u>	<u>—</u>	<u>217</u>	<u>1,117</u>	<u>—</u>
Fund balances:							
Nonspendable	—	—	—	—	—	—	—
Restricted	—	5,649	—	90	(217)	—	1,142
Committed	11,729	—	3,169	—	—	1,772	—
Assigned	292	—	—	1,145	—	—	—
Unassigned	—	—	—	—	—	—	—
Total fund balances	<u>12,021</u>	<u>5,649</u>	<u>3,169</u>	<u>1,235</u>	<u>(217)</u>	<u>1,772</u>	<u>1,142</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 14,011</u>	<u>6,097</u>	<u>3,494</u>	<u>1,235</u>	<u>—</u>	<u>2,889</u>	<u>1,142</u>

City of St. Louis, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016
(dollars in thousands)

	Special revenue								Total Other Governmental Fund
	License Collector	Public Safety Trust	Public Safety Sales Tax	Parks and Recreation	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	
Assets									
Cash and cash equivalents:									
Restricted	\$ —	—	—	875	—	—	875	1,883	2,758
Unrestricted	1,962	—	1,897	1,737	3,778	3,704	23,879	—	23,879
Investments:									
Restricted	—	—	—	—	—	—	—	4,999	4,999
Unrestricted	—	—	523	478	1,035	1,208	5,903	—	5,903
Receivables, net of allowances:									
Taxes	—	—	3,047	762	1,528	—	19,983	6,975	26,958
Licenses and permits	—	259	—	—	3	—	262	—	262
Intergovernmental	—	—	—	—	137	—	137	—	137
Charges for services	—	—	—	—	418	5	1,165	—	1,165
Other	—	—	—	—	301	334	655	—	655
Due from component unit	—	—	—	—	447	—	447	—	447
Due from other funds	—	—	—	—	—	—	—	—	—
Total assets	\$ 1,962	259	5,467	3,852	7,647	5,251	53,306	13,857	67,163
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ —	—	129	61	185	279	2,614	40	2,654
Accrued salaries and other benefits	—	44	—	210	317	16	1,329	—	1,329
Due to component units	—	—	—	—	—	26	26	—	26
Due to other funds	—	54	466	124	—	—	1,419	—	1,419
Unearned revenue	—	—	—	—	2,433	334	2,767	—	2,767
Total liabilities	—	98	595	395	2,935	655	8,155	40	8,195
Deferred inflow of resources	—	112	—	—	495	—	1,227	6,914	8,141
Total liabilities and deferred inflow of resources	—	210	595	395	3,430	655	9,382	6,954	16,336
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	1,962	—	—	1,919	(428)	720	10,837	6,903	17,740
Committed	—	49	4,872	1,538	4,621	3,717	31,467	—	31,467
Assigned	—	—	—	—	24	148	1,609	—	1,609
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	1,962	49	4,872	3,457	4,217	4,596	43,924	6,903	50,827
Total liabilities, deferred inflow of resources, and fund balances	\$ 1,962	259	5,467	3,852	7,647	5,251	53,306	13,857	67,163

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2016
(dollars in thousands)

	Special revenue						
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue
Revenues:							
Taxes	\$ 28,975	40,323	14,638	6,755	2,163	—	—
Licenses and permits	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	436	—	—
Charges for services, net	—	—	—	—	2	2,649	8,896
Investment income	18	—	—	—	—	1	8
Miscellaneous	68	—	—	—	—	—	609
Total	29,061	40,323	14,638	6,755	2,601	2,650	9,513
Expenditures:							
General government	—	—	165	—	4,234	—	9,105
Convention and tourism	—	—	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—	—
Judicial	—	—	—	—	—	—	—
Streets	623	—	—	—	—	—	—
Public safety:							
Fire	—	—	—	19	—	—	—
Police	9,738	—	—	2,800	—	—	—
Other	3,024	—	—	—	—	—	—
Health and welfare	17,418	—	—	—	—	—	—
Public services	—	40,284	—	—	—	2,755	—
Community development	—	—	—	—	—	—	—
Capital outlay	7	—	—	—	—	—	—
Debt service:							
Principal	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Advance refunding escrow	—	—	—	—	—	—	—
Total expenditures	30,810	40,284	165	2,819	4,234	2,755	9,105
Excess (deficiency) of revenues over expenditures	(1,749)	39	14,473	3,936	(1,633)	(105)	408
Other financing sources (uses):							
Issuance of tax increment revenue notes	—	—	—	—	—	—	—
Issuance of general obligation bonds	—	—	—	—	—	—	—
Payment of TIF notes	—	—	—	—	—	—	—
Payment to refunded escrow agent	—	—	—	—	—	—	—
Premium on bonds	—	—	—	—	—	—	—
Discount on TIF notes	—	—	—	—	—	—	—
Transfers in	—	—	—	—	1,650	—	—
Transfers out	(606)	—	(14,598)	(4,390)	(46)	(5)	(75)
Total other financing sources (uses), net	(606)	—	(14,598)	(4,390)	1,604	(5)	(75)
Net change in fund balances	(2,355)	39	(125)	(454)	(29)	(110)	333
Fund balances:							
Beginning of year	14,376	5,610	3,294	1,689	(188)	1,882	809
End of year	\$ 12,021	5,649	3,169	1,235	(217)	1,772	1,142

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2016
(dollars in thousands)

	License Collector	Public Safety Trust	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	\$ —	—	19,450	4,850	16,860	—	134,014	6,616	140,630
Licenses and permits	—	2,876	—	—	4,241	—	7,117	—	7,117
Intergovernmental	—	—	—	—	405	79	920	—	920
Charges for services, net	2,093	—	—	—	3,905	1,180	18,725	—	18,725
Investment income	—	—	1	1	3	5	37	4	41
Miscellaneous	—	—	646	2,000	2,516	2,369	8,208	—	8,208
Total	2,093	2,876	20,097	6,851	27,930	3,633	169,021	6,620	175,641
Expenditures:									
General government	2,038	278	—	—	1,576	334	17,730	125	17,855
Convention and tourism	—	—	—	—	—	—	—	—	—
Parks and recreation	—	—	—	3,941	795	70	4,806	—	4,806
Judicial	—	511	166	—	2,198	832	3,707	—	3,707
Streets	—	—	—	—	289	170	1,082	—	1,082
Public safety:									
Fire	—	—	1,050	—	—	57	1,126	—	1,126
Police	—	2,181	8,221	—	125	235	23,300	—	23,300
Other	—	—	680	—	2,807	1,762	8,273	—	8,273
Health and welfare	—	—	—	—	360	40	17,818	—	17,818
Public services	—	—	(2)	—	290	51	43,378	—	43,378
Community development	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	170	—	177	—	177
Debt service:									
Principal	—	—	3,747	1,155	144	—	5,046	3,660	8,706
Interest and fiscal charges	—	—	5,627	2,118	45	—	7,790	1,422	9,212
Advance refunding escrow	—	—	—	—	—	—	—	1,826	1,826
Total expenditures	2,038	2,970	19,489	7,214	8,799	3,551	134,233	7,033	141,266
Excess (deficiency) of revenues over expenditures	55	(94)	608	(363)	19,131	82	34,788	(413)	34,375
Other financing sources (uses):									
Issuance of tax increment revenue notes	—	—	—	—	—	—	—	—	—
Issuance of general obligation bonds	—	—	—	—	—	—	—	16,795	16,795
Payment of TIF notes	—	—	—	—	—	—	—	—	—
Payment to refunded escrow agent	—	—	—	—	(243)	—	(243)	(17,622)	(17,865)
Premium on bonds	—	—	—	—	—	—	—	1,175	1,175
Discount on TIF notes	—	—	—	—	—	—	—	—	—
Transfers in	—	—	—	400	852	—	2,902	2	2,904
Transfers out	(21)	(10)	(1)	(18)	(18,964)	(38)	(38,772)	—	(38,772)
Total other financing sources (uses), net	(21)	(10)	(1)	382	(18,355)	(38)	(36,113)	350	(35,763)
Net change in fund balances	34	(104)	607	19	776	44	(1,325)	(63)	(1,388)
Fund balances:									
Beginning of year	1,928	153	4,265	3,438	3,441	4,552	45,249	6,966	52,215
End of year	\$ 1,962	49	4,872	3,457	4,217	4,596	43,924	6,903	50,827

See accompanying independent auditors' report.

City of St. Louis, Missouri
Use Tax Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 30,600	30,600	29,168	1,432
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	25	25	12	13
Miscellaneous	20	20	48	(28)
Total revenues	<u>30,645</u>	<u>30,645</u>	<u>29,228</u>	<u>1,417</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	729	729	621	108
Public safety:				
Fire	—	—	—	—
Police	9,738	9,738	9,738	—
Other	3,190	3,190	3,049	141
Health and welfare	26,174	26,174	16,891	9,283
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>39,831</u>	<u>39,831</u>	<u>30,299</u>	<u>9,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,186)</u>	<u>(9,186)</u>	<u>(1,071)</u>	<u>10,949</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(500)	(500)	(500)	—
	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>—</u>
Net change in fund balances	<u>\$ (9,686)</u>	<u>(9,686)</u>	<u>(1,571)</u>	<u>10,949</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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 44,130	40,130	40,284	(3,846)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>44,130</u>	<u>40,130</u>	<u>40,284</u>	<u>(3,846)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	44,130	44,130	40,284	3,846
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>44,130</u>	<u>44,130</u>	<u>40,284</u>	<u>3,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,253	14,253	14,763	510
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	14,253	14,253	14,763	510
Expenditures:				
Current:				
General government	165	165	165	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	165	165	165	—
Excess (deficiency) of revenues over (under) expenditures	14,088	14,088	14,598	510
Other financing sources (uses):				
Transfers in				
Transfers out	(14,090)	(14,090)	(14,598)	(508)
	(14,090)	(14,090)	(14,598)	(508)
Net change in fund balances	\$ (2)	(2)	—	2

See accompanying independent auditors' report.

City of St. Louis, Missouri
Licensed Gaming Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,050	7,050	6,758	(292)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>7,050</u>	<u>7,050</u>	<u>6,758</u>	<u>(292)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	20	5
Police	2,800	2,800	2,800	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	1,071	1,071	—	1,071
Debt service	—	—	—	—
Total expenditures	<u>3,896</u>	<u>3,896</u>	<u>2,820</u>	<u>1,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,154</u>	<u>3,154</u>	<u>3,938</u>	<u>784</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(4,390)	(4,390)	(4,390)	—
	<u>(4,390)</u>	<u>(4,390)</u>	<u>(4,390)</u>	<u>—</u>
Net change in fund balances	<u>\$ (1,236)</u>	<u>(1,236)</u>	<u>(452)</u>	<u>784</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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,212	2,212	2,163	(49)
Licenses and permits	—	—	—	—
Intergovernmental	420	420	436	16
Charges for service, net	5	5	2	(3)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,637</u>	<u>2,637</u>	<u>2,601</u>	<u>(36)</u>
Expenditures:				
Current:				
General government	4,349	4,349	4,251	98
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>4,349</u>	<u>4,349</u>	<u>4,251</u>	<u>98</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,712)</u>	<u>(1,712)</u>	<u>(1,650)</u>	<u>62</u>
Other financing sources (uses):				
Transfers in	1,650	1,650	1,650	—
Transfers out	—	—	—	—
	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	<u>—</u>
Net change in fund balances	<u>\$ (62)</u>	<u>(62)</u>	<u>—</u>	<u>62</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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,640	2,640	2,658	18
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,640</u>	<u>2,640</u>	<u>2,658</u>	<u>18</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,634	2,634	2,453	181
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,634</u>	<u>2,634</u>	<u>2,453</u>	<u>181</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6</u>	<u>6</u>	<u>205</u>	<u>199</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ 6</u>	<u>6</u>	<u>205</u>	<u>199</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Public Safety Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	3,063	3,063	2,881	(182)
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>3,063</u>	<u>3,063</u>	<u>2,881</u>	<u>(182)</u>
Expenditures:				
Current:				
General government	290	290	282	8
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	527	527	500	27
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,181	2,181	2,181	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,998</u>	<u>2,998</u>	<u>2,963</u>	<u>35</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65</u>	<u>65</u>	<u>(82)</u>	<u>(147)</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ 65</u>	<u>65</u>	<u>(82)</u>	<u>(147)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
City 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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 18,914	18,914	19,477	563
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	18,914	18,914	19,477	563
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	290	290	175	115
Streets	—	—	—	—
Public safety:				
Fire	1,050	1,050	1,050	—
Police	8,220	8,220	8,220	—
Other	1,599	1,599	722	877
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,728	2
Total expenditures	19,889	19,889	18,895	994
Excess (deficiency) of revenues over (under) expenditures	(975)	(975)	582	1,557
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	\$ (975)	(975)	582	1,557

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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,711	4,711	4,855	144
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	2,000	2,000	2,000	—
Total revenues	6,711	6,711	6,855	144
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	4,869	4,869	3,895	974
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,292	3,292	3,283	9
Total expenditures	8,161	8,161	7,178	983
Excess (deficiency) of revenues over (under) expenditures	(1,450)	(1,450)	(323)	1,127
Other financing sources (uses):				
Transfers in	400	400	400	—
Transfers out	—	—	—	—
	400	400	400	—
Net change in fund balances	\$ (1,050)	(1,050)	77	1,127

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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,569	18,589	16,852	(1,737)
Licenses and permits	3,970	3,970	4,245	275
Intergovernmental	555	555	545	(10)
Charges for service, net	3,204	3,204	4,103	899
Court fines and forfeitures	1,544	1,544	1,144	(400)
Investment income	—	—	—	—
Miscellaneous	3,350	3,350	2,225	(1,125)
Total revenues	26,192	31,212	29,114	(2,098)
Expenditures:				
Current:				
General government	2,059	2,059	1,570	489
Convention and tourism	—	—	—	—
Parks and recreation	1,177	1,177	822	355
Judicial	2,604	2,604	2,203	401
Streets	389	389	357	32
Public safety:				
Fire	—	—	—	—
Police	525	525	135	390
Other	3,616	3,616	2,941	675
Health and welfare	749	749	364	385
Public service	1,019	1,029	287	742
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	12,138	12,148	8,679	3,469
Excess (deficiency) of revenues over (under) expenditures	14,054	19,064	20,435	1,371
Other financing sources (uses):				
Transfers in	528	528	544	16
Transfers out	(16,510)	(22,010)	(20,110)	1,900
	(15,982)	(21,482)	(19,566)	1,916
Net change in fund balances	\$ (1,928)	(2,418)	869	3,287

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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,575	6,575	6,635	60
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	2	2	(2)	(4)
Miscellaneous	—	—	—	—
Total revenues	<u>6,577</u>	<u>6,577</u>	<u>6,633</u>	<u>56</u>
Expenditures:				
Current:				
General government	—	85	85	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	4,824	5,087	5,082	5
Total expenditures	<u>4,824</u>	<u>5,172</u>	<u>5,167</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,753</u>	<u>1,405</u>	<u>1,466</u>	<u>61</u>
Other financing sources (uses):				
Bond Proceeds	—	16,795	16,795	—
Premium on Bond	—	1,175	1,175	—
Payment to refunded bond escrow agent	—	(19,448)	(19,448)	—
Transfers in	—	—	2	2
Transfers out	—	—	—	—
	<u>—</u>	<u>(1,478)</u>	<u>(1,476)</u>	<u>2</u>
Net change in fund balances	<u>\$ 1,753</u>	<u>(73)</u>	<u>(10)</u>	<u>63</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, 2016
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 23,370	23,370	24,056	686
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	667	667	183	(484)
Total revenues	<u>24,667</u>	<u>24,667</u>	<u>24,869</u>	<u>202</u>
Expenditures:				
Current:				
General government	898	556	—	556
Convention and tourism	—	—	—	—
Parks and recreation	3,897	4,374	1,144	3,230
Judicial	—	—	—	—
Streets	10,531	12,955	7,304	5,651
Public safety:	—	—	—	—
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	12,918	12,447	2,437	10,010
Capital outlay	18,191	21,603	7,204	14,399
Debt service	21,734	21,721	20,210	1,511
Total expenditures	<u>68,169</u>	<u>73,656</u>	<u>38,299</u>	<u>35,357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,502)</u>	<u>(48,989)</u>	<u>(13,430)</u>	<u>35,559</u>
Other financing sources (uses):				
Sale of general fixed assets	—	—	—	—
Transfers in	18,831	21,581	22,435	854
Transfers out	(4,327)	(4,340)	(4,159)	181
	<u>14,504</u>	<u>17,241</u>	<u>18,276</u>	<u>1,035</u>
Net change in fund balances	<u>\$ (28,998)</u>	<u>(31,748)</u>	<u>4,846</u>	<u>36,594</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, 2016
(dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	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	\$ (1,571)	—	—	(452)	—	205	(82)	582	77	869	(10)	4,846
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.	(167)	39	(125)	(3)	—	(8)	(5)	(26)	(4)	(1,846)	(13)	(30)
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(617)	—	—	1	(29)	(307)	(17)	51	(54)	1,753	(40)	(726)
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.	—	—	—	—	—	—	—	—	—	—	—	5,600
Net change in fund balances—GAAP basis	\$ <u>(2,355)</u>	<u>39</u>	<u>(125)</u>	<u>(454)</u>	<u>(29)</u>	<u>(110)</u>	<u>(104)</u>	<u>607</u>	<u>19</u>	<u>776</u>	<u>(63)</u>	<u>9,690</u>

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, 2016
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 4,096	4	2,908	365	7,373
Investments – unrestricted	—	1	801	100	902
Receivables, net of allowances:					
Charges for services	—	—	1,316	—	1,316
Miscellaneous	98	—	—	—	98
Prepaid assets	1,754	47	—	—	1,801
Due from other funds	5,895	5	450	335	6,685
Due from component unit	—	3	—	—	3
Advance from other funds	37,914	—	—	—	37,914
Total current assets	<u>49,757</u>	<u>60</u>	<u>5,475</u>	<u>800</u>	<u>56,092</u>
Noncurrent assets:					
Capital assets	—	123	—	—	123
Less accumulated depreciation	<u>—</u>	<u>(94)</u>	<u>—</u>	<u>—</u>	<u>(94)</u>
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>29</u>	<u>—</u>	<u>—</u>	<u>29</u>
Total assets	<u>49,757</u>	<u>89</u>	<u>5,475</u>	<u>800</u>	<u>56,121</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	45	3	189	237
Due to other funds	—	—	—	—	—
Claims payable	<u>49,757</u>	<u>—</u>	<u>1,394</u>	<u>—</u>	<u>51,151</u>
Total current liabilities	<u>49,757</u>	<u>45</u>	<u>1,397</u>	<u>189</u>	<u>51,388</u>
Total liabilities	<u>49,757</u>	<u>45</u>	<u>1,397</u>	<u>189</u>	<u>51,388</u>
Net Position					
Net investment in capital assets	—	29	—	—	29
Unrestricted	<u>—</u>	<u>15</u>	<u>4,078</u>	<u>611</u>	<u>4,704</u>
Total net position	<u>\$ —</u>	<u>44</u>	<u>4,078</u>	<u>611</u>	<u>4,733</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, 2016
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 17,776	535	10,975	3,517	32,803
Miscellaneous	(265)	—	—	—	(265)
Total operating revenues	17,511	535	10,975	3,517	32,538
Operating expenses:					
Claims incurred	14,959	—	8,817	—	23,776
Premiums	2,552	—	—	—	2,552
Personnel services	—	300	—	—	300
Material and supplies	—	280	—	3,508	3,788
Depreciation	—	8	—	—	8
Total operating expenses	17,511	588	8,817	3,508	30,424
Operating income (loss)	—	(53)	2,158	9	2,114
Nonoperating revenues (expenses):					
Investment income (loss)	—	—	2	—	2
Total nonoperating revenues (expenses), net	—	(53)	2	—	2
Income (loss) before capital contributions	—	(53)	2,160	9	2,116
Changes in net position	—	(53)	2,160	9	2,116
Net position – beginning of year	—	97	1,918	602	2,617
Net position – end of year	\$ —	44	4,078	611	4,733

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2016
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 20,314	535	9,548	3,591	33,988
Payments to suppliers of goods and services	(18,411)	(280)	(8,105)	(3,636)	(30,432)
Payments to employees	—	(294)	—	—	(294)
Net cash provided by (used in) operating activities	1,903	(39)	1,443	(45)	3,262
Cash flows from investing activities:					
Purchase of investments	—	1	(681)	(73)	(753)
Net cash (used in) provided by investing activities	—	1	(681)	(73)	(753)
Net increase (decrease) in cash and cash equivalents	1,903	(38)	762	(118)	2,509
Cash and cash equivalents beginning of year	2,193	42	2,146	483	4,864
Cash and cash equivalents end of year	\$ 4,096	4	2,908	365	7,373
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(53)	2,158	9	2,114
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	8	—	—	8
Change in assets and liabilities:					
Receivables, net	264	—	(1,316)	—	(1,052)
Due to/from other funds	(466)	—	(111)	74	(503)
Advance to other funds	3,003	—	—	—	3,003
Prepaid assets	(1,061)	—	—	—	(1,061)
Accounts payable and accrued liabilities	—	6	3	(128)	(119)
Claims payable	163	—	709	—	872
Total adjustments	1,903	14	(715)	(54)	1,148
Net cash provided by (used in) operating activities	\$ 1,903	(39)	1,443	(45)	3,262

See accompanying independent auditors' report.

Pension Trust Funds

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

Firemen's System – The frozen single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters.

Firefighters' Plan - A single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters replacing the Firemen's System.

Police System – A single employer public employee retirement system fund used to account for the accumulation of resources to be used for pension and other benefit payments for City police officers.

Employees' System – A multi-employer public employee retirement system used to account for the accumulation of resources to be used for pension and other benefit payments for employees of the City (excluding firefighters and police officers) and other anticipating governmental agencies. City employees account for greater than 99% of total plan participants.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2016
(dollars in thousands)

	Firemen's System (as of September 30, 2015*)	Firefighter's Plan (as of September 30, 2015*)	Police System (as of September 30, 2015*)	Employees' System (as of September 30, 2015*)	Total (as of September 30, 2015*)
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 3,590	65	7,277	411	11,343
Investments – unrestricted:					
Bonds	27,621	5,783	79,189	87,580	200,173
Domestic bond funds	—	—	—	78,530	78,530
Stocks	189,424	22,267	182,060	157,597	551,348
Mortgage-backed securities	—	—	20,065	—	20,065
Collective investment funds	115,137	—	206,125	—	321,262
Real estate equities and investment trust	59,024	—	29,919	86,804	175,747
Investment property	—	—	850	—	850
Hedge funds	49,671	—	31,320	74,517	155,508
Money market mutual funds and other short term investments	8,112	3,613	42,362	5,582	59,669
Managed master limited partnership	—	—	87,005	67,543	154,548
Managed international equity funds	—	—	—	169,246	169,246
Total investments	448,989	31,663	678,895	727,399	1,886,946
Securities lending collateral	—	—	—	2,198	2,198
Receivables, net of allowances:					
Contributions	—	—	—	134	134
Accrued interest	972	34	1,027	748	2,781
Due from Firemen's Retirement System	—	1,124	—	—	1,124
Other	904	166	575	—	1,645
Capital assets, net	554	164	346	—	1,064
Total assets	455,009	33,216	688,120	730,890	1,907,235
Deferred Outflows of Resources					
System's staff pension related	77	36	26	—	139
Total deferred outflows of resources	77	36	26	—	139
Total assets and deferred outflows of resources	455,086	33,252	688,146	730,890	1,907,374
Liabilities					
Accounts payable and accrued liabilities	503	44	871	662	2,080
Deposits held for others	—	—	109	—	109
Securities lending collateral liability	—	—	—	2,198	2,198
Due to The Firefighter's Retirement Plan	1,287	—	—	—	1,287
Other liabilities	1,421	3,430	2,243	—	7,094
Total liabilities	3,211	3,474	3,223	2,860	12,768
Deferred Inflows of Resources					
System's staff pension related	13	2	28	33	76
Total deferred inflows of resources	13	2	28	33	76
Total liabilities and deferred inflows of resources	3,224	3,476	3,251	2,893	12,844
Net position					
Net position restricted for pension benefits	\$ 451,862	29,776	684,895	727,997	1,894,530

*See note 10.

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year ended June 30, 2016
(dollars in thousands)

	Firemen's System (as of September 30, 2015*)	Firefighter's Plan (as of September 30, 2015*)	Police System (as of September 30, 2015*)	Employees' System (as of September 30, 2015*)	Total (as of September 30, 2015*)
Additions:					
Contributions:					
Member	\$ —	2,829	4,202	232	7,263
Employer	—	7,435	30,886	35,494	73,815
Investment income:					
Interest and dividends	6,819	443	12,132	9,514	28,908
Net (depreciation) in fair value of investments	(15,617)	(1,265)	(17,151)	(34,463)	(68,496)
Investment loss	(8,798)	(822)	(5,019)	(24,949)	(39,588)
Less investment expense	(2,282)	(21)	(3,306)	(3,487)	(9,096)
Net investment loss	(11,080)	(843)	(8,325)	(28,436)	(48,684)
Total additions	(11,080)	9,421	26,763	7,290	32,394
Deductions:					
Benefits	33,865	149	67,108	59,066	160,188
Refunds of contributions	1,294	114	2,425	—	3,833
Administrative expense	1,594	313	1,125	722	3,754
Total deductions	36,753	576	70,658	59,788	167,775
Increase(decrease) before transfer	(47,833)	8,845	(43,895)	(52,498)	(135,381)
Transfer in	—	1,071	—	—	1,071
Transfer out	(1,071)	—	—	—	(1,071)
Net increase(decrease)	(48,904)	9,916	(43,895)	(52,498)	(135,381)
Net position restricted for pension benefits:					
Beginning of year, as previously reported	500,915	19,860	729,065	780,495	2,030,335
Effect of recording net pension liability System's staff pension related(note 10)	(149)	—	(275)	—	(424)
Beginning of year, adjusted	500,766	19,860	728,790	780,495	2,029,911
End of year	\$ 451,862	29,776	684,895	727,997	1,894,530

*See note 10.

See accompanying independent auditors' report.

Agency Funds

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

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

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

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

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

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

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

Police Agency – Used to account for funds held for police athletic league.

Other Agency – Used to account for contracts and other deposits, union dues, land auction sales, circuit attorney and probate court funds.

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2016
(dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Police Agency	Other Agency	Total
ASSETS									
Cash and cash equivalents—unrestricted	\$ 1,784	1,123	—	454	2,667	5,949	2,538	10,990	25,505
Cash and cash equivalents—restricted	—	—	—	—	—	2,471	—	—	2,471
Receivables, net of allowances:									
Taxes	19,184	—	—	—	—	—	—	—	19,184
Other	—	—	1,951	—	—	—	—	—	1,951
Total assets	<u>20,968</u>	<u>1,123</u>	<u>1,951</u>	<u>454</u>	<u>2,667</u>	<u>8,420</u>	<u>2,538</u>	<u>10,990</u>	<u>49,111</u>
LIABILITIES									
Accounts payable and accrued liabilities	—	—	1,951	—	—	—	—	6,599	8,550
Deposits held for others	—	1,123	—	454	1,981	6,888	238	3,449	14,133
Due to other governmental agencies	<u>20,968</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>686</u>	<u>1,532</u>	<u>2,300</u>	<u>942</u>	<u>26,428</u>
Total liabilities	<u>20,968</u>	<u>1,123</u>	<u>1,951</u>	<u>454</u>	<u>2,667</u>	<u>8,420</u>	<u>2,538</u>	<u>10,990</u>	<u>49,111</u>
NET ASSETS	<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, 2016
(dollars in thousands)

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>Collector of Revenue</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 2,454	379,249	(379,919)	1,784
Receivables, net of allowances—taxes	22,315	3,358	(6,489)	19,184
Total assets	<u>\$ 24,769</u>	<u>382,607</u>	<u>(386,408)</u>	<u>20,968</u>
Liabilities—due to other governmental agencies	24,769	382,606	(386,407)	20,968
Total liabilities	<u>\$ 24,769</u>	<u>382,606</u>	<u>(386,407)</u>	<u>20,968</u>
<u>Property Tax Escrow</u>				
Assets—cash and cash equivalents—unrestricted	\$ 1,673	4,309	(4,859)	1,123
Liabilities—deposits held for others	\$ 1,673	4,309	(4,859)	1,123
<u>General Insurance</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ —	36,665	(36,665)	—
Receivables, net of allowances—other	1,741	1,951	(1,741)	1,951
Total assets	<u>\$ 1,741</u>	<u>38,616</u>	<u>(38,406)</u>	<u>1,951</u>
Liabilities—accounts payable and accrued liabilities	\$ 1,741	38,616	(38,406)	1,951
<u>Bail Bonds</u>				
Assets—cash and cash equivalents—unrestricted	\$ 510	475	(531)	454
Liabilities—deposits held for others	\$ 510	475	(531)	454
<u>License Collector</u>				
Assets—cash and cash equivalents—unrestricted	\$ 3,651	19,723	(20,707)	2,667
Liabilities:				
Deposits held for others	2,707	99	(825)	1,981
Due to other governmental agencies	944	19,624	(19,882)	686
Total liabilities	<u>\$ 3,651</u>	<u>19,723</u>	<u>(20,707)</u>	<u>2,667</u>
<u>Circuit Clerk</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 3,010	22,844	(19,905)	5,949
Cash and cash equivalents—restricted	2,437	311	(277)	2,471
Total assets	<u>\$ 5,447</u>	<u>23,155</u>	<u>(20,182)</u>	<u>8,420</u>
Liabilities:				
Deposits held for others	4,409	19,311	(16,832)	6,888
Due to other governmental agencies	1,038	3,844	(3,350)	1,532
Total liabilities	<u>\$ 5,447</u>	<u>23,155</u>	<u>(20,182)</u>	<u>8,420</u>
<u>Police Agency</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 3,362	715	(1,539)	2,538
Total assets	<u>\$ 3,362</u>	<u>715</u>	<u>(1,539)</u>	<u>2,538</u>

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2016
(dollars in thousands)

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Liabilities:				
Deposits held for others	205	303	(270)	238
Due to other governmental agencies	3,157	412	(1,269)	2,300
Total liabilities	\$ 3,362	715	(1,539)	2,538
<u>Other Agency</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 7,490	41,864	(38,364)	10,990
Total assets	\$ 7,490	41,864	(38,364)	10,990
Liabilities:				
Accounts payable and accrued liabilities	2,772	5,681	(1,854)	6,599
Deposits held for others	3,420	7,495	(7,466)	3,449
Due to other governmental agencies	1,298	28,688	(29,044)	942
Total liabilities	\$ 7,490	41,864	(38,364)	10,990
<u>Total—All Agency Funds</u>				
Assets:				
Cash and cash equivalents—unrestricted	\$ 22,150	505,844	(502,489)	25,505
Cash and cash equivalents—restricted	2,437	311	(277)	2,471
Receivables, net of allowances:				
Taxes	22,315	3,358	(6,489)	19,184
Other	1,741	1,951	(1,741)	1,951
Total assets	\$ 48,643	511,464	(510,996)	49,111
Liabilities:				
Accounts payable and accrued liabilities	4,513	44,297	(40,260)	8,550
Deposits held for others	12,924	31,992	(30,783)	14,133
Due to other governmental agencies	31,206	435,174	(439,952)	26,428
Total liabilities	\$ 48,643	511,463	(510,995)	49,111

See accompanying independent auditors' report.

STATISTICAL SECTION

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

Contents	Table Numbers
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Primary Government:

Financial Trends	1-4
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These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	5-10
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These tables contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity	11-15
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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.

Demographic and Economic Information	16
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These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.

Operating Information	17-20
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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.

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 Ten Fiscal Years
(dollars in thousands)
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Primary government:										
Governmental activities:										
Net investments in capital assets	\$ 522,729	545,075	534,961	502,818	495,977	472,165	453,220	510,743	496,341	410,429
Restricted	27,314	25,783	32,344	30,799	31,822	34,179	29,390	32,784	29,855	103,898
Unrestricted	(1,119,296)	(1,044,723)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)	(366,224)	(312,367)	(253,168)
Total governmental activities net position	(569,253)	(473,865)	(149,928)	39,099	84,247	99,297	90,495	177,303	213,829	261,159
Business-type activities:										
Net investments in capital assets	918,588	1,055,441	1,033,787	1,033,922	1,014,901	1,075,403	1,071,899	1,094,296	1,058,030	1,072,894
Restricted	277,199	138,598	148,170	149,699	150,661	166,462	163,449	137,995	142,619	135,993
Unrestricted	118,178	108,841	108,851	104,834	100,521	18,072	23,375	10,456	23,349	31,001
Total business-type activities net position	1,313,965	1,302,880	1,290,808	1,288,455	1,266,083	1,259,937	1,258,723	1,242,747	1,223,998	1,239,888
Total primary government:										
Net investments in capital assets	1,441,317	1,055,441	1,568,748	1,536,740	1,510,878	1,547,568	1,525,119	1,605,039	1,554,371	1,483,323
Restricted	304,513	138,598	180,514	180,498	182,483	200,641	192,839	170,779	172,474	239,891
Unrestricted	(1,001,118)	(365,024)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)	(355,768)	(289,018)	(222,167)
Total primary government net position	\$ 744,712	829,015	1,140,880	1,327,554	1,350,330	1,359,234	1,349,218	1,420,050	1,437,827	1,501,047

Source: Basic financial statements.

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

(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental activities:										
General government	\$ 66,403	58,679	94,791	73,204	72,063	79,871	84,330	85,680	74,166	91,822
Convention and tourism	5,789	5,775	5,711	5,513	4,979	4,563	4,507	4,504	4,468	4,352
Parks and recreation	31,390	30,111	31,765	30,818	28,529	29,416	32,778	33,431	31,335	28,130
Judicial	51,085	50,730	52,009	52,232	50,931	52,362	54,880	56,159	50,684	46,990
Streets	75,707	73,452	69,584	68,402	70,420	66,952	66,263	63,646	62,566	58,606
Public safety:										
Fire	88,008	64,658	86,085	75,460	69,062	66,637	67,334	70,572	69,668	56,405
Police	226,537	202,080	209,762	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	60,647	58,714	59,323	61,264	59,068	52,182	55,980	60,020	63,687	59,984
Health and welfare	57,112	54,071	49,602	61,162	52,092	50,468	51,552	54,223	45,732	45,630
Public service	79,451	78,021	76,863	62,301	71,458	65,898	59,980	59,218	70,007	73,145
Community development	82,459	65,499	35,238	77,530	80,184	68,123	76,264	61,859	60,611	78,788
Interest and fiscal charges	60,049	60,580	58,009	57,674	59,750	58,612	57,933	54,684	49,963	36,024
Total governmental activities expenses	884,637	802,370	828,742	792,080	779,205	752,043	768,508	759,147	739,253	718,747
Business-type activities:										
Airport	165,756	160,233	175,058	173,968	171,574	187,449	181,775	175,758	215,691	178,110
Water division	49,726	46,799	50,184	45,799	43,637	44,530	43,479	47,500	45,157	42,395
Parking division	15,253	13,851	14,043	13,558	13,229	13,141	13,514	14,352	14,560	12,423
Total business-type activities expenses	230,735	220,883	239,285	233,325	228,440	245,120	238,768	237,610	275,408	232,928
Total primary government expenses	\$ 1,115,372	1,023,253	1,068,027	1,025,405	1,007,645	997,163	1,007,276	996,757	1,014,661	951,675
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 42,132	32,455	34,783	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	5,328	4,611	5,979	2,958	7,314	4,378	4,419	4,516	2,662	9,126
Judicial	9,746	12,042	23,076	21,542	18,996	20,524	20,791	18,952	18,894	14,855
Streets	27,330	26,898	26,110	26,012	27,514	34,842	17,644	17,734	15,621	17,184
Public safety:										
Fire	10,246	12,562	9,553	18,887	8,181	8,088	7,677	7,669	6,718	7,416
Police	4,051	6,228	5,260							
Other	23,533	21,376	20,639	19,537	19,218	17,527	19,022	19,632	18,635	22,797
Health and welfare	1,073	875	1,631	1,041	992	1,255	591	494	944	418
Public service	5,977	6,974	6,037	2,906	5,265	309	1,487	253	6,320	5,530
Community development	** 7,076	5,907	4,412	5,332	5,367	4,819	4,528	5,524	5,273	—
Operating grants and contributions	67,052	60,792	57,173	64,782	71,513	75,281	98,270	73,563	72,860	75,994
Capital grants and contributions	6,524	7,987	5,628	14,882	31,623	33,666	7,548	12,726	14,306	14,232
Total governmental activities program revenues	210,068	198,707	200,281	211,254	232,688	238,475	221,335	198,788	197,293	207,325
Business-type activities:										
Charges for services:										
Airport	162,837	164,745	165,927	164,606	157,154	149,438	160,378	159,061	163,460	155,295
Water Division	57,494	56,399	56,647	56,902	58,631	56,039	50,983	48,709	45,635	44,130
Parking Division	17,113	16,129	15,804	14,657	14,999	13,813	12,428	13,897	15,890	14,155
Operating grants and contributions	692	1,277	706	751	1,069	1,513	1,615	2,683	4,348	2,643
Capital grants and contributions	9,378	23,627	16,726	21,615	10,050	8,267	31,815	35,122	28,123	44,633
Total business-type activities program revenues	247,514	260,177	255,810	258,531	241,903	229,070	257,219	259,472	257,456	260,856
Total primary government program revenues	\$ 457,582	458,884	456,091	469,785	474,591	467,545	478,554	458,260	454,749	468,181

** 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 Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net program (expense) revenue:										
Governmental activities	\$ (674,569)	(603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)	(560,359)	(541,960)	(511,422)
Business-type activities	16,779	39,294	16,525	25,206	13,463	(16,050)	18,451	21,862	(17,952)	27,928
Total primary government net expense	\$ (657,790)	(564,369)	(611,936)	(555,620)	(533,054)	(529,618)	(528,722)	(538,497)	(559,912)	(483,494)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 82,397	77,365	75,136	73,234	68,531	66,767	67,291	67,562	62,424	62,333
Property taxes, levied for debt service	6,251	6,406	6,661	7,140	5,909	7,669	6,463	4,810	6,285	6,197
Sales tax	179,362	175,581	173,018	157,302	164,174	155,708	142,295	143,972	134,476	127,664
Earnings/payroll taxes	204,013	203,251	202,022	189,762	186,068	178,571	172,450	181,214	181,812	169,822
Gross receipt taxes (includes franchise tax)	91,778	92,160	97,344	94,721	93,587	97,327	90,291	108,178	84,652	75,378
Miscellaneous taxes	4,791	4,485	4,977	3,784	4,504	4,080	3,902	3,712	4,035	6,237
Unrestricted investment earnings	632	381	364	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	9,957	9,619	9,431	9,470	9,366	8,767	7,317	8,301	8,740	7,885
Total governmental activities	579,181	569,248	568,953	535,678	531,467	522,370	490,957	523,833	494,630	467,286
Business-type activities:										
Unrestricted investment earnings	3,585	2,956	1,818	2,336	2,049	2,941	3,878	5,188	10,776	12,522
Gain/loss on sale of capital assets	—	—	4,872	—	—	4	553	—	26	(78,105)
Extraordinary item – Natural disaster	678	1,737	2,730	4,300	—	23,086	—	—	—	—
Transfers	(9,957)	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)	(8,301)	(8,740)	(7,885)
Total business-type activities	(5,694)	(4,926)	(11)	(2,834)	(7,317)	17,264	(2,475)	(3,113)	2,062	(73,468)
Total primary government	\$ 573,487	564,322	568,942	532,844	524,150	539,634	488,482	520,720	496,692	393,818
Change in net position:										
Governmental activities:	\$ (95,388)	(34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)	(36,526)	(47,330)	(44,136)
Business-type activities	11,085	34,368	16,514	22,372	6,146	1,214	15,976	18,749	(15,890)	(45,540)
Total primary government	\$ (84,303)	(47)	(42,994)	(22,776)	(8,904)	10,016	(40,240)	(17,777)	(63,220)	(89,676)

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Nonspendable	\$ 3,768	2,425	2,537	—	—	—	*	*	*	*
Restricted	13,532	14,852	16,008	14,784	16,755	16,723	*	*	*	*
Committed	10,136	9,134	8,054	8,054	8,063	6,895	*	*	*	*
Assigned	—	3,938	6,521	6,043	1,509	1,055	*	*	*	*
Unassigned	(5,150)	(1,696)	2,605	25,777	29,543	24,675	*	*	*	*
Reserved	—	—	—	—	—	—	31,284	26,484	21,150	21,079
Unreserved	—	—	—	—	—	—	22,132	35,570	33,721	53,649
Total general fund	<u>\$ 22,286</u>	<u>28,653</u>	<u>35,725</u>	<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>
All other governmental funds:										
Nonspendable	\$ 11	11	14	11	11	11	*	*	*	*
Restricted	93,231	84,500	96,160	71,117	79,573	131,102	*	*	*	*
Committed	70,387	64,075	65,536	57,127	54,553	54,678	*	*	*	*
Assigned	4,770	6,379	5,053	4,473	1,837	3,200	*	*	*	*
Unassigned	(18,057)	(18,227)	(24,025)	(24,648)	(20,103)	(26,752)	*	*	*	*
Reserved	—	—	—	—	—	—	181,410	173,407	191,062	76,378
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	19,342	30,104	42,304	56,508
Capital projects funds	—	—	—	—	—	—	(13,961)	(10,689)	(9,253)	12,724
Total all other governmental funds	<u>\$ 150,342</u>	<u>136,738</u>	<u>142,738</u>	<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>

* 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.

Source: Basic financial statements.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes	\$ 564,488	556,593	557,487	524,428	519,852	510,150	480,082	506,228	473,646	439,436
Licenses, fees and permits	26,947	26,743	26,004	24,359	21,259	21,716	24,214	22,238	22,208	24,395
Intergovernmental	100,946	97,684	88,069	107,289	130,079	138,141	117,084	116,693	119,197	123,119
Charges for services, net	51,048	47,222	49,867	52,347	46,166	44,659	30,906	28,316	28,752	29,592
Court fines and forfeitures	4,009	4,916	10,810	11,022	12,103	10,848	11,558	11,127	10,000	8,434
Investment income	632	381	364	265	470	953	886	6,001	12,159	12,094
Interfund services provided	4,488	858	3,464	5,531	4,293	4,631	3,043	6,354	3,868	4,094
Miscellaneous	20,915	19,234	19,584	13,514	17,651	15,845	15,987	12,865	13,902	14,303
Total revenues	773,473	753,631	755,649	738,755	751,873	746,943	683,760	709,822	683,732	655,467
Expenditures:										
General government	59,708	65,648	84,648	63,980	60,942	67,400	77,906	80,226	101,622	53,066
Convention and tourism	124	126	123	116	150	189	176	198	201	154
Parks and recreation	25,805	25,169	26,553	25,689	23,885	25,153	27,357	29,827	27,966	25,129
Judicial	51,026	50,058	51,491	51,849	50,821	52,498	53,985	55,222	50,806	46,633
Streets	42,743	40,645	37,867	37,378	40,772	39,498	37,356	37,500	38,086	35,320
Public Safety:										
Fire	67,229	68,415	74,261	71,595	69,887	68,518	66,590	62,010	115,605	53,547
Police	183,337	179,129	176,089	138,004	140,815	139,010	141,805	146,955	143,452	138,871
Police-pension	*	—	—	28,492	19,719	17,949	14,783	8,072	43,618	—
Other	60,407	58,242	58,736	60,178	58,741	51,899	54,653	57,443	62,743	59,253
Health and welfare	56,859	53,808	49,207	60,709	51,855	50,127	51,230	53,441	45,379	45,067
Public service	78,689	77,334	76,211	61,519	70,840	65,916	59,315	58,594	70,095	72,991
Community development	82,459	65,499	35,238	77,530	80,184	68,123	76,264	63,220	60,710	79,351
Capital outlay	38,322	31,560	35,444	36,914	90,065	94,653	51,175	67,615	51,103	43,591
Debt service:										
Principal	55,697	65,602	—	55,209	54,952	58,091	46,721	41,759	46,484	39,008
Interest and fiscal charges	53,768	48,510	64,316	47,154	47,256	46,283	54,555	47,350	44,741	29,865
Cost of issuance	—	—	44,375	—	—	—	—	1,290	—	—
Advance refunding escrow	2,380	—	—	—	—	—	1,178	—	—	—
Total expenditures	858,553	829,745	814,559	816,316	860,884	845,307	815,049	810,722	902,611	721,846
Deficiency of revenues over expenditures	(85,080)	(76,114)	(58,910)	(77,561)	(109,011)	(98,364)	(131,289)	(100,900)	(218,879)	(66,379)

* 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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other financing sources (uses):										
Sale of capital assets	\$ —	1,849	207	3	345	3,216	62	83	47	175
Issuance of note payable	—	—	—	—	—	—	—	9,068	—	—
Issuance of SLMFC Certificates of participation	—	5,195	—	—	—	—	—	9,100	—	—
Issuance of refunding bonds-revenue refunding bonds	—	—	—	—	49,825	2,690	—	—	—	—
Issuance of refunding bonds-leasehold revenue bonds	—	31,695	26,000	—	—	9,250	74,191	21,850	247,967	23,725
Issuance of contractual obligation with component unit	—	—	—	—	—	—	16,960	—	—	—
Premium on leasehold revenue bonds	49,441	—	1,471	1,890	4,038	145	396	—	653	4,178
Discount on leasehold revenue bonds	—	—	—	—	—	—	(384)	(525)	(3,965)	(467)
Proceeds from agreement with FPF	5,000	—	—	—	—	—	—	—	—	—
Issuance of general obligation bonds	16,795	—	—	—	—	—	—	—	—	—
Proceeds of general obligation bonds and revenue bonds	—	—	—	—	—	—	—	—	—	13,000
Premium on general obligation bonds and revenue bonds	5,434	3,782	—	—	—	—	—	—	—	—
Discount on general obligation bonds	—	—	—	—	—	—	—	—	—	—
Issuance of capital lease	—	—	16,605	—	2,384	11,150	704	5,600	1,478	10,014
Issuance of tax increment revenue notes	49,757	49,917	10,852	57,195	51,101	46,503	28,352	32,669	37,737	55,158
Payment of development and TIF notes	—	(3,442)	—	—	—	4,580	—	—	—	—
Discount on tax increment revenue bonds	—	(11)	—	—	—	—	—	—	—	—
Issuance of loan agreement	—	2,080	3,510	—	—	—	—	—	4,500	—
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	(44,067)	(37,642)	—	—	(53,172)	(2,416)	(12,391)	—	(8,632)	(22,830)
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	—	—	—	—	—	—	—	—	—	—
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	—	18,006	—	—	—
Transfers in	65,731	61,946	68,121	62,143	62,920	53,467	58,575	50,849	40,569	41,613
Transfers out	(55,774)	(52,327)	(58,690)	(52,673)	(53,554)	(46,910)	(50,549)	(42,548)	(31,829)	(33,728)
Total other financing sources, net	92,317	63,042	68,076	68,558	69,165	69,744	116,620	76,792	277,525	81,607
Net change in fund balances	\$ 7,237	(13,072)	9,166	(9,003)	(39,846)	(28,620)	(14,669)	(24,108)	58,646	15,228
Debt service as a percentage of noncapital expenditures	13.3%	14.3%	8.3%	13.1%	13.3%	13.9%	13.3%	12.0%	10.7%	10.2%
Debt service expenditures	\$ 109,465	114,112	64,316	102,363	102,208	104,374	101,276	89,109	91,225	68,873
Non-capital expenditures	820,231	798,185	779,115	779,402	770,819	750,654	763,874	743,107	851,508	678,255

Source: Basic financial statements.

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

Fiscal Year	Real Estate		Personal Property	Manufacturer's Machinery, Tools & Equipment	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate	Taxable Assessed Value to Estimated Actual Taxable Value
	Residential	Commercial							
2016	\$ 2,083,783	\$ 2,543,883	\$ 835,238	\$ 243,122	\$ 1,333,027	\$ 4,372,999	\$ 17,356,913	1.6158	25.2%
2015	1,980,203	2,599,573	810,313	255,068	1,343,072	4,302,085	17,033,118	1.6063	25.3%
2014	1,968,547	2,528,334	753,790	255,595	1,273,384	4,232,882	16,787,744	1.6092	25.2%
2013	2,161,657	2,452,348	737,422	216,902	1,195,359	4,372,970	17,614,380	1.4848	24.8%
2012	2,197,419	2,499,166	705,441	238,661	1,282,753	4,357,934	17,543,141	1.4691	24.8%
2011	2,281,376	2,542,399	723,739	221,519	1,281,865	4,487,168	18,126,314	1.4224	24.8%
2010	2,206,698	2,688,333	781,557	254,873	1,381,310	4,550,151	18,144,398	1.3601	25.1%
2009	2,256,467	2,440,325	861,837	287,366	1,162,841	4,683,154	18,841,886	1.3225	24.9%
2008	2,195,159	2,548,206	805,298	292,371	1,283,851	4,557,183	18,401,969	1.3451	24.8%
2007	1,798,234	2,318,384	767,274	286,014	1,277,160	3,892,746	15,486,668	1.4590	25.1%

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
City of St. Louis:										
Municipal purposes	0.9928	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500	0.8161	0.8059	0.8811
County purposes	0.3500	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064	0.2940	0.2903	0.3179
Hospital purposes	0.1000	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874	0.0839	0.0829	0.0908
Public health purposes	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182
Recreation purposes	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166	0.0182
Interest and public debt	0.1330	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813	0.0949	0.1328	0.1328
Total City of St. Louis	<u>1.6158</u>	<u>1.6063</u>	<u>1.6092</u>	<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>
Overlapping governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	4.3711	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943	3.8028	3.7533	4.0193
St. Louis Community College	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233
Metropolitan St. Louis Sewer District	0.0876	0.0879	0.0874	0.0821	0.0818	0.0790	0.0000	0.0000	0.0667	0.0687
Sheltered Workshop District	0.1500	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346	0.1295	0.1278	0.1386
St. Louis Public Library	0.5600	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019	0.4938	0.4768	0.5171
Community Mental Health	0.0900	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800	0.0777	0.0767	0.0832
Community Children's Service Fund	0.1900	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827	0.1775	0.1752	0.1900
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746
Art Museum Subdistrict	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667	0.0746
Museum of Science and Natural History Subdistrict	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373
Botanical Garden Subdistrict	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373
Missouri History Museum Subdistrict	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332	0.0373
Total overlapping governments	<u>5.9740</u>	<u>5.9787</u>	<u>5.9782</u>	<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>
Total City of St. Louis and overlapping governments	<u>\$ 7.5898</u>	<u>\$ 7.5850</u>	<u>\$ 7.5874</u>	<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>

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 2015			Calendar Year 2006		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Utilities	\$ 102,023	1	2.47%	\$ 72,462	3	2.26%
Gaming	73,986	2	1.79%			
Telecommunications	70,138	3	1.70%	85,734	2	2.38%
Financial Services	64,950	4	1.57%	23,787	5	0.78%
Manufacturing	63,457	5	1.54%	90,623	1	2.51%
Property Management	34,614	6	0.84%			
Utilities	32,334	7	0.78%	69,250	4	1.92%
Property Management	30,630	8	0.74%	20,530	9	0.61%
Manufacturing	24,175	9	0.59%	21,914	8	0.62%
Property Management	21,568	10	0.52%			
Property Management				23,426	6	0.65%
Financial Services				22,537	7	0.65%
Financial Services				19,993	10	0.57%
	<u>\$ 517,875</u>		<u>12.55%</u>	<u>\$ 450,256</u>		<u>12.95%</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
2016	\$ 64,417	\$ 59,795	92.8%	\$ -	\$ 59,795	92.8%
2015	63,872	58,736	92.0%	2,865	61,601	96.4%
2014	60,538	55,764	92.1%	3,522	59,286	97.9%
2013	58,797	53,545	91.1%	4,576	58,121	98.9%
2012	57,723	52,191	90.4%	4,568	56,759	98.3%
2011	57,990	52,223	90.1%	4,546	56,769	97.9%
2010	56,169	49,634	88.4%	5,521	55,155	98.2%
2009	56,104	49,487	88.2%	6,126	55,613	99.1%
2008 *	57,734	48,627	84.2%	8,428	57,055	98.8%
2007	51,446	46,475	90.3%	4,701	51,176	99.5%

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	(1)
	Business	Individual	Business	Individual		Base	0.5% Tax
2016	\$ 3,581,000	\$ 13,822,900	\$ 35,810	\$ 138,229	\$ 174,039	\$ 7,800,000	39,000
2015	3,597,700	13,349,500	35,977	133,495	169,472	7,574,600	37,873
2014	3,356,500	12,813,900	33,565	128,139	161,704	7,358,400	36,792
2013	3,219,000	12,701,200	32,190	127,012	159,202	7,369,800	36,849
2012	3,354,200	12,482,700	33,542	124,827	158,369	7,021,600	35,108
2011	3,025,300	12,082,700	30,253	120,827	151,080	7,048,400	35,242
2010	2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568
2009	2,221,000	12,166,800	22,210	121,668	143,878	7,186,200	35,931
2008	2,671,400	12,046,700	26,714	120,467	147,181	7,451,200	37,256
2007	2,461,000	11,666,000	24,610	116,660	141,270	7,059,200	35,296

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)

	Fiscal Year			Fiscal Year		
	2016		(1)	2007		(1)
Top Ten Companies by Industry Classification (2)	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax	Total Earnings & Payroll Tax	Rank	Percentage of Total Earnings & Payroll Tax
Financial Services	\$ 10,086	1	4.73%	\$ 4,404	4	2.58%
Education	8,179	2	3.84%	5,214	3	3.05%
Manufacturing	7,500	3	3.52%	7,539	1	4.41%
Healthcare	6,091	4	2.86%	3,911	5	2.29%
Manufacturing	5,111	5	2.40%	2,258	9	1.32%
Government	4,020	6	1.89%			
Education	3,747	7	1.76%	2,546	8	1.49%
Telecommunications	3,572	8	1.68%	6,527	2	3.82%
Government	3,342	9	1.57%	3,101	6	1.81%
Utilities	3,320	10	1.56%			
Retail				2,736	7	1.60%
Government				2,137	10	1.25%
	<u>\$ 54,968</u>		<u>25.80%</u>	<u>\$ 40,373</u>		<u>23.62%</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)

Governmental Activities								Business -Type Activities						
Fiscal Year	General Obligation Bonds	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	(3) Unamortized Discounts and Premiums	Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
2016	16,795	381,231	438,932	59,391	28,845	26,910	13,538	5,118	686,225	67,113	41,258	1,765,356	13.43%	5,592
2015	23,010	340,342	435,005	71,157	33,434	31,370	11,935	2,288	726,010	73,488	38,843	1,786,882	14.31%	5,629
2014	28,130	300,321	470,889	76,299	37,844	35,580	16,153	4,760	764,150	69,679	38,767	1,842,572	14.76%	5,787
2013	35,050	296,122	473,403	66,713	42,085	39,530	15,502	7,585	794,615	70,527	11,910	1,853,042	14.84%	5,826
2012	38,955	246,079	502,429	72,009	46,166	43,250	15,644	11,480	833,960	72,763	10,541	1,893,276	15.16%	5,935
2011	42,685	200,202	548,958	75,993	50,092	46,750	11,353	16,000	869,980	74,892	8,811	1,945,716	15.58%	6,094
2010	46,300	167,436	567,292	67,779	53,873	50,050	13,191	19,585	905,405	76,925	7,943	1,975,779	15.83%	5,541
2009	49,790	163,554	531,615	53,131	57,516	53,160	14,373	23,025	797,105	78,854	9,606	1,831,729	15.74%	5,135
2008	50,875	136,987	534,223	59,531	61,028	56,080	6,159	26,325	818,830	81,350	10,237	1,841,625	15.82%	5,163
2007	54,820	114,251	308,824	61,050	65,116	58,820	2,204	29,175	843,920	70,120	13,563	1,621,863	15.34%	4,546

Source: Notes to Basic Financial Statements

Note:

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

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

(3) Prior to fiscal year 2014, deferred amounts on refunding were included in these amounts

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

General Bonded Debt Outstanding				(1)	(2)
Fiscal Year	General Obligation Bonds	Less Debt Service Fund	Total Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita (in dollars)
2016	\$ 16,795	\$ 6,903	\$ 9,892	0.06%	\$ 31
2015	23,010	6,966	16,044	0.09%	51
2014	28,130	6,842	21,288	0.13%	67
2013	35,050	8,713	26,337	0.15%	83
2012	38,955	8,137	30,818	0.17%	97
2011	42,685	8,118	34,567	0.19%	108
2010	46,300	7,331	38,969	0.21%	123
2009	49,790	8,216	41,574	0.23%	131
2008	50,875	9,008	41,867	0.27%	131
2007	54,820	8,045	46,775	0.30%	144

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, 2016
(dollars in thousands)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1): General Obligation Debt	\$ 374,312	100.00%	\$ 374,312
Other debt			
Metropolitan St. Louis Sewer District (2)	1,252,941	9.49% *	118,949
St. Louis Public Library (3)	50,000	100.00% *	50,000
Junior College District of St. Louis (4)	<u>20,125</u>	<u>20.55% *</u>	<u>4,135</u>
Subtotal, overlapping debt	1,697,378		547,396
City of St. Louis direct debt (5)			<u>965,642</u>
Total direct and overlapping debt			<u><u>\$ 1,513,038</u></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, 2016

Assessed Value	\$ 4,372,999
Debt limit (10% of assessed value)	437,300
Debt applicable to limit:	
General obligation bonds	16,795
Less: Amount set aside for repayment .	
of general obligation debt.	6,903
Total net debt applicable to limit	<u>23,698</u>
Legal Debt Margin	<u><u>\$ 413,602</u></u>

	Fiscal Year Ended June 30, 2012									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	437,300	\$ 430,209	\$ 423,288	\$ 423,933	\$ 420,253	\$ 426,565	\$ 455,015	\$ 468,315	\$ 455,718	\$ 389,274
Total net debt applicable to limit	<u>9,708</u>	<u>16,044</u>	<u>21,288</u>	<u>26,337</u>	<u>30,818</u>	<u>34,567</u>	<u>38,969</u>	<u>41,574</u>	<u>41,867</u>	<u>46,775</u>
Legal debt margin	<u><u>\$ 427,592</u></u>	<u><u>\$ 414,165</u></u>	<u><u>\$ 402,000</u></u>	<u><u>\$ 397,596</u></u>	<u><u>\$ 389,435</u></u>	<u><u>\$ 391,998</u></u>	<u><u>\$ 416,046</u></u>	<u><u>\$ 426,741</u></u>	<u><u>\$ 413,851</u></u>	<u><u>\$ 342,499</u></u>
Total net debt applicable to the limit as a percentage of debt limit	2.22%	3.73%	5.03%	6.21%	7.33%	8.10%	8.56%	8.88%	9.19%	12.02%

Source: Assessor and Comptroller's Office

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

Water Revenue Bonds (1)							Airport Revenue Bonds (1)					
Fiscal Year	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Aviation Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2016	\$ 56,538	\$ 44,193	\$ 12,345	\$ 404	\$ 33	28.25	\$ 167,961	\$ 74,670	\$ 93,291	\$ 58,623	\$ 18,281	1.21
2015	53,842	41,357	12,485	4,019	43	3.07	170,315	74,041	96,274	44,095	32,922	1.25
2014	56,647	44,645	12,002	3,765	86	3.12	178,365	86,524	91,841	30,465	46,318	1.20
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

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Parking Revenue Bonds (1)							Tax Increment Financing Bonds (1) (2)					
Fiscal Year	Parking/ 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	
2016	\$ 18,272	\$ 7,920	\$ 10,352	\$ 2,381	\$ 2,526	2.11	\$ 29,413	\$ 874	\$ 28,539	\$ 8,868	\$ 18,326	1.05
2015	17,147	7,603	9,544	2,232	2,738	1.92	23,436	1,064	22,372	16,056	18,772	0.64
2014	17,035	7,809	9,226	1,960	2,839	1.92	21,512	850	20,662	6,653	14,944	0.96
2013	15,935	7,248	8,687	1,860	2,911	1.82	22,796	898	21,898	7,067	14,000	1.04
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	5,776	12,800	0.93
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83
2009	15,601	8,691	6,910	1,275	3,246	1.53	12,327	401	11,926	5,384	8,793	0.84
2008	15,945	8,331	7,614	1,475	3,756	1.46	9,449	324	9,125	4,000	7,409	0.80
2007	16,515	7,472	9,043	257	2,308	3.53	7,459	201	7,258	2,593	3,946	1.11

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Section 108 Downtown Convention Headquarters Hotel Project							
Fiscal Year	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2016	\$ 4,500	\$ 328	\$ 4,172	\$ 3,270	\$ 530	1.10	
2015	4,341	356	3,985	3,080	404	1.14	
2014	4,278	350	3,928	2,890	572	1.13	
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	

- (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	Prisoner	Less:	Net	Debt Service		Coverage	
Year	Housing	Operating	Available	Principal	Interest		
	Reimbursement	Expenses	Revenue				
2016	\$ 6,997	\$ -	\$ 6,997	\$ 9,030	\$ 1,587		0.66
2015	6,322	-	6,322	8,615	2,008		0.60
2014	6,259	-	6,259	8,265	2,352		0.59
2013	4,620	-	4,620	7,190	2,653		0.47
2012	5,298	-	5,298	11,020	2,500		0.39
2011	4,494	-	4,494	7,465	3,659		0.40
2010	6,919	-	6,919	5,680	4,238		0.70
2009	6,535	-	6,535	6,620	4,507		0.59
2008	6,375	-	6,375	6,285	4,836		0.57
2007	7,857	-	7,857	5,980	5,144		0.71

(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: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	\$ 1,213	\$ -	\$ 1,213	\$ 1,330	\$ 853	0.56
2015	1,237	-	1,237	3,970	951	0.25
2014	1,301	-	1,301	3,920	1,092	0.26
2013	1,460	-	1,460	2,755	1,207	0.37
2012	1,492	-	1,492	2,635	1,332	0.38
2011	1,368	-	1,368	160	1,349	0.91
2010	1,419	-	1,419	2,255	493	0.52
2009	1,499	-	1,499	2,155	1,563	0.40
2008	1,496	-	1,496	2,075	1,651	0.40
2007	1,354	-	1,354	1,985	1,908	0.35

(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 / Subordinate Leasehold Revenue Bonds (1) (2)								
Fiscal Year	10.4% of the 1/2c capital Sales Tax		Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
					Principal	Interest		
2016	\$	3,533	\$ -	\$ 3,533	\$ 3,170	\$ 549		0.95
2015		3,087	-	3,087	2,470	619		1.00
2014		3,152	-	3,152	1,720	527		1.40
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

(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)

Recreation Sales Tax Leasehold Revenue Bonds (1) (2)							
Fiscal	Parks and	Less:	Net	Debt Service		Coverage	
Year	Recreation	Operating	Available	Principal	Interest		
	Sales Tax	Expenses	Revenue				
2016	\$ 4,855	\$ -	\$ 4,855	\$ 1,155	\$ 2,084	1.50	
2015	4,886	-	4,886	1,110	2,129	1.51	
2014	4,473	-	4,473	1,065	2,172	1.38	
2013	4,323	-	4,323	1,025	2,213	1.34	
2012	4,520	-	4,520	985	2,252	1.40	
2011	4,152	-	4,152	950	2,290	1.28	
2010	4,055	-	4,055	910	2,326	1.25	
2009	4,280	-	4,280	875	2,361	1.32	
2008	4,425	-	4,425	1,665	1,442	1.42	
2007	-	-	-	-	-	-	

(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)							City Parks Leasehold Revenue Bonds (1) (2)						
	10% of the 1/2c Capital Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service				6.6% of the 1/2c Capital Sales Tax, 15.5% of Metro Parks Sales Tax, and 60% of Metro Parks Arch Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Coverage					Principal	Interest	Coverage	
2016	\$ 1,831	\$ -	\$ 1,831	\$ 340	\$ 970	1.40	\$ 3,091	\$ -	\$ 3,091	\$ 500	\$ 1,104	1.93		
2015	1,863	-	1,863	325	983	1.42	3,104	-	3,104	440	1,167	1.93		
2014	1,889	-	1,889	315	996	1.44	-	-	-	-	-	-	-	
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	-	-	-	-	-	-								

- (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
2015	315,685	13,142,730	41,632	33.9	24,154	5.0%
2014	317,419	12,484,968	39,333	34.9	24,869	5.7%
2013	318,416	12,151,780	38,163	34.7	25,200	7.2%
2012	318,069	11,842,448	37,232	34.1	22,516	7.4%
2011	319,008	11,369,625	35,641	33.9	23,576	7.8%
2010	318,842	10,928,301	34,275	34.6	25,046	8.7%
2009	317,955	11,453,476	36,022	35.4	26,108	11.7%
2008	317,959	10,925,710	34,362	36.3	27,574	7.8%
2007	320,131	10,491,667	32,773	36.3	32,135	7.0%
2006	324,945	9,854,572	30,327	35.6	35,361	6.9%

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 Years 2006-2011 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 2015			Calendar Year 2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	15,683	1	3.57%	13,006	2	3.04%
BJC Health Systems	14,142	2	3.22%	15,351	1	3.59%
St. Louis University	10,257	3	2.34%	9,379	3	2.20%
City of St. Louis	9,254	4	2.11%	8,647	4	2.02%
Defense Finance & Acct Services	6,411	5	1.46%			
A G Edwards/Wells Fargo	5,645	6	1.29%	5,016	10	1.17%
St. Louis Board of Education	5,179	7	1.18%	6,232	6	1.46%
US Postal Service	4,624	8	1.05%	5,800	7	1.36%
State of Missouri	4,038	9	0.92%	5,310	8	1.24%
St. Louis Children's Hospital	3,615	10	0.82%			
AT&T Services				6,628	5	1.55%
Anheuser Busch				5,033	9	1.18%
	<u>78,848</u>		<u>17.96%</u>	<u>80,402</u>		<u>18.82%</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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function/Program:										
Primary Government Employees:										
General government	505	506	485	491	498	509	528	539	535	525
Convention and tourism	2	2	3	3	3	2	2	3	3	3
Parks and recreation	284	283	314	313	313	309	322	328	331	324
Judicial	653	653	681	679	706	714	709	721	717	705
Streets	446	451	455	455	455	455	464	463	458	452
Fire	776	776	781	778	813	829	830	830	830	831
Police	1,814	1,822	1,841	1,867	1,940	1,943	1,937	1,992	1,938	1,919
Other	757	752	749	750	709	716	774	814	804	753
Health and welfare	210	212	213	206	220	219	257	278	274	274
Public service	303	302	217	221	222	224	251	258	256	245
Community development	60	65	61	59	65	65	65	65	66	62
Business-Type Employees:										
Airport	529	530	537	540	555	580	583	637	637	634
Water Division	342	342	341	341	341	361	380	380	376	380
Parking Division	109	105	94	82	89	103	86	90	142	135
Total Employees	<u>6,790</u>	<u>6,801</u>	<u>6,771</u>	<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>

Source: Budget division

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

	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>General Government</u>										
Payroll checks issued	179,475	179,431	180,873	183,489	185,338	191,837	201,642	202,802	269,186	250,945
Invoices processed	91,393	91,341	90,518	95,572	96,571	95,375	98,772	103,352	108,703	107,796
Deeds recorded	48,219	33,120	63,261	74,138	58,991	61,841	66,351	65,740	81,692	107,042
Birth and death certificate copies issued	72,418	68,357	60,780	54,552	55,773	57,898	61,836	65,874	69,107	73,205
Marriage licenses processed	2,992	2,962	2,680	2,358	2,318	2,548	2,570	2,523	2,453	2,739
Real property parcels	140,936	141,364	142,480	143,357	145,166	145,572	145,858	145,507	145,930	142,168
Personal property accounts	110,862	108,878	109,296	107,666	109,439	108,257	108,427	110,285	106,176	105,571
Problem properties cases heard*	5,201	4,894	5,555	7,911	8,942	8,981	8,491	7,932	9,793	6,050
Citizen Service Bureau (CSB) calls answered	107,479	126,780	131,129	119,504	124,637	122,470	102,964	119,531	175,339	223,776
CSB service requests issued	113,245	103,730	65,526	98,306	109,596	119,109	107,116	90,177	107,431	104,909
<u>Parks and Recreation and Forestry</u>										
Park use permits issued	3,186	3,484	3,212	3,056	3,066	3,170	3,727	3,283	3,434	3,251
Vacant lot grass cuttings	54,693	56,298	52,886	52,079	51,845	52,110	51,015	52,929	95,191	68,904
Vacant building grass cuttings	24,400	22,641	24,775	24,366	24,870	24,124	23,520	22,332	51,663	33,320
CSB service requests received	21,341	22,303	22,149	23,116	24,009	25,660	23,007	26,655	47,408	24,665
<u>Judicial</u>										
Juvenile cases-referrals *	2,436	2,297	2,395	2,702	3,031	3,444	3,540	4,282	4,840	5,450
Jurors summoned	99,879	120,629	112,881	55,105	59,650	58,230	65,805	71,187	74,450	74,850
Jurors who served	21,244	21,474	17,265	22,596	23,186	20,019	21,582	26,030	23,874	21,059
<u>Streets</u>										
Tons of waste placed in landfills	142,768	139,667	134,125	150,645	164,134	173,812	185,848	199,725	186,132	195,958
Tons of waste recycled	15,907	15,769	14,686	15,618	12,830	4,842	3,851	4,900	4,855	4,141
Vehicles towed	11,594	9,825	9,197	8,880	8,470	9,850	9,765	11,523	8,829	10,489
<u>Public Safety</u>										
Fire										
Suppression calls	56,335	50,067	56,623	46,959	48,159	59,683	51,464	45,855	45,137	44,751
EMS calls	54,968	54,118	68,772	58,213	61,401	74,929	73,771	60,062	59,241	59,209
Police										
Directed calls for service*	289,780	277,684	237,367	267,435	300,921	309,696	321,015	325,958	348,648	320,499
Felony arrests*	12,970	10,466	12,569	14,205	15,309	13,424	13,284	14,186	14,930	15,162
Misdemeanor arrests*	6,125	3,640	5,043	6,307	8,574	6,986	7,948	8,569	10,048	10,440
Police reports written*	71,046	68,400	66,104	65,337	72,057	76,204	83,339	86,316	94,539	106,086

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

	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Public Service</u>										
Contracts executed	130	115	125	78	108	81	298	252	205	164
Bridges inspected	43	41	41	44	40	44	33	36	37	36
<u>Airport</u>										
Major airlines	7	9	9	9	10	10	10	10	9	10
Commuter airlines	14	14	16	18	19	19	19	20	22	22
Air cargo carriers	3	3	3	3	3	3	3	3	4	5
Passengers	13,323,815	12,487,420	12,339,645	12,747,102	12,681,341	12,399,226	12,514,653	13,271,170	15,220,080	15,136,182
Aircraft operations	188,466	185,474	184,211	189,068	191,653	186,908	195,409	226,052	255,800	260,151
<u>Water Division</u>										
Bills issued - metered	51,325	51,327	51,625	51,512	52,000	52,128	52,432	53,208	53,324	53,388
Bills issued - flat rate	317,269	316,850	317,200	316,904	316,000	316,596	321,720	325,420	327,804	330,420
Billions of gallons of water purified	47,645	43,553	45,265	44,922	46,597	43,345	44,015	46,223	47,479	48,137

* Information based on calendar year
Source: information is provided by departments

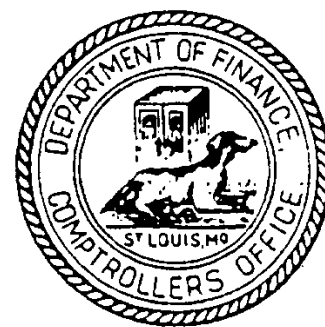
Table 20
CITY OF ST. LOUIS, MISSOURI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Parks and Recreation</u>										
Park acreage	3,250	3,249	3,248	3,248	3,248	3,243	2,960	2,722	2,717	2,717
Miles of bicycle paths	38	38	38	36	36	36	36	36	36	35
Athletic fields	153	153	153	153	153	152	152	152	152	152
Recreation centers	7	9	9	9	9	7	9	8	9	9
Neighborhood centers	2	-	-	-	-	-	-	1	1	1
Swimming pools	11	11	11	12	12	7	9	8	8	8
Golf courses	4	4	4	4	4	3	3	2	2	2
<u>Judicial</u>										
Court houses	3	3	3	3	3	3	3	3	3	3
<u>Streets</u>										
Alley containers	26,507	26,507	26,507	26,507	26,507	27,724	27,724	27,724	27,814	28,282
Rollout carts	39,952	39,952	39,952	39,952	39,952	34,770	21,202	21,202	19,899	20,379
Recycling containers	5,744	5,744	5,744	5,744	5,744	3,434	125	136	130	135
Streets - paved (miles)	27	24	21	14	16	18	21	21	30	21
Streets - (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	450	450	450	450	450	450	450	450	450	450
Street, alley and easement lights	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,059	69,919	69,839
<u>Public Safety</u>										
<u>Fire</u>										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	139	122	122	122	122	122	114	114	144	144
<u>Police</u>										
Police stations	4	4	4	3	3	3	3	3	3	3
Police vehicles	679	675	757	759	757	694	710	703	703	700
<u>Public Service</u>										
Bridges structurally deficient	17	18	15	15	14	15	17	5	16	16
Bridges functionally obsolete	24	28	28	28	27	30	22	20	22	22
Total bridges	73	73	73	73	73	72	71	72	69	71
<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

Source: information is provided by department personnel

Prepared by:

Office of the Comptroller
City of St. Louis, Missouri
Honorable Darlene Green
Comptroller



About the photo: Citygarden opened in downtown St. Louis in 2009 and features 24 sculptures on 2.9 acres.