



2017
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, 2017

Prepared by
Office of the Comptroller

**Darlene Green
Comptroller**

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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

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December 22, 2017

The Honorable Lyda Krewson, 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, 2017 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 is 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, 2017, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

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

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

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

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

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

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

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

BUDGET PROCESS

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

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

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

ECONOMIC OUTLOOK

The 61.4 – square mile City is the core of a fifteen county Metropolitan Statistical Area (MSA) covering both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.8 million residents. The Metropolitan area is the 20th largest metropolitan area in the United States in terms of population. The City represents 17% of all jobs in the MSA. 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

The City issued \$25 million in General Obligation Bonds for the purpose of purchasing, replacing, repairing and improving and maintaining the buildings, bridges and Equipment of The City Including (1) acquiring fire trucks, ambulances, personal protective equipment and other firefighting apparatus for the St. Louis Fire Department, (2) acquiring refuse trucks for the City's Refuse Department, (3) Updating computer

hardware and software for City departments (4) Providing match share funds to repair, renovate and repair bridges and (5) renovating recreation centers, buildings and facilities owned by the City.

In order to take advantage of the current market environment, the City refinanced the Justice Center Series 2005, the Recreation Centers Series 2007, the Police Capital Improvement Series 2007 and the Juvenile Detention Center Series 2008B bonds resulting in an overall economic gain (difference between present value of old and new debt service payments) of approximately \$8.3 million.

More than \$5 billion has been invested in the last decade, bringing people, jobs, commerce, residential living, and urban vitality needed to strengthen the core of the St. Louis region. 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

The City continues to address the challenges of the current economic climate in the fiscal year 2018 budget. Historical trends since the end of the last recession suggest long-term growth at under 2% each year. The ability to meet the rising costs of City services and growing infrastructure needs with this limited growth remains a perennial challenge. The City continues to pursue efforts to reduce operating expenditures and staffing where possible without impacting services. The City's FY18 operating plan addresses funding for some of the most recent initiatives including the Economic Development sales tax which took effect October 1, 2017, increases in costs related to City employee compensation, meet outstanding debt obligations and provides a context for further review of different ways to provide City services so as to provide the opportunity to enhance funding in priority areas.

In November 2017, voters approved an additional ½ cent sales tax increase to fund public safety issues, including competitive compensation for police and fire fighters, and Circuit Attorney and recreation initiative to combat crime. This sales tax will take effect April 1, 2018, and will be included in the fiscal year 2019 budget.

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, 2016 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,



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, 2016

Christopher P. Morill

Executive Director/CEO

The City of St. Louis, Missouri
Elected Officials
June 30, 2017

Board of Aldermen

(Aldermen listed to numerical order by ward)

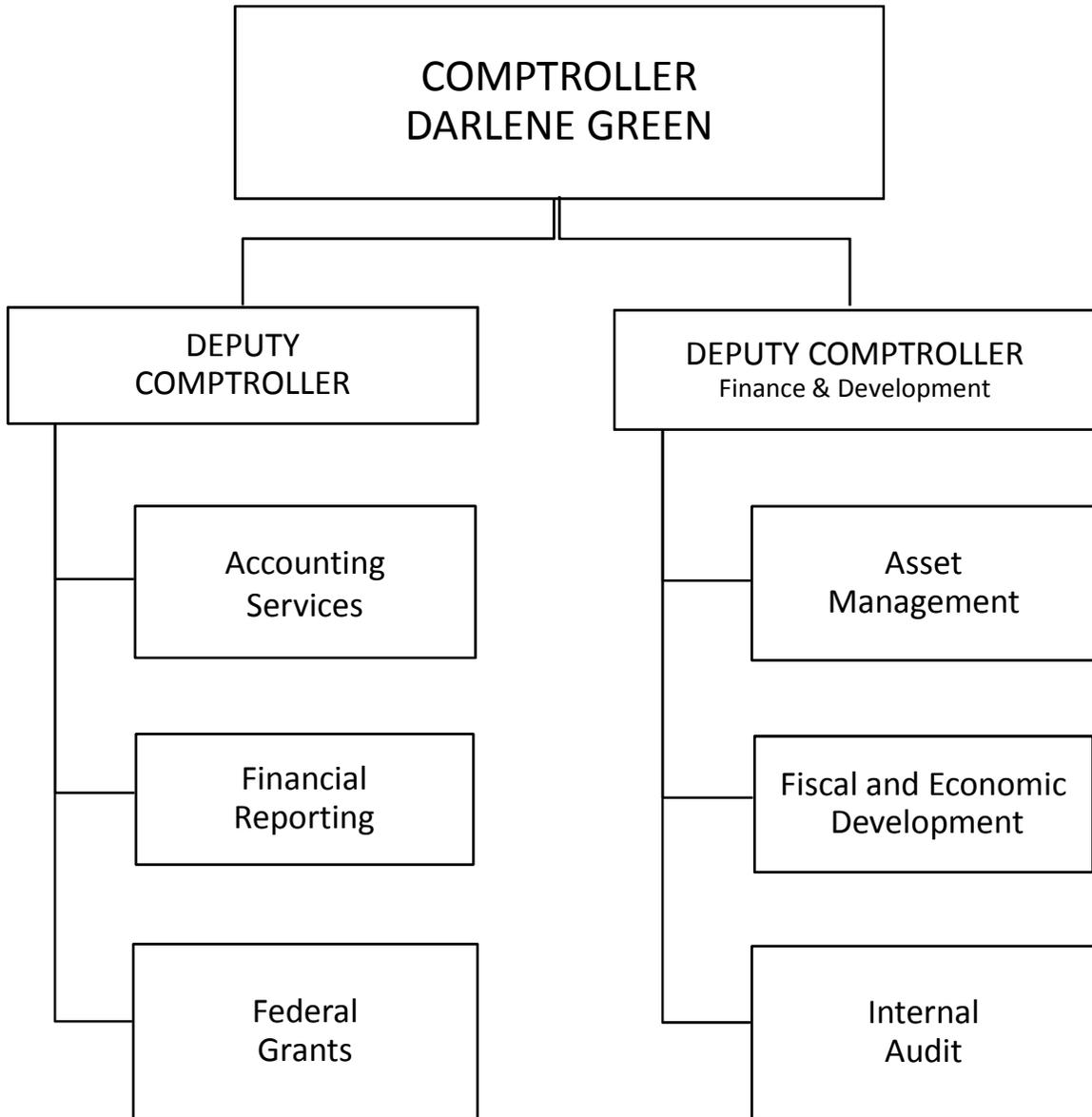
LYDA KREWSON
Mayor

DARLENE GREEN
Comptroller

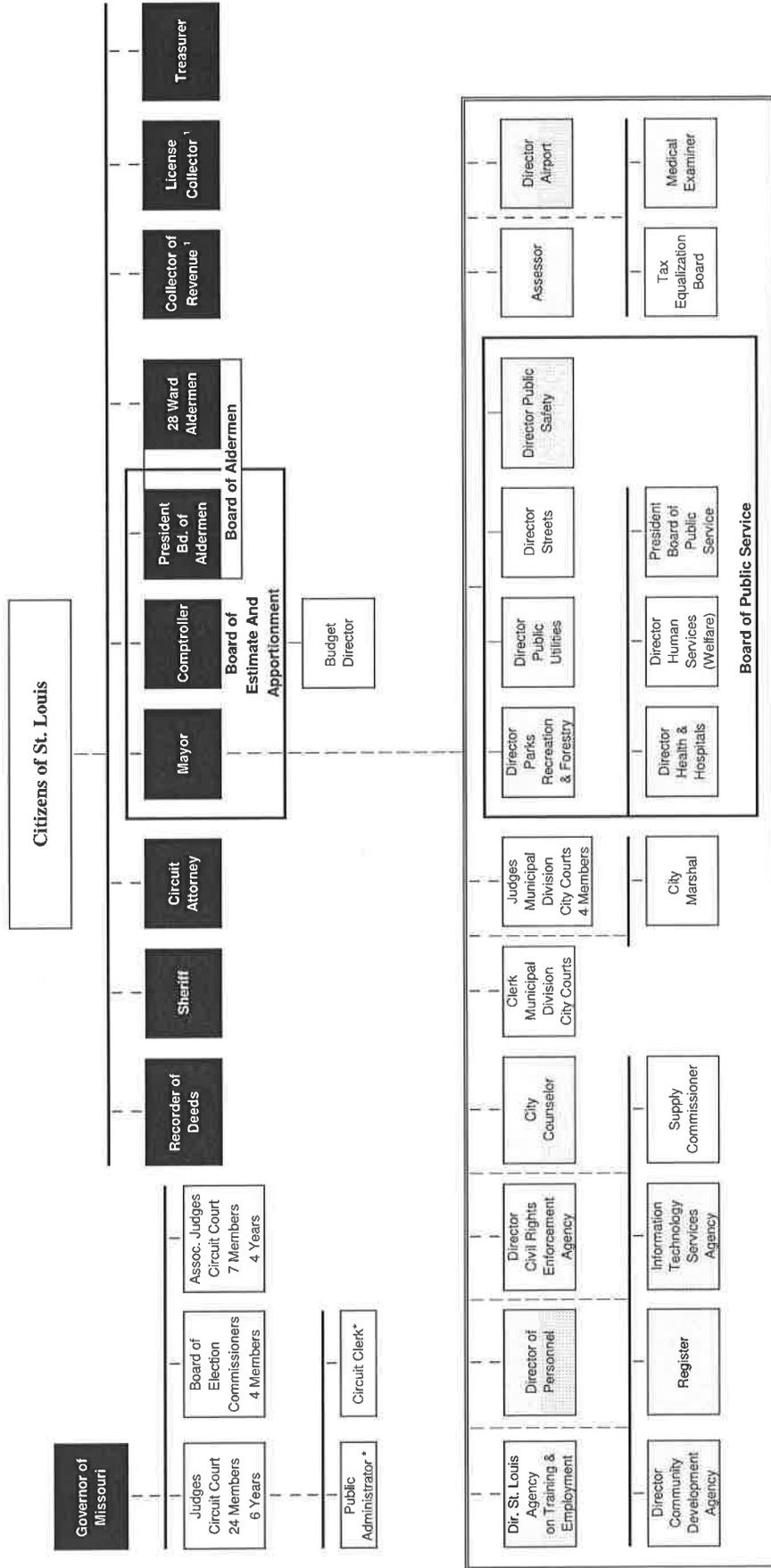
LEWIS REED
President,
Board of Aldermen

Sharon Tyus
Vacant
Brandon Bosley
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Jack Coatar
Stephen Conway
Dan Guenther
Joseph Vollmer
Sarah Martin
Larry Arnowitz
Beth Murphy
Carol Howard
Megan E. Green
Tom Oldenburg
Joseph D. Roddy
Terry Kennedy
Marlene E. Davis
Cara Spencer
John Collins-Muhammad
Jeffrey L. Boyd
Joseph Vaccaro
Scott Ogilvie
Shane Cohn
Frank Williamson
Pam Boyd
Heather Navarro

City of St. Louis, Missouri Office of the Comptroller



Government of the City of St. Louis, Missouri



■ Elective Offices - 4 Years * Previously elected offices now appointed by Courts

□ Offices appointed by Mayor

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





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, 2017, 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 91% and 52% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 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 Employees Retirement System of the City of St. Louis pension trust fund 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, 2017, 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.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 22, the Budgetary Comparison Information on pages 144 through 151, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 152 through 160 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 was 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 December 22, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Louis, Missouri's 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
December 22, 2017

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

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, 2017. 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 \$646.5 million.
- Governmental activities and business-type activities had a net position of (\$671.0) million and \$1,317.5 million, respectively.
- The cost of services for the City's governmental activities was \$861.8 million in fiscal year 2017 (excluding interest and fiscal charges).
- As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$186.9 million. Of this amount, (\$15.5) million is unassigned fund balance.
- In fiscal year 2017, the City issued \$151.7 million in long-term debt to finance projects and refund debt in governmental activities and \$274.6 million in long-term debt for business-type activities.
- Development and tax increment financing (TIF) debt increased liabilities in the amount of \$7.5 million. There is no related asset for TIF debt, net increases in TIF debt reduce unrestricted net position by an equal amount.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

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, and St. Louis Parking Commission 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.

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017

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.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

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.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2017 was \$646.5 million, down from \$744.7 million from fiscal year 2016. 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, 2017 and 2016
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current and other assets \$	394.4	374.8	656.9	364.5	1,051.3	739.3
Capital assets	813.5	821.2	1,792.2	1,817.6	2,605.7	2,638.8
Deferred outflow of resources	<u>236.9</u>	<u>213.6</u>	<u>31.4</u>	<u>43.1</u>	<u>268.3</u>	<u>256.7</u>
Total assets and deferred outflow of resources	<u>1,444.8</u>	<u>1,409.6</u>	<u>2,480.5</u>	<u>2,225.2</u>	<u>3,925.3</u>	<u>3,634.8</u>
Liabilities						
Long-term liabilities	1,927.8	1,791.9	1,105.1	856.5	3,032.9	2,648.4
Other liabilities	172.2	176.2	51.9	52.8	224.1	229.0
Deferred inflow of resources	<u>15.8</u>	<u>10.8</u>	<u>6.0</u>	<u>1.9</u>	<u>21.8</u>	<u>12.7</u>
Total liabilities	<u>2,115.8</u>	<u>1,978.9</u>	<u>1,163.0</u>	<u>911.2</u>	<u>3,278.8</u>	<u>2,890.1</u>
Net position						
Net investment in capital assets	506.3	522.7	785.2	918.6	1,291.5	1,441.3
Restricted	63.5	27.3	419.4	277.2	482.9	304.5
Unrestricted (deficit)	<u>(1,240.8)</u>	<u>(1,119.3)</u>	<u>112.9</u>	<u>118.2</u>	<u>(1,127.9)</u>	<u>(1,001.1)</u>
Total net position	<u><u>\$ (671.0)</u></u>	<u><u>(569.3)</u></u>	<u><u>1,317.5</u></u>	<u><u>1,314.0</u></u>	<u><u>646.5</u></u>	<u><u>744.7</u></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 \$646.5 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

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017

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 2017 and fiscal year 2016, respectively, is \$482.9 million and \$304.5 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by \$126.8 million for the year ended June 30, 2017. Unrestricted governmental activities net position showed a \$1,240.8 million deficit at the end of fiscal year 2017 as compared with a \$1,119.3 million deficit in fiscal year 2016. 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, \$22.2 million
- Joint venture financing agreement for the expansion of the convention center, \$24.1 million
- Obligations with component unit for the convention center hotel, \$22.0 million
- Obligations with component units for downtown development, \$15.1 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of \$388.7 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.

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017

City of St. Louis, Missouri
Schedule of Changes in Net Position
For the Fiscal Years ended June 30, 2017 and 2016
(dollars in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 133.7	136.5	241.7	237.4	375.4	373.9
Operating grants and contributions	66.8	67.1	1.1	0.7	67.9	67.8
Capital grants and contributions	15.1	6.5	11.9	9.4	27.0	15.9
General revenues:						
Taxes	590.8	568.6	—	—	590.8	568.6
Investment income	0.6	0.6	2.6	3.5	3.2	4.1
Total revenues	<u>807.0</u>	<u>779.3</u>	<u>257.3</u>	<u>251.0</u>	<u>1,064.3</u>	<u>1,030.3</u>
Expenses:						
General government	83.0	66.4	—	—	83.0	66.4
Convention and tourism	5.8	5.8	—	—	5.8	5.8
Parks and recreation	31.7	31.4	—	—	31.7	31.4
Judicial	49.6	51.1	—	—	49.6	51.1
Streets	75.3	75.7	—	—	75.3	75.7
Public safety:						
Fire	92.4	88.0	—	—	92.4	88.0
Police	280.3	226.5	—	—	280.3	226.5
Other	60.7	60.6	—	—	60.7	60.6
Health and welfare	56.0	57.0	—	—	56.0	57.0
Public service	79.7	79.5	—	—	79.7	79.5
Community development	47.3	82.5	—	—	47.3	82.5
Interest and fiscal charges	58.4	60.0	—	—	58.4	60.0
Airport	—	—	176.9	165.7	176.9	165.7
Water Division	—	—	49.0	49.7	49.0	49.7
Parking Division	—	—	16.5	15.3	16.5	15.3
Total expenses	<u>920.2</u>	<u>884.5</u>	<u>242.4</u>	<u>230.7</u>	<u>1,162.6</u>	<u>1,115.2</u>
Excess (deficiency) before						
extraordinary items and transfers	(113.2)	(105.2)	14.9	20.3	(98.3)	(84.9)
Extraordinary items	—	—	0.0	0.7	0.0	0.7
Transfers	11.4	9.9	(11.4)	(9.9)	—	—
Change in net position	<u>(101.8)</u>	<u>(95.3)</u>	<u>3.5</u>	<u>11.1</u>	<u>(98.3)</u>	<u>(84.2)</u>
Net position-beginning of year	<u>(569.2)</u>	<u>(473.9)</u>	<u>1,314.0</u>	<u>1,302.9</u>	<u>744.8</u>	<u>829.0</u>
Net position-end of year	<u>\$ (671.0)</u>	<u>(569.2)</u>	<u>1,317.5</u>	<u>1,314.0</u>	<u>646.5</u>	<u>744.8</u>

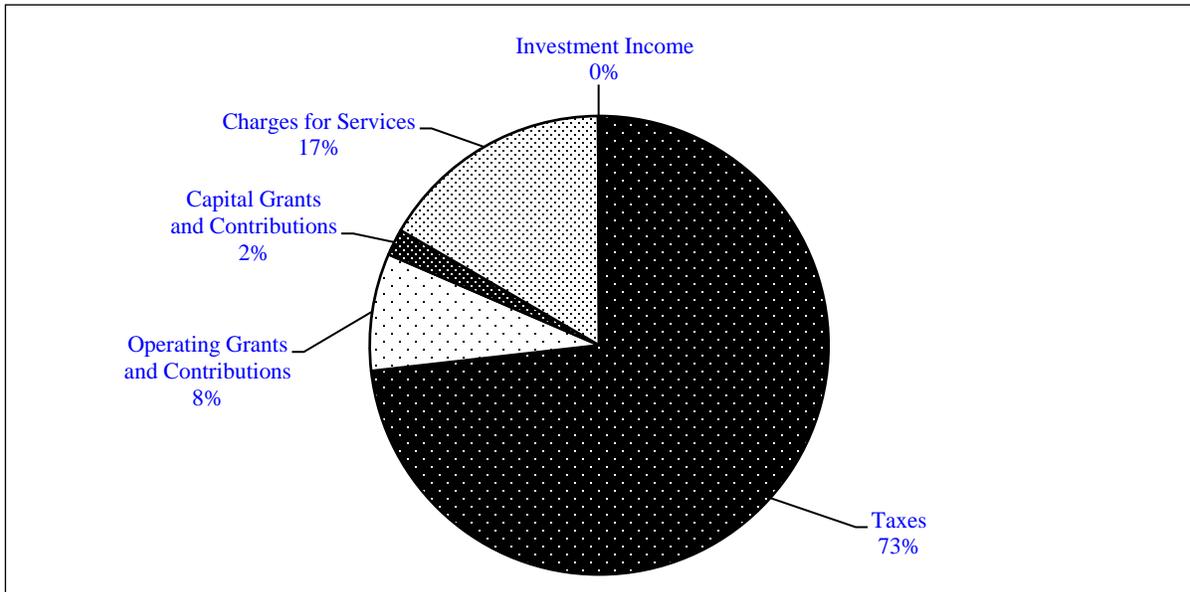
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

Changes in net position. The City's total revenue on a government-wide basis was \$1,064.3 million, an increase of \$34.0 million over the previous year. Taxes represent 55.5% of the City's revenue as compared with 55.2% last year. Additionally, 35.3% comes from fees charged for services, as compared to 36.3% 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 \$1,162.6 million, an increase from \$1,120.8 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.

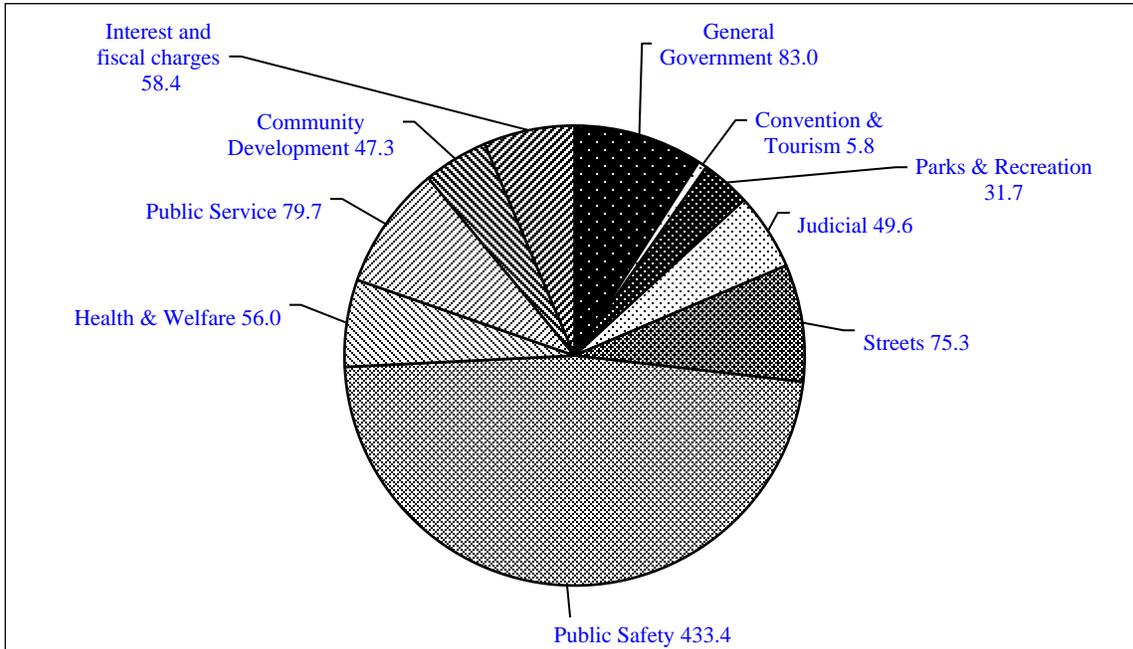
Governmental activities. As a result of this year's operations, the net position of governmental activities decreased by \$101.8 million or 17.9%. The decrease was mainly driven by costs associated with the net pension obligations of the City's four retirement plans. The net position decrease is primarily related to the anticipated level of spending over the expected growth in revenues. Revenues increased by \$27.7 million or 3.6%.

The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2017.



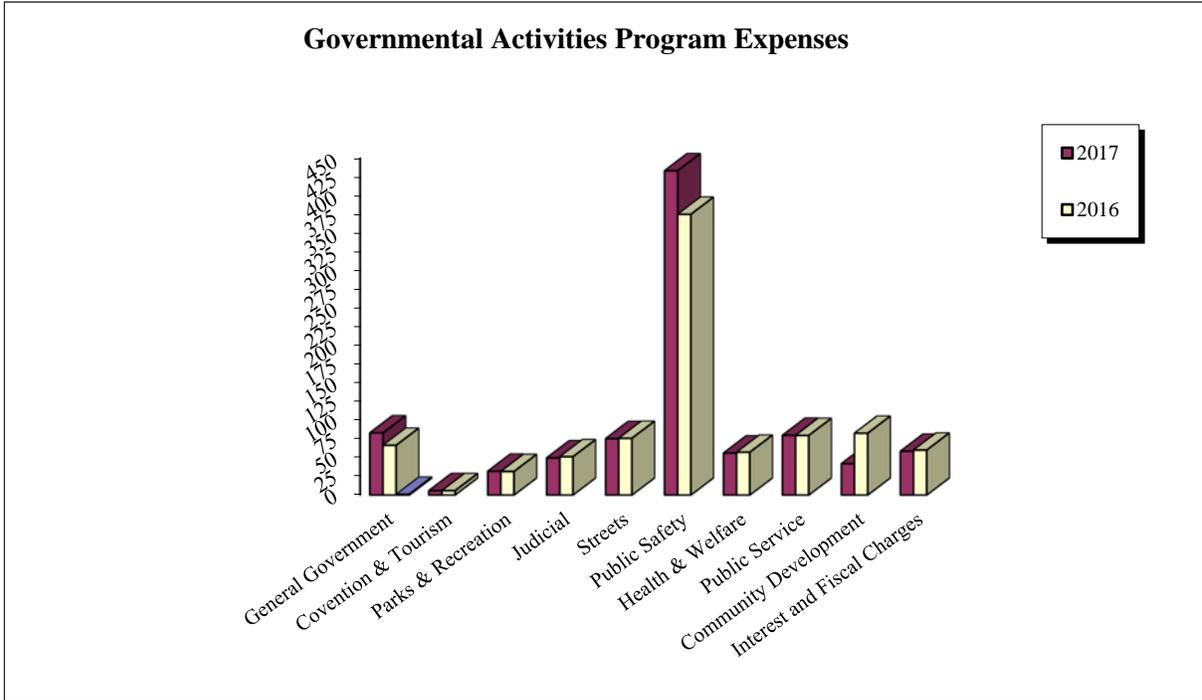
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
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The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was \$920.2 million, an increase of \$35.6 million or 4.0% over the prior year. As shown, public safety is the largest function in expense (47.1%). The majority of the spending was the result of funding Police of \$280.3 million and Fire of \$92.4 million, which includes any costs associated with their retirement plans.



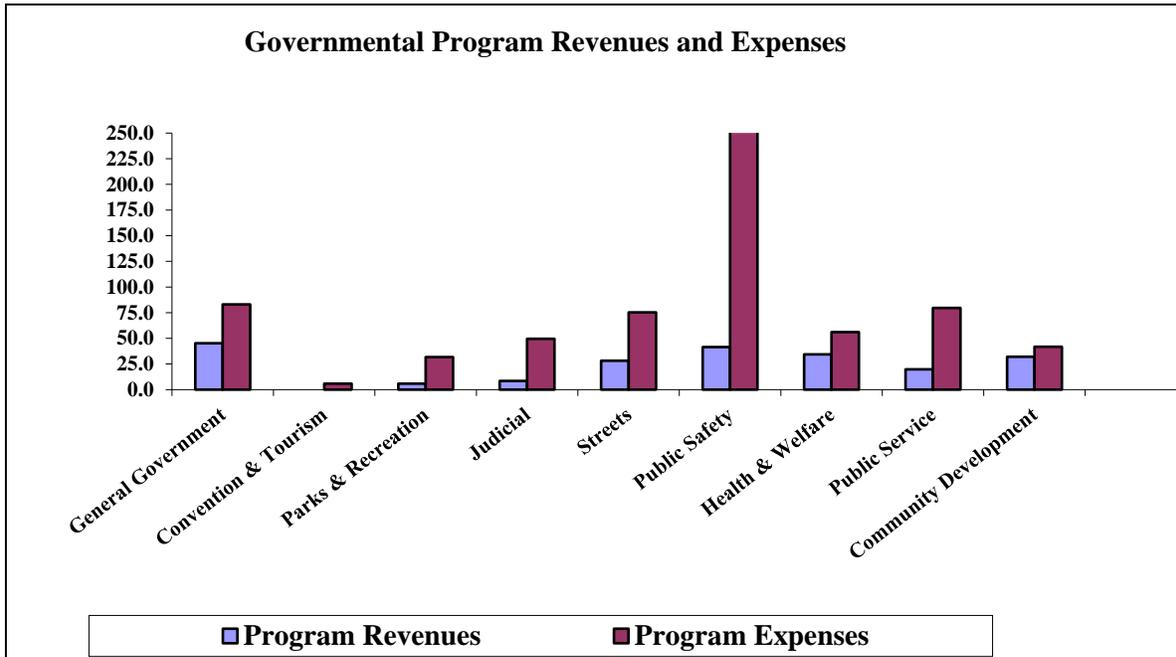
**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
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The following chart is a comparison of expense of governmental activities for fiscal years ended 2017 and 2016.



**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2017.



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

	Total Cost of Services		Net Costs of Services	
	2017	2016	2017	2016
General government	\$ 83.0	66.4	(37.8)	(23.1)
Convention and tourism	5.8	5.8	(5.8)	(5.8)
Parks and recreation	31.7	31.4	(25.8)	(25.5)
Judicial	49.6	51.1	(41.1)	(38.9)
Streets	75.3	75.7	(47.1)	(47.7)
Public Safety:				
Fire	92.4	88.0	(79.8)	(77.1)
Police	280.3	226.5	(274.9)	(219.8)
Other	60.7	60.6	(37.1)	(35.0)
Health and welfare	56.0	57.1	(21.6)	(19.9)
Public service	79.7	79.5	(59.8)	(67.6)
Community development	47.3	82.5	(15.2)	(54.2)
Totals	\$ 861.8	824.6	(646.0)	(614.6)

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$861.8 million compared with \$824.6 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was \$590.8 million. The primary difference of \$265.5 million comprises charges for services (\$133.7 million), operating grants and contributions (\$66.8 million), and capital grants and contributions (\$15.1 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$3.5 million or 0.3%.

Lambert – St. Louis International Airport. The net position of the Airport increased by \$0.2 million or 0.02%. The operating income was (\$1.3) million this year versus operating income of \$5.5 million in 2016. Total operating revenues for 2017 was \$140.1 million. Of this amount, major sources of operating revenue included aviation revenues (61.0%), concessions (18.8%), parking, net (16.5%), and lease revenue (3.7%). A significant non-operating revenue is passenger facility charges which accounts for \$26.8 million.

At June 30, 2017, the capital assets balance was \$1,557.2 million. This amount includes buildings and structures of \$243.7 million, pavings with \$510.7 million, and equipment with \$24.2 million, all net of accumulated depreciation. Land is \$751.1 million, construction in progress is \$24.0 million, and easements is \$3.5 million.

At June 30, 2017, the Airport had bonded debt of \$906.3 million. At the end of fiscal year 2017, the airport issued \$125.4 million in refunding bonds that the money is currently held in escrow, crossing fiscal years to refund the Series 2007A bond on July 3, 2017 causing the balance to show a significant increase in debt.

Water Division The net position of the Water Division increased by \$2.7 million or 1.5%. Operating income was \$4.8 million in fiscal year 2017 and \$7.0 million in fiscal year 2016. Total operating revenues for 2017 was \$53.6 million. Of this amount, major sources of operating revenue included metered revenue (41.2%) and flat rate revenue (46.5%).

At June 30, 2017, the capital assets balance was \$161.3 million. This amount includes buildings and structures (net of accumulated depreciation) with \$14 million, reservoirs and water mains, lines and accessories with \$98.4 million, equipment with \$32.9 million, land with \$1.2 million, and construction-in-progress with \$14.8 million.

At June 30, 2017, the Water Division had bonded debt of \$8.5 million.

Parking Division. The net position of the Parking Division increased by \$0.6 million or 1.6%. Operating income was \$6.5 million in fiscal year 2017 and \$6.1 million in fiscal year 2016. Total operating revenues for 2017 was \$18.0 million. Of this amount, major sources of operating revenue included parking meter revenue (17.4%), parking violations notices revenue (24.0%), and parking facilities revenue (54.3%).

At June 30, 2017, the capital assets balance was \$73.7 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$45.4 million, parking meters and lot equipment with \$4.5 million, equipment with \$0.9 million, and land with \$22.9 million.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2017

At June 30, 2017, the Parking Division had bonded debt of \$64.4 million.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2017
(dollars in millions)

		<u>2017</u>	<u>2016</u>	<u>2017 vs. 2016</u> <u>\$ Change</u>	<u>2017 vs. 2016</u> <u>% Change</u>
Total assets	\$	<u>386.0</u>	<u>366.5</u>	<u>19.5</u>	<u>5.3%</u>
Total liabilities		<u>95.2</u>	<u>96.2</u>	<u>(1.0)</u>	<u>-1.0%</u>
Deferred inflow of resources		<u>104.0</u>	<u>97.7</u>	<u>6.3</u>	<u>6.4%</u>
Fund balance:					
Restricted and Nonspendable		128.9	110.5	18.4	16.7%
Committed		69.3	80.5	(11.2)	-13.9%
Assigned		4.1	4.8	(0.7)	-14.6%
Unassigned		<u>(15.5)</u>	<u>(23.2)</u>	<u>7.7</u>	<u>33.2%</u>
Total fund balance		<u>186.8</u>	<u>172.6</u>	<u>14.2</u>	<u>8.2%</u>
Total liabilities, deferred inflow of resources, and fund balance	\$	<u>386.0</u>	<u>366.5</u>	<u>19.5</u>	<u>5.3%</u>

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 \$1.5 million.

The total fund balance in the City's general fund decreased by \$4.0 million or 18% in the current fiscal year. The City's general fund decreased by \$6.4 million or 22.2% in the prior fiscal year. During fiscal year 2017, the committed balance of the fund balance was used to fund a 27th pay period the City experienced (a quirk of the biweekly pay calendar that occurs every eleven years).

The total fund balance in the redevelopment projects fund increased by \$1.1 million or 3.0% in the current fiscal year. The increase is due to the increase tax revenues received this year which is from the profitability of the redevelopment.

The total fund balance in the City's capital projects fund increased by \$12.5 million or 19.7% in the current fiscal year. The City's capital projects fund decreased by \$9.7 million or 18% in the prior fiscal year. This is primarily due to the balance of general obligation bonds issued in fiscal year 2017 to be used for capital improvements.

The grants fund received \$66.8 million in intergovernmental revenues that funded community development in the amount of \$21.4 million, or 32.1%, and health and welfare in the amount of \$34.1 million, or 51.1% in the current fiscal year. The grants fund received \$67.1 million in

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

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 prior fiscal year.

The total fund balance in the City's other governmental funds increased by \$4.7 million or 9.3% in the current fiscal year. The City's other governmental funds decreased by \$1.4 million or 2.7 % 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 \$64.9 million, the Water Division was \$27.0 million, and the Parking Division was \$21.0 million, as compared with \$71.1 million, \$26.7 million, and \$20.4 million, respectively in 2016. The total increase in net position for the enterprise funds was \$3.5 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' Retirement Plan, the Police Retirement System, and the Employees Retirement System. As of the end of the funds' fiscal year ended September 30, 2016, the net position of the pension funds totaled \$2.0 billion, a increase 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 \$55.5 million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, circuit clerk, police agency, treasurer's office college fund 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 and the transfer of the 27th pay reserve, totaled \$511.1 million. Actual results for the fiscal year's revenues and transfers in were \$506.1 million, which was below the original estimates by \$5.0 million or 1% of the estimate.

The original general fund expense budget was \$514.7 million including transfers out. This also includes prior year encumbrances and commitments of \$3.7 million set aside and re-appropriated. Actual expenditures and transfers out totaled \$507.0 million. This includes expenditures of \$1.7 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2017 budget total \$2.5 million. The general fund ended the fiscal year with a budget-basis-operating deficit of \$0.8 million.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

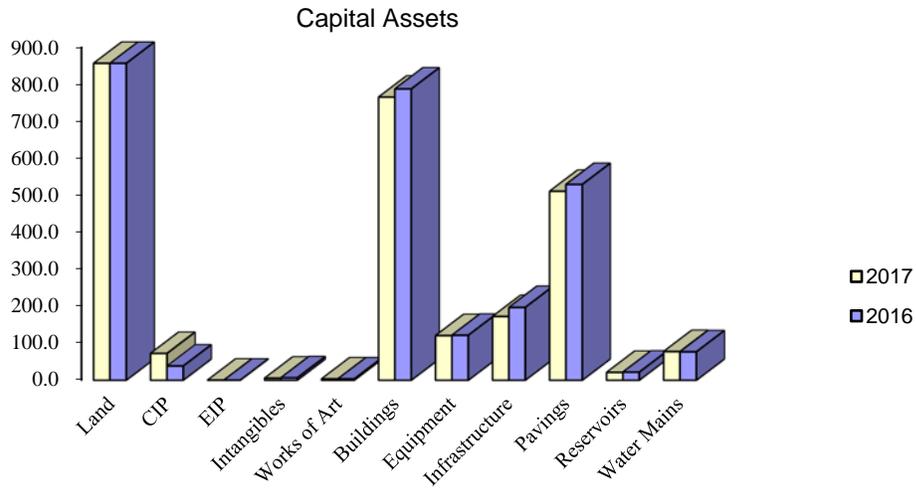
Capital Assets

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	
	2017	2016	2017	2016	2017	2016
Land	\$ 81.7	81.7	775.2	775.2	856.9	856.9
Construction in progress	33.4	13.9	38.9	24.5	72.3	38.4
Equipment in progress	0.2	0.0	—	—	0.2	0.0
Intangibles	1.3	2.2	3.5	3.5	4.8	5.7
Works of art	3.6	3.6	—	—	3.6	3.6
Buildings and improvements	460.1	464.5	303.0	323.1	763.1	787.6
Equipment	60.4	57.8	62.5	63.6	122.9	121.4
Infrastructure	172.2	196.6	—	—	172.2	196.6
Intangibles	0.6	0.9	—	—	0.6	0.9
Pavings	—	—	510.6	529.1	510.6	529.1
Reservoirs	—	—	21.1	21.8	21.1	21.8
Water mains, lines, accessories	—	—	77.4	76.7	77.4	76.7
Total	\$ 813.5	821.2	1,792.2	1,817.5	2,605.7	2,638.7

CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017



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 2017, the City had outstanding long-term debt obligations for governmental activities in the amount of \$979.5 million compared with \$976.5 million in fiscal year 2016. Of this amount, \$37.3 million are general obligation bonds and \$388.7 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled \$419.9 million.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2017

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

	Fiscal Year	Fiscal Year	\$ Change	% Change
	2017	2016		
General obligation bonds payable	\$ 37.3	16.8	20.5	122.0%
Section 108 Loan Guarantee				
Assistance Programs	22.2	26.9	(4.7)	-17.5%
Loan agreement with FPF	13.7	8.0	5.7	71.3%
Development and tax increment financing bonds and notes payable	388.7	381.2	7.5	2.0%
Loan agreement with Missouri Transportation Finance Corporation	0.5	1.1	(0.6)	-54.5%
Capital lease—rolling stock	11.0	15.2	(4.2)	-27.6%
Certificates of participation	3.8	4.5	(0.7)	-15.6%
Obligations with component units	37.1	44.2	(7.1)	-16.1%
Leasehold revenue improvement and refunding bonds	419.9	438.9	(19.0)	-4.3%
Joint venture financing agreement	24.1	28.9	(4.8)	-16.6%
Unamortized premium/discounts	21.2	10.8	10.4	96.3%
Total	\$ 979.5	976.5	3.0	0.3%

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 \$456.4 million. The City's effective legal debt margin as of June 30, 2017 was \$427.4 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED JUNE 30, 2017

The City's underlying general obligation credit ratings changed for fiscal year 2017. The City ratings on uninsured general obligation bonds as of June 30, 2017 were:

Moody's Investor's Service, Inc.	A3
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 2017	Fiscal Year 2016	\$ Change	% Change
Airport	\$ 906.3	686.2	220.1	32.08%
Water Division	8.5	5.1	3.4	66.67%
Parking Division	64.4	67.1	(2.7)	-4.02%
Total	\$ 979.2	758.4	220.8	29.11%

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2017 and 2016 were \$979.2 million and \$758.4 million, respectively. The amount reflects a increase of \$220.8 million, or 29.1%. This amount includes Airport bonds of \$906.3 million, Water Division bonds of \$8.5 million, and Parking Division bonds of \$64.4 million. At the end of fiscal year 2017, the airport issued \$125.4 million in refunding bonds that the money is currently held in escrow crossing fiscal years to refund the Series 2007A bond on July 3, 2017 causing the balance to show a significant increase in debt. 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 2018 annual operating budget allocates \$1,053.5 million among all budgeted funds, a 1.2% increase over the previous year's budget.
- The fiscal year 2018 general fund budget is \$510.4 million compared with \$511.1 million in fiscal year 2017. This amount reflects a decrease of \$0.7 million, or 0.1%. After adjusting for the occurrence of a 27th pay period in fiscal year, the general fund is budget will actually see an increase of 1.9%
- Total employee positions for fiscal year 2018 are 6,622 which is down 51 positions from the prior fiscal year.

**CITY OF ST. LOUIS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2017**

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, 2017
(dollars in thousands)

	Primary Government			Component unit
	Governmental activities	Business-type activities	Total	SLDC
Assets				
Cash and cash equivalents	\$ 75,779	64,291	140,070	12,157
Investments	26,545	107,029	133,574	55
Receivables, net	186,955	25,457	212,412	17,512
Inventories	1,464	4,825	6,289	—
Restricted assets	89,473	463,990	553,463	—
Internal balances	12,040	(12,040)	—	—
Other assets	2,167	3,356	5,523	589
Receivable from primary government	—	—	—	171
Property held for development, net	—	—	—	17,250
Capital assets, net:				
Nondepreciable	120,147	817,568	937,715	7,686
Depreciable	693,357	974,591	1,667,948	21,364
Total assets	<u>1,207,927</u>	<u>2,449,067</u>	<u>3,656,994</u>	<u>76,784</u>
Deferred outflow of resources	<u>236,904</u>	<u>31,399</u>	<u>268,303</u>	<u>—</u>
Total assets and deferred outflow of resources	<u>1,444,831</u>	<u>2,480,466</u>	<u>3,925,297</u>	<u>76,784</u>
Liabilities				
Accounts payable and accrued liabilities	19,298	21,337	40,635	1,977
Accrued salaries and other benefits	11,898	8,469	20,367	—
Accrued interest payable	134,861	17,548	152,409	—
Unearned revenue	3,970	4,527	8,497	—
Other liabilities	2,027	—	2,027	—
Payable to component unit	171	—	171	—
Payable to other government agencies	3	51	54	—
Long-term liabilities:				
Due within one year	125,424	279,688	405,112	5,409
Due in more than one year	1,802,386	825,366	2,627,752	44,723
Total liabilities	<u>2,100,038</u>	<u>1,156,986</u>	<u>3,257,024</u>	<u>52,109</u>
Deferred inflow of resources	<u>15,788</u>	<u>5,985</u>	<u>21,773</u>	<u>—</u>
Total liabilities and deferred inflow of resources	<u>2,115,826</u>	<u>1,162,971</u>	<u>3,278,797</u>	<u>52,109</u>
Net Position				
Net investments in capital assets	506,299	785,214	1,291,513	16,602
Restricted:				
Debt service	37,147	390,627	427,774	—
Capital projects	14	—	14	—
Passenger facility charges	—	28,729	28,729	—
Statutory restrictions	26,330	—	26,330	—
Unrestricted (deficit)	(1,240,785)	112,925	(1,127,860)	8,073
Total net position	<u>\$ (670,995)</u>	<u>1,317,495</u>	<u>646,500</u>	<u>24,675</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2017
(dollars in thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component unit SLDC
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			
					Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 83,029	44,435	773	—	(37,821)	—	(37,821)	—
Convention and tourism	5,801	—	—	—	(5,801)	—	(5,801)	—
Parks and recreation	31,695	5,139	745	—	(25,811)	—	(25,811)	—
Judicial	49,587	6,347	2,167	—	(41,073)	—	(41,073)	—
Streets	75,329	27,562	37	630	(47,100)	—	(47,100)	—
Public safety:								
Fire	92,422	10,829	1,750	—	(79,843)	—	(79,843)	—
Police	280,295	2,831	2,567	—	(274,897)	—	(274,897)	—
Other	60,714	22,115	1,452	—	(37,147)	—	(37,147)	—
Health and welfare	56,020	1,364	33,026	—	(21,630)	—	(21,630)	—
Public service	79,680	5,341	—	14,504	(59,835)	—	(59,835)	—
Community development	47,270	7,774	24,276	—	(15,220)	—	(15,220)	—
Interest and fiscal charges	58,378	—	—	—	(58,378)	—	(58,378)	—
Total governmental activities	920,220	133,737	66,793	15,134	(704,556)	—	(704,556)	—
Business-type activities:								
Airport	176,892	169,004	1,136	11,722	—	4,970	4,970	—
Water Division	49,039	54,620	—	215	—	5,796	5,796	—
Parking Division	16,520	18,032	—	—	—	1,512	1,512	—
Total business-type activities	242,451	241,656	1,136	11,937	—	12,278	12,278	—
Total primary government	\$ 1,162,671	375,393	67,929	27,071	(704,556)	12,278	(692,278)	—
Component unit:								
SLDC	\$ 16,615	10,773	6,041	—	—	—	—	199
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 86,542	—	86,542	—
Property taxes, levied for debt service					6,984	—	6,984	—
Sales taxes					179,075	—	179,075	—
Earnings/payroll taxes					223,018	—	223,018	—
Gross receipts taxes (includes franchise tax)					90,145	—	90,145	—
Miscellaneous taxes					5,068	—	5,068	—
Unrestricted investment earnings					621	2,613	3,234	134
Transfers					11,361	(11,361)	—	—
Total general revenues and transfers					602,814	(8,748)	594,066	134
Change in net position					(101,742)	3,530	(98,212)	333
Net position – beginning of year					(569,253)	1,313,965	744,712	24,342
Net position – end of year					\$ (670,995)	1,317,495	646,500	24,675

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2017
(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	3,669	2,032	42,740	813	9,208	58,462
Unrestricted	19,155	19,612	9,187	—	20,841	68,795
Investments:						
Restricted	11,232	1,706	14,879	—	3,194	31,011
Unrestricted	4,768	5,757	8,861	505	5,253	25,144
Receivables, net of allowances:						
Taxes	103,990	24,308	4,386	—	30,075	162,759
Licenses and permits	2,412	—	—	—	181	2,593
Intergovernmental	1,695	1,107	3,359	7,903	591	14,655
Charges for services	3,914	62	15	—	1,299	5,290
Other	321	—	4	—	538	863
Inventory	1,464	—	—	—	—	1,464
Prepaid asset	822	—	—	—	—	822
Due from other funds	7,842	6,291	—	—	—	14,133
Total assets	\$ 161,284	60,875	83,431	9,221	71,180	385,991
Liabilities, Deferred Inflow of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,862	52	6,784	5,623	1,772	19,093
Accrued salaries and other benefits	10,934	14	58	334	558	11,898
Due to component unit	—	—	—	—	143	143
Due to other funds	4,659	—	556	2,475	1,555	9,245
Due to other governmental agencies	3	—	—	—	—	3
Advance to other funds	48,769	—	—	—	—	48,769
Unearned revenue	1,292	—	—	—	2,678	3,970
Other liabilities	2,055	—	—	—	—	2,055
Total liabilities	72,574	66	7,398	8,432	6,706	95,176
Deferred inflow of resources	70,428	24,605	—	—	8,930	103,963
Total liabilities and deferred inflow of resources	143,002	24,671	7,398	8,432	15,636	199,139
Fund balances (deficit):						
Nonspendable	3,608	—	—	—	11	3,619
Restricted	13,145	32,823	54,653	789	23,910	125,320
Committed	—	—	38,439	—	30,883	69,322
Assigned	—	3,381	—	—	740	4,121
Unassigned	1,529	—	(17,059)	—	—	(15,530)
Total fund balances	18,282	36,204	76,033	789	55,544	186,852
Total liabilities, deferred inflow of resources, and fund balances	\$ 161,284	60,875	83,431	9,221	71,180	385,991

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, 2017
(dollars in thousands)

Total fund balances—governmental funds—balance sheet	\$	186,852
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.		813,449
Various taxes related to fiscal year 2017 will be collected beyond the 60-day period and are not recognized as revenue in the fund financial statements. Revenue for this amount is recognized in the government-wide financial statements.		9,288
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, 2017 and payable on December 31, 2017 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		94,675
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.		5,658
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, 2017 are:		
Accrued vacation and sick leave		(49,219)
Net OPEB Obligation		(234,180)
Net pension liability		(604,324)
Accrued interest payable		(134,861)
Joint venture financing agreement		(24,068)
Certificates of participation		(3,815)
Obligations with component unit		(37,106)
Capital leases-rolling stock		(10,983)
Leasehold revenue improvement and refunding revenue bonds		(419,909)
Development and TIF bonds and notes payable		(388,669)
General obligation bonds		(37,345)
Section 108 Loan Guarantee Assistance Programs		(22,160)
Other long-term debt		(14,210)
Deferred outflow of resources		236,904
Deferred inflow of resources		(15,788)
Unamortized discounts		2,444
Unamortized premiums		(23,628)
Total net position—governmental activities—statement of net position	\$	<u>(670,995)</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2017
(dollars in thousands)

	Major funds				Nonmajor funds	Total governmental funds
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	
Revenues:						
Taxes	\$ 382,260	39,024	23,879	—	140,610	585,773
Licenses and permits	19,521	1	—	—	6,919	26,441
Intergovernmental	22,142	4,019	15,134	66,793	1,265	109,353
Charges for services, net	31,267	33	197	—	16,816	48,313
Court fines and forfeitures	3,388	—	—	—	—	3,388
Investment income	492	(16)	109	16	20	621
Interfund services provided	4,847	—	—	—	—	4,847
Miscellaneous	6,131	2,775	1,485	—	7,454	17,845
Total revenues	<u>470,048</u>	<u>45,836</u>	<u>40,804</u>	<u>66,809</u>	<u>173,084</u>	<u>796,581</u>
Expenditures:						
Current:						
General government	52,471	1,528	199	845	16,529	71,572
Convention and tourism	119	—	—	—	—	119
Parks and recreation	19,024	—	1,533	688	4,700	25,945
Judicial	44,175	—	—	2,236	2,952	49,363
Streets	35,281	—	6,307	40	943	42,571
Public Safety:						
Fire	69,849	—	—	1,905	1,345	73,099
Police	164,912	—	—	2,609	22,901	190,422
Other	49,148	—	—	1,564	9,096	59,808
Health and welfare	3,574	—	—	34,141	18,124	55,839
Public services	33,838	—	3,505	—	41,881	79,224
Community development	—	22,635	3,207	21,428	—	47,270
Capital outlay	1,385	—	45,497	—	725	47,607
Debt service:						
Principal	13,405	14,476	19,772	1,270	10,730	59,653
Interest and fiscal charges	17,015	20,456	7,535	124	7,192	52,322
Advance refunding escrow	—	2,010	—	—	—	2,010
Total expenditures	<u>504,196</u>	<u>61,105</u>	<u>87,555</u>	<u>66,850</u>	<u>137,118</u>	<u>856,824</u>
Excess (deficiency) of revenues over expenditures	<u>(34,148)</u>	<u>(15,269)</u>	<u>(46,751)</u>	<u>(41)</u>	<u>35,966</u>	<u>(60,243)</u>
Other financing sources (uses):						
Sale of fixed asset	—	—	190	—	—	190
Issuance of leasehold revenue refunding bonds	24,435	—	19,535	—	42,990	86,960
Issuance of leasehold revenue bonds	—	—	3,207	—	—	3,207
Issuance of general obligation bonds	—	—	25,000	—	—	25,000
Issuance of refunding development and tax increment financing notes	—	9,050	—	—	—	9,050
Issuance of development and tax increment financing notes	—	19,794	—	—	—	19,794
Proceeds from loan agreement with Forest Park Forever	—	—	7,695	—	—	7,695
Payment to refunded escrow agent	(26,050)	—	(21,569)	—	(44,161)	(91,780)
Payment of development and tax increment financing notes	—	(9,050)	—	—	—	(9,050)
Premium on bond issuances	2,234	—	5,059	—	4,878	12,171
Discount on bond issuances	—	—	(131)	—	—	(131)
Transfers in	40,232	—	20,536	—	4,022	64,790
Transfers out	(10,707)	(3,461)	(283)	—	(38,978)	(53,429)
Total other financing (uses) sources, net	<u>30,144</u>	<u>16,333</u>	<u>59,239</u>	<u>—</u>	<u>(31,249)</u>	<u>74,467</u>
Net change in fund balances	<u>(4,004)</u>	<u>1,064</u>	<u>12,488</u>	<u>(41)</u>	<u>4,717</u>	<u>14,224</u>
Fund balances:						
Fund balance, beginning of year	22,286	35,140	63,545	830	50,827	172,628
Fund balance, end of year	<u>\$ 18,282</u>	<u>36,204</u>	<u>76,033</u>	<u>789</u>	<u>55,544</u>	<u>186,852</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2017
(dollars in thousands)

Net change in fund balances—governmental funds—statement of revenues, expenditures, and changes in fund balances	\$ 14,224
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	47,607
Capital contribution	4,181
Loss on disposal of capital assets	(1,172)
Depreciation expense	(58,337)
	(7,721)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts are attributable to the following factors:	
Change in revenues received after the 60-day accrual period	2,068
Property taxes due in the fiscal year following the fiscal year in which they were assessed	4,148
	6,216
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.	925
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.	(81,109)
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.	(28,500)
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	(28,844)
General obligation bonds	(25,000)
Loan agreement with Forest Park Forever	(7,695)
Leasehold revenue bonds	(90,167)
Repayments during the current year:	
Payments to refunded escrow agent - leasehold revenue bonds	91,780
Payment of development and tax increment financing notes	9,050
Advance refunding escrow payment to refund development and tax increment financing notes	2,010
Annual principal payments on bonds and notes payable	49,996
Annual principal payments on joint venture financing agreement	4,777
Annual principal payments on capital lease	4,205
Annual principal payments Certificates of Participation	675
	10,787
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	1,532
Accrued interest payable	(7,238)
Unamortized discounts	(680)
Unamortized premiums	(9,681)
Deferred outflow of resources-bond refundings	(497)
	(16,564)
Change in net position—governmental activities—statement of activities	\$ (101,742)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Position
Proprietary Funds
June 30, 2017
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	
Assets					
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 352,063	311	4,954	357,328	—
Unrestricted cash and cash equivalents	31,084	17,189	12,480	60,753	6,984
Investments:					
Unrestricted investments	44,535	19,370	10,003	73,908	1,401
Receivables, net of allowances:					
Intergovernmental	5,458	—	—	5,458	—
Charges for services	5,193	12,171	284	17,648	795
Passenger facility charges	2,223	—	—	2,223	—
Accrued interest	128	—	—	128	—
Prepaid assets	—	—	—	—	1,345
Due from other funds	—	—	—	—	7,188
Advance from other funds	—	—	—	—	48,769
Inventories	2,303	2,522	—	4,825	—
Other current assets	559	64	20	643	—
Total current assets	443,546	51,627	27,741	522,914	66,482
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	30,943	2,796	—	33,739	—
Unrestricted cash and cash equivalents	—	3,538	—	3,538	—
Investments:					
Restricted investments	68,393	—	4,530	72,923	—
Unrestricted investments	33,121	—	—	33,121	—
Capital assets:					
Property, plant, and equipment	1,785,532	303,697	84,358	2,173,587	146
Less accumulated depreciation	(1,006,968)	(158,442)	(33,586)	(1,198,996)	(91)
	778,564	145,255	50,772	974,591	55
Land, infrastructure and easements	754,595	1,238	22,903	778,736	—
Construction-in-progress	24,042	14,790	—	38,832	—
Capital assets, net	1,557,201	161,283	73,675	1,792,159	55
Intangibles and other assets, net	1,689	291	733	2,713	—
Total noncurrent assets	1,691,347	167,908	78,938	1,938,193	55
Deferred outflow of resources	20,789	3,881	6,729	31,399	—
Total assets and deferred outflow of resources	2,155,682	223,416	113,408	2,492,506	66,537
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	8,098	5,987	323	14,408	205
Accrued salaries and other benefits	3,856	412	107	4,375	—
Accrued vacation and compensatory time benefits	2,098	1,847	149	4,094	—
Contracts and retainage payable	6,929	—	—	6,929	—
Accrued interest payable	17,256	108	184	17,548	—
Current portion of revenue bonds	276,000	422	3,266	279,688	—
Due to other funds	4,784	4,900	2,356	12,040	36
Due to other government agencies	—	—	51	51	—
Claims payable	—	—	—	—	60,638
Unearned revenue and other deposits	1,253	1,756	1,518	4,527	—
Total current liabilities	320,274	15,432	7,954	343,660	60,879
Noncurrent liabilities:					
Revenue bonds payable, net	690,449	8,063	64,195	762,707	—
Net pension liability	28,077	12,536	3,170	43,783	—
Customer deposits	—	2,046	—	2,046	—
Other liabilities	11,738	4,156	936	16,830	—
Total noncurrent liabilities	730,264	26,801	68,301	825,366	—
Deferred inflow of resources	5,158	373	454	5,985	—
Total liabilities and deferred inflow of resources	1,055,696	42,606	76,709	1,175,011	60,879
Net Position					
Net investments in capital assets	626,202	152,798	6,214	785,214	55
Restricted:					
Debt service	380,117	1,026	9,484	390,627	—
Capital projects	—	—	—	—	—
Passenger facility charges	28,729	—	—	28,729	—
Unrestricted	64,938	26,986	21,001	112,925	5,603
Total net position	\$ 1,099,986	180,810	36,699	1,317,495	5,658

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, 2017
(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	\$ 85,434	—	—	85,434	—
Concessions	26,307	—	—	26,307	—
Water sales	—	50,940	—	50,940	—
Lease revenue	5,225	—	—	5,225	—
Parking, net	23,107	—	18,026	41,133	—
Charges for services	—	—	—	—	48,081
Miscellaneous	—	2,617	—	2,617	(95)
Total operating revenues	<u>140,073</u>	<u>53,557</u>	<u>18,026</u>	<u>211,656</u>	<u>47,986</u>
Operating expenses:					
Claims incurred	—	—	—	—	39,105
Premiums	—	—	—	—	3,099
Personnel services	40,360	17,227	5,761	63,348	325
Material and supplies	5,092	10,529	197	15,818	4,516
Purchased power	—	3,480	—	3,480	—
Contractual services	36,006	6,777	1,180	43,963	—
Miscellaneous	66	1,427	1,383	2,876	—
Depreciation	57,259	6,021	2,898	66,178	11
Interfund services used	2,627	3,262	99	5,988	—
Total operating expenses	<u>141,410</u>	<u>48,723</u>	<u>11,518</u>	<u>201,651</u>	<u>47,056</u>
Operating income (loss)	<u>(1,337)</u>	<u>4,834</u>	<u>6,508</u>	<u>10,005</u>	<u>930</u>
Nonoperating revenues (expenses):					
Intergovernmental revenue	1,136	—	—	1,136	—
Investment income	1,746	132	735	2,613	(5)
Interest expense	(32,291)	(310)	(3,002)	(35,603)	—
Passenger facility charges	26,793	—	—	26,793	—
Gain(loss) on disposal of capital assets	41	(6)	—	35	—
Special projects	—	—	(2,000)	(2,000)	—
Gain on extinguishment of debt	2,097	—	—	2,097	—
Miscellaneous, net	(3,191)	1,063	6	(2,122)	—
Total nonoperating revenues (expenses), net	<u>(3,669)</u>	<u>879</u>	<u>(4,261)</u>	<u>(7,051)</u>	<u>(5)</u>
Income (loss) before transfers and capital contributions, net	<u>(5,006)</u>	<u>5,713</u>	<u>2,247</u>	<u>2,954</u>	<u>925</u>
Transfers in	—	—	337	337	—
Transfers out	(6,500)	(3,207)	(1,991)	(11,698)	—
Capital contributions	11,722	215	—	11,937	—
Total transfers and capital contributions, net	<u>5,222</u>	<u>(2,992)</u>	<u>(1,654)</u>	<u>576</u>	<u>—</u>
Change in net position	<u>216</u>	<u>2,721</u>	<u>593</u>	<u>3,530</u>	<u>925</u>
Net position—beginning of year	<u>1,099,770</u>	<u>178,089</u>	<u>36,106</u>	<u>1,313,965</u>	<u>4,733</u>
Net position—end of year	<u>\$ 1,099,986</u>	<u>180,810</u>	<u>36,699</u>	<u>1,317,495</u>	<u>5,658</u>

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2017
(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	\$ 137,212	53,450	17,718	208,380	37,285
Other operating cash receipts	—	—	360	360	—
Payments to suppliers of goods and services	(39,875)	(21,889)	(1,919)	(63,683)	(36,801)
Payments to employees	(39,266)	(16,991)	(5,628)	(61,885)	(332)
(Payments)/receipts for interfund services used	(2,653)	(3,285)	—	(5,938)	—
Net cash provided by operating activities	<u>55,418</u>	<u>11,285</u>	<u>10,531</u>	<u>77,234</u>	<u>152</u>
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(263)	—	(263)	—
Transfers from the State of Missouri	—	—	6	6	—
Transfers from other funds	—	—	337	337	—
Transfers to other funds	(6,500)	(3,198)	(1,991)	(11,689)	—
Special projects	—	—	(2,000)	(2,000)	—
Net cash used in noncapital financing activities	<u>(6,500)</u>	<u>(3,461)</u>	<u>(3,648)</u>	<u>(13,609)</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	26,793	—	—	26,793	—
Receipts from federal financing assistance	11,681	—	—	11,681	—
Acquisition and construction of capital assets	(26,885)	(11,547)	(296)	(38,728)	(37)
Interest on deferred outflow of resources	—	—	(198)	(198)	—
Proceeds from sale of surplus property	287	—	—	287	—
Proceeds from issuance of bonds	255,127	3,779	12,748	271,654	—
Principal paid on revenue bond maturities	(38,400)	(412)	(1,311)	(40,123)	—
Cash paid for interest	7,822	(116)	(2,779)	4,927	—
Other capital and financing activities	—	1,368	(13,992)	(12,624)	—
Net cash provided by (used in) capital and related financing activities	<u>236,425</u>	<u>(6,928)</u>	<u>(5,828)</u>	<u>223,669</u>	<u>(37)</u>
Cash flows from investing activities:					
Purchase of investments	(179,839)	(38,180)	(14,930)	(232,949)	(504)
Proceeds from sales and maturities of investments	185,283	38,003	8,744	232,030	—
Interest expense on cash and investments	—	142	—	142	—
Gain on extinguishment of debt	2,097	—	—	2,097	—
Investment income	2,850	—	747	3,597	—
Net cash provided by (used in) investing activities	<u>10,391</u>	<u>(35)</u>	<u>(5,439)</u>	<u>4,917</u>	<u>(504)</u>
Net increase (decrease) in cash and cash equivalents	<u>295,734</u>	<u>861</u>	<u>(4,384)</u>	<u>292,211</u>	<u>(389)</u>
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	40,200	19,515	20,594	80,309	7,373
Restricted	78,159	3,458	1,224	82,841	—
	<u>118,359</u>	<u>22,973</u>	<u>21,818</u>	<u>163,150</u>	<u>7,373</u>
End of year:					
Unrestricted	31,084	20,727	12,480	64,291	6,984
Restricted	383,006	3,107	4,954	391,067	—
	<u>\$ 414,090</u>	<u>23,834</u>	<u>17,434</u>	<u>455,358</u>	<u>6,984</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (1,337)	4,834	6,508	10,005	930
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	57,259	6,021	2,898	66,178	11
Changes in assets and liabilities:					
Receivables, net	(2,022)	839	210	(973)	619
Inventories	17	(408)	—	(391)	—
Prepaid assets	—	—	—	—	456
Other assets, net	(7)	(11)	(42)	(60)	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(179)	(1,005)	(226)	(1,410)	(32)
Claims payable	—	—	—	—	9,487
Unearned revenue and other deposits	(492)	116	(159)	(535)	—
Due to/from other funds	98	807	1,085	1,990	(464)
Advance to other funds	—	—	—	—	(10,855)
Customer deposits	—	(433)	—	(433)	—
Net pension liabilities	5,311	599	296	6,206	—
Other long term liabilities	(3,230)	(74)	(39)	(3,343)	—
Total adjustments	<u>56,755</u>	<u>6,451</u>	<u>4,023</u>	<u>67,229</u>	<u>(778)</u>
Net cash provided by operating activities	<u>\$ 55,418</u>	<u>11,285</u>	<u>10,531</u>	<u>77,234</u>	<u>152</u>
Supplemental disclosure for noncash activities:					
Unrealized loss on investments	\$ (940)	—	(7)	(947)	—
Loss on disposal of capital assets	—	6	—	6	—
Capital contribution	—	215	—	215	—

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2016*)	Agency Funds
Assets		
Cash and cash equivalents - unrestricted	\$ 10,958	28,844
Cash and cash equivalents - restricted	—	1,604
Pension trust investments:		
Bonds	207,218	—
Domestic bond funds	83,984	—
Stocks	567,383	—
Mortgage-backed securities	16,792	—
Collective investment funds	304,334	—
Real estate equities and investment trust	208,245	—
Investment property	863	—
Hedge funds	183,965	—
Money market mutual funds and other short-term investments	60,892	—
Managed master limited partnership	170,586	—
Managed international equity funds	162,719	—
Total investments	1,966,981	—
Securities lending collateral	2,201	—
Receivables, net of allowances:		
Taxes	—	21,950
Contributions	169	—
Accrued interest	2,549	—
Other	2,443	879
Capital assets, net	945	—
Total assets	1,986,246	53,277
Deferred outflows of resources		
System's staff pension related	373	—
Total deferred outflows of resources	373	—
Total assets and deferred outflows of resources	1,986,619	53,277
Liabilities		
Accounts payable and accrued liabilities	2,007	10,541
Deposits held for others	106	12,325
Due to Firefighter's Retirement Plan	255	—
Due to other governmental agencies	—	30,411
Securities lending collateral liability	2,201	—
Other liabilities	5,245	—
Total liabilities	9,814	53,277
Deferred inflows of resources		
System's staff pension related	27	—
Total deferred inflows of resources	27	—
Total liabilities and deferred inflows of resources	9,841	53,277
Net position		
Net position restricted for pension benefits	\$ 1,976,778	—

*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, 2017
(dollars in thousands)

	Pension Trust Funds (as of September 30, 2016*)
Additions:	
Contributions:	
Members	\$ 7,249
Employer	74,827
Investment income:	
Interest and dividends	25,907
Class action lawsuit proceeds	537
Net appreciation in fair value of investments	142,974
Investment gain	169,418
Less investment expense	(8,496)
Net investment gain	160,922
Total additions	242,998
Deductions:	
Benefits	153,071
Refunds of contributions	4,354
Administrative expense	3,325
Total deductions	160,750
Net increase	82,248
Net position restricted for pension benefits:	
Beginning of year	1,849,530
End of year	\$ 1,931,778

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(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.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

2) Discretely Presented Component 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

3) Related Organizations

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

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

4) Joint Venture

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

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

5) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2016, 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.

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):

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

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.

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.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

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 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, treasurer and other agency operations.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

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).

Governmental Accounting Standards Board (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.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

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.

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 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. 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.

City of St. Louis, Missouri
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Cash and Investments

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

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

Capital Assets

1) Governmental Activities Capital Assets

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

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

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

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

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

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

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

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

	<u>Years</u>
Buildings	40 to 99
Improvements other than buildings	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.

City of St. Louis, Missouri
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3) Airport

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

	Years
Pavings	5 to 30
Buildings and facilities	5 to 30
Equipment	3 to 20

4) Water Division

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

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

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

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

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5) Parking Division

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

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

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 are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally treated as follows:

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

Long-term Liabilities

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

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Pensions

In accordance with 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 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, 2017 were \$2,223. This amount was collected during July and August 2017.

Capital Contributions

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

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Capitalization of Interest

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

Bond Premiums, Discounts, and Issuance Costs

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

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As of June 30, 2017 deferred outflows/inflows of resources consist of the following:

Deferred outflow of resources:	
Pension related:	
FRS	\$ 40,714
FRP	19,017
PRS	132,625
ERS	52,176
Loss on bond defeasance/refunding	23,771
	\$ 268,303
Deferred inflow of resources:	
Pension related:	
FRS	\$ 5,137
FRP	3,350
PRS	3,137
ERS	6,206
Gain on bond defeasance/refunding	3,943
	\$ 21,773

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, 2017.

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.

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.

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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 St. Louis Police Department (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, 2017, at point of termination all benefit payouts for commissioned employees are paid out immediately. Effective June 30, 2016, at point of termination all benefits payouts for civilian employees are paid out at termination unless a retiring civilian employee elects to have their sick leave paid out in accordance with administrative regulation 140 which permits an employee to receive four (4) equal payments occurring every six (6) months for two (2) years following retirement from active service.

Interfund Transactions

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

1) Transfers

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

2) Interfund Services Provided/Used

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

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

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

Fund Balance Designation

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

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

- Nonspendable: This consists of resources not in spendable form or are legally or contractually required to remain intact.

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- **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, 2017.
- **Unassigned:** This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report negative unassigned fund balance amount.

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

Net Position

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

1) Net Investment in Capital Assets

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

2) Restricted

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

3) Unrestricted

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

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.

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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, 2017, the Assessor's Office nonmajor governmental fund has a deficit fund balance of \$71. This amount will be offset by future taxes.

Current Adoption of GASB Statements

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 ended June 30, 2017, and had no effect on the City's financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, provides 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. The requirements of this statement are effective for the City for the year ended June 30, 2017 and resulted in additional disclosures.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, improves 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 requirements of this statement are effective for the City for the year ended June 30, 2017, and had no effect on the City's financial statements.

GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statement No. 67, No. 68 and No. 73*, addresses 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 requirements of this statement are effective for the City for the year ended June 30, 2017.

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2. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2017:

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.

	<u>Cash and cash and equivalents</u>	<u>Investments</u>	<u>Restricted cash</u>	<u>Restricted investments</u>	<u>Total</u>
Government-wide statement of net position	\$ 140,070	133,574	449,529	103,934	827,107
Fiduciary statement of fiduciary net position —agency funds	28,844	—	1,604	—	30,448
Total primary government excluding pension trust funds	<u>168,914</u>	<u>133,574</u>	<u>451,133</u>	<u>103,934</u>	<u>857,555</u>
Fiduciary statement of fiduciary net position —pension trust funds:					
Firemen's System	3,896	454,430	—	—	458,326
Firefighter's Plan	43	46,475	—	—	46,518
Police System	6,940	701,567	—	—	708,507
Employees System	79	764,509	—	—	764,588
Total pension trust funds	<u>10,958</u>	<u>1,966,981</u>	<u>—</u>	<u>—</u>	<u>1,977,939</u>
Total primary government	<u>\$ 179,872</u>	<u>2,100,555</u>	<u>451,133</u>	<u>103,934</u>	<u>2,835,494</u>

1) Primary Government Excluding Pension Trust Funds

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

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

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As of June 30, 2017, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$	40,464
Federal Home Loan Mortgage Corp.		22,550
Federal Home Loan Bank		69,646
United States Treasuries		51,948
International Bank Notes		12,941
Commercial Paper		45,943
Money Market Mutual Funds		160,056
Certificates of Deposit		12,053
Other Cash Deposits		441,954
	\$	<u>857,555</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 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 and certain commercial paper.

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- 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 certain 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, 2017.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2017:

	Total	Quoted prices in active for markets identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Government				
Agency Obligation	\$ 132,660	—	132,660	—
United States Treasuries	51,948	51,948	—	—
International Bank Notes	12,941	—	12,941	—
Commercial Paper	45,943	27,916	18,027	—
Certificate of Deposit	12,053	12,053	—	—
Money Market Mutual Funds	160,056	—	160,056	—
	<u>\$ 415,601</u>	<u>91,917</u>	<u>323,684</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 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.

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The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2017:

	Fair value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Federal National					
Mortgage Association	\$ 40,464	16,996	23,468	—	—
Federal Home Loan					
Mortgage Corp.	22,550	7,955	14,595	—	—
Federal Home Loan Bank	69,646	24,458	45,188	—	—
United States Treasuries	51,948	18,581	33,367	—	—
International Bank Notes	12,941	—	12,941	—	—
Commercial Paper	45,943	45,943	—	—	—
Certificate of Deposit	12,053	12,053	—	—	—
Money Market Mutual					
Funds	160,056	33,960	126,096	—	—
	<u>\$ 415,601</u>	<u>159,946</u>	<u>255,655</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.

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, 2017:

	Fair value	AAA	A-1+	AA+	A-1	Not rated
Federal National						
Mortgage Association	\$ 40,464	—	—	35,850	—	4,614
Federal Home Loan						
Mortgage Corp.	22,550	—	—	22,550	—	—
Federal Home Loan Bank	69,646	—	2,043	55,483	—	12,120
United States Treasuries*	51,948	—	—	21,788	—	30,160
International Bank Notes	12,941	12,941	—	—	—	—
Commercial Paper	45,943	—	3,496	—	36,391	6,056
Certificate of Deposit	12,053	12,003	—	—	—	50
Money Market Mutual						
Funds	160,056	4,954	—	—	—	155,102
	<u>\$ 415,601</u>	<u>29,898</u>	<u>5,539</u>	<u>135,671</u>	<u>36,391</u>	<u>208,102</u>

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

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Custodial Credit Risk

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

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the United States or an agency or instrumentality of the United States, bonds of the State or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. At June 30, 2017, the City had cash accounts at a financial institution that were uncollateralized. The total amount that was uncollateralized and exposed to custodial credit risk was \$529. 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, 2017, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$3,189 of Federal National Mortgage Association securities, \$1,693 of Federal Home Loan Mortgage Corporation securities, \$8,661 Federal Home Loan Bank securities and \$8,078 of United States Treasury Notes. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities 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, 2017, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	4.72%
Federal Home Loan Mortgage Corp.	2.63
Federal Home Loan Bank	8.12
United States Treasuries	6.06
International Bank Notes	1.51
Commercial Paper	5.36
Money Market Mutual Funds	18.66
Certificates of Deposit	1.40
Other Cash Deposits	51.54
	<u>100.00%</u>

City of St. Louis, Missouri
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2) Primary Government—Pension Trust Fund—Firemen’s System

As of September 30, 2016, the Firemen’s System had the following cash deposits and investments:

Common stock	\$	175,775
Collective investment—equity		29,944
Limited partnership units		19,960
Hedge funds—equity		76,203
Collective investment—bonds		70,611
Corporate bonds		30,942
Real estate investment trust		41,979
Money market funds		9,016
Other cash deposits		3,896
		3,896
	\$	458,326

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.

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 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, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 116,421	—	—	116,421
International	59,354	—	—	59,354
Collective investment funds - government bonds, agencies, and mortgaged-backed securities	—	5,319	—	5,319
Corporate bonds:				
Domestic	—	30,942	—	30,942
Collective investment funds - international equity	29,944	—	—	29,944
Collective investment funds - domestic fixed income	—	65,292	—	65,292
Hedge funds	—	—	—	—
Limited partnership units - energy	—	19,960	—	19,960
Money market funds	9,016	—	—	9,016
Total investments	\$ 214,735	121,513	—	336,248
Investments measured at NAV:				
Hedge funds				76,203
Real estate investment trust				41,979
Total investments measured at NAV				118,182
Total investments measured at fair value			\$	454,430

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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, 2016:

	Fair value	Investment maturities (in years)			More than 10
		Less than 1	1-5	6-10	
Collective investment – bonds	\$ 70,611	7,902	31,346	16,776	14,587
Corporate bonds	30,942	—	9,479	18,221	3,242
	<u>\$ 101,553</u>	<u>7,902</u>	<u>40,825</u>	<u>34,997</u>	<u>17,829</u>

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, 2016:

Credit Rating	Total	Collective investment	Corporate bonds
AAA	\$ 42,356	42,356	—
AA	7,076	7,076	—
A	8,866	8,866	—
BBB	15,164	11,430	3,734
BB	14,763	456	14,307
B	12,760	242	12,518
Not rated	568	185	383
	<u>\$ 101,553</u>	<u>70,611</u>	<u>30,942</u>

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

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen’s System’s policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio’s foreign currency exposure. The following table demonstrates the Firemen’s System’s current level of foreign currency exposure as of September 30, 2016:

	<u>Money market</u>	<u>Equities</u>	<u>Fixed income</u>	<u>Hedge fund</u>	<u>Real estate investment trust</u>	<u>Total</u>
Australian Dollar	\$ —	2,133	—	—	—	2,133
British Pound Sterling	—	8,841	—	—	—	8,841
Canadian Dollar	—	745	—	—	—	745
Danish Krone	—	1,607	—	—	—	1,607
Euro	—	23,151	—	—	—	23,151
Hong Kong Dollar	—	2,682	—	—	—	2,682
Japanese Yen	—	5,159	—	—	—	5,159
Singapore Dollar	—	706	—	—	—	706
South Korean Won	—	1,480	—	—	—	1,480
Swedish Krona	—	438	—	—	—	438
Swiss Franc	—	5,193	—	—	—	5,193
Total foreign currency	—	52,135	—	—	—	52,135
U.S. Dollar	<u>9,016</u>	<u>173,544</u>	<u>101,553</u>	<u>76,203</u>	<u>41,979</u>	<u>402,295</u>
Total	<u>\$ 9,016</u>	<u>225,679</u>	<u>101,553</u>	<u>76,203</u>	<u>41,979</u>	<u>454,430</u>

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.

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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 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, 2016 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)	9.4
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%).

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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:

AJO, LP (Hedge Fund)
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, 2016 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	\$	65,292
The Principal US Property Account		41,979
Acadian International Small Cap Fund		29,944
CF AJO Emerging Mkts All- Cap Offshore Fund		28,449
Magnitude Institutional Ltd. Class A Hedge Fund		25,864

The Firemen’s System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen’s System transfers possession—but not title—of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody’s or Standard & Poor’s. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen’s System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen’s System continues to earn income on the loaned security. In addition, the Firemen’s System receives 70% of the net lending fees generated by each loan of securities. The financial institution 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, 2016, \$66,680 in loans were outstanding to borrowers. The Firemen’s System earned income of \$274 for its participation in the securities lending program for the year ended September 30, 2016.

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

As of September 30, 2016, the Firefighters’ Plan had the following cash deposits and investments:

Equities	\$	19,908
Fixed income		7,751
Collective investment funds		10,559
Money market funds		8,257
Other cash deposits		43
	\$	<u>46,518</u>

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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.

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 unobservable inputs. The Firefighters' Plan has the following recurring fair value measurements as of September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 7,046	—	—	7,046
International	81	—	—	81
Government bonds, agencies and mortgage-backed securities	1,604	4,451	—	6,055
Corporate bonds:				
Domestic	—	1,696	—	1,696
Exchange traded funds				
Domestic equity	12,781	—	—	12,781
International equity	—	—	—	—
Money market funds	—	8,257	—	8,257
	<u>21,512</u>	<u>14,404</u>	<u>—</u>	<u>35,916</u>
Total investments	\$	<u>21,512</u>	<u>14,404</u>	<u>35,916</u>
Investments measured at net asset value (NAV)				
Collective investment funds				<u>10,559</u>
Total investments measured at fair value			\$	<u>46,475</u>

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, 2016:

	<u>Fair Value</u>	<u>Investment maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More than 10</u>
Government bonds, agencies, and mortgage-backed securities	\$ 6,055	215	2,508	815	2,517
Corporate bonds	<u>1,696</u>	<u>—</u>	<u>811</u>	<u>885</u>	<u>—</u>
Total	\$ <u>7,751</u>	<u>215</u>	<u>3,319</u>	<u>1,700</u>	<u>2,517</u>

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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, 2016:

<u>Credit Rating Level</u>	<u>Total</u>
AA+	\$ 4,397
A-	643
BBB+	639
BBB	344
Note rated	<u>1,728</u>
	<u>\$ 7,751</u>

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:

<u>Asset class as a percent of total assets</u>			
<u>Asset class</u>	<u>Minimum</u>	<u>Target mix</u>	<u>Maximum</u>
Domestic large cap equity	25%	30%	35%
Domestic mid cap equity	15	20	25
International equity	20	25	30
Real Estate	—	5	10
Fixed income	15	20	25

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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, 2016 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic large cap equity	6.4 %
Domestic small cap equity	8.9
International equity	4.4
Real estate	7.0
Fixed income	2.4

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%).

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighters' Plan at September 30, 2016 are as follows:

Vanguard 500 Index Admiral Shares	\$	12,781
Northern Trust Collective Government Short-term Investment Fund		8,257
OFI Global Trust Company Intl Growth Fund Class T		10,559

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4) Primary Government—Pension Trust Fund—Police System

As of September 30, 2016, the Police System had the following cash deposits and investments:

Equities:	
Common stock	\$ 167,904
Collective investment funds	178,090
Real estate securities fund	73,502
Mortgaged-backed securities-government	1,662
Mortgaged-backed securities-non-government	15,131
Fixed income collective investment fund	15,130
Corporate bonds	57,885
Hedge funds of funds	34,102
Government securities	24,795
Money market funds	33,969
Investment property	863
Partnership interest	98,534
Other cash deposits	6,940
	\$ 708,507
	\$ 708,507

The Police System’s bank deposits were fully secured or collateralized at September 30, 2016. 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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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, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 127,150	—	—	127,150
International	40,590	—	—	40,590
Government bonds, agencies and mortgage-backed securities	—	41,588	—	41,588
Corporate bonds:				
Domestic	—	50,883	—	50,883
International	—	7,001	—	7,001
Collective investment funds:				
International equity	85,120	—	—	85,120
Domestic equity	92,970	—	—	92,970
Domestic fixed income	—	15,130	—	15,130
Limited partnership units:				
Venture Capital	—	—	88,085	88,085
Energy	—	—	10,450	10,450
Derivatives:				
Commodity fund	164	—	—	164
Money market funds	33,969	—	—	33,969
Investment property	—	—	863	863
Total investments	\$ <u>379,963</u>	<u>114,602</u>	<u>99,398</u>	<u>593,963</u>
Investments measured at net asset value (NAV):				
Hedge funds				34,102
Real estate investment trust				73,502
Total investments measured at NAV				<u>107,604</u>
Total investments measured at fair value				<u>\$ 701,567</u>

For the investments measured at NAV at September 30, 2016:

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

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

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, 2016:

	Fair value	Investment maturities (in years)			
		Less than 1	1 – 5	6 – 10	More than 10
Mortgaged-backed securities – government	\$ 1,662	—	58	47	1,557
Mortgaged-backed securities – nongovernment	15,131	—	3,139	815	11,177
Collective investment funds	15,130	3,564	3,453	3,383	4,730
Corporate bonds	57,885	9,469	13,911	19,671	14,834
Government Securities	24,795	3,030	16,607	1,567	3,591
	<u>\$ 114,603</u>	<u>16,063</u>	<u>37,168</u>	<u>25,483</u>	<u>35,889</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, 2016:

Credit rating level	Total	Government		Collective investment funds	Corporate bonds	Government securities
		mortgage-backed securities	Nongovernment mortgage-backed securities			
AAA	\$ 17,590	1,662	3,288	—	1,825	10,815
AA	33,561	—	731	15,130	6,514	11,186
A	34,552	—	4,385	—	30,167	—
BBB	10,429	—	—	—	10,429	—
BB	—	—	—	—	—	—
CCC	167	—	167	—	—	—
CC	—	—	—	—	—	—
D	199	—	199	—	—	—
Not Rated	18,105	—	6,361	—	8,950	2,794
	<u>\$ 114,603</u>	<u>1,662</u>	<u>15,131</u>	<u>15,130</u>	<u>57,885</u>	<u>24,795</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, 2016:

	<u>Equities</u>	<u>Fixed income</u>	<u>Money market</u>	<u>Commodity fund</u>	<u>Hedge funds of funds</u>	<u>Investment property and partnership</u>	<u>Total</u>
Australian Dollar	\$ —	—	—	—	—	—	—
British Pound Sterling	625	937	—	—	—	—	1,562
Canadian Dollar	874	2,855	—	—	—	—	3,729
Euro	1,191	2,131	—	—	—	—	3,322
Indian Rupee	961	—	—	—	—	—	961
Israeli Shekel	656	—	—	—	—	—	656
Japanese Yen	—	1,079	—	—	—	—	1,079
Norwegian Kron	13	—	—	—	—	—	13
Swiss Franc	862	—	—	—	—	—	862
Total foreign currency	5,182	7,002	—	—	—	—	12,184
U.S. Dollar	414,150	107,601	33,969	164	34,102	99,397	689,383
Total	\$ 419,332	114,603	33,969	164	34,102	99,397	701,567

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
Money market	—	1	6

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, 2016 are summarized in the following table:

Asset class	Long-term Expected Real Rate Of Return
Fixed income	(0.35)%
Domestic equity	4.45
Foreign equity	4.25
Non-directional hedge fund of funds	1.60
Real estate (REIT)	4.15
Private equity (partnerships)	7.90

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.
Principal U.S. Property Account
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:

MFB Northern Trust Company Daily S&P 500 Equity Index Fund	\$	50,964
Brandes Non-U.S. Small Cap Portfolio Fund		46,468
Trilogy International Group Trust I		43,696
MFB Northern Trust Collective Russell 1,000 Growth Index Fund		42,006
Wellington Trust Company International Opportunities Fund		41,424
Lazard Emerging Markets Core Equity Trust		40,590
Principal Real Estate Investment Trust		38,859
Crescent Capital High Income Fund		37,181

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, 2016 were \$67,526. The Police System earned income of \$250 for its participation in the securities lending program for the year ended September 30, 2016.

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5) Primary Government—Pension Trust Fund—Employees System

As of September 30, 2016, the Employees System had the following cash deposits and investments:

Common stocks	\$	183,836
Managed international equity funds		162,719
Managed master limited partnerships		72,051
Bonds		85,845
Domestic bond funds		83,984
Real estate funds		92,764
Temporary cash investments		9,650
Managed hedge fund of funds		73,660
Other cash deposits		79
		79
	\$	764,588

The bank balances of the Employees System at September 30, 2016 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.

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 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.

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The Employees System has the following recurring fair value measurements as of September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Fixed income securities				
U.S. Government securities	\$ 20,439	3,242	—	23,681
Corporate bonds	—	29,987	—	29,987
Domestic bond funds	20,473	—	—	20,473
International bonds and securities	1,276	30,262	—	31,538
Other debt obligations	10,289	—	—	10,289
Common stocks	183,836	—	—	183,836
Managed master limited partnerships	46,154	—	—	46,154
Total investments	<u>\$ 282,467</u>	<u>63,491</u>	<u>—</u>	<u>345,958</u>
Investments measured at the net asset value (NAV)				
Loomis High Yield Conservative Trust (B)				27,789
SSGA Passive Bond Market Index (NL) Fund				35,722
Principal Real Estate Group Annuity Contract				92,764
Acadian Emerging Markets Mutual Equity Fund II				46,633
Kaboutier International Opportunities Fund II				25,897
Silchester International Value Equity Group Trust				75,518
Walter Scott Group Trust International				40,568
Entrust Capital Diversified Fund				33,984
Weatherlow Offshore Fund I				<u>39,676</u>
Total investments measured at NAV				<u>418,551</u>
Total investments measured at fair value				<u>764,509</u>
Investment derivative instruments				
Foreign exchange contracts		<u>\$ 33,914</u>		<u>\$ 33,914</u>

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Foreign Currency Risk

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

	<u>Short- term</u>	<u>Debt</u>	<u>Total</u>
Polish Zloty	\$ 3	58	61
British Pound	80	1,753	1,833
Australian Dollar	26	556	582
Canadian Dollar	4	745	749
Euros	135	6,242	6,377
Japanese Yen	45	6,599	6,644
Mexican Peso	9	106	115
Danish Krone	3	70	73
Total	<u>\$ 305</u>	<u>16,129</u>	<u>16,434</u>

Credit Risk of Debt Securities

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

<u>Quality rating</u>	
Aaa/U.S. Governments	\$ 84,319
Aa	8,197
A	25,522
Baa	4,446
Below Baa	47,546
Not Rated	278
Total	<u>\$ 170,308</u>

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All temporary cash investments held by the Employees Retirement System at September 30, 2016 were unrated.

Interest Rate Risk

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

<u>Investment</u>	<u>Fair value</u>	<u>Effective duration</u>
Payden and Rygel	\$ 31,764	6.58 years
Allegiant (PNC)	54,560	6.58 years
SSGA	35,722	5.52 years
Loomis	27,789	4.36 years
Vanguard	20,473	6.80 years
	<u>\$ 170,308</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, 2016, 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, 2016, the Employees System has lending arrangements outstanding with a market value for securities lent of \$2,173.

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Concentration of Credit Risk

At September 30, 2016, the Employees System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent five percent or more of total investments to the Employees System:

Acadian Asset Management		
Emerging Market Fund	\$	46,633
INTECH Investment Management		
U.S. Large Cap Core Equity		48,340
LSV Asset Management		
U.S. Large Cap Value Equity		38,928
PNC Capital Advisors		
U.S. Broad Market Core Fixed Income		54,811
Principal Global Investors		
Real Estate Group Annuity Contract		92,765
Silchester International Advisors		
International Value Equity Group Trust		75,518
Evanston Weatherlow Offshore		
Hedge fund		39,676
Walter Scott & Partners Limited Group Trust		
International Equity Fund		40,568

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, 2017, 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, 2017, the market value of investments approximated the carrying value of \$55.

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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	\$ 103,990	1,695	3,914	2,733	112,332
Redevelopment project fund	24,308	1,107	62	—	25,477
Capital projects fund	4,386	3,359	15	4	7,764
Grants fund	—	7,903	—	—	7,903
Other governmental funds	30,075	591	1,299	719	32,684
Internal service funds	—	—	795	—	795
	<u>—</u>	<u>—</u>	<u>795</u>	<u>—</u>	<u>795</u>
Total governmental activities	\$ <u>162,759</u>	<u>14,655</u>	<u>6,085</u>	<u>3,456</u>	<u>186,955</u>
Business-type activities:					
Airport	\$ —	5,458	5,193	2,351	13,002
Water Division	—	—	12,171	—	12,171
Parking Division	—	—	284	—	284
	<u>—</u>	<u>—</u>	<u>284</u>	<u>—</u>	<u>284</u>
Total business-type activities	\$ <u>—</u>	<u>5,458</u>	<u>17,648</u>	<u>2,351</u>	<u>25,457</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	\$ 748
Taxes receivable—redevelopment projects funds	6
Taxes receivable—other governmental funds	91
License and permits receivable—general fund	24
Charges for services receivable—general fund	2,497
Charges for services receivable—other governmental funds	113
Business-type activities:	
Charges for services receivable—Airport	43
Charges for services receivable—Water Division	3,929
	<u>3,929</u>
	\$ <u>7,451</u>

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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 of Missouri. The proceeds from any repayment of these loans are generally payable back to the funding source or re-loaned in accordance with the lending program. Grantor funds received for these lending programs are recorded as a liability and categorized as due to other governmental agencies.

6. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2017:

Airport bond fund:		
Debt service account	\$	352,063
Debt service reserve account		27,926
Airport renewal and replacement fund		3,500
Passenger facility charge fund		26,506
Airport debt service stabilization fund		38,211
Airport construction fund		986
Drug enforcement agency funds		2,207
		451,399
	\$	451,399

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.

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- 5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.
- 6) *Airport Renewal and Replacement Fund*: an amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.
- 7) *A sub-account in the Airport Revenue Fund*: an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.
- 8) *Airport Debt Service Stabilization Fund and the Airport Development Fund*: various amounts for fiscal years 2006 through 2011, achieved a balance of \$38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount 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, 2017 is as follows:

Bond funds:	
Waterworks bond fund	\$ 276
Water replacement and improvement account	750
Total bond funds	1,026
Customer deposits	2,046
Service line maintenance	35
Total restricted cash	\$ 3,107

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, 2017 are as follows:

Series 2015B bonds:	
Debt service	\$ <u>775</u>
Total series 2015B bonds	<u>775</u>
Series 2015A bonds:	
Debt service reserve	515
Debt service	175
Series 2015A project account	<u>17</u>
Total series 2015A bonds	<u>707</u>
Series 2013A bonds:	
Debt service reserve	<u>84</u>
Total series 2013A bonds	<u>84</u>
Series 2007 bonds:	
Debt service reserve	443
Debt service	203
Repair and replacement	2,664
Net project revenues	24
Parking trust—Parking Division accounts	<u>1,929</u>
Total series 2007 bonds	<u>5,263</u>
Series 2016 bonds:	
Debt service	214
Transferred debt service	<u>2,017</u>
Total series 2016 bonds	<u>2,231</u>
Series 2003A and 2003B bonds:	
Gross revenues	156
Bond	117
Repair and replacement	29
Operating reserve	100
Redemption	<u>22</u>
Total series 2003A and 2003B bonds	<u>424</u>
Total restricted cash and investments	<u>\$ 9,484</u>

Descriptions of the funds required by the Series 2016 Subordinated Bond Indentures are as follows:

- 1) *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.

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

- 1) *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.

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.

Descriptions of the funds required by the Series 2007 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 2016 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.

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- 4) *Operating reserve* – Maintains operating reserve as required by the Bond Indenture.
- 5) *Redemption* – Maintains funds set aside for the future redemption of the Series 2003A and 2003B bonds.

7. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2017</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 81,671	—	(7)	—	81,664
Construction in progress	13,890	24,129	—	(4,605)	33,414
Equipment in progress	—	204	—	—	204
Works of art	3,561	73	(23)	—	3,611
Intangibles	2,240	146	(1,132)	—	1,254
	<u>101,362</u>	<u>24,552</u>	<u>(1,162)</u>	<u>(4,605)</u>	<u>120,147</u>
Total capital assets not being depreciated					
Capital assets being depreciated:					
Buildings	663,803	5,420	—	1,998	671,221
Improvements other than buildings	100,727	6,969	—	—	107,696
Equipment	174,831	9,239	(3,205)	2,409	183,274
Infrastructure	670,144	5,640	—	198	675,982
Intangibles	2,018	5	—	—	2,023
	<u>1,611,523</u>	<u>27,273</u>	<u>(3,205)</u>	<u>4,605</u>	<u>1,640,196</u>
Total capital assets being depreciated					
Less accumulated depreciation for:					
Buildings	262,996	16,362	—	—	279,358
Improvements other than buildings	37,030	2,472	—	—	39,502
Equipment	117,015	9,061	(3,195)	—	122,881
Infrastructure	473,544	30,198	—	—	503,742
Intangibles	1,112	244	—	—	1,356
	<u>891,697</u>	<u>58,337</u>	<u>(3,195)</u>	<u>—</u>	<u>946,839</u>
Total accumulated depreciation					
	<u>719,826</u>	<u>(31,064)</u>	<u>(10)</u>	<u>4,605</u>	<u>693,357</u>
Total capital assets being depreciated, net					
Governmental activities capital assets, net	<u>\$ 821,188</u>	<u>(6,512)</u>	<u>(1,172)</u>	<u>—</u>	<u>813,504</u>

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

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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2017. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 775,232	—	(2)	—	775,230
Construction-in-progress	24,520	33,121	(37)	(18,772)	38,832
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>803,258</u>	<u>33,121</u>	<u>(39)</u>	<u>(18,772)</u>	<u>817,568</u>
Capital assets being depreciated:					
Buildings and structures	768,584	354	(95)	3,388	772,231
Equipment	106,568	3,054	(1,964)	1,151	108,809
Pavings	1,026,809	85	—	13,939	1,040,833
Parking meters and lot equipment	8,229	(68)	—	—	8,161
Reservoirs	35,172	—	—	—	35,172
Boiler plant equipment	661	—	—	—	661
Pumping equipment	11,177	—	—	38	11,215
Purification basins and equipment	43,753	—	—	—	43,753
Water mains, lines, and accessories	138,551	2,500	(105)	—	140,946
Motor vehicle equipment	10,671	1,882	(1,003)	256	11,806
Total capital assets being depreciated	<u>2,150,175</u>	<u>7,807</u>	<u>(3,167)</u>	<u>18,772</u>	<u>2,173,587</u>
<i>Less accumulated depreciation for:</i>					
Buildings and structures	445,516	23,721	(36)	—	469,201
Equipment	79,023	4,901	(1,912)	—	82,012
Pavings	497,660	32,511	—	—	530,171
Parking meters and lot equipment	3,099	544	—	—	3,643
Reservoirs	13,360	731	—	—	14,091
Boiler plant equipment	650	3	—	—	653
Pumping equipment	9,649	250	—	—	9,899
Purification basins and equipment	19,335	937	—	—	20,272
Water mains, lines, and accessories	61,887	1,798	(91)	—	63,594
Motor vehicle equipment	5,674	782	(96)	—	5,460
Total accumulated depreciation	<u>1,135,853</u>	<u>66,178</u>	<u>(3,035)</u>	<u>—</u>	<u>1,198,996</u>
Total capital assets being depreciated, net	<u>1,014,322</u>	<u>(58,371)</u>	<u>(132)</u>	<u>18,772</u>	<u>974,591</u>
Business-type activities capital assets, net	<u>\$ 1,817,580</u>	<u>(25,250)</u>	<u>(171)</u>	<u>—</u>	<u>1,792,159</u>

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

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

Governmental activities:			
General government	\$	6,175	
Convention and tourism		5,681	
Parks and recreation		5,873	
Judicial		312	
Streets		32,836	
Public safety:			
Fire		2,052	
Police		3,752	
Other		744	
Health and welfare		297	
Public service		615	
Total depreciation expense, governmental activities	\$	58,337	
Business-type activities:			
Airport	\$	57,259	
Water Division		6,021	
Parking Division		2,898	
Total depreciation expense, business-type activities	\$	66,178	

b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2017:

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 7,376	—	—	7,376
Construction in Progress	682	311	(683)	310
Total capital assets not being depreciated	8,058	311	(683)	7,686

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	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Capital assets being depreciated:				
Leasehold improvements	\$ 22,755	683	—	23,438
Equipment	713	—	—	713
Parking facilities	17,835	—	—	17,835
Total capital assets being depreciated	41,303	683	—	41,986
Less accumulated depreciation for:				
Leasehold improvements	4,500	494	—	4,994
Equipment	712	—	—	712
Parking facilities	14,517	399	—	14,916
Total accumulated depreciation	19,729	893	—	20,622
Total capital assets being depreciated, net	21,574	(210)	—	21,364
SLDC capital assets, net	\$ 29,632	101	(683)	29,050

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 \$55,433 has been established on these properties.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 4,851	11	4,862
Redevelopment projects fund	52	—	52
Capital projects fund	5,657	1,127	6,784
Grants fund	5,623	—	5,623
Other governmental funds	1,759	13	1,772
Internal service	205	—	205
Total governmental activities	\$ 18,147	1,151	19,298

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	Vendors	Contracts and retainage payable	Total
Business-type activities:			
Airport	\$ 10,196	6,929	17,125
Water Division	5,987	—	5,987
Parking Division	323	—	323
Total business-type activities	\$ 16,506	6,929	23,435

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.

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:

System	System fiscal year-end
Firemen’s	September 30, 2016
Firefighters’	September 30, 2016
Police	September 30, 2016
Employees	September 30, 2016

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.

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The following disclosures are based on the September 30, 2016 FRS financial statements and the October 1, 2016 actuarial valuation. The valuation as of October 1, 2016, 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.
- 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.

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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.

The Fireman’s System membership consisted of the following as of September 30, 2016:

Retirees and beneficiaries currently receiving benefits	944
Current members:	
Vested – DROP	62
Vested – Non-DROP	184
Nonvested	294
Total current members	540
Total membership	1,484

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.

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3) Net Pension Liability (FRS)

The City's net pension liability as of June 30, 2017 was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (asset) (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2016	\$ 495,019	447,058	47,961
Changes for the year:			
Interest	34,916	—	34,916
Refunds of member contributions	(1,278)	(1,278)	—
Benefit payments	(32,155)	(32,155)	—
Difference between expected and actual experience	(6,984)	—	(6,984)
Assumption changes	—	—	—
Employer contributions	—	2,715	(2,715)
Net investment income	—	38,228	(38,228)
Transfer in due to settlement agreement	—	167	(167)
Administrative expenses	—	(1,095)	1,095
Net changes	<u>(5,501)</u>	<u>6,582</u>	<u>(12,083)</u>
Balances at June 30, 2017	<u>\$ 489,518</u>	<u>453,640</u>	<u>35,878</u>

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

Governmental Activities	\$ 32,290
Airport	<u>3,588</u>
	<u>\$ 35,878</u>

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

Date of actuarial valuation	October 1, 2016
Actuarial cost method	
GASB 67 reporting	Entry Age Normal
Funding	Entry Age - frozen initial liability
Amortization method/period	30-year closed period from establishment
Remaining amortization period	Various
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
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, 2016, 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	25 %	(1.30)%
Domestic equity	26	4.30
International equity	24	4.70
Private equity	—	9.40
Real estate	15	4.80
Hedge funds	10	2.20
Total	<u>100 %</u>	

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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, 2016 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, 2017 for the City is as follows:

	Discount rate	Net pension liability (asset)
1% decrease	6.30 %	\$ 86,387
Current rate	7.30	35,878
1% increase	8.30	(6,434)

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.

4) Pension Expense (FRS)

For the fiscal year ended June 30, 2017, the City recognized pension expense of \$19,982. 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, 2017 is summarized as follows:

Service cost	\$	—
Interest		34,916
Administrative expenses		1,095
Other changes – transfer due to settlement agreement		(167)
Projected earnings on pension plan investments		(31,480)
Recognition of outflow due to assumption changes		11,290
Recognition of outflow due to investment experience		6,169
Recognition of outflow due to liability experience		(1,841)
Pension expense for year ended June 30, 2017	\$	19,982

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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, 2017, 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	\$ 19,372	—
Difference between expected and actual liability experience	7	5,137
Change in assumption	21,335	—
Total	\$ 40,714	5,137

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:

Year ended June 30	Recognition
2018	\$ 15,618
2019	14,369
2020	6,939
2021	(1,349)
	\$ 35,577

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.

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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 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, 2016:

Retirees and beneficiaries currently receiving benefits	47
Current active members:	
Vested – Non-DROP	407
Vested – participating DROP	62
Nonvested	158
Total current active members	627
Total membership	674

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, 2017 was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2016	\$ 88,780	29,776	59,004
Changes for the year:			
Service cost	6,033	—	6,033
Interest	7,215	—	7,215
Difference between expected and actual experience	337	—	337
Change in benefits	—	—	—
Change in assumptions	—	—	—
Benefit payments	(381)	(381)	—
Contributions – employer	—	9,148	(9,148)
Contributions – transfer from FRS	—	—	—
Contributions – employee	—	2,919	(2,919)
Net investment income	—	2,892	(2,892)
Administrative expenses	—	(405)	405
Net changes	<u>13,204</u>	<u>14,173</u>	<u>(969)</u>
Balances at June 30, 2017	<u>\$ 101,984</u>	<u>43,949</u>	<u>58,035</u>

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

Governmental Activities	\$ 52,232
Airport	<u>5,803</u>
	<u>\$ 58,035</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, 2016
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, 2016, 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>
Domestic large cap equity	30%	6.40%
Domestic mid cap equity	20	8.90
International equity	25	4.40
Real estate	5	7.00
Fixed income	20	2.40
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, 2016 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, 2017 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.63%	\$ 72,430
Current rate	7.63	58,035
1% increase	8.63	46,096

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, 2017, the City recognized pension expense of \$11,127. 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, 2017 is summarized as follows:

Service cost	\$	6,033
Interest		7,215
Administrative expenses		405
Contributions – employee		(2,919)
Projected earnings on pension plan investments		(2,350)
Benefit changes		—
Recognized portion of current-period liability gains and losses		(480)
Recognized portion of change in assumptions		2,781
Recognized portion of current-period investment gains and losses		442
Pension expense for year ended June 30, 2017	\$	11,127

City of St. Louis, Missouri
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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, 2017, 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	\$ 1,156	—
Differences between expected and actual experience	1,178	3,350
Change in assumptions	16,683	—
Total	\$ 19,017	3,350

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
2018	\$ 2,742
2019	2,742
2020	2,680
2021	2,191
2022	2,300
Thereafter	3,012
	\$ 15,667

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, 2016:

Retirees and beneficiaries currently receiving benefits	1,904
Current active members:	
Vested – in DROP	147
Vested – not in DROP	214
Total vested	361
Nonvested	908
Total current active members	1,269
Total members	3,173

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, 2017 was measured as of September 30, 2016 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 (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2016	\$ 944,138	684,895	259,243
Changes for the year:			
Service cost	12,618	—	12,618
Interest	67,036	—	67,036
Difference between expected and actual experience	(3,684)	—	(3,684)
Change in assumption	131,846	—	131,846
Contributions – employer	—	30,779	(30,779)
Contributions – employee	—	4,377	(4,377)
Net investment income	—	52,927	(52,927)
Benefit payments	(62,637)	(62,637)	—
Administrative expenses	—	(1,103)	1,103
Net changes	<u>145,179</u>	<u>24,343</u>	<u>120,836</u>
Balances at June 30, 2017	<u>\$ 1,089,317</u>	<u>709,238</u>	<u>380,079</u>

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, 2015
Actuarial cost method	
GASB 67 reporting	Entry Age Normal
Funding	Aggregate, reduced by employee contributions
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
Inflation	2.5%
Investment rate of return	7.50%, net of 0.15% administrative expenses
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
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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, 2016, 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	4.45
Foreign equity	25	4.25
Non-directional hedge fund of funds	5	1.60
Real estate (REIT)	8	4.15
Private equity (partnerships)	8	7.90
Other/Money market	5	—
Total	<u>100%</u>	

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 7.65% and expects assets will be sufficient to cover PNP until 2054. The muni-bond rate used in the valuation was 3.06% 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 6.19% 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, 2017 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	5.19%	\$ 511,385
Current rate	6.19	380,079
1% increase	7.19	272,500

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.

City of St. Louis, Missouri
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4) Pension Expense (PRS)

For the fiscal year ended June 30, 2017, the City recognized pension expense of \$89,465. 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, 2017 is summarized as follows:

Service cost	\$	12,618
Interest		67,036
Administrative expenses		1,103
Contributions – employee		(4,377)
Projected earnings on pension plan investments		(50,314)
Recognized portion of change in assumptions		51,582
Recognized portion of current-period liability gains and losses		(1,909)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		13,726
Pension expense for year ended June 30, 2017	\$	89,465

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, 2017, 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	\$ —	3,137
Net difference between projected and actual earnings on pension plan investments	39,311	—
Change in assumptions	93,314	—
Total	\$ 132,625	3,137

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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>
2018	\$ 61,182
2019	56,447
2020	12,382
2021	(523)
	<u>\$ 129,488</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 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%.

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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 12.51% effective July 1, 2016 and 13.93% of active member payroll effective July 2015.

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, 2017 were \$25,823.

3) Net Pension Liability (ERS)

The City reported a liability of \$174,115 for its proportionate share of the net pension liability as of June 30, 2017. The Employees Systems net pension liability is recorded within the accompanying financial statements as follows:

Governmental Activities	\$	139,723
Airport		18,686
Water Division		12,536
Parking Division		3,170
		<hr/>
	\$	<u>174,115</u>

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The net pension liability was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the Employees System relative to the contributions of all Employees System participating employers. At September 30, 2016, the City's collective proportion was 83.2%, which was a decrease of 0.3% from its proportion measured as of September 30, 2015 of 83.5%.

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

Date of actuarial valuation	October 1, 2016
Actuarial cost method	Entry age normal
Amortization method	Fixed 20 year period as of October 2016 as a level percentage of payroll
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Discount rate	7.50%
Projected salary increases	Varies by service, ranging from 3.00% to 4.25%
Mortality Healthy	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA
Mortality Disabled	RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

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.

For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2016, 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>
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	<u>100.00%</u>	

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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, 2016 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, 2017 for the City is as follows:

	Discount rate		Net pension liability
1% decrease	6.50%	\$	256,156
Current rate	7.50		174,115
1% increase	8.50		103,992

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, 2017, the City recognized pension expense of \$32,374. 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, 2017, 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	\$ —	3,510
Net difference between projected and actual earnings on pension plan investments	32,707	—
Changes in proportion	394	1,280
Changes in assumptions	—	1,416
Contributions subsequent to the measurement date	19,075	—
Total	\$ 52,176	6,206

The \$19,075 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, 2018.

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:

Year ended June 30	Recognition
2018	\$ 6,325
2019	9,797
2020	12,928
2021	(2,155)
	\$ 26,895

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e. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year-ended June 30, 2017 contributions of \$304, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2017, SLDC’s current covered payroll was \$3,380 and total payroll amounted to \$3,793. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5-½% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and 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	1,579
Total plan members	3,246

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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, 2017, the City contributed \$11,655, which was based upon pay-as-you-go financing requirements.

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	\$	44,478
Interest on net OPEB obligation		6,170
Adjustment to annual required contribution		(10,493)
Annual OPEB cost		40,155
Contribution made		11,655
Increase in net OPEB obligation		28,500
Net OPEB obligation, beginning of year		205,680
Net OPEB obligation, end of year	\$	234,180

Historical trend information about the OPEB Plan is as follows:

Fiscal year	Annual OPEB cost (AOC)	Percentage of AOC contributed	Net OPEB obligation
2017	\$ 40,155	29.00 %	\$ 234,180
2016	39,154	29.00	205,680
2015	40,133	28.00	177,727

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%.

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

The schedule of funding progress, presented as required supplementary information following the notes to the 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, 2017:

	Primary government June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due within one year
Governmental activities:					
General obligation bonds payable	\$ 16,795	25,000	(4,450)	37,345	4,285
Section 108 Loan Guarantee Assistance Programs	26,910	—	(4,750)	22,160	5,050
Development and Tax increment financing bonds and notes payable	381,231	28,844	(21,406)	388,669	20,063
Loan agreement with MTFC	1,053	—	(523)	530	530
Capital lease – rolling stock	15,188	—	(4,205)	10,983	4,316
Certificates of participation	4,490	—	(675)	3,815	710
Obligations with component unit	44,203	—	(7,097)	37,106	6,047
Loan agreement with FPF	7,995	7,695	(2,010)	13,680	285
Leasehold revenue improvement and refunding revenue bonds	438,932	90,167	(109,190)	419,909	22,232
Joint venture financing agreement	28,845	—	(4,777)	24,068	4,975
Unamortized discounts	(3,124)	(131)	811	(2,444)	—
Unamortized premiums	13,947	12,171	(2,490)	23,628	—
Net pension liability	507,792	120,836	(24,304)	604,324	—
Net OPEB obligation	205,680	40,155	(11,655)	234,180	—
Accrued vacation and sick leave	50,751	27,031	(28,563)	49,219	24,337
Claims and judgments payable	51,151	44,448	(34,961)	60,638	32,594
	<u>1,791,839</u>	<u>396,216</u>	<u>(260,245)</u>	<u>1,927,810</u>	<u>125,424</u>
Governmental activities long-term liabilities	\$ 1,791,839	396,216	(260,245)	1,927,810	125,424

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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.

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 686,225	258,430	(38,400)	906,255	276,000
Net pension liability	30,885	—	(2,808)	28,077	—
Pension funding project	4,945	—	(117)	4,828	124
Other	375	—	(3)	372	—
Accrued vacation, compensatory, and sick time benefits	5,416	3,279	(3,368)	5,327	3,294
Unamortized discounts and premiums	27,447	43,227	(10,480)	60,194	—
Unearned lease revenues	4,909	—	(280)	4,629	—
Total airport	<u>760,202</u>	<u>304,936</u>	<u>(55,456)</u>	<u>1,009,682</u>	<u>279,418</u>
Water Division:					
Revenue bonds payable	5,118	3,779	(412)	8,485	422
Customer deposits	2,479	576	(1,009)	2,046	—
Net pension liability	13,273	—	(737)	12,536	—
Pension funding project	2,865	—	(74)	2,791	—
Accrued vacation and sick time benefits	3,396	229	(413)	3,212	1,847
Total water division	<u>27,131</u>	<u>4,584</u>	<u>(2,645)</u>	<u>29,070</u>	<u>2,269</u>
Parking Division:					
Revenue bonds payable	67,113	12,365	(15,091)	64,387	3,266
Net pension liability	3,522	—	(352)	3,170	—
Pension funding project	797	—	(19)	778	—
Other	177	—	(20)	157	—
Unamortized discounts and premiums, net	2,988	383	(297)	3,074	—
Total parking division	<u>74,597</u>	<u>12,748</u>	<u>(15,779)</u>	<u>71,566</u>	<u>3,266</u>
Business-type activities long-term liabilities	\$ <u>861,930</u>	<u>322,268</u>	<u>(73,880)</u>	1,110,318	284,953
Less amounts recorded in:					
Accrued salaries and other benefits				(5,141)	(5,141)
Accounts payable and accrued liabilities				(124)	(124)
				<u>\$ 1,105,053</u>	<u>279,688</u>

b. General Obligation Bonds

On November 10, 2016, the City issued \$25,000 in General Obligation Bonds, Series 2016, with an average interest rate of 4.23%. A deposit of \$26,885 (after the addition of a \$2,528 premium and less a payment of \$309 in issuance costs and a \$334 discount) was placed with the Trustee to be applied various City projects.

City of St. Louis, Missouri
Notes to Basic Financial Statements
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Principal and interest requirements are as follows:

	TIF Bonds and Notes		Total
	Principal	Interest	
Year ending June 30:			
2018	\$ 20,063	25,531	45,594
2019	21,335	24,281	45,616
2020	22,673	23,029	45,702
2021	24,117	21,610	45,727
2022	25,656	20,097	45,753
2023–2027	135,723	75,629	211,352
2028–2032	88,387	37,184	125,571
2033–2037	41,271	16,735	58,006
2038–2042	5,210	3,006	8,216
2043–2045	4,234	695	4,929
	\$ 388,669	247,797	636,466

c. Section 108 Loan Guarantee Assistance Programs

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

	Principal	Interest	Total
Year ending June 30:			
2018	\$ 5,050	399	5,449
2019	5,360	312	5,672
2020	5,700	207	5,907
2021	6,050	74	6,124
	\$ 22,160	992	23,152

d. Development and Tax Increment Financing Bond and Notes Payable

On April 6, 2017, the City issued \$9,050 Tax Increment Refunding Revenue Bonds Series 2017 to refinance the Tax Increment and Community Improvement District Refunding Revenue Bonds Series 2007 for the Loughborough Commons Redevelopment Project, with an average interest rate of 3.35%. A deposit of \$11,345 (includes \$2,636 from the special allocation fund of the project and less \$341 in issuance costs) was placed with the Trustee for current refunding. Due to the private placement of the new bonds, the debt service reserve of \$1,516 was able to be released to pay debt. Also the decrease of the interest rate from 5.05/5.75% to 3.35% will enable the TIF bonds to be paid off prior to the expiration of the TIF district.

During fiscal year 2017, the City issued an additional \$19,794 in TIF bonds and notes payable.

City of St. Louis, Missouri
Notes to Basic Financial Statements
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Principal and interest requirements for the development and tax increment financing debt issues are as follows:

	TIF Bonds and Notes		Total
	Principal	Interest	
Year ending June 30:			
2018	\$ 20,063	25,531	45,594
2019	21,335	24,281	45,616
2020	22,673	23,029	45,702
2021	24,117	21,610	45,727
2022	25,656	20,097	45,753
2023 – 2027	135,723	75,629	211,352
2028 – 2032	88,387	37,184	125,571
2033 – 2037	41,271	16,735	58,006
2038 – 2042	5,210	3,006	8,216
2043 – 2045	4,234	695	4,929
	\$ 388,669	247,797	636,466

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:			
2018	\$ 530	22	552
	\$ 530	22	552

f. Capital Lease—Rolling Stock

The following is a schedule of future minimum lease payments as of June 30, 2017.

Year ending June 30:		
2018		\$ 4,572
2019		4,104
2020		2,750
	Total future minimum lease payments	11,426
	Amount representing interest	(443)
	Present value of net minimum lease payments	\$ 10,983

City of St. Louis, Missouri
Notes to Basic Financial Statements
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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, 2017.

Year ending June 30:			
2018		\$	821
2019			821
2020			816
2021			818
2022			818
			818
Total future minimum obligation payments			4,094
Amount representing interest			(279)
			(279)
Present value of net minimum obligation payments		\$	3,815

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.

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, 2017.

Year ending June 30:			
2018		\$	15,295
2019			15,295
2020			15,295
2021			15,295
			15,295
Total future minimum obligation payments			61,180
Amount representing interest			(39,200)
			(39,200)
Present value of net minimum obligation payments		\$	21,980

City of St. Louis, Missouri
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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, 2017.

Year ending June 30:		
2018	\$	994
2019		1,014
2020		1,044
2021		1,064
2022		1,095
2023 – 2027		5,936
2028 – 2032		6,876
2033 – 2037		7,777
2038 – 2040		<u>3,353</u>
Total future minimum obligation payments		29,153
Amount representing interest		<u>(14,027)</u>
Present value of net minimum obligation payments	\$	<u><u>15,126</u></u>

City of St. Louis, Missouri
Notes to Basic Financial Statements
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i. Loan agreement with Forest Park Forever

During fiscal year 2017, the SLMFC issued \$7,695 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	Principal	Interest	Total
Year ending June 30:			
2018	\$ 285	625	910
2019	298	612	910
2020	311	599	910
2021	326	584	910
2022	340	570	910
2023 – 2027	1,950	2,599	4,549
2028 – 2032	2,439	2,111	4,550
2033 – 2037	3,049	1,500	4,549
2038 – 2042	3,812	737	4,549
2043	870	40	910
	\$ 13,680	9,977	23,657

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, 2017:

Governmental activities	\$ 114,229
Business-type activities	8,471
	\$ 122,700

b. Recreation Center

On July 27, 2016, the SLMFC issued Recreation Sales Tax Leasehold Refunding Revenue Bonds Series 2016 in the amount of \$42,990 with interest rate ranging from 2.00% of 5.00% to refund the Recreation Center Series 2007 Bonds. The net proceeds of \$47,559 (after the addition of \$4,878 premium less \$308 issuance cost) was deposited with an escrow agent under the escrow deposit agreement to refund the Recreation Center Series 2007 Bonds. The current and advanced refunding decreased the total debt service payment by \$4,064 and resulted in an economic gain (difference between present value of old and new debt service payments) of \$5,547. As a result, \$42,225 of the Series 2007 Bonds are considered defeased, and the liability removed from the financial statements

City of St. Louis, Missouri
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c. Justice Center

On April 4, 2017, the SLMFC issued \$5,355 in City Justice Center Leasehold Revenue Refunding Bonds, Series 2017, with an average interest rate of 1.90% to refund \$5,170 in outstanding Series 2005 with an average interest rate of 4.00%. A deposit of \$5,215 (less payment of \$138 in issuance costs and additional use of proceeds of \$2), were placed with the Escrow Agent to be applied to the redemption of the Series 2005. The current and advanced refunding decreased the total debt service payment by \$45 and resulted in an economic gain (difference between present value of old and new debt service payments) of \$43. As a result, \$5,170 of the Series 2005 Bonds are considered defeased, and the liability removed from the financial statements.

d. Police Capital Improvements and Juvenile Detention Bonds

On June 29, 2017, the SLMFC issued a total of \$38,615 in refunding revenue bonds, Series 2017 A and B.

Series 2017A, in the amount of \$19,535, refunded the portion of the Police Capital Improvement Sales Tax Leasehold Revenue Bonds, Series 2007 maturing February 15, 2019 through and including February 15, 2037 with average interest rate of 4.62%. The net proceeds of \$21,569 (including \$2,531 premium less in \$496 issuance costs) was deposited with an escrow agent under the escrow deposit agreement to refund the callable Series 2007 bonds. The refunding decreased the total debt service payment of the Series 2017A by \$1,608 and results in an economic gain (difference between present value of old and new debt service payments) of \$1,482. As a result, \$20,795 of the Police Series 2007 are considered defeased, and the liability removed from the financial statements.

Series 2017B, in the amount of \$19,080 refunded the portion of the Tax Exempt Juvenile Center Leasehold Revenue Bonds, Series 2008B maturing from June 1, 2019 through June 1, 2038 with an average interest rate of 4.47%. The net proceeds of \$20,835 (including \$2,234 premium less \$479 issuance cost) was deposited with an escrow agent under the escrow deposit agreement to refund the Juvenile Detention Center, Series 2008B bonds. The refunding decreased the total debt service payment of the Series 2017B by \$1,037 and results in an economic gain (difference between present value of old and new debt service payments) of \$1,236. As a result, \$20,180 of the Juvenile Detention Center Series 2008B are considered defeased, and the liability removed from the financial statements.

e. 1520 Market Street

On September 1, 2015, the SLMFC issued 1520 Market Street Taxable Leasehold Revenue Bonds, Series 2015B in the amount not to exceed \$13,000 with interest rate of 4.25%. The proceeds of this issuance will be loaned to the LCRA for the purpose of completing NGA preparation work. A line of credit enables LCRA to draw money from the bank as needed. During fiscal year ended June 30, 2017, an additional \$3,207 was drawn down.

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

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

	<u>City Parks</u>		<u>Convention Center</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2018	\$ 530	1,074	\$ 140	2,243
2019	555	1,053	145	2,239
2020	575	1,030	145	2,235
2021	605	1,002	150	2,230
2022	630	977	9,545	8,128
2023 – 2027	3,580	4,447	38,541	49,835
2028 – 2032	4,355	3,674	32,135	56,279
2033 – 2037	5,370	2,662	17,967	70,582
2038 – 2042	6,800	1,229	25,568	12,314
2043	1,545	62	—	—
	<u>\$ 24,545</u>	<u>17,210</u>	<u>\$ 124,336</u>	<u>206,085</u>

	<u>Justice Center</u>		<u>Forest Park</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2018	\$ 10,025	578	\$ 1,065	230
2019	3,690	146	1,105	187
2020	1,810	34	1,150	143
2021	—	—	1,205	86
2022	—	—	1,270	25
	<u>\$ 15,525</u>	<u>758</u>	<u>\$ 5,795</u>	<u>671</u>

City of St. Louis, Missouri
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	Carnahan Courthouse/QEBC		1520 Market Street/ NGA	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2018	\$ 970	936	\$ 770	726
2019	1,540	909	795	702
2020	1,595	849	820	679
2021	1,540	788	845	652
2022	1,605	726	875	625
2023 – 2027	9,955	2,345	4,815	2,679
2028 – 2032	3,635	592	5,880	1,605
2033 – 2035	—	—	4,104	312
	<u>\$ 20,840</u>	<u>7,145</u>	<u>\$ 18,904</u>	<u>7,980</u>

	Recreation sales tax		Police Capital Improvement sales tax	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2018	\$ 1,305	1,720	\$ 625	586
2019	1,345	1,681	310	902
2020	1,375	1,627	315	893
2021	1,465	1,559	730	880
2022	1,540	1,485	755	851
2023 – 2027	8,935	6,192	4,400	3,648
2028 – 2032	11,285	3,844	5,615	2,432
2033 – 2037	13,730	1,407	7,150	902
	<u>\$ 40,980</u>	<u>19,515</u>	<u>\$ 19,900</u>	<u>11,094</u>

City of St. Louis, Missouri
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	Public Safety Sales Tax Pension Funding Project 2008		Juvenile Detention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2018	\$ 2,165	261	\$ 635	815
2019	2,290	134	610	856
2020	—	—	630	837
2021	—	—	645	819
2022	—	—	675	793
2023 – 2027	—	—	3,875	3,461
2028 – 2032	—	—	4,945	2,390
2033 – 2037	—	—	6,285	1,044
2038	—	—	1,415	50
	<u>\$ 4,455</u>	<u>395</u>	<u>\$ 19,715</u>	<u>11,065</u>

	Pension Funding Project 2007		Refuse and Municipal Garage	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2018	\$ 3,160	7,976	\$ 1,060	399
2019	3,365	7,770	1,080	380
2020	3,585	7,551	1,100	359
2021	3,820	7,318	1,125	335
2022	4,065	7,070	1,150	308
2023 – 2027	24,650	31,026	5,170	662
2028 – 2032	33,775	21,903	—	—
2033 – 2037	46,280	9,403	—	—
	<u>\$ 122,700</u>	<u>100,017</u>	<u>\$ 10,685</u>	<u>2,443</u>

15. JOINT VENTURE FINANCING AGREEMENT

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

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

City of St. Louis, Missouri
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At June 30, 2017, the City’s obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Preservation payments</u>	<u>Total</u>
Year ending June 30:				
2018	\$ 3,865	1,025	1,110	6,000
2019	4,070	817	1,113	6,000
2020	4,280	598	1,122	6,000
2021	4,505	367	1,128	6,000
2022	4,740	125	(1,865)	3,000
	<u>\$ 21,460</u>	<u>2,932</u>	<u>2,608</u>	<u>27,000</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, 2017:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Within One Year</u>
Due to other governmental agencies	\$ 4,856	1,913	(1,049)	5,720	968
Notes payable	20,080	1,762	(2,658)	19,184	705
Bank line of credit	17,076	12,296	(12,336)	17,036	1,911
Other liabilities	8,579	4,754	(5,141)	8,192	1,825
	<u>\$ 50,591</u>	<u>20,725</u>	<u>(21,184)</u>	<u>50,132</u>	<u>5,409</u>

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:			
2018	\$ 2,617	1,417	4,034
2019	2,667	1,275	3,942
2020	13,563	924	14,487
2021	229	711	940
2022	239	657	896
2023 – 2035	16,905	8,130	25,035
	<u>\$ 36,220</u>	<u>13,114</u>	<u>49,334</u>

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

a. Airport

Bonds outstanding at June 30, 2017 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	\$ 209,730
Bond Series 2007A, interest rate ranging from 5.00% to 5.25%, payable in varying amounts through 2027	187,195
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2018	91,930
Bond Series 2009A, interest rate ranging from 5.25% to 6.625%, payable in varying amounts through 2035	104,045
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	24,170
Bond Series 2013, interest rate of 5.00%, payable in varying amounts through 2019	13,445
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	17,310
Bond Series 2017A, interest rate ranging from 4.00% to 5.00%, payable in varying amounts through 2033	125,410
Bond Series 2017B, interest rate ranging from 4.00% to 5.00%, payable in varying amounts through 2028	74,715
Bond Series 2017C, interest rate of 5.00%, payable in varying amounts through 2048	31,700
Bond Series 2017D, interest rate of 5.00%, payable in varying amounts through 2038	26,605
	906,255
Less:	
Current maturities	(276,000)
Unamortized discounts and premiums	60,194
	(215,806)
	\$ 690,449

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

On June 30, 2017, the Airport issued \$125,410 Series 2017A and \$74,715 Series 2017B Revenue Refunding Bonds maturing in varying amounts from 2024 through 2028 with interest rates of 4% to 5%. Proceeds from the bonds plus additional Airport cash of \$10,335 were used to refund \$150,445 Series 2007A and \$85,080 Series 2007B Revenue Refunding bonds on July 3, 2017 and paid costs incidental to the issuance of the bonds. The refunding of the 2007A Airport Revenue Refunding Bonds resulted in the termination and extinguishment of a Forward Purchase obligation totaling \$2,097, which is recorded as a gain on extinguishment of debt in non-operating revenue.

City of St. Louis, Missouri
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At June 30, 2017, the Series 2007A and Series 2007B Bonds are reflected within current maturities of revenue bonds payable. The Airport also issued \$58 million of Series 2017C and 2017D Revenue Bonds to finance certain airfield, terminal, and parking projects.

The Airport completed the advance refunding on July 3, 2017 to reduce its total debt service payments over the next 15 years by \$46,646 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$35,495.

As of June 30, 2017, 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 ending June 30:			
2018	\$ 276,000	28,177	304,177
2019	35,780	32,508	68,288
2020	36,315	30,631	66,946
2021	36,695	28,905	65,600
2022	38,310	27,119	65,429
2023 – 2027	191,730	106,166	297,896
2028 – 2032	209,840	52,293	262,133
2033 – 2037	46,605	13,421	60,026
2038 – 2042	14,145	6,954	21,099
2043 – 2047	16,925	3,177	20,102
2048	3,910	98	4,008
	<u>\$ 906,255</u>	<u>329,449</u>	<u>1,235,704</u>

b. Water Division

Water revenue bonds outstanding at June 30, 2017 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	\$ 8,485
Less:	
Current maturities	<u>(422)</u>
	<u>\$ 8,063</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. During fiscal year 2017, the Water Division drew down \$3,779 of the loan. The final drawdown relating to the program was completed in fiscal year 2017.

City of St. Louis, Missouri
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Debt service requirements to maturity of the 2013 Series Water Revenue Bonds are as follows:

	Principal	Interest	Total
For the year ending June 30:			
2018	\$ 422	131	553
2019	430	124	554
2020	439	117	556
2021	448	110	558
2022	458	103	561
2023 - 2034	6,288	637	6,925
	\$ 8,485	1,222	9,707

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

c. Parking Division

Revenue bonds outstanding at June 30, 2017 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2024	\$ 1,970
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038	5,712
Series 2007B revenue bonds, interest rates variable, not to exceed 6.00%, payable in varying amounts through 2018	835
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	1,000
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031	6,095
Series 2015B subordinated parking revenue bond interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033	36,410
Series 2016 revenue bond interest ranging from 3% to 4% payable in varying amounts through 2031	12,365
	64,387
Less:	
Current portion of revenue bonds payable	(3,266)
Unamortized discount and premium	3,074
	\$ 64,195

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On November 25, 2016, the Parking Division issued \$12,365 in Series 2016 Parking Revenue Tax Exempt Bonds. The bonds were issued for the purpose of advance refunding the remaining portion of the outstanding Series 2006A parking revenue bonds, funding a debt service reserve with respect to the Series 2016 and paying the bond insurance premium and other costs of issuance with respect to the Series 2016 Bonds. The 2006A bond series refunded and the amount outstanding was \$13,780.

Pursuant to the provisions of the Refunding Indenture, the Issuer has deposited into a refunding account the amount of \$14,094, consisting of (1) \$12,347 from the proceeds of the Refunding Bonds and (2) \$1,747 representing portions of (i) the amount that was on deposit in the Series 2006A Account in the Debt Service Reserve Fund of \$1,457, and (ii) the termination of the Forward Delivery Agreement of \$290.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,551. In accordance with GASB Statement No. 65, the gain on bond defeasance associated with the outstanding balance of the unamortized deferred outflow of resources for the 2006A series and the transfer of debt service reserves from 2006A of \$1,747, have been recorded as a net increase to deferred outflow of resources. This will be recognized as a component of interest expense over its deemed remaining life. In addition, \$324 was recorded as a deferred inflow of resources as part of the recognized gain on bond defeasance. These funds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006A bond series. As a result, the 2006A bond series are considered to be defeased and the liability for those bonds was removed from the statement of net position.

The advance refunding decreases total debt service payments over the life of the Series 2016 bond issuance by \$3,136, and results in an economic gain (difference between the present values of the old and new debt service payments) of \$1,200.

Debt service requirements of the revenue bonds at June 30, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2018	\$ 3,266	2,485	5,751
2019	3,384	2,350	5,734
2020	3,517	2,212	5,729
2021	3,664	2,068	5,732
2022	3,807	1,919	5,726
2023 – 2027	19,458	7,079	26,537
2028 – 2032	23,944	2,908	26,852
2033 – 2037	2,939	449	3,388
2038 – 2039	408	20	428
	<u>\$ 64,387</u>	<u>21,490</u>	<u>85,877</u>

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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 2036. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2017, the total principal and interest remaining to be paid on the debt is \$52,531. Principal and interest paid was \$5,180 for the year ended June 30, 2017, as well as \$1,620 contributed to defease principal and interest of the Series 2016 refinancing. The pledged net revenue recognized for the year ended June 30, 2017 was \$6,610. During fiscal year 2017, 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 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, 2017, the total principal and interest remaining is \$682,596. Principal and interest paid was \$36,904 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$39,916. During fiscal year 2017, the proportion of pledged revenues needed to revenues collected was 92.45%.

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. 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, 2017, the total principal and interest remaining on these financings is \$21,924. Principal and interest paid was \$610 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$1,203. During fiscal year 2017, the proportion of pledged revenues needed to revenues collected was 50.71%.

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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, 2017, total principal and interest remaining on the debt is \$16,283. Principal and interest paid was \$10,621 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$7,450. During fiscal year 2017, 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, 2017, total principal and interest remaining on the debt is \$30,123. Principal and interest paid was \$3,679 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$3,700. During fiscal year 2017, the proportion of pledged revenues needed to revenues collected was 99.43%.

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, 2017, total principal and interest remaining on the debt is \$60,495. Principal and interest paid was \$2,978 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$4,689. During fiscal year 2017, the proportion of pledged revenues needed to revenues collected was 63.5%.

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 and 2017, 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, 2017 total principal and interest remaining on the debt is \$30,994. Principal and interest paid was \$1,308 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$1,856. During fiscal year 2017, the proportion of pledged revenues needed to revenues collected was 70.47%.

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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, 2017, total principal and interest remaining on the debt is \$41,755. Principal and interest paid was \$1,604 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$3,074. During fiscal year 2017, the proportion of pledged revenues needed to revenue collected was 52.18%.

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, 2017, total principal and interest outstanding on this portion of the debt is \$4,480. The pledged net revenue recognized for the year ended June 30, 2017 related to the collection of PILOTs and EATs was \$1,707. During fiscal year 2017, none of the pledge revenues were used to meet the debt service requirements.

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, 2017, total principal and interest outstanding on this portion of the debt is \$5,595. The pledged net revenue recognized for the year ended June 30, 2017 related to the collection of PILOTs and EATs was \$343. During fiscal year 2017, none of the pledge revenues were used to meet the debt service requirements.

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, 2017, total principal and interest remaining on the debt is \$37,008. During fiscal year 2017, revenue from the police parking ticket revenues totaled \$535. During fiscal year 2017, 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.

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b. Business-type activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$906,255 in various long-term debt issuances. 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, 2017, the total principal and interest remaining to be paid on the bonds is \$1,235,704. Principal and interest paid was \$73,922 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$84,760.

Water Division

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2017, the remaining principal and interest requirement is \$9,707 payable through January 2034 (fiscal year 2034). Principal and interest paid for the Series 2013 Bonds was \$486. The proportion of pledged revenue to revenue collected is estimated at 0.9% at June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$53,557.

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 2007B, 2013A, 2015A, 2015B and 2016. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2017 the remaining principal and interest requirement is \$74,015 payable through fiscal year 2039. Principal and interest paid for the Series 2007B, 2013A, 2015A, 2015B and 2016 Parking Revenue Bonds was \$2,917 for the year ended June 30, 2017. The pledged net revenue recognized for the year ended June 30, 2017 was \$9,783.

19. SHORT-TERM DEBT

a. City

The City issued \$60,000 of general fund Tax and Revenue Anticipation notes dated July 6, 2016 and redeemed June 1, 2017. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

Short-term debt activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Issued	Redeemed	Balance June 30, 2017
Tax and revenue anticipation notes	\$ —	60,000	(60,000)	—
	\$ —	60,000	(60,000)	—

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20. OPERATING LEASES

- a. At June 30, 2017, 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:		
2018	\$	994
2019		633
2020		395
2021		236
2022		344
2023 – 2027		116
	\$	<u>2,718</u>

Rental and lease expenditures for the fiscal year 2017 totaled \$5,014.

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

Effective July 1, 2016, the Airport entered into long-term use and lease agreements with signatory air carriers that will expire on June 30, 2021. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

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

During fiscal year 2017, revenues from signatory air carriers accounted for 52.3% of total Airport operating revenues.

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

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The following is a summary of aviation revenue by category and source from signatory and non-signatory air carriers for the year ended June 30, 2017:

	<u>Signatory</u>	<u>Non-signatory</u>	<u>Total</u>
Airfield	\$ 47,731	10,570	58,301
Terminal and concourses	24,817	473	25,290
Hangars and other buildings	535	815	1,350
Cargo buildings	215	278	493
	<u>\$ 73,298</u>	<u>12,136</u>	<u>85,434</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. 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 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 an AUA. The new agreements retain most of the provisions of the prior master agreements which expired June 30, 2016.

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 ending June 30:	
2018	\$ 23,949
2019	22,848
2020	16,957
2021	9,848
2022	7,661
2023 – 2027	15,253
2028 – 2032	11,147
2033 – 2037	3,074
Total minimum future rentals	<u>\$ 110,737</u>

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The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$3,805 for the year ended June 30, 2017.

Unearned lease revenues included in Airport other long-term liabilities in the amount of \$4,629 as of June 30, 2017 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 2020. Expenses for operating leases and service agreements were \$34 for the year ended June 30, 2017. Future minimum payments are as follows:

Year ending June 30:		
2018	\$	42
2019		35
2020		31
2021		15
Total minimum future rentals	\$	123

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 (AHC), and Planning and Urban Design Development Agency (PDA) and in effect through June 30, 2031.

Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA and PDA as of June 30, 2017 are as follows:

Year ending June 30:		
2018	\$	336
2019		335
2020		336
2021		335
	\$	1,342

Additionally, at June 30, 2017, 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, 2017, SLDC has incurred debt of \$14,844 and capitalized \$59,467 of land and site improvements recorded as property held for development related to this project. \$46,346 has been recorded as an allowance against this property given the contract with the National Geospatial Agency providing for a minimal purchase amount.

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21. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2017 are as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Special revenue—Grants fund	\$ 2,475
	Other governmental nonmajor funds	4
	Internal service fund	36
	Enterprise:	
	Airport	1,872
	Water Division	1,242
	Parking Division	2,213
		<u>7,842</u>
Redevelopment projects fund	General fund	4,186
	Capital projects fund	556
	Other governmental nonmajor funds	1,549
		<u>6,291</u>
Internal service funds	General fund	473
	Other governmental nonmajor funds	2
	Enterprise:	
	Airport	2,912
	Water Division	3,658
	Parking Division	143
	<u>7,188</u>	
	<u>\$ 21,321</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, 2018.

Advances to/from other funds as of June 30, 2017 are as follows:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General fund	Internal service fund	\$ <u>48,769</u>

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22. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 consisted of the following:

	General Fund	Capital Projects Fund	Transfer To		Total
			Other Governmental Funds	Parking Division	
General fund	\$ —	8,667	2,040	—	10,707
Redevelopment projects fund	1,714	269	1,141	337	3,461
Capital Projects fund	283	—	—	—	283
Transfer From Other Governmental funds	26,847	11,600	531	—	38,978
Grants fund	—	—	—	—	—
Parking Division	1,681	—	310	—	1,991
Airport	6,500	—	—	—	6,500
Water Division	3,207	—	—	—	3,207
	<u>\$ 40,232</u>	<u>20,536</u>	<u>4,022</u>	<u>337</u>	<u>65,127</u>

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

23. COMMITMENTS AND CONTINGENCIES

a. Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2017, 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.

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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 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, \$425 is included in the self-insurance claim liability of \$60,638 and \$2,075 is included as the estimate of reasonably possible within the \$15,392.

b. Commitments

At June 30, 2017, the City had outstanding commitments amounting to approximately \$11,198, resulting primarily from service agreements.

Additionally, at June 30, 2017, the Airport had outstanding commitments amounting to approximately \$20,378 resulting primarily from contracts for construction projects. In addition, the Airport has \$21,225 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, 2017 encumbrances of \$759 were reported in the general fund, \$44,358 in the capital projects services fund and \$4,329 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 9.8% of the Airport's total operating revenues and 18.7% of total revenues from signatory air carriers for the fiscal year ended June 30, 2017. Accounts receivable at June 30, 2017 contained \$2,518 relating to amounts owed to the Airport by American. This amounts include \$1,035 of unbilled aviation revenue credits at June 30, 2017.

Southwest provided 27.9% of the Airport's total operating revenues and 53.3% of total revenues from participating air carriers for the fiscal year ended June 30, 2017. Accounts receivable at June 30, 2017 contained \$1,130 relating to unused credits issued by the Airport to Southwest. This amount includes \$1,037 of unbilled aviation revenue credits at June 30, 2017.

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e. Asbestos Removal

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

f. Component 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 \$2,541 during the year ended June 30, 2017.

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 month which will complete the funding from Round 12. The recently awarded Round 13 allocation of \$75,000 has had three transactions close totaling \$28,000 which leaves \$47,000 all of which is committed to transactions that are expected to close no later than the 2nd quarter of 2018.

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, 2017.

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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 \$60,638 at June 30, 2017, relating to these matters is recorded in the self-insurance internal service fund—PFPC. Of total workers' compensation liability, \$3,708 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 \$468 for the year ended June 30, 2017. 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 \$1,627 at June 30, 2017 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2017, 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 \$215.

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, 2017 and, for the years ended June 30, 2017 and 2016 settlements did not exceed coverage.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

Changes in the self-insurance claims liability for the years ended June 30, 2017 and 2016 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2017	\$ 51,151	44,448	(34,961)	60,638
2016	50,279	30,650	(29,778)	51,151

Additionally, there is an estimate of general liability claims outstanding of \$15,392 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.

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(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	2,286	—	—	—	—	2,286
Other	1,322	—	—	—	—	1,322
Total	<u>3,608</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>3,619</u>
Restricted:						
Redevelopment	—	11,359	—	—	—	11,359
Streets and bridges	—	—	4,008	—	44	4,052
Public safety	—	—	—	789	348	1,137
Parks and recreation	—	—	18,928	—	2,232	21,160
Convention and tourism	—	—	1,584	—	—	1,584
Transportation	—	—	—	—	6,685	6,685
Debt service	13,145	21,464	5,189	—	13,347	53,145
Capital improvement	—	—	21,905	—	—	21,905
Other	—	—	3,039	—	1,254	4,293
Total	<u>13,145</u>	<u>32,823</u>	<u>54,653</u>	<u>789</u>	<u>23,910</u>	<u>125,320</u>
Committed:						
Health and welfare	—	—	—	—	12,929	12,929
Streets and bridges	—	—	5,134	—	668	5,802
Public safety	—	—	513	—	7,088	7,601
Parks and recreation	—	—	11,526	—	2,131	13,657
Convention and tourism	—	—	—	—	3,358	3,358
Capital improvement	—	—	21,266	—	4,709	25,975
Total	<u>—</u>	<u>—</u>	<u>38,439</u>	<u>—</u>	<u>30,883</u>	<u>69,322</u>
Assigned:						
Redevelopment	—	3,381	—	—	—	3,381
Health and welfare	—	—	—	—	14	14
Public safety	—	—	—	—	510	510
Parks and recreation	—	—	—	—	86	86
Other	—	—	—	—	130	130
Total	<u>—</u>	<u>3,381</u>	<u>—</u>	<u>—</u>	<u>740</u>	<u>4,121</u>
Unassigned	1,529	—	(17,059)	—	—	(15,530)
Total	<u>\$ 18,282</u>	<u>36,204</u>	<u>76,033</u>	<u>789</u>	<u>55,544</u>	<u>186,852</u>

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

28. TAX ABATEMENTS

The City implemented GASB 77, *Tax Abatement Disclosures* for the year ended June 30, 2017. The following table represents the abated revenues at June 30, 2017:

Name of Program	Chapter 353 - Residential	Chapter 353 - Residential PILOT	Chapter 99 - Residential
Purpose of Program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 - 353.190 RSMo	Sections 353.010 - 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 - 353.190 RSMo; City Ordinance 45977 approved 2/18/52
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.
How tax is reduced	Land assessments based on the year prior to urban redevelopment corp transfer.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance.	Assessments are set at predeveloped levels. PILOTs may be required by ordinance or agreement.
Determination of abated amount	By statute	By statute, ordinance and redevelopment agreement (if any)	By statute, ordinance and redevelopment agreement with LCRA (if any)
Recapture provisions	None	None	None
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues	\$ 954	\$ 88	\$ 1,634

* Dollar amounts per calendar year

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

Name of Program	Enhanced Enterprise Zone Tax Incentives	Chapter 353 - Commercial	Planned Industrial Expansion (PIE)
Purpose of Program	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 135.950 to 135.973, RSMo; City Ordinance 67350 approved 12/11/06	Sections 353.010 - 353.190 RSMo	Sections 353.010 - 353.190 RSMo; City Ordinance 54788 approved 12/11/67
Eligibility requirement	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abatement. EEZB enters redevelopment agreement with redeveloper.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.
How tax is reduced	City authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.	Land assessments based on the year prior to urban redevelopment corp transfer.	Land assessments based on the year prior to urban redevelopment corp transfer; Chapter 353 PILOT established by city ordinance.
Determination of abated amount	By statute, resolution and redevelopment agreement with EEZB	By statute, ordinance and redevelopment agreement (if any)	By statute, ordinance, and redevelopment agreement with PIEA (if any)
Recapture provisions	None	None	None
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues	\$ 1,859	\$ 4,873	\$ 152

* Dollar amounts per calendar year

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

Name of Program	Chapter 353 - Commercial PILOT	Chapter 99 - Commercial	Chapter 100 - Industrial Revenue Bonds/Merchants & Manufacturer's Tax Credit
Purpose of Program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to provide economic development benefits to municipality.
Abated tax	Real Property Tax	Real Property Tax	Personal and/or Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 - 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 - 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 100.010 to 100.200 RSMo
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Preparation and approval of an Industrial Development Plan by the governing body of the municipality.
How tax is reduced	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance.	Assessments are set at predeveloped levels. PILOTs may be required by ordinance or agreement.	Title of real or personal property to be abated is transferred to tax-exempt governmental body.
Determination of abated amount	By statute, ordinance and redevelopment agreement (if any)	By statute, ordinance and redevelopment agreement with LCRA (if any)	Property is tax exempt by virtue of public ownership; PILOT established by development agreement
Recapture provisions	None	None	by agreement
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues	\$ 129	\$ 6,159	\$ 995

* Dollar amounts per calendar year

City of St. Louis, Missouri
Notes to Basic Financial Statements
June 30, 2017
(dollars in thousands)

29. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 10, 2017, the City issued \$66,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 1, 2018 and bear interest at a rate of 3.00% per year.

b. Development and Tax Increment Revenue Notes

Subsequent to June 30, 2017, the City issued development and tax increment revenue notes totaling \$2,997 with interest rates of 6.55%.

c. Airport Advance Refunding

On June 30, 2017, the Airport issued \$125,410 Series 2017A and \$74,715 Series 2017B Revenue Refunding Bonds for the refunding of the 2007A Airport Revenue Refunding Bonds. The Airport completed the advance refunding on July 3, 2017.

d. Economic Development Sales Tax

On April 4, 2017 voters approved a one half cents sales tax which went into effect on October 1, 2017.

e. Property Taxes

The City tax rate levied in November 2017 was \$1.5933 per \$100 (in dollars) of assessed valuation of which \$1.46 (in dollars) is for the general fund and \$0.1331 (in dollars) is for the debt service fund.

f. Proposition P Sales Tax

On November 7, 2017, voters passed a one half cent sales tax earmarked for Public Safety. The tax will go into effect April 1, 2018.

g. Scottrade Bonds

In February 2017, the Board of Aldermen approved an ordinance to issue \$64,000 in bonds for renovations at the Scottrade Center. Due to litigation, the financing was delayed.

h. Missouri Department of Economic Development Promissory Note

On November 9, 2017, a promissory note was issued to the City by the Missouri Department of Economic Development-Division of Energy in the amount of \$979 to fund the upgrade of LED street lighting. The debt will be funded by cost savings.

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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Gross receipts	\$ 6,129	6,129	6,372	243
City earnings	171,177	171,177	171,529	352
Franchise	52,619	52,619	49,748	(2,871)
Sales	54,610	54,610	52,098	(2,512)
Property	59,192	59,192	58,868	(324)
Payroll	39,639	39,639	38,115	(1,524)
Motor vehicle	3,313	3,313	3,253	(60)
Other	637	637	1,004	367
Total taxes	387,316	387,316	380,987	(6,329)
Licenses and permits:				
Graduated business	6,506	6,506	6,634	128
Cigarette	1,658	1,658	1,721	63
Building division	7,840	7,840	6,658	(1,182)
Communication transmission	1,620	1,620	1,767	147
Liquor	559	559	562	3
Other	612	612	587	(25)
Motor vehicle	1,373	1,373	1,435	62
Total licenses and permits	20,168	20,168	19,364	(804)
Intergovernmental:				
Motor fuel tax allocation	8,450	8,450	8,566	116
Juvenile detention center	2,022	2,022	2,048	26
Public safety	6,416	6,416	5,458	(958)
Other intergovernmental	374	374	363	(11)
Total intergovernmental	17,262	17,262	16,435	(827)
Charges for services:				
Parks and recreation	320	320	298	(22)
Streets	16,940	16,940	17,040	100
Public safety	5,996	5,996	6,514	518
Health	799	799	779	(20)
Fee offices	4,124	4,124	4,119	(5)
Other	7	7	2	(5)
Services provided to other funds	4,832	4,832	5,083	251
Total charges for services	33,018	33,018	33,835	817
Court fines and forfeitures	3,046	3,046	2,639	(407)
Interest	-	-	1	1
Miscellaneous	2,899	2,899	2,907	8
Total revenues	463,709	463,709	456,168	(7,541)
EXPENDITURES				
Excess of revenues over expenditures	(41,173)	(41,173)	(41,299)	(126)
Other financing sources (uses):				
Transfers in	37,269	37,269	39,799	2,530
Transfer from 27th pay reserve	10,100	10,100	10,136	36
Transfers out	(9,854)	(9,854)	(9,504)	350
Total other financing sources (uses), net	37,515	37,515	40,431	2,916
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (3,658)	(3,658)	(868)	2,790

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, 2017
(dollars in thousands)

		Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
				Personal Services	Other Expenditures	Total Expenditures	
General government:							
110	Board of Alderman	\$ 3,126	3,126	2,851	172	3,023	103
120	Mayor's Office	1,912	1,912	1,482	145	1,627	285
123	Department of Personnel	4,087	4,087	3,088	227	3,315	772
124	Registrar	176	176	168	6	174	2
126	Civil Rights Enforcement Agency	338	338	339	3	342	(4)
127	Information Technology Service Agency	6,030	6,030	3,746	2,068	5,814	216
137	Division of the Budget	463	463	455	5	460	3
139	City Counselor	7,743	7,743	4,039	2,475	6,514	1,229
141	Planning and Urban Design	495	495	405	83	488	7
160	Comptroller	6,609	6,595	3,696	2,284	5,980	615
162	Municipal Garage	327	341	302	35	337	4
163	Microfilm Section	316	316	260	30	290	26
170	Supply Commissioner	756	756	697	7	704	52
171	Multigraph Section	956	956	663	222	885	71
330	Tax Equalization Board	11	11	5	-	5	6
333	Recorder of Deeds	2,848	2,848	2,541	321	2,862	(14)
334	Election and Registration	4,016	4,016	2,702	1,337	4,039	(23)
340	Treasurer	738	738	666	39	705	33
	Prior year encumbrance	1,964	1,964	-	415	415	1,549
	Sub total general government	42,911	42,911	28,105	9,874	37,979	4,932
190	City-Wide Accounts	4,952	4,952	886	3,602	4,488	464
	Prior year encumbrance	380	380	-	380	380	-
	Sub total city-wide accounts	5,332	5,332	886	3,982	4,868	464
	Total general government	48,243	48,243	28,991	13,856	42,847	5,396
Convention and tourism:							
930	Soldier's Memorial Building	128	128	123	2	125	3
	Total convention and tourism	128	128	123	2	125	3

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2017
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual			Variance with Final Budget Positive (Negative)
			Personal Services	Other Expenditures	Total Expenditures	
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	\$ 688	688	617	36	653	35
213 Division of Recreation	1,649	1,649	1,500	129	1,629	20
214 Division of Forestry	8,767	8,767	7,881	739	8,620	147
220 Division of Parks	7,697	7,697	7,351	529	7,880	(183)
225 Soulard Market	229	229	136	80	216	13
250 Tower Grove Park	725	725	-	725	725	-
Prior year encumbrance	-	-	-	-	-	-
Total parks and recreation	19,755	19,755	17,485	2,238	19,723	32
Judicial:						
311 Circuit Court (General)	10,231	10,231	5,328	3,774	9,102	1,129
312 Circuit Attorney	7,695	7,695	7,137	522	7,659	36
315 Sheriff	9,415	9,415	8,914	259	9,173	242
316 City Courts	2,679	2,679	1,921	445	2,366	313
318 Public Administrator	75	75	63	-	63	12
320 Probation Department and Juvenile Detention Center	17,173	17,173	14,770	1,459	16,229	944
321 Drug Court	527	527	-	255	255	272
Prior year encumbrance	1,180	1,180	-	824	824	356
Total judicial	48,975	48,975	38,133	7,538	45,671	3,304
Streets:						
510 Director of Streets	1,268	1,268	1,267	44	1,311	(43)
511 Transportation and Traffic Division	10,062	10,062	5,292	4,437	9,729	333
513 Auto Towing and Storage	1,853	1,853	1,601	285	1,886	(33)
514 Street Division	7,184	7,184	5,730	1,587	7,317	(133)
516 Refuse Division	14,680	14,680	8,613	7,093	15,706	(1,026)
Prior year encumbrance	-	-	-	-	-	-
Total streets	35,047	35,047	22,503	13,446	35,949	(902)

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>		<u>Total Expenditures</u>	<u>Variance with Final Budget Positive (Negative)</u>
			<u>Personal Services</u>	<u>Other Expenditures</u>		
Public safety - fire:						
611 Fire Department Operations	\$ 59,651	59,651	57,402	3,258	60,660	(1,009)
612 Firemen's Retirement System	10,489	10,489	10,489	-	10,489	-
Prior year encumbrance	59	59	-	59	59	-
Total public safety - fire	<u>70,199</u>	<u>70,199</u>	<u>67,891</u>	<u>3,317</u>	<u>71,208</u>	<u>(1,009)</u>
Public safety - police:						
650 Police Department	134,566	134,566	126,031	13,499	139,530	(4,964)
651 Police Retirement System	28,715	28,715	28,707	-	28,707	8
Prior year encumbrance	53	53	-	11	11	42
Total public safety - police	<u>163,334</u>	<u>163,334</u>	<u>154,738</u>	<u>13,510</u>	<u>168,248</u>	<u>(4,914)</u>
Public safety - other:						
610 Director of Public Safety	744	744	543	127	670	74
614 Office of Special Events	194	194	195	-	195	(1)
616 Excise Commissioner	461	461	299	23	322	139
620 Building Commissioner	8,426	8,426	7,876	482	8,358	68
622 Neighborhood Stabilization	2,772	2,772	2,501	132	2,633	139
625 City Emergency Management Agency	203	203	116	42	158	45
632 Medium Security Institution	16,491	16,491	10,657	5,025	15,682	809
633 City Jail	23,562	23,562	16,499	5,976	22,475	1,087
635 Civilian Oversight Board	312	312	250	18	268	44
Prior year encumbrance	27	27	-	19	19	8
Total public safety-other	<u>53,192</u>	<u>53,192</u>	<u>38,936</u>	<u>11,844</u>	<u>50,780</u>	<u>2,412</u>
Health and welfare:						
335 Medical Examiner	2,219	2,219	1,005	1,199	2,204	15
800 Director of Human Services	1,547	1,547	1,318	136	1,454	93
Total health and welfare	<u>3,766</u>	<u>3,766</u>	<u>2,323</u>	<u>1,335</u>	<u>3,658</u>	<u>108</u>

City of St. Louis, Missouri
Schedule of Expenditures -
Budget and Actual - General Fund
UNAUDITED
For the year ended June 30, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>			<u>Variance with Final Budget Positive (Negative)</u>
			<u>Personal Services</u>	<u>Other Expenditures</u>	<u>Total Expenditures</u>	
Public services:						
900 President's Office, Board of Public Services	2,762	2,762	2,211	225	2,436	326
903 Building Operations	17,114	16,519	4,147	11,044	15,191	1,328
910 Equipment Services Division	15,893	16,488	8,041	7,869	15,910	578
Total public services	<u>35,769</u>	<u>35,769</u>	<u>14,399</u>	<u>19,138</u>	<u>33,537</u>	<u>2,232</u>
Debt service:						
Principal	13,245	13,249	-	12,606	12,606	643
Interest and fiscal charges	13,229	13,225	-	13,115	13,115	110
Total debt service	<u>26,474</u>	<u>26,474</u>	<u>-</u>	<u>25,721</u>	<u>25,721</u>	<u>753</u>
Total expenditures	<u>\$ 504,882</u>	<u>504,882</u>	<u>385,522</u>	<u>111,945</u>	<u>497,467</u>	<u>7,415</u>

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, 2017
(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	\$ 38,345	38,345	38,345	—
Licenses and permits	1	1	1	—
Intergovernmental	4,066	4,066	4,066	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	8	8	8	—
Miscellaneous	2,775	2,775	2,775	—
Total revenues	<u>45,195</u>	<u>45,195</u>	<u>45,195</u>	<u>—</u>
Expenditures:				
Current:				
General government	1,745	1,745	1,553	(192)
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community Development	22,588	22,588	22,588	—
Capital outlay	—	—	—	—
Debt service	36,997	36,997	36,997	—
Total expenditures	<u>61,330</u>	<u>61,330</u>	<u>61,138</u>	<u>192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,135)</u>	<u>(16,135)</u>	<u>(15,943)</u>	<u>192</u>
Other financing sources (uses):				
Proceeds net of refunding	19,794	19,794	19,794	—
Transfers in	—	—	—	—
Transfers out	(3,419)	(3,419)	(3,476)	(57)
Net change in fund balances	<u>16,375</u>	<u>16,375</u>	<u>16,318</u>	<u>(57)</u>
Net change in fund balances	<u>\$ 240</u>	<u>240</u>	<u>375</u>	<u>135</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund and Redevelopment Projects Fund – UNAUDITED
For the Year ended June 30, 2017
(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 and Redevelopment Projects Fund – UNAUDITED (continued)
For the year ended June 30, 2017
(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	\$ (868)	375
Increase (decrease) due to:		
Revenue accruals	(6,024)	663
Expenditure accruals	14,738	26
Unbudgeted activities and funds	(11,850)	—
GAAP basis	\$ (4,004)	1,064

See accompanying independent auditors’ report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2017
(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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Service Cost	12,618	12,978	12,992							
Interest	67,036	66,579	65,906							
Difference between expected and actual experience	(3,684)	(2,041)	-	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>						
Change in benefit	-	-	-							
Change of assumptions	131,846	16,249	6,650							
Benefit payments	(62,637)	(69,533)	(60,973)							
Net change in total pension liability	145,179	24,232	24,575							
Total pension liability - beginning	944,138	919,906	895,331							
Total pension liability - ending (a)	\$ 1,089,317	\$ 944,138	\$ 919,906							
System Fiduciary Net Position										
Contributions - employer	30,779	30,600	32,325							
Contributions - employee	4,377	4,488	4,438							
Net investment income	52,927	(8,325)	48,095							
Benefit payments	(62,637)	(69,533)	(60,973)							
Administrative expenses	(1,103)	(1,125)	(1,096)							
Net change in fiduciary net position	24,343	(43,895)	22,789							
System fiduciary net position - beginning	684,895	728,790	706,277							
System fiduciary net position - ending (b)	\$ 709,238	\$ 684,895	\$ 729,066							
Net pension liability - ending: (a)-(b)	\$ 380,079	259,243	\$ 190,840							
System's fiduciary net position as a percentage of the total pension liability	65.11%	72.54%	79.25%							
Covered-employee payroll*	72,684	72,325	72,151							
Net pension liability as a percentage of covered-employee payroll	522.92%	358.44%	264.50%							

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

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2017
(dollars in thousands)

Police Retirement System of St. Louis, continued

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)
2017	72,684	42.35%	30,779	30,779	-
2016	72,325	42.31%	30,600	30,600	-
2015	72,151	44.80%	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)

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	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	7.5%, net of 0.15% administrative expenses
Inflation	2.5%
Projected Salary Increases	3.0% – 6.5%, varying by age
Mortality (ordinary)	RP-2014 Blue collar projected generally with MP-2015 with 1.15 adjustment
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, 2017
(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,									
	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
Service Cost	-	-	-							
Interest	34,916	34,403	34,450							
Difference between expected and actual experience	(6,984)	15	-							
Change in benefit	-	-	-							
Change in assumptions	-	43,915	-							
Refunds	(1,278)	(1,294)	(1,205)							
Benefit payments	(32,155)	(33,562)	(34,002)							
Net change in total pension liability	(5,501)	43,477	(757)							
Total pension liability - beginning	495,019	451,542	452,299							
Total pension liability - ending (a)	\$ 489,518	\$ 495,019	\$ 451,542							
System Fiduciary Net Position										
Contributions - employer	2,715	-	1,008							
Refunds	(1,278)	(1,294)	(1,205)							
Net investment income	38,228	(10,932)	48,270							
Benefit payments	(32,155)	(33,562)	(34,002)							
Transfer out due to settlement agreement	-	-	(10,279)							
Transfer from future benefit fund	167	-	-							
Administrative expenses	(1,095)	(1,594)	(1,424)							
Net change in fiduciary net position	6,582	(47,382)	2,368							
System fiduciary net position - beginning	447,058	494,440	492,222							
System fiduciary net position - ending (b)	\$ 453,640	\$ 447,058	\$ 494,590							
Net pension liability - ending: (a)-(b)	\$ 35,878	\$ 47,961	\$ (43,048)							
System's fiduciary net position as a percentage of the										
total pension liability	92.67%	90.31%	109.53%							
Covered-employee payroll*	30,219	30,288	29,768							
Net pension liability as a percentage of covered-										
employee payroll	118.73%	158.35%	-144.61%							

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

See accompanying independent auditors' report.

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2017
(dollars in thousands)

Firemen's Retirement System of St Louis, continued

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)
2017	30,219	8.98%	2,715	2,715	-
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)

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2016
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, 2017
(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,									
	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
Service Cost	6,033	6,227	6,411							
Interest	7,215	6,146	4,088							
Difference between expected and actual experience	337	1,179	(5,360)							
Change in benefit	-	979	-							
Change of assumptions	-	22,244	-							
Benefit payments	(381)	(263)	(133)							
Net change in total pension liability	13,204	36,512	5,006							
Total pension liability - beginning	88,780	52,268	47,262							
Total pension liability - ending (a)	\$ 101,984	\$ 88,780	\$ 52,268							
Plan Fiduciary Net Position										
Contributions - employer	9,148	8,507	15,825							
Contributions - employee	2,919	2,829	2,813							
Net investment income	2,892	(843)	(92)							
Benefit payments	(381)	(263)	(133)							
Administrative expenses	(405)	(313)	(207)							
Net change in fiduciary net position	14,173	9,917	18,206							
Plan fiduciary net position - beginning	29,776	19,859	1,653							
Plan fiduciary net position - ending (b)	\$ 43,949	\$ 29,776	\$ 19,859							
Net pension liability - ending: (a)-(b)	\$ 58,035	\$ 59,004	\$ 32,409							
Plan's fiduciary net position as a percentage of the total pension liability	43.09%	33.54%	37.99%							
Covered-employee payroll*	36,637	35,531	34,939							
Net pension liability as a percentage of covered-employee payroll	158.41%	166.06%	92.76%							

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

City of St. Louis, Missouri
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information –
 UNAUDITED
 June 30, 2017
 (dollars in thousands)

Firefighters’ Retirement Plan, continued

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)
2017	36,637	24.97%	9,148	9,148	-
2016	35,531	23.94%	7,436	8,507	(1,071)
2015	34,939	25.59%	8,942	8,942	-
2014	22,642	30.40%	6,883	6,883	-
2012					
2011					
2010					
2009					
2008					
2007					

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2016
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, 2017
(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,									
	2017	2016	2015	2013	2012	2011	2010	2009	2008	2007
Proportion of the net pension liability	83.20%	83.50%	83.90%							
Proportionate share of the net pension liability	\$ 174,115	\$ 189,264	\$ 129,712							
Covered-employee payroll	237,354	238,385	237,795							
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	73.36%	79.39%	54.55%							
Plan fiduciary net position as a percentage of the total pension liability	78.52%	76.22%	83.54%							

(Historical information prior to implementation of GASB 67/68 is not required)

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)
2017	237,354	13.54%	28,534	32,128	(3,594)
2016	238,385	14.87%	31,605	35,436	(3,831)
2015	237,795	15.47%	34,061	36,788	(2,727)
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)

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2017
(dollars in thousands)

Employees Retirement System of the City of St Louis, continued

Notes to Required Supplementary Information for Contributions

Valuation Date	October 1, 2016
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	2.5
Projected Salary Increases	3% plus merit component based on years of service
Mortality	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA

City of St. Louis, Missouri
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information –
UNAUDITED
June 30, 2017
(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, 2017
 (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	5,579	68	—	168	12	1,611	817
Investments:							
Restricted	—	—	—	—	—	—	—
Unrestricted	1,637	20	—	50	4	473	—
Receivables, net of allowances:							
Taxes	5,581	7,126	3,683	626	—	—	—
Licenses and permits	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	415	—	—
Charges for services	—	—	—	—	—	716	—
Other	—	—	—	—	—	—	—
Due from component unit	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Total assets	\$ 12,797	7,214	3,683	844	431	2,800	817
Liabilities, Deferred Inflow of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,156	—	—	16	1	157	—
Accrued salaries and other benefits	231	—	—	—	86	12	—
Due to component units	—	—	—	—	—	—	—
Due to other funds	6	529	344	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—
Total liabilities	1,393	529	344	16	87	169	—
Deferred inflow of resources	—	—	—	—	415	588	—
Total liabilities and deferred inflow of resources	1,393	529	344	16	502	757	—
Fund balances:							
Nonspendable	—	—	—	—	—	—	—
Restricted	—	6,685	—	329	(71)	—	817
Committed	11,404	—	3,339	—	—	2,043	—
Assigned	—	—	—	499	—	—	—
Unassigned	—	—	—	—	—	—	—
Total fund balances	11,404	6,685	3,339	828	(71)	2,043	817
Total liabilities, deferred inflow of resources, and fund balances	\$ 12,797	7,214	3,683	844	431	2,800	817

City of St. Louis, Missouri
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017
 (dollars in thousands)

	Special revenue						Debt Service Fund	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
Assets									
Cash and cash equivalents:									
Restricted	\$ —	—	—	1,373	—	—	1,373	7,835	9,208
Unrestricted	1,949	74	775	1,616	4,311	3,861	20,841	—	20,841
Investments:									
Restricted	—	—	—	2,694	—	—	2,694	500	3,194
Unrestricted	—	22	227	474	1,261	1,085	5,253	—	5,253
Receivables, net of allowances:									
Taxes	—	—	3,561	890	1,382	—	22,849	7,226	30,075
Licenses and permits	—	167	—	—	14	—	181	—	181
Intergovernmental	—	—	—	—	176	—	591	—	591
Charges for services	—	—	—	—	577	6	1,299	—	1,299
Other	—	—	—	—	266	272	538	—	538
Due from component unit	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—
Total assets	\$ 1,949	263	4,563	7,047	7,987	5,224	55,619	15,561	71,180
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ —	—	96	75	154	117	1,772	—	1,772
Accrued salaries and other benefits	—	9	1	81	138	—	558	—	558
Due to component units	—	—	—	—	48	95	143	—	143
Due to other funds	—	—	534	142	—	—	1,555	—	1,555
Unearned revenue	—	—	—	—	2,406	272	2,678	—	2,678
Total liabilities	—	9	631	298	2,746	484	6,706	—	6,706
Deferred inflow of resources	—	64	—	—	657	—	1,724	7,206	8,930
Total liabilities and deferred inflow of resources	—	73	631	298	3,403	484	8,430	7,206	15,636
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	1,949	—	—	4,940	(125)	1,031	15,555	8,355	23,910
Committed	—	190	3,932	1,809	4,617	3,549	30,883	—	30,883
Assigned	—	—	—	—	92	149	740	—	740
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	1,949	190	3,932	6,749	4,584	4,740	47,189	8,355	55,544
Total liabilities, deferred inflow of resources, and fund balances	\$ 1,949	263	4,563	7,047	7,987	5,224	55,619	15,561	71,180

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, 2017
 (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	\$ 29,585	39,725	15,155	6,712	2,365	—	—
Licenses and permits	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	448	—	—
Charges for services, net	—	—	—	—	2	2,645	7,707
Investment income	(8)	—	—	—	—	(2)	16
Miscellaneous	262	—	—	—	—	—	246
Total	<u>29,839</u>	<u>39,725</u>	<u>15,155</u>	<u>6,712</u>	<u>2,815</u>	<u>2,643</u>	<u>7,969</u>
Expenditures:							
General government	—	—	165	—	4,221	—	8,215
Parks and recreation	—	—	—	—	—	—	—
Judicial	—	—	—	—	—	—	—
Streets	621	—	—	—	—	—	—
Public safety:							
Fire	—	—	—	19	—	—	—
Police	8,538	—	—	2,700	—	—	—
Other	3,236	—	—	—	—	—	—
Health and welfare	17,449	—	—	—	—	—	—
Public services	—	39,052	—	—	—	2,366	—
Capital outlay	6	—	—	—	—	—	—
Debt service:							
Principal	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Advance refunding escrow	—	—	—	—	—	—	—
Total expenditures	<u>29,850</u>	<u>39,052</u>	<u>165</u>	<u>2,719</u>	<u>4,221</u>	<u>2,366</u>	<u>8,215</u>
Excess (deficiency) of revenues over expenditures	<u>(11)</u>	<u>673</u>	<u>14,990</u>	<u>3,993</u>	<u>(1,406)</u>	<u>277</u>	<u>(246)</u>
Other financing sources (uses):							
Issuance of general obligation bonds	—	—	—	—	—	—	—
Payment to refunded escrow agent	—	—	—	—	—	—	—
Premium on bonds	—	—	—	—	—	—	—
Transfers in	—	363	486	—	1,600	—	—
Transfers out	(606)	—	(15,306)	(4,400)	(48)	(6)	(79)
Total other financing sources (uses), net	<u>(606)</u>	<u>363</u>	<u>(14,820)</u>	<u>(4,400)</u>	<u>1,552</u>	<u>(6)</u>	<u>(79)</u>
Net change in fund balances	<u>(617)</u>	<u>1,036</u>	<u>170</u>	<u>(407)</u>	<u>146</u>	<u>271</u>	<u>(325)</u>
Fund balances:							
Beginning of year	<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>
End of year	<u>\$ 11,404</u>	<u>6,685</u>	<u>3,339</u>	<u>828</u>	<u>(71)</u>	<u>2,043</u>	<u>817</u>

City of St. Louis, Missouri
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2017
(dollars in thousands)

	<u>License Collector</u>	<u>Public Safety Trust</u>	<u>Public Safety Sales Tax</u>	<u>Parks and Recreation</u>	<u>Other Budgeted Special Revenue</u>	<u>Other Nonbudgeted Special Revenue</u>	<u>Total Special Revenue</u>	<u>Debt Service Fund</u>	<u>Total Other Governmental Fund</u>
Revenues:									
Taxes	\$ —	—	19,293	4,799	16,380	—	134,014	6,596	140,610
Licenses and permits	—	2,998	—	—	3,918	3	6,919	—	6,919
Intergovernmental	—	—	—	—	759	58	1,265	—	1,265
Charges for services, net	1,840	—	—	12	3,836	774	16,816	—	16,816
Investment income	—	—	(2)	(7)	(6)	(5)	(14)	34	20
Miscellaneous	—	—	646	2,000	2,538	1,762	7,454	—	7,454
Total	<u>1,840</u>	<u>2,998</u>	<u>19,937</u>	<u>6,804</u>	<u>27,425</u>	<u>2,592</u>	<u>166,454</u>	<u>6,630</u>	<u>173,084</u>
Expenditures:									
General government	1,833	187	—	—	1,546	362	16,529	—	16,529
Parks and recreation	—	—	—	3,890	709	101	4,700	—	4,700
Judicial	—	363	1	—	2,235	353	2,952	—	2,952
Streets	—	—	—	—	277	45	943	—	943
Public safety:									
Fire	—	—	1,275	—	—	51	1,345	—	1,345
Police	—	2,300	9,571	—	27	(235)	22,901	—	22,901
Other	—	—	878	—	3,332	1,650	9,096	—	9,096
Health and welfare	—	—	—	—	636	39	18,124	—	18,124
Public services	—	—	—	—	436	27	41,881	—	41,881
Capital outlay	—	—	—	655	64	—	725	—	725
Debt service:									
Principal	—	—	3,983	2,010	287	—	6,280	4,450	10,730
Interest and fiscal charges	—	—	5,393	985	83	—	6,461	731	7,192
Advance refunding escrow	—	—	—	—	—	—	—	—	—
Total expenditures	<u>1,833</u>	<u>2,850</u>	<u>21,101</u>	<u>7,540</u>	<u>9,632</u>	<u>2,393</u>	<u>131,937</u>	<u>5,181</u>	<u>137,118</u>
Excess (deficiency) of revenues over expenditures	<u>7</u>	<u>148</u>	<u>(1,164)</u>	<u>(736)</u>	<u>17,793</u>	<u>199</u>	<u>34,517</u>	<u>1,449</u>	<u>35,966</u>
Other financing sources (uses):									
Issuance of general obligation bonds	—	—	—	42,990	—	—	42,990	—	42,990
Payment to refunded escrow agent	—	—	—	(44,161)	—	—	(44,161)	—	(44,161)
Premium on bonds	—	—	—	4,878	—	—	4,878	—	4,878
Transfers in	—	—	224	456	890	—	4,019	3	4,022
Transfers out	(20)	(7)	—	(135)	(18,316)	(55)	(38,978)	—	(38,978)
Total other financing sources (uses), net	<u>(20)</u>	<u>(7)</u>	<u>224</u>	<u>4,028</u>	<u>(17,426)</u>	<u>(55)</u>	<u>(31,252)</u>	<u>3</u>	<u>(31,249)</u>
Net change in fund balances	<u>(13)</u>	<u>141</u>	<u>(940)</u>	<u>3,292</u>	<u>367</u>	<u>144</u>	<u>3,265</u>	<u>1,452</u>	<u>4,717</u>
Fund balances:									
Beginning of year	1,962	49	4,872	3,457	4,217	4,596	43,924	6,903	50,827
End of year	<u>\$ 1,949</u>	<u>190</u>	<u>3,932</u>	<u>6,749</u>	<u>4,584</u>	<u>4,740</u>	<u>47,189</u>	<u>8,355</u>	<u>55,544</u>

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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 29,500	29,500	28,443	1,057
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	25	25	282	(257)
Total revenues	<u>29,525</u>	<u>29,525</u>	<u>28,725</u>	<u>800</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	742	742	650	92
Public safety:				
Fire	—	—	—	—
Police	8,538	8,538	8,538	—
Other	3,238	3,267	3,257	10
Health and welfare	25,834	25,805	18,108	7,697
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>38,352</u>	<u>38,352</u>	<u>30,553</u>	<u>7,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,827)</u>	<u>(8,827)</u>	<u>(1,828)</u>	<u>8,599</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>\$ (9,327)</u>	<u>(9,327)</u>	<u>(2,328)</u>	<u>8,599</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, 2017
(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	\$ 44,329	44,329	38,777	(5,552)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>44,329</u>	<u>44,329</u>	<u>38,777</u>	<u>(5,552)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	44,329	44,329	39,052	5,277
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>44,329</u>	<u>44,329</u>	<u>39,052</u>	<u>5,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>(275)</u>	<u>(275)</u>
Other financing sources (uses):				
Transfers in	—	—	363	363
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>363</u>	<u>363</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>88</u>	<u>88</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, 2017
(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	\$ 15,113	15,113	14,985	(128)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>15,113</u>	<u>15,113</u>	<u>14,985</u>	<u>(128)</u>
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	<u>165</u>	<u>165</u>	<u>165</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,948</u>	<u>14,948</u>	<u>14,820</u>	<u>(128)</u>
Other financing sources (uses):				
Transfers in	—	—	486	(486)
Transfers out	(15,241)	(15,306)	(15,306)	—
	<u>(15,241)</u>	<u>(15,306)</u>	<u>(14,820)</u>	<u>(486)</u>
Net change in fund balances	<u>\$ (293)</u>	<u>(358)</u>	<u>—</u>	<u>(614)</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Licensed Gaming Program Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2017
(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	\$ 6,700	6,700	6,702	2
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>6,700</u>	<u>6,700</u>	<u>6,702</u>	<u>2</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	3	22
Police	2,700	2,700	2,700	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,725</u>	<u>2,725</u>	<u>2,703</u>	<u>22</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,975</u>	<u>3,975</u>	<u>3,999</u>	<u>24</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(4,400)	(4,400)	(4,400)	—
	<u>(4,400)</u>	<u>(4,400)</u>	<u>(4,400)</u>	<u>—</u>
Net change in fund balances	<u>\$ (425)</u>	<u>(425)</u>	<u>(401)</u>	<u>24</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, 2017
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,177	2,177	2,365	188
Licenses and permits	—	—	—	—
Intergovernmental	436	436	448	12
Charges for service, net	5	5	2	(3)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,618</u>	<u>2,618</u>	<u>2,815</u>	<u>197</u>
Expenditures:				
Current:				
General government	4,579	4,579	4,399	180
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>4,579</u>	<u>4,579</u>	<u>4,399</u>	<u>180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,961)</u>	<u>(1,961)</u>	<u>(1,584)</u>	<u>377</u>
Other financing sources (uses):				
Transfers in	1,950	1,950	1,600	(350)
Transfers out	—	—	—	—
	<u>1,950</u>	<u>1,950</u>	<u>1,600</u>	<u>(350)</u>
Net change in fund balances	<u>\$ (11)</u>	<u>(11)</u>	<u>16</u>	<u>27</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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,690	2,690	2,639	(51)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,690</u>	<u>2,690</u>	<u>2,639</u>	<u>(51)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,748	2,748	2,700	48
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,748</u>	<u>2,748</u>	<u>2,700</u>	<u>48</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58)</u>	<u>(58)</u>	<u>(61)</u>	<u>(3)</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (58)</u>	<u>(58)</u>	<u>(61)</u>	<u>(3)</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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	2,992	2,992	3,042	50
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,992</u>	<u>2,992</u>	<u>3,042</u>	<u>50</u>
Expenditures:				
Current:				
General government	295	295	198	97
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	443	443	394	49
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,300	2,300	2,300	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>3,038</u>	<u>3,038</u>	<u>2,892</u>	<u>146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46)</u>	<u>(46)</u>	<u>150</u>	<u>196</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (46)</u>	<u>(46)</u>	<u>150</u>	<u>196</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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 19,768	19,768	18,848	(920)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>19,768</u>	<u>19,768</u>	<u>18,848</u>	<u>(920)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	24	24	11	13
Streets	—	—	—	—
Public safety:				
Fire	1,275	1,275	1,275	—
Police	9,572	9,572	9,572	—
Other	1,735	1,735	900	835
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,728	8,728	8,729	(1)
Total expenditures	<u>21,334</u>	<u>21,334</u>	<u>20,487</u>	<u>847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,566)</u>	<u>(1,566)</u>	<u>(1,639)</u>	<u>(73)</u>
Other financing sources (uses):				
Transfers in	—	—	223	223
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>223</u>	<u>223</u>
Net change in fund balances	<u>\$ (1,566)</u>	<u>(1,566)</u>	<u>(1,416)</u>	<u>150</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Parks & Recreation Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2017
(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	\$ 4,923	4,923	4,689	(234)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	12	12
Court fines and forfeitures	—	—	—	—
Investment income	—	—	1	1
Miscellaneous	2,000	2,000	2,000	—
Total revenues	<u>6,923</u>	<u>6,923</u>	<u>6,702</u>	<u>(221)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	4,732	4,732	4,023	709
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,274	3,274	2,995	279
Total expenditures	<u>8,006</u>	<u>8,006</u>	<u>7,018</u>	<u>988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,083)</u>	<u>(1,083)</u>	<u>(316)</u>	<u>767</u>
Other financing sources (uses):				
Transfers in	400	400	456	56
Transfers out	—	—	(117)	(117)
Total other financing sources (uses)	<u>400</u>	<u>400</u>	<u>339</u>	<u>(61)</u>
Net change in fund balances	<u>\$ (683)</u>	<u>(683)</u>	<u>23</u>	<u>706</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Other Budgeted Special Revenue Fund - Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2017
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,920	16,620	16,526	(94)
Licenses and permits	4,622	4,622	3,907	(715)
Intergovernmental	887	887	768	(119)
Charges for service, net	3,496	3,496	4,102	606
Court fines and forfeitures	1,160	1,160	1,152	(8)
Investment income	—	—	—	—
Miscellaneous	3,220	3,220	2,145	(1,075)
Total revenues	<u>27,305</u>	<u>30,005</u>	<u>28,600</u>	<u>(1,405)</u>
Expenditures:				
Current:				
General government	1,833	1,833	1,613	220
Convention and tourism	—	—	—	—
Parks and recreation	1,176	1,176	713	463
Judicial	2,641	2,641	2,213	428
Streets	370	370	314	56
Public safety:				
Fire	—	—	—	—
Police	900	900	30	870
Other	4,057	4,057	3,601	456
Health and welfare	943	943	650	293
Public service	889	992	282	710
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>12,809</u>	<u>12,912</u>	<u>9,416</u>	<u>3,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,496</u>	<u>17,093</u>	<u>19,184</u>	<u>2,091</u>
Other financing sources (uses):				
Transfers in	540	540	580	40
Transfers out	(16,890)	(19,590)	(19,449)	141
	<u>(16,350)</u>	<u>(19,050)</u>	<u>(18,869)</u>	<u>181</u>
Net change in fund balances	<u>\$ (1,854)</u>	<u>(1,957)</u>	<u>315</u>	<u>2,272</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Debt Service Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Year ended June 30, 2017
(dollars in thousands)

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,452	6,452	6,571	119
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	18	18	39	21
Miscellaneous	—	—	—	—
Total revenues	<u>6,470</u>	<u>6,470</u>	<u>6,610</u>	<u>140</u>
Expenditures:				
Current:				
General government	40	40	40	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,609	5,230	5,181	49
Total expenditures	<u>3,649</u>	<u>5,270</u>	<u>5,221</u>	<u>49</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,821</u>	<u>1,200</u>	<u>1,389</u>	<u>189</u>
Other financing sources (uses):				
Transfers in	—	—	3	3
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>3</u>	<u>3</u>
Net change in fund balances	<u>\$ 2,821</u>	<u>1,200</u>	<u>1,392</u>	<u>192</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, 2017
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 24,428	24,428	23,256	(1,172)
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	(11)	(11)
Miscellaneous	901	901	921	20
Total revenues	<u>25,959</u>	<u>25,959</u>	<u>24,796</u>	<u>(1,163)</u>
Expenditures:				
Current:				
General government	906	664	197	467
Convention and tourism	—	—	—	—
Parks and recreation	4,405	4,572	1,508	3,064
Judicial	—	—	—	—
Streets	7,838	8,656	5,322	3,334
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	13,290	13,223	3,202	10,021
Capital outlay	24,838	29,718	9,067	20,651
Debt service	21,618	21,471	21,267	204
Total expenditures	<u>72,895</u>	<u>78,304</u>	<u>40,563</u>	<u>37,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,936)</u>	<u>(52,345)</u>	<u>(15,767)</u>	<u>36,578</u>
Other financing sources (uses):				
Sale of general fixed assets	400	400	190	(210)
Transfers in	14,763	17,463	18,393	930
Transfers out	(3,395)	(3,386)	(4,320)	(934)
	<u>11,768</u>	<u>14,477</u>	<u>14,263</u>	<u>(214)</u>
Net change in fund balances	<u>\$ (35,168)</u>	<u>(37,868)</u>	<u>(1,504)</u>	<u>36,364</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, 2017
(dollars in thousands)

	<u>Use Tax</u>	<u>Transportation</u>	<u>Convention and Tourism</u>	<u>Licensed Gaming Program</u>	<u>Assessor's Office</u>	<u>Lateral Sewer Program</u>	<u>Public Safety Trust Fund</u>	<u>Public Safety Sales Tax</u>	<u>Parks and Recreation</u>	<u>Other Budgeted Special Revenue</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Net change in fund balances—budget basis	\$ (2,328)	88	—	(401)	16	(61)	150	(1,416)	23	315	1,392	(1,504)
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.	1,114	948	170	10	—	4	(44)	1,090	107	(212)	21	599
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	597	—	—	(16)	130	328	35	(614)	115	2,670	39	(22)
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.	—	—	—	—	—	—	—	—	3,047	(2,406)	—	13,415
Net change in fund balances—GAAP basis	<u>\$ (617)</u>	<u>1,036</u>	<u>170</u>	<u>(407)</u>	<u>146</u>	<u>271</u>	<u>141</u>	<u>(940)</u>	<u>3,292</u>	<u>367</u>	<u>1,452</u>	<u>12,488</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, 2017
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 2,212	—	4,555	217	6,984
Investments – unrestricted	—	—	1,337	64	1,401
Receivables, net of allowances:					
Charges for services	—	4	791	—	795
Prepaid assets	1,322	23	—	—	1,345
Due from other funds	6,708	5	166	309	7,188
Advance from other funds	48,769	—	—	—	48,769
Total current assets	<u>59,011</u>	<u>32</u>	<u>6,849</u>	<u>590</u>	<u>66,482</u>
Noncurrent assets:					
Capital assets	—	146	—	—	146
Less accumulated depreciation	—	(91)	—	—	(91)
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>55</u>	<u>—</u>	<u>—</u>	<u>55</u>
Total assets	<u>59,011</u>	<u>87</u>	<u>6,849</u>	<u>590</u>	<u>66,537</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	38	—	167	205
Due to other funds	—	36	—	—	36
Claims payable	59,011	—	1,627	—	60,638
Total current liabilities	<u>59,011</u>	<u>74</u>	<u>1,627</u>	<u>167</u>	<u>60,879</u>
Total liabilities	<u>59,011</u>	<u>74</u>	<u>1,627</u>	<u>167</u>	<u>60,879</u>
Net Position					
Net investment in capital assets	—	55	—	—	55
Unrestricted	—	(42)	5,222	423	5,603
Total net position	<u>\$ —</u>	<u>13</u>	<u>5,222</u>	<u>423</u>	<u>5,658</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, 2017
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 28,651	564	15,367	3,499	48,081
Miscellaneous	(95)	—	—	—	(95)
Total operating revenues	<u>28,556</u>	<u>564</u>	<u>15,367</u>	<u>3,499</u>	<u>47,986</u>
Operating expenses:					
Claims incurred	24,887	—	14,218	—	39,105
Premiums	3,099	—	—	—	3,099
Personnel services	—	325	—	—	325
Material and supplies	570	259	—	3,687	4,516
Depreciation	—	11	—	—	11
Total operating expenses	<u>28,556</u>	<u>595</u>	<u>14,218</u>	<u>3,687</u>	<u>47,056</u>
Operating income (loss)	<u>—</u>	<u>(31)</u>	<u>1,149</u>	<u>(188)</u>	<u>930</u>
Nonoperating revenues (expenses):					
Investment income (loss)	—	—	(5)	—	(5)
Total nonoperating revenues (expenses), net	<u>—</u>	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>(5)</u>
Income (loss) before capital contributions	<u>—</u>	<u>(31)</u>	<u>1,144</u>	<u>(188)</u>	<u>925</u>
Changes in net position	<u>—</u>	<u>(31)</u>	<u>1,144</u>	<u>(188)</u>	<u>925</u>
Net position – beginning of year	<u>—</u>	<u>44</u>	<u>4,078</u>	<u>611</u>	<u>4,733</u>
Net position – end of year	<u>\$ —</u>	<u>13</u>	<u>5,222</u>	<u>423</u>	<u>5,658</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2017
(dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 16,985	599	16,176	3,525	37,285
Payments to suppliers of goods and services	(18,869)	(235)	(13,988)	(3,709)	(36,801)
Payments to employees	—	(332)	—	—	(332)
Net cash provided by (used in) operating activities	<u>(1,884)</u>	<u>32</u>	<u>2,188</u>	<u>(184)</u>	<u>152</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	—	(37)	—	—	(37)
Other capital and financing activities	—	—	—	—	—
Net cash provided by (used in) capital and related financing	<u>—</u>	<u>(37)</u>	<u>—</u>	<u>—</u>	<u>(37)</u>
Cash flows from investing activities:					
Purchase of investments	—	1	(541)	36	(504)
Net cash (used in) provided by investing activities	<u>—</u>	<u>1</u>	<u>(541)</u>	<u>36</u>	<u>(504)</u>
Net increase (decrease) in cash and cash equivalents	(1,884)	(4)	1,647	(148)	(389)
Cash and cash equivalents beginning of year	4,096	4	2,908	365	7,373
Cash and cash equivalents end of year	<u>\$ 2,212</u>	<u>—</u>	<u>4,555</u>	<u>217</u>	<u>6,984</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(31)	1,149	(188)	930
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	11	—	—	11
Change in assets and liabilities:					
Receivables, net	98	(4)	525	—	619
Due to/from other funds	(813)	39	284	26	(464)
Advance to other funds	(10,855)	—	—	—	(10,855)
Prepaid assets	432	24	—	—	456
Accounts payable and accrued liabilities	—	(7)	(3)	(22)	(32)
Claims payable	9,254	—	233	—	9,487
Total adjustments	<u>(1,884)</u>	<u>63</u>	<u>1,039</u>	<u>4</u>	<u>(778)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,884)</u>	<u>32</u>	<u>2,188</u>	<u>(184)</u>	<u>152</u>

See accompanying independent auditors' report.

Pension Trust Funds

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

Firemen's System – 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, 2017
(dollars in thousands)

	Firemen's System (as of September 30, 2016*)	Firefighter's Plan (as of September 30, 2016*)	Police System (as of September 30, 2016*)	Employees System (as of September 30, 2016*)	Total (as of September 30, 2016*)
Assets					
Current assets:					
Cash and cash equivalents – unrestricted	\$ 3,896	43	6,940	79	10,958
Investments – unrestricted:					
Bonds	30,942	7,751	82,680	85,845	207,218
Domestic bond funds	—	—	—	83,984	83,984
Stocks	195,735	19,908	167,904	183,836	567,383
Mortgage-backed securities	—	—	16,792	—	16,792
Collective investment funds	100,555	10,559	193,220	—	304,334
Real estate equities and investment trust	41,979	—	73,502	92,764	208,245
Investment property	—	—	863	—	863
Hedge funds	76,203	—	34,102	73,660	183,965
Money market mutual funds and other short term investments	9,016	8,257	33,969	9,650	60,892
Managed master limited partnership	—	—	98,535	72,051	170,586
Managed international equity funds	—	—	—	162,719	162,719
Total investments	454,430	46,475	701,567	764,509	1,966,981
Securities lending collateral	—	—	—	2,201	2,201
Receivables, net of allowances:					
Contributions	—	—	—	169	169
Accrued interest	764	32	1,040	713	2,549
Other	1,081	12	1,350	—	2,443
Capital assets, net	504	145	296	—	945
Total assets	460,675	46,707	711,193	767,671	1,986,246
Deferred Outflows of Resources					
System's staff pension related	149	65	125	34	373
Total deferred outflows of resources	149	65	125	34	373
Total assets and deferred outflows of resources	460,824	46,772	711,318	767,705	1,986,619
Liabilities					
Accounts payable and accrued liabilities	481	91	832	603	2,007
Deposits held for others	—	—	106	—	106
Securities lending collateral liability	—	—	—	2,201	2,201
Due to The Firefighter's Retirement Plan	255	—	—	—	255
Other liabilities	1,389	2,731	1,125	—	5,245
Total liabilities	2,125	2,822	2,063	2,804	9,814
Deferred Inflows of Resources					
System's staff pension related	8	2	17	—	27
Total deferred inflows of resources	8	2	17	—	27
Total liabilities and deferred inflows of resources	2,133	2,824	2,080	2,804	9,841
Net position					
Net position restricted for pension benefits	\$ 458,691	43,948	709,238	764,901	1,976,778

*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, 2017
(dollars in thousands)

	Firemen's System (as of September 30, 2016*)	Firefighter's Plan (as of September 30, 2016*)	Police System (as of September 30, 2016*)	Employees System (as of September 30, 2016*)	Total (as of September 30, 2016*)
Additions:					
Contributions:					
Member	\$ —	2,919	4,320	10	7,249
Employer	2,715	9,148	30,836	32,128	74,827
Investment income:					
Interest and dividends	6,459	608	9,459	9,381	25,907
Class action lawsuit proceeds	469	—	68	—	537
Net appreciation in fair value of investments	33,864	2,382	46,421	60,307	142,974
Investment gain	40,792	2,990	55,948	69,688	169,418
Less investment expense	(2,150)	(98)	(3,021)	(3,227)	(8,496)
Net investment gain	38,642	2,892	52,927	66,461	160,922
Total additions	41,357	14,959	88,083	98,599	242,998
Deductions:					
Benefits	32,155	270	59,673	60,973	153,071
Refunds of contributions	1,278	112	2,964	—	4,354
Administrative expense	1,095	405	1,103	722	3,325
Total deductions	34,528	787	63,740	61,695	160,750
Net increase	6,829	14,172	24,343	36,904	82,248
Net position restricted for pension benefits:					
Beginning of year	451,862	29,776	684,895	727,997	1,894,530
End of year	\$ 458,691	43,948	709,238	764,901	1,976,778

*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.

Treasurer's Office – Used to account for funds held to be used for the College Kids Children's Savings Account Program.

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

City of St. Louis, Missouri
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2017
(dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Police Agency	Treasurer's Office	Other Agency	Total
Assets										
Cash and cash equivalents—unrestricted	\$ 2,541	1,238	—	420	3,260	4,365	2,373	439	14,208	28,844
Cash and cash equivalents—restricted	—	—	—	—	—	1,604	—	—	—	1,604
Receivables, net of allowances:										
Taxes	21,950	—	—	—	—	—	—	—	—	21,950
Other	—	—	879	—	—	—	—	—	—	879
Total assets	<u>24,491</u>	<u>1,238</u>	<u>879</u>	<u>420</u>	<u>3,260</u>	<u>5,969</u>	<u>2,373</u>	<u>439</u>	<u>14,208</u>	<u>53,277</u>
Liabilities										
Accounts payable and accrued liabilities	—	—	879	—	—	—	—	—	9,662	10,541
Deposits held for others	—	1,238	—	420	1,968	4,844	184	439	3,232	12,325
Due to other governmental agencies	24,491	—	—	—	1,292	1,125	2,189	—	1,314	30,411
Total liabilities	<u>24,491</u>	<u>1,238</u>	<u>879</u>	<u>420</u>	<u>3,260</u>	<u>5,969</u>	<u>2,373</u>	<u>439</u>	<u>14,208</u>	<u>53,277</u>
Net assets	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2017
(dollars in thousands)

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Collector of Revenue				
Assets:				
Cash and cash equivalents—unrestricted	\$ 1,784	408,642	(407,885)	2,541
Receivables, net of allowances—taxes	19,184	10,504	(7,738)	21,950
Total assets	<u>\$ 20,968</u>	<u>419,146</u>	<u>(415,623)</u>	<u>24,491</u>
Liabilities—due to other governmental agencies	\$ 20,968	419,146	(415,623)	24,491
Total liabilities	<u>\$ 20,968</u>	<u>419,146</u>	<u>(415,623)</u>	<u>24,491</u>
Property Tax Escrow				
Assets—cash and cash equivalents—unrestricted	\$ 1,123	1,663	(1,548)	1,238
Liabilities—deposits held for others	\$ 1,123	1,663	(1,548)	1,238
General Insurance				
Assets:				
Cash and cash equivalents—unrestricted	\$ —	37,191	(37,191)	—
Receivables, net of allowances—other	1,951	879	(1,951)	879
Total assets	<u>\$ 1,951</u>	<u>38,070</u>	<u>(39,142)</u>	<u>879</u>
Liabilities—accounts payable and accrued liabilities	\$ 1,951	38,070	(39,142)	879
Bail Bonds				
Assets—cash and cash equivalents—unrestricted	\$ 454	262	(296)	420
Liabilities—deposits held for others	\$ 454	262	(296)	420
License Collector				
Assets—cash and cash equivalents—unrestricted	\$ 2,667	21,532	(20,939)	3,260
Liabilities:				
Deposits held for others	1,981	15	(28)	1,968
Due to other governmental agencies	686	21,517	(20,911)	1,292
Total liabilities	<u>\$ 2,667</u>	<u>21,532</u>	<u>(20,939)</u>	<u>3,260</u>
Circuit Clerk				
Assets:				
Cash and cash equivalents—unrestricted	\$ 5,949	20,161	(21,745)	4,365
Cash and cash equivalents—restricted	2,471	286	(1,153)	1,604
Total assets	<u>\$ 8,420</u>	<u>20,447</u>	<u>(22,898)</u>	<u>5,969</u>
Liabilities:				
Deposits held for others	6,888	17,053	(19,097)	4,844
Due to other governmental agencies	1,532	3,394	(3,801)	1,125
Total liabilities	<u>\$ 8,420</u>	<u>20,447</u>	<u>(22,898)</u>	<u>5,969</u>

City of St. Louis, Missouri
Combining Statement of Changes in
Assets and Liabilities—Agency Funds
For the Year ended June 30, 2017
(dollars in thousands)

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Police Agency				
Assets:				
Cash and cash equivalents—unrestricted	\$ 2,538	793	(958)	2,373
Total assets	<u>\$ 2,538</u>	<u>793</u>	<u>(958)</u>	<u>2,373</u>
Liabilities:				
Deposits held for others	238	432	(486)	184
Due to other governmental agencies	2,300	361	(472)	2,189
Total liabilities	<u>\$ 2,538</u>	<u>793</u>	<u>(958)</u>	<u>2,373</u>
Treasurer's Office				
Assets:				
Cash and cash equivalents—unrestricted	\$ —	439	—	439
Total assets	<u>\$ —</u>	<u>439</u>	<u>—</u>	<u>439</u>
Liabilities:				
Deposits held for others	—	439	—	439
Total liabilities	<u>\$ —</u>	<u>439</u>	<u>—</u>	<u>439</u>
Other Agency				
Assets:				
Cash and cash equivalents—unrestricted	\$ 10,990	45,313	(42,095)	14,208
Total assets	<u>\$ 10,990</u>	<u>45,313</u>	<u>(42,095)</u>	<u>14,208</u>
Liabilities:				
Accounts payable and accrued liabilities	6,599	6,857	(3,794)	9,662
Deposits held for others	3,449	10,160	(10,377)	3,232
Due to other governmental agencies	942	28,297	(27,925)	1,314
Total liabilities	<u>\$ 10,990</u>	<u>45,314</u>	<u>(42,096)</u>	<u>14,208</u>
Total—All Agency Funds				
Assets:				
Cash and cash equivalents—unrestricted	\$ 25,505	535,996	(532,657)	28,844
Cash and cash equivalents—restricted	2,471	286	(1,153)	1,604
Receivables, net of allowances:				
Taxes	19,184	10,504	(7,738)	21,950
Other	1,951	879	(1,951)	879
Total assets	<u>\$ 49,111</u>	<u>547,665</u>	<u>(543,499)</u>	<u>53,277</u>
Liabilities:				
Accounts payable and accrued liabilities	8,550	44,927	(42,936)	10,541
Deposits held for others	14,133	30,024	(31,832)	12,325
Due to other governmental agencies	26,428	472,715	(468,732)	30,411
Total liabilities	<u>\$ 49,111</u>	<u>547,666</u>	<u>(543,500)</u>	<u>53,277</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

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

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

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

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

	<u>2017</u>	<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>
Primary government:										
Governmental activities:										
Net investments in capital assets	\$ 506,299	522,729	545,075	534,961	502,818	495,977	472,165	453,220	510,743	496,341
Restricted	63,491	27,314	25,783	32,344	30,799	31,822	34,179	29,390	32,784	29,855
Unrestricted	(1,240,785)	(1,119,296)	(1,044,723)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)	(366,224)	(312,367)
Total governmental activities net position	<u>(670,995)</u>	<u>(569,253)</u>	<u>(473,865)</u>	<u>(149,928)</u>	<u>39,099</u>	<u>84,247</u>	<u>99,297</u>	<u>90,495</u>	<u>177,303</u>	<u>213,829</u>
Business-type activities:										
Net investments in capital assets	785,214	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
Restricted	419,356	277,199	138,598	148,170	149,699	150,661	166,462	163,449	137,995	142,619
Unrestricted	112,925	118,178	108,841	108,851	104,834	100,521	18,072	23,375	10,456	23,349
Total business-type activities net position	<u>1,317,495</u>	<u>1,313,965</u>	<u>1,302,880</u>	<u>1,290,808</u>	<u>1,288,455</u>	<u>1,266,083</u>	<u>1,259,937</u>	<u>1,258,723</u>	<u>1,242,747</u>	<u>1,223,998</u>
Total primary government:										
Net investments in capital assets	1,291,513	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
Restricted	482,847	304,513	138,598	180,514	180,498	182,483	200,641	192,839	170,779	172,474
Unrestricted	(1,127,860)	(1,001,118)	(365,024)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)	(355,768)	(289,018)
Total primary government net position	<u>\$ 646,500</u>	<u>744,712</u>	<u>829,015</u>	<u>1,140,880</u>	<u>1,327,554</u>	<u>1,350,330</u>	<u>1,359,234</u>	<u>1,349,218</u>	<u>1,420,050</u>	<u>1,437,827</u>

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental activities:										
General government	\$ 83,029	66,403	58,679	94,791	73,204	72,063	79,871	84,330	85,680	74,166
Convention and tourism	5,801	5,789	5,775	5,711	5,513	4,979	4,563	4,507	4,504	4,468
Parks and recreation	31,695	31,390	30,111	31,765	30,818	28,529	29,416	32,778	33,431	31,335
Judicial	49,587	51,085	50,730	52,009	52,232	50,931	52,362	54,880	56,159	50,684
Streets	75,329	75,707	73,452	69,584	68,402	70,420	66,952	66,263	63,646	62,566
Public safety:										
Fire	92,422	88,008	64,658	86,085	75,460	69,062	66,637	67,334	70,572	69,668
Police	280,295	226,537	202,080	209,762	138,028	140,815	139,010	141,805	146,955	143,452
Police pension					28,492	19,854	17,949	14,902	8,196	12,914
Other	60,714	60,647	58,714	59,323	61,264	59,068	52,182	55,980	60,020	63,687
Health and welfare	56,020	57,112	54,071	49,602	61,162	52,092	50,468	51,552	54,223	45,732
Public service	79,680	79,451	78,021	76,863	62,301	71,458	65,898	59,980	59,218	70,007
Community development	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264	61,859	60,611
Interest and fiscal charges	58,378	60,049	60,580	58,009	57,674	59,750	58,612	57,933	54,684	49,963
Total governmental activities expenses	920,220	884,637	802,370	828,742	792,080	779,205	752,043	768,508	759,147	739,253
Business-type activities:										
Airport	176,892	165,756	160,233	175,058	173,968	171,574	187,449	181,775	175,758	215,691
Water division	49,039	49,726	46,799	50,184	45,799	43,637	44,530	43,479	47,500	45,157
Parking division	16,520	15,253	13,851	14,043	13,558	13,229	13,141	13,514	14,352	14,560
Total business-type activities expenses	242,451	230,735	220,883	239,285	233,325	228,440	245,120	238,768	237,610	275,408
Total primary government expenses	\$ 1,162,671	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
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 44,435	42,132	32,455	34,783	33,375	36,697	37,767	39,340	37,706	35,060
Convention and tourism	—	—	—	—	—	8	19	18	19	—
Parks and recreation	5,139	5,328	4,611	5,979	2,958	7,314	4,378	4,419	4,516	2,662
Judicial	6,347	9,746	12,042	23,076	21,542	18,996	20,524	20,791	18,952	18,894
Streets	27,562	27,330	26,898	26,110	26,012	27,514	34,842	17,644	17,734	15,621
Public safety:										
Fire	10,829	10,246	12,562	9,553	18,887	8,181	8,088	7,677	7,669	6,718
Police	2,831	4,051	6,228	5,260						
Other	22,115	23,533	21,376	20,639	19,537	19,218	17,527	19,022	19,632	18,635
Health and welfare	1,364	1,073	875	1,631	1,041	992	1,255	591	494	944
Public service	5,341	5,977	6,974	6,037	2,906	5,265	309	1,487	253	6,320
Community development	** 7,774	7,076	5,907	4,412	5,332	5,367	4,819	4,528	5,524	5,273
Operating grants and contributions	66,793	67,052	60,792	57,173	64,782	71,513	75,281	98,270	73,563	72,860
Capital grants and contributions	15,134	6,524	7,987	5,628	14,882	31,623	33,666	7,548	12,726	14,306
Total governmental activities program revenues	215,664	210,068	198,707	200,281	211,254	232,688	238,475	221,335	198,788	197,293
Business-type activities:										
Charges for services:										
Airport	169,004	162,837	164,745	165,927	164,606	157,154	149,438	160,378	159,061	163,460
Water Division	54,620	57,494	54,399	56,647	56,902	58,631	56,039	50,983	48,709	45,635
Parking Division	18,032	17,113	16,129	15,804	14,657	14,999	13,813	12,428	13,897	15,890
Operating grants and contributions	1,136	692	1,277	706	751	1,069	1,513	1,615	2,683	4,348
Capital grants and contributions	11,937	9,378	23,627	16,726	21,615	10,050	8,267	31,815	35,122	28,123
Total business-type activities program revenues	254,729	247,514	260,177	255,810	258,531	241,903	229,070	257,219	259,472	257,456
Total primary government program revenues	\$ 470,393	457,582	458,884	456,091	469,785	474,591	467,545	478,554	458,260	454,749

** 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)

	<u>2017</u>	<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>
Net program (expense) revenue:										
Governmental activities	\$ (704,556)	(674,569)	(603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)	(560,359)	(541,960)
Business-type activities	12,278	16,779	39,294	16,525	25,206	13,463	(16,050)	18,451	21,862	(17,952)
Total primary government net expense	\$ <u>(692,278)</u>	<u>(657,790)</u>	<u>(564,369)</u>	<u>(611,936)</u>	<u>(555,620)</u>	<u>(533,054)</u>	<u>(529,618)</u>	<u>(528,722)</u>	<u>(538,497)</u>	<u>(559,912)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 86,542	82,397	77,365	75,136	73,234	68,531	66,767	67,291	67,562	62,424
Property taxes, levied for debt service	6,984	6,251	6,406	6,661	7,140	5,909	7,669	6,463	4,810	6,285
Sales tax	179,075	179,362	175,581	173,018	157,302	164,174	155,708	142,295	143,972	134,476
Earnings/payroll taxes	223,018	204,013	203,251	202,022	189,762	186,068	178,571	172,450	181,214	181,812
Gross receipt taxes (includes franchise tax)	90,145	91,778	92,160	97,344	94,721	93,587	97,327	90,291	108,178	84,652
Miscellaneous taxes	5,068	4,791	4,485	4,977	3,784	4,504	4,080	3,902	3,712	4,035
Unrestricted investment earnings	621	632	381	364	265	470	953	886	6,001	12,159
Gain/loss on sale of capital assets	—	—	—	—	—	(1,142)	2,528	62	83	47
Transfers	11,361	9,957	9,619	9,431	9,470	9,366	8,767	7,317	8,301	8,740
Total governmental activities	<u>602,814</u>	<u>579,181</u>	<u>569,248</u>	<u>568,953</u>	<u>535,678</u>	<u>531,467</u>	<u>522,370</u>	<u>490,957</u>	<u>523,833</u>	<u>494,630</u>
Business-type activities:										
Unrestricted investment earnings	2,613	3,585	2,956	1,818	2,336	2,049	2,941	3,878	5,188	10,776
Gain/loss on sale of capital assets	—	—	—	4,872	—	—	4	553	—	26
Extraordinary item – Natural disaster	—	678	1,737	2,730	4,300	—	23,086	—	—	—
Transfers	(11,361)	(9,957)	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)	(8,301)	(8,740)
Total business-type activities	<u>(8,748)</u>	<u>(5,694)</u>	<u>(4,926)</u>	<u>(11)</u>	<u>(2,834)</u>	<u>(7,317)</u>	<u>17,264</u>	<u>(2,475)</u>	<u>(3,113)</u>	<u>2,062</u>
Total primary government	\$ <u>594,066</u>	<u>573,487</u>	<u>564,322</u>	<u>568,942</u>	<u>532,844</u>	<u>524,150</u>	<u>539,634</u>	<u>488,482</u>	<u>520,720</u>	<u>496,692</u>
Change in net position:										
Governmental activities:	\$ (101,742)	(95,388)	(34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)	(36,526)	(47,330)
Business-type activities	3,530	11,085	34,368	16,514	22,372	6,146	1,214	15,976	18,749	(15,890)
Total primary government	\$ <u>(98,212)</u>	<u>(84,303)</u>	<u>(47)</u>	<u>(42,994)</u>	<u>(22,776)</u>	<u>(8,904)</u>	<u>10,016</u>	<u>(40,240)</u>	<u>(17,777)</u>	<u>(63,220)</u>

Source: Basic financial statements.

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

	<u>2017</u>	<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>
General fund:										
Nonspendable	\$ 3,608	3,768	2,425	2,537	—	—	—	*	*	*
Restricted	13,145	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	1,529	(5,150)	(1,696)	2,605	25,777	29,543	24,675	*	*	*
Reserved	—	—	—	—	—	—	—	31,284	26,484	21,150
Unreserved	—	—	—	—	—	—	—	22,132	35,570	33,721
Total general fund	<u>\$ 18,282</u>	<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>
All other governmental funds:										
Nonspendable	\$ 11	11	11	14	11	11	11	*	*	*
Restricted	112,175	93,231	84,500	96,160	71,117	79,573	131,102	*	*	*
Committed	69,322	70,387	64,075	65,536	57,127	54,553	54,678	*	*	*
Assigned	4,121	4,770	6,379	5,053	4,473	1,837	3,200	*	*	*
Unassigned	(17,059)	(18,057)	(18,227)	(24,025)	(24,648)	(20,103)	(26,752)	*	*	*
Reserved	—	—	—	—	—	—	—	181,410	173,407	191,062
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	19,342	30,104	42,304
Capital projects funds	—	—	—	—	—	—	—	(13,961)	(10,689)	(9,253)
Total all other governmental funds	<u>\$ 168,570</u>	<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>

* 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)

	<u>2017</u>	<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>
Revenues:										
Taxes	\$ 585,773	564,488	556,593	557,487	524,428	519,852	510,150	480,082	506,228	473,646
Licenses, fees and permits	26,441	26,947	26,743	26,004	24,359	21,259	21,716	24,214	22,238	22,208
Intergovernmental	109,353	100,946	97,684	88,069	107,289	130,079	138,141	117,084	116,693	119,197
Charges for services, net	48,313	51,048	47,222	49,867	52,347	46,166	44,659	30,906	28,316	28,752
Court fines and forfeitures	3,388	4,009	4,916	10,810	11,022	12,103	10,848	11,558	11,127	10,000
Investment income	621	632	381	364	265	470	953	886	6,001	12,159
Interfund services provided	4,847	4,488	858	3,464	5,531	4,293	4,631	3,043	6,354	3,868
Miscellaneous	17,845	20,915	19,234	19,584	13,514	17,651	15,845	15,987	12,865	13,902
Total revenues	<u>796,581</u>	<u>773,473</u>	<u>753,631</u>	<u>755,649</u>	<u>738,755</u>	<u>751,873</u>	<u>746,943</u>	<u>683,760</u>	<u>709,822</u>	<u>683,732</u>
Expenditures:										
General government	71,572	59,708	65,648	84,648	63,980	60,942	67,400	77,906	80,226	101,622
Convention and tourism	119	124	126	123	116	150	189	176	198	201
Parks and recreation	25,945	25,805	25,169	26,553	25,689	23,885	25,153	27,357	29,827	27,966
Judicial	49,363	51,026	50,058	51,491	51,849	50,821	52,498	53,985	55,222	50,806
Streets	42,571	42,743	40,645	37,867	37,378	40,772	39,498	37,356	37,500	38,086
Public Safety:										
Fire	73,099	67,229	68,415	74,261	71,595	69,887	68,518	66,590	62,010	115,605
Police	190,422	183,337	179,129	176,089	138,004	140,815	139,010	141,805	146,955	143,452
Police-pension	*	—	—	—	28,492	19,719	17,949	14,783	8,072	43,618
Other	59,808	60,407	58,242	58,736	60,178	58,741	51,899	54,653	57,443	62,743
Health and welfare	55,839	56,859	53,808	49,207	60,709	51,855	50,127	51,230	53,441	45,379
Public service	79,224	78,689	77,334	76,211	61,519	70,840	65,916	59,315	58,594	70,095
Community development	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264	63,220	60,710
Capital outlay	47,607	38,322	31,560	35,444	36,914	90,065	94,653	51,175	67,615	51,103
Debt service:										
Principal	59,653	55,697	65,602	—	55,209	54,952	58,091	46,721	41,759	46,484
Interest and fiscal charges	52,322	53,768	48,510	64,316	47,154	47,256	46,283	54,555	47,350	44,741
Cost of issuance	—	—	—	44,375	—	—	—	—	1,290	—
Advance refunding escrow	2,010	2,380	—	—	—	—	—	1,178	—	—
Total expenditures	<u>856,824</u>	<u>858,553</u>	<u>829,745</u>	<u>814,559</u>	<u>816,316</u>	<u>860,884</u>	<u>845,307</u>	<u>815,049</u>	<u>810,722</u>	<u>902,611</u>
Deficiency of revenues over expenditures	<u>(60,243)</u>	<u>(85,080)</u>	<u>(76,114)</u>	<u>(58,910)</u>	<u>(77,561)</u>	<u>(109,011)</u>	<u>(98,364)</u>	<u>(131,289)</u>	<u>(100,900)</u>	<u>(218,879)</u>

* 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other financing sources (uses):										
Sale of capital assets	\$ 190	—	1,849	207	3	345	3,216	62	83	47
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	90,167	49,441	31,695	26,000	—	—	9,250	74,191	21,850	247,967
Issuance of contractual obligation with component unit	—	—	—	—	—	—	—	16,960	—	—
Premium on leasehold revenue bonds	—	—	—	1,471	1,890	4,038	145	396	—	653
Discount on leasehold revenue bonds	—	—	—	—	—	—	—	(384)	(525)	(3,965)
Proceeds from agreement with FPF	7,695	5,000	—	—	—	—	—	—	—	—
Issuance of general obligation bonds	25,000	16,795	—	—	—	—	—	—	—	—
Premium on general obligation bonds and revenue bonds	12,171	5,434	3,782	—	—	—	—	—	—	—
Discount on general obligation bonds	(131)	—	—	—	—	—	—	—	—	—
Issuance of capital lease	—	—	—	16,605	—	2,384	11,150	704	5,600	1,478
Issuance of tax increment revenue notes	19,794	49,757	49,917	10,852	57,195	51,101	46,503	28,352	32,669	37,737
Issuance of refunding development and tax increment financing notes	9,050	—	—	—	—	—	—	—	—	—
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	—	—	—	—	—	—	—	—	—	—
Payment to refunded escrow agent-joint venture	—	—	—	—	—	—	—	—	—	—
Payment to refunded escrow agent-leasehold revenue bonds	(91,780)	(44,067)	(37,642)	—	—	(53,172)	(2,416)	(12,391)	—	(8,632)
Payment of development and tax increment financing notes	(9,050)	—	—	—	—	—	—	—	—	—
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)
Recovery of legal judgment	—	—	—	—	—	—	—	—	—	—
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	—	—	18,006	—	—
Transfers in	64,790	65,731	61,946	68,121	62,143	62,920	53,467	58,575	50,849	40,569
Transfers out	(53,429)	(55,774)	(52,327)	(58,690)	(52,673)	(53,554)	(46,910)	(50,549)	(42,548)	(31,829)
Total other financing sources, net	74,467	92,317	63,042	68,076	68,558	69,165	69,744	116,620	76,792	277,525
Net change in fund balances	\$ 14,224	7,237	(13,072)	9,166	(9,003)	(39,846)	(28,620)	(14,669)	(24,108)	58,646
Debt service as a percentage of noncapital expenditures	14.1%	13.3%	14.3%	8.3%	13.1%	13.3%	13.9%	13.3%	12.0%	10.7%
Debt service expenditures	\$ 113,985	109,465	114,112	64,316	102,363	102,208	104,374	101,276	89,109	91,225
Non-capital expenditures	809,217	820,231	798,185	779,115	779,402	770,819	750,654	763,874	743,107	851,508

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							
2017	\$ 2,075,196	2,708,997	980,000	168,051	1,443,328	4,488,916	17,784,543	1.6231	25.2%
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%

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City of St. Louis:										
Municipal purposes	1.0000	0.9928	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500	0.8161	0.8059
County purposes	0.3500	0.3500	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064	0.2940	0.2903
Hospital purposes	0.1000	0.1000	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874	0.0839	0.0829
Public health purposes	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166
Recreation purposes	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168	0.0166
Interest and public debt	0.1331	0.1330	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813	0.0949	0.1328
Total City of St. Louis	1.6231	1.6158	1.6063	1.6092	1.4848	1.4691	1.4224	1.3601	1.3225	1.3451
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	5.1211	4.3711	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943	3.8028	3.7533
St. Louis Community College	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003
Metropolitan St. Louis Sewer District	0.1196	0.0876	0.0879	0.0874	0.0821	0.0818	0.0790	0.0000	0.0000	0.0667
Sheltered Workshop District	0.1500	0.1500	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346	0.1295	0.1278
St. Louis Public Library	0.5600	0.5600	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019	0.4938	0.4768
Community Mental Health	0.0900	0.0900	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800	0.0777	0.0767
Community Children's Service Fund	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827	0.1775	0.1752
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667
Art Museum Subdistrict	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671	0.0667
Museum of Science and Natural History Subdistrict	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332
Botanical Garden Subdistrict	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332
Missouri History Museum Subdistrict	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334	0.0332
Total overlapping governments	6.7587	5.9740	5.9787	5.9782	6.0126	5.7379	5.4963	5.2864	5.1470	5.1398
Total City of St. Louis and overlapping governments	\$ 8.3818	\$ 7.5898	\$ 7.5850	\$ 7.5874	\$ 7.4974	\$ 7.2070	\$ 6.9187	\$ 6.6465	\$ 6.4695	\$ 6.4849

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 2016			Calendar Year 2007		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Utilities	\$ 96,658	1	2.24%	\$ 82,609	2	1.94%
Gaming	73,981	2	1.71%			
Financial Services	65,481	3	1.52%	28,276	7	0.66%
Manufacturing	64,575	4	1.49%	92,645	1	2.17%
Telecommunications	55,657	5	1.29%	62,924	3	1.48%
Utilities	50,672	6	1.17%	28,777	6	0.67%
Property Management	34,614	7	0.80%			
Property Management	30,629	8	0.71%	25,652	10	0.60%
Retail	26,876	9	0.62%			
Manufacturing	22,961	10	0.53%	26,701	9	0.63%
Financial Services				39,119	4	0.92%
Property Management				29,856	5	0.70%
Financial Services				27,427	8	0.64%
	<u>\$ 522,104</u>		<u>12.09%</u>	<u>\$ 443,986</u>		<u>10.41%</u>

Note:

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

Source: City Assessor's Office and Collector of Revenue

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

(1) Fiscal Year Ended June 30	Taxes Levied for the 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
2017	\$ 65,035	\$ 60,626	93.2%	\$ -	\$ 60,626	93.2%
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%

Notes:

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

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

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

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

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

Fiscal Year	Earnings					Payroll	
	Revenue Base		1% Tax		Total (1) Earnings Tax	Revenue Base	(1) 0.5% Tax
	Business	Individual	Business	Individual			
2017	\$ 3,881,600	\$ 14,207,200	\$ 38,816	\$ 142,072	\$ 180,888	\$ 7,875,000	39,375
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

Note:

Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

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

Top Ten Companies by Industry Classification (2)	Fiscal Year 2017			Fiscal Year 2008		
	Total Earnings & Payroll Tax	Rank	(1) Percentage of Total Earnings & Payroll Tax	Total Earnings & Payroll Tax	Rank	(1) Percentage of Total Earnings & Payroll Tax
Financial Services	\$ 10,010	1	4.54%	\$ 5,103	4	2.92%
Education	8,664	2	3.93%	5,566	3	3.18%
Manufacturing	6,956	3	3.16%	7,390	1	4.23%
Healthcare	6,301	4	2.86%	4,175	5	2.39%
Manufacturing	5,025	5	2.28%	2,132	8	1.22%
Government	4,178	6	1.90%			
Telecommunications	3,968	7	1.80%	6,487	2	3.71%
Education	3,849	8	1.75%	2,667	7	1.53%
Utilities	3,489	9	1.58%	2,786	6	1.59%
Government	3,289	10	1.49%			
Manufacturing				1,968	9	1.13%
Retail				1,550	10	0.89%
	<u>\$ 55,729</u>		<u>25.29%</u>	<u>\$ 39,824</u>		<u>22.79%</u>

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.

Source: Collector of Revenue

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

Fiscal Year	Governmental Activities							Business -Type Activities			(3) Unamortized Discounts and Premiums	Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
	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				
2017	37,345	388,669	419,909	48,089	24,068	22,160	18,025	8,485	906,255	64,387	84,452	2,021,844	15.81%	6,493
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

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					
Fiscal Year	General Obligation Bonds	Less Debt Service Fund	Total Net Bonded Debt	(1) Percentage of Actual Taxable Value of Property	(2) Per Capita (in dollars)
2017	\$ 37,345	\$ 8,355	\$ 28,990	0.16%	\$ 93
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

Note:

(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

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

Table 13
CITY OF ST. LOUIS, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Board of Education of the City of St. Louis (1):			
General Obligation Debt	\$ 351,863	100.00%	\$ 351,863
Other debt			
Metropolitan St. Louis Sewer District (2)	1,400,884	9.32% *	130,551
St. Louis Public Library (3)	50,000	100.00% *	50,000
Junior College District of St. Louis (4)	17,665	18.63% *	3,291
Subtotal, overlapping debt	1,820,412		535,705
City of St. Louis direct debt (5)			958,265
Total direct and overlapping debt			<u>\$ 1,493,970</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, 2017	
Assessed Value	\$ 4,563,987
Debt limit (10% of assessed value)	456,399
Debt applicable to limit:	
General obligation bonds	37,345
Less: Amount set aside for repayment . of general obligation debt.	<u>8,355</u>
Total net debt applicable to limit	<u>45,700</u>
Legal Debt Margin	<u>\$ 410,699</u>

	Fiscal Year Ended June 30, 2017									
	<u>2017</u>	<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>
Debt limit	456,399	\$ 437,300	\$ 430,209	\$ 423,288	\$ 423,933	\$ 420,253	\$ 426,565	\$ 455,015	\$ 468,315	\$ 455,718
Total net debt applicable to limit	28,990	9,708	16,044	21,288	26,337	30,818	34,567	38,969	41,574	41,867
Legal debt margin	<u>\$ 427,409</u>	<u>\$ 427,592</u>	<u>\$ 414,165</u>	<u>\$ 402,000</u>	<u>\$ 397,596</u>	<u>\$ 389,435</u>	<u>\$ 391,998</u>	<u>\$ 416,046</u>	<u>\$ 426,741</u>	<u>\$ 413,851</u>
Total net debt applicable to the limit as a percentage of debt limit	6.35%	2.22%	3.73%	5.03%	6.21%	7.33%	8.10%	8.56%	8.88%	9.19%

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)

Fiscal Year	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 53,557	\$ 43,264	\$ 10,293	\$ 412	\$ 74	21.18
2016	56,538	44,193	12,345	404	33	28.25
2015	53,842	41,357	12,485	4,019	43	3.07
2014	56,647	44,645	12,002	3,765	86	3.12
2013	56,902	40,590	16,312	3,895	143	4.04
2012	58,631	38,126	20,505	3,740	650	4.67
2011	56,044	38,535	17,509	3,585	809	3.98
2010	51,295	37,549	13,746	2,440	959	4.04
2009	49,173	41,425	7,748	3,300	1,100	1.76
2008	46,709	39,414	7,295	2,850	1,469	1.69

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

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

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

Airport Revenue Bonds (1)

Fiscal Year	Aviation Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 168,911	\$ 84,151	\$ 84,760	\$ 38,668	\$ 35,254	1.15
2016	167,961	74,670	93,291	58,623	18,281	1.21
2015	170,315	74,041	96,274	44,095	32,922	1.25
2014	178,365	86,524	91,841	30,465	46,318	1.20
2013	174,394	83,237	91,157	30,655	41,804	1.26
2012	161,518	81,872	79,646	19,985	41,501	1.30
2011	165,405	91,993	73,412	29,970	46,942	0.95
2010	170,429	87,385	83,044	21,670	44,157	1.26
2009	169,961	86,054	83,907	21,725	40,575	1.35
2008	178,960	93,600	85,360	25,090	39,664	1.32

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

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

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

Parking Revenue Bonds (1)

Fiscal Year	Parking/ Project Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 18,403	\$ 8,620	\$ 9,783	\$ 2,091	\$ 826	3.35
2016	18,272	7,920	10,352	2,381	2,526	2.11
2015	17,147	7,603	9,544	2,232	2,738	1.92
2014	17,035	7,809	9,226	1,960	2,839	1.92
2013	15,935	7,248	8,687	1,860	2,911	1.82
2012	16,200	6,855	9,345	1,765	3,005	1.96
2011	15,163	6,657	8,506	1,675	3,093	1.78
2010	13,765	7,061	6,704	1,595	3,176	1.41
2009	15,601	8,691	6,910	1,275	3,246	1.53
2008	15,945	8,331	7,614	1,475	3,756	1.46

(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)

Tax Increment Financing Bonds (1) (2)

Fiscal Year	Tax Increment Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 32,580	\$ 887	\$ 33,467	\$ 12,356	\$ 19,090	1.06
2016	29,413	874	28,539	8,868	18,326	1.05
2015	23,436	1,064	22,372	16,056	18,772	0.64
2014	21,512	850	20,662	6,653	14,944	0.96
2013	22,796	898	21,898	7,067	14,000	1.04
2012	17,914	697	17,217	5,776	12,800	0.93
2011	14,115	631	13,484	5,853	10,189	0.84
2010	15,444	477	14,967	7,509	10,434	0.83
2009	12,327	401	11,926	5,384	8,793	0.84
2008	9,449	324	9,125	4,000	7,409	0.80

(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	
2017	\$ 4,749	\$ 297	\$ 4,452	\$ 3,480	\$ 494	1.12
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

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.
(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

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

Justice Center Leasehold Revenue Bonds (1) (2)

Fiscal Year	Prisoner Housing Reimbursement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 7,450	\$ -	\$ 7,450	\$ 9,485	\$ 1,136	0.70
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

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

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

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

Civil Courts/Carnahan Courthouse
Leasehold Revenue Bonds (1) (2)

Fiscal Year	Court Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 1,203	\$ -	\$ 1,203	\$ -	\$ 610	1.97
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

(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	
2017	\$ 3,700	\$ -	\$ 3,700	\$ 3,025	\$ 654	1.01
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

(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 Year	Parks and Recreation Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 4,689	\$ -	\$ 4,689	\$ 2,010	\$ 968	1.57
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

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

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

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

Police Capital Improvements Sales Tax
Leasehold Revenue Bonds (1) (2)

Fiscal Year	10% of the 1/2c Capital Sales Tax	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 1,856	\$ -	\$ 1,856	\$ 350	\$ 958	1.42
2016	1,831	-	1,831	340	970	1.40
2015	1,863	-	1,863	325	983	1.42
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

(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)

City Parks
Leasehold Revenue Bonds (1) (2)

Fiscal Year	6.6% of the 1/2c Capital Sales Tax,		Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
	15.5% of Metro Parks Sales Tax, and 60% of Metro Park Arch Sales Tax				Principal	Interest	
2017	\$ 3,074	\$ -	\$ -	\$ 3,074	\$ 515	\$ 1,089	1.92
2016	3,091	-	-	3,091	500	1,104	1.93
2015	3,104	-	-	3,104	440	1,167	1.93
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-

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

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

Table 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
2016	311,404	12,786,566	41,061	34.6	22,506	4.0%
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%

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 2016			Calendar Year 2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BJC Health Systems	18,354	1	3.98%	16,477	1	3.78%
Washington University	16,174	2	3.50%	13,381	2	3.07%
St. Louis University	10,078	3	2.18%	9,399	3	2.16%
City of St. Louis	8,765	4	1.90%	8,682	4	1.99%
Defense Finance & Acct Services	6,508	5	1.41%			
A G Edwards/Wells Fargo	5,418	6	1.17%	4,811	10	1.10%
St. Louis Board of Education	4,940	7	1.07%	5,811	6	1.33%
US Postal Service	4,577	8	0.99%	5,109	8	1.17%
State of Missouri	4,070	9	0.88%	5,052	9	1.16%
SSM Health SLUH	4,070	10	0.88%			
AT&T Services				5,917	5	1.36%
Anheuser Busch				5,164	7	1.19%
	<u>82,954</u>		<u>17.96%</u>	<u>79,803</u>		<u>18.31%</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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/Program:										
Primary Government Employees:										
General government	509	505	506	485	491	498	509	528	539	535
Convention and tourism	2	2	2	3	3	3	2	2	3	3
Parks and recreation	285	284	283	314	313	313	309	322	328	331
Judicial	643	653	653	681	679	706	714	709	721	717
Streets	442	446	451	455	455	455	455	464	463	458
Fire	776	776	776	781	778	813	829	830	830	830
Police	1,818	1,814	1,822	1,841	1,867	1,940	1,943	1,937	1,992	1,938
Other	759	757	752	749	750	709	716	774	814	804
Health and welfare	203	210	212	213	206	220	219	257	278	274
Public service	306	303	302	217	221	222	224	251	258	256
Community development	61	60	65	61	59	65	65	65	65	66
Business-Type Employees:										
Airport	524	529	530	537	540	555	580	583	637	637
Water Division	344	342	342	341	341	341	361	380	380	376
Parking Division	105	109	105	94	82	89	103	86	90	142
Total Employees	<u>6,777</u>	<u>6,790</u>	<u>6,801</u>	<u>6,772</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>

Source: Budget division

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Payroll checks issued	185,212	179,475	179,431	180,873	183,489	185,338	191,837	201,642	202,802	269,186
Invoices processed	91,432	91,393	91,341	90,518	95,572	96,571	95,375	98,772	103,352	108,703
Deeds recorded	67,074	48,219	33,120	63,261	74,138	58,991	61,841	66,351	65,740	81,692
Birth and death certificate copies issued	73,643	72,418	68,357	60,780	54,552	55,773	57,898	61,836	65,874	69,107
Marriage licenses processed	2,992	2,992	2,962	2,680	2,358	2,318	2,548	2,570	2,523	2,453
Real property parcels	140,669	140,936	141,364	142,480	143,357	145,166	145,572	145,858	145,507	145,930
Personal property accounts	110,342	110,862	108,878	109,296	107,666	109,439	108,257	108,427	110,285	106,176
Problem properties cases heard*	6,669	5,201	4,894	5,555	7,911	8,942	8,981	8,491	7,932	9,793
Citizen Service Bureau (CSB) calls answered	110,788	107,479	126,780	131,129	119,504	124,637	122,470	102,964	119,531	175,339
CSB service requests issued	79,121	113,245	103,730	65,526	98,306	109,596	119,109	107,116	90,177	107,431
Parks and Recreation and Forestry										
Park use permits issued	3,007	3,186	3,484	3,212	3,056	3,066	3,170	3,727	3,283	3,434
Vacant lot grass cuttings	46,734	54,693	56,298	52,886	52,079	51,845	52,110	51,015	52,929	95,191
Vacant building grass cuttings	22,332	24,400	22,641	24,775	24,366	24,870	24,124	23,520	22,332	51,663
CSB service requests received	24,560	21,341	22,303	22,149	23,116	24,009	25,660	23,007	26,655	47,408
Judicial										
Juvenile cases-referrals *	2,026	2,436	2,297	2,395	2,702	3,031	3,444	3,540	4,282	4,840
Jurors summoned	63,797	99,879	120,629	112,881	55,105	59,650	58,230	65,805	71,187	74,450
Jurors who served	20,085	21,244	21,474	17,265	22,596	23,186	20,019	21,582	26,030	23,874
Streets										
Tons of waste placed in landfills	142,707	142,768	139,667	134,125	150,645	164,134	173,812	185,848	199,725	186,132
Tons of waste recycled	16,589	15,907	15,769	14,686	15,618	12,830	4,842	3,851	4,900	4,855
Vehicles towed	12,837	11,594	9,825	9,197	8,880	8,470	9,850	9,765	11,523	8,829
Public Safety										
Fire										
Suppression calls	58,804	56,335	50,067	56,623	46,959	48,159	59,683	51,464	45,855	45,137
EMS calls	54,580	54,968	54,118	68,772	58,213	61,401	74,929	73,771	60,062	59,241
Police										
Directed calls for service*	285,403	289,780	277,684	237,367	267,435	300,921	309,696	321,015	325,958	348,648
Felony arrests*	11,319	12,970	10,466	12,569	14,205	15,309	13,424	13,284	14,186	14,930
Misdemeanor arrests*	6,509	6,125	3,640	5,043	6,307	8,574	6,986	7,948	8,569	10,048
Police reports written*	72,055	71,046	68,400	66,104	65,337	72,057	76,204	83,339	86,316	94,539
Public Service										
Contracts executed	137	130	115	125	78	108	81	298	252	205
Bridges inspected	45	43	41	41	44	40	44	33	36	37
Airport										
Major airlines	7	7	9	9	9	10	10	10	10	9
Commuter airlines	17	14	14	16	18	19	19	19	20	22
Air cargo carriers	3	3	3	3	3	3	3	3	3	4
Passengers	14,359,274	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
Aircraft operations	193,439	188,466	185,474	184,211	189,068	191,653	186,908	195,409	226,052	255,800
Water Division										
Bills issued - metered	51,185	51,325	51,327	51,625	51,512	52,000	52,128	52,432	53,208	53,324
Bills issued - flat rate	316,911	317,269	316,850	317,200	316,904	316,000	316,596	321,720	325,420	327,804
Billions of gallons of water purified	42,620	47,645	43,553	45,265	44,922	46,597	43,345	44,015	46,223	47,479

* 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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Parks and Recreation</u>										
Park acreage	3,250	3,250	3,249	3,248	3,248	3,248	3,243	2,960	2,722	2,717
Miles of bicycle paths	38	38	38	38	36	36	36	36	36	36
Athletic fields	153	153	153	153	153	153	152	152	152	152
Recreation centers	7	7	9	9	9	9	7	9	8	9
Neighborhood centers	2	2	-	-	-	-	-	-	1	1
Swimming pools	11	11	11	11	12	12	7	9	8	8
Golf courses	4	4	4	4	4	4	3	3	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	26,507	27,724	27,724	27,724	27,814
Rollout carts	39,952	39,952	39,952	39,952	39,952	39,952	34,770	21,202	21,202	19,899
Recycling containers	5,744	5,744	5,744	5,744	5,744	5,744	3,434	125	136	130
Streets - paved (miles)	26	27	24	21	14	16	18	21	21	30
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	70,652	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,059	69,919
<u>Public Safety</u>										
<u>Fire</u>										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	142	139	122	122	122	122	122	114	114	144
<u>Police</u>										
Police stations	4	4	4	4	3	3	3	3	3	3
Police vehicles	668	679	675	757	759	757	694	710	703	703
<u>Public Service</u>										
Bridges structurally deficient	15	17	18	15	15	14	15	17	5	16
Bridges functionally obsolete	27	24	28	28	28	27	30	22	20	22
Total bridges	73	73	73	73	73	73	72	71	72	69
<u>Water Division</u>										
Miles of water mains	1,372	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



Cover photo: Walla Walla Onion sculptures by Dale Chihuly float in front of the Climatron at the Missouri Botanical Garden. The garden was founded in 1859 by philanthropist Henry Shaw and covers 79 acres.