



2018
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, 2018

Prepared by
Office of the Comptroller

Darlene Green
Comptroller

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Comprehensive Annual Financial Report
June 30, 2018

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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

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January 11, 2019

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, 2018 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, 2018, 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, 2018, 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 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 21st largest metropolitan area in the United States in terms of population. The City represents 16% 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

In order to take advantage of the current market environment, the City issued \$25.7 million in Refunding and Improvement Bonds for the Convention Center, series 2017, resulting in an overall economic gain (difference between present value of old and new debt service payments) of approximately \$0.2 million. Savings from the refunding will be used to buy requested equipment for the convention center without increasing debt.

The St. Louis Board of Aldermen approved a \$3 increase to residents' monthly garbage fees to purchase additional trash trucks and improve garbage pickup. A trash task force was also formed to address illegal dumping throughout the city.

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 took effect April 1, 2018, and the estimated \$21.5 million annually will be included in the fiscal year 2019 budget.

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 2019 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 FY19 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 order to restore the unreserved general fund balance in case of a recession, the FY19 budget will appropriate an amount of 1.5% of payroll specifically for that purpose. In the coming fiscal year this will amount to \$3.4 million and it is anticipated that this new mechanism for contributing to reserves will be part of the annual budget process going forward.

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, 2017 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the thirtieth 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, 2017

Christopher P. Morrill

Executive Director/CEO

The City of St. Louis, Missouri

Elected Officials

June 30, 2018

Board of Aldermen

(Aldermen listed to numerical order by ward)

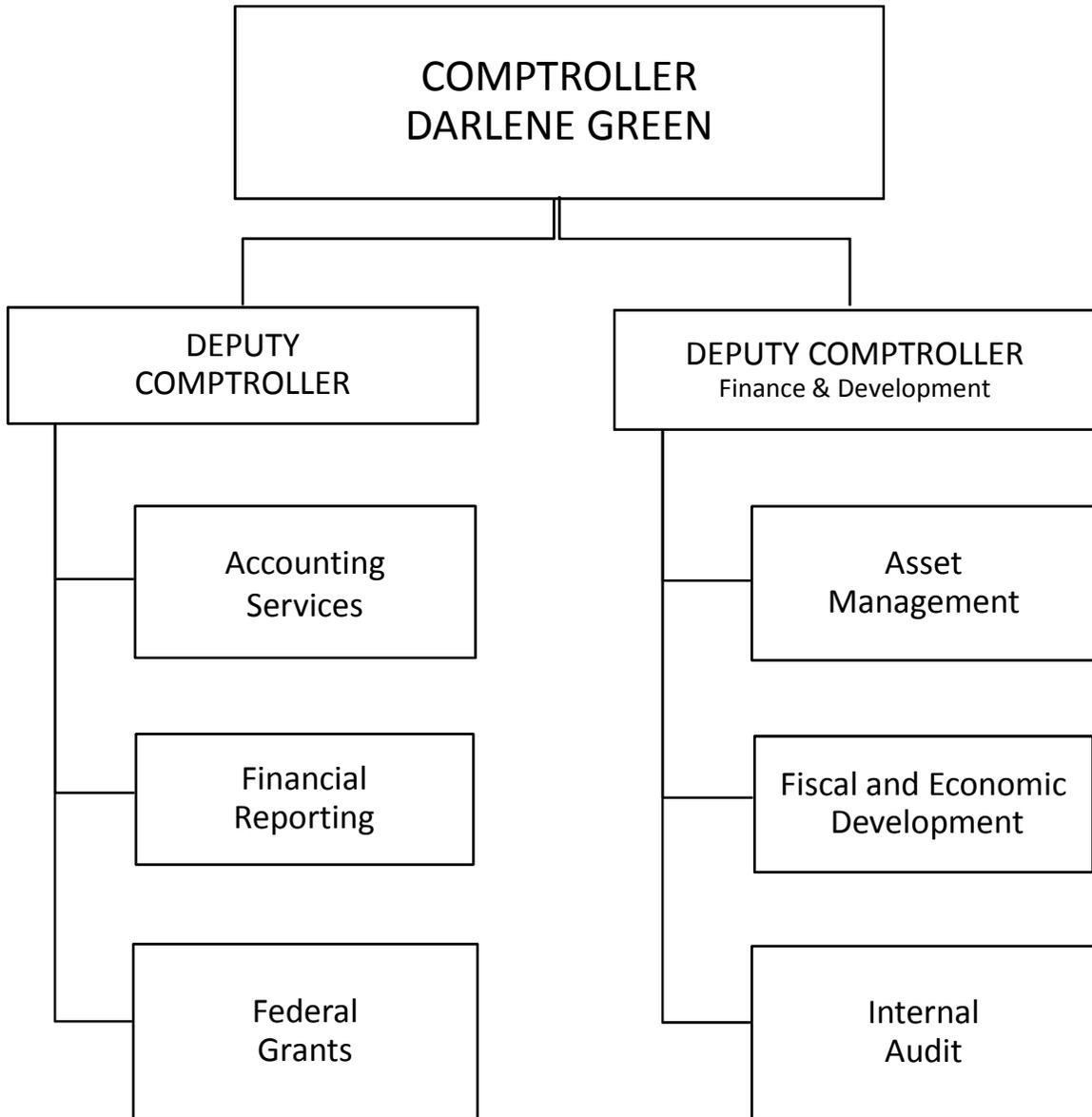
LYDA KREWSON
Mayor

DARLENE GREEN
Comptroller

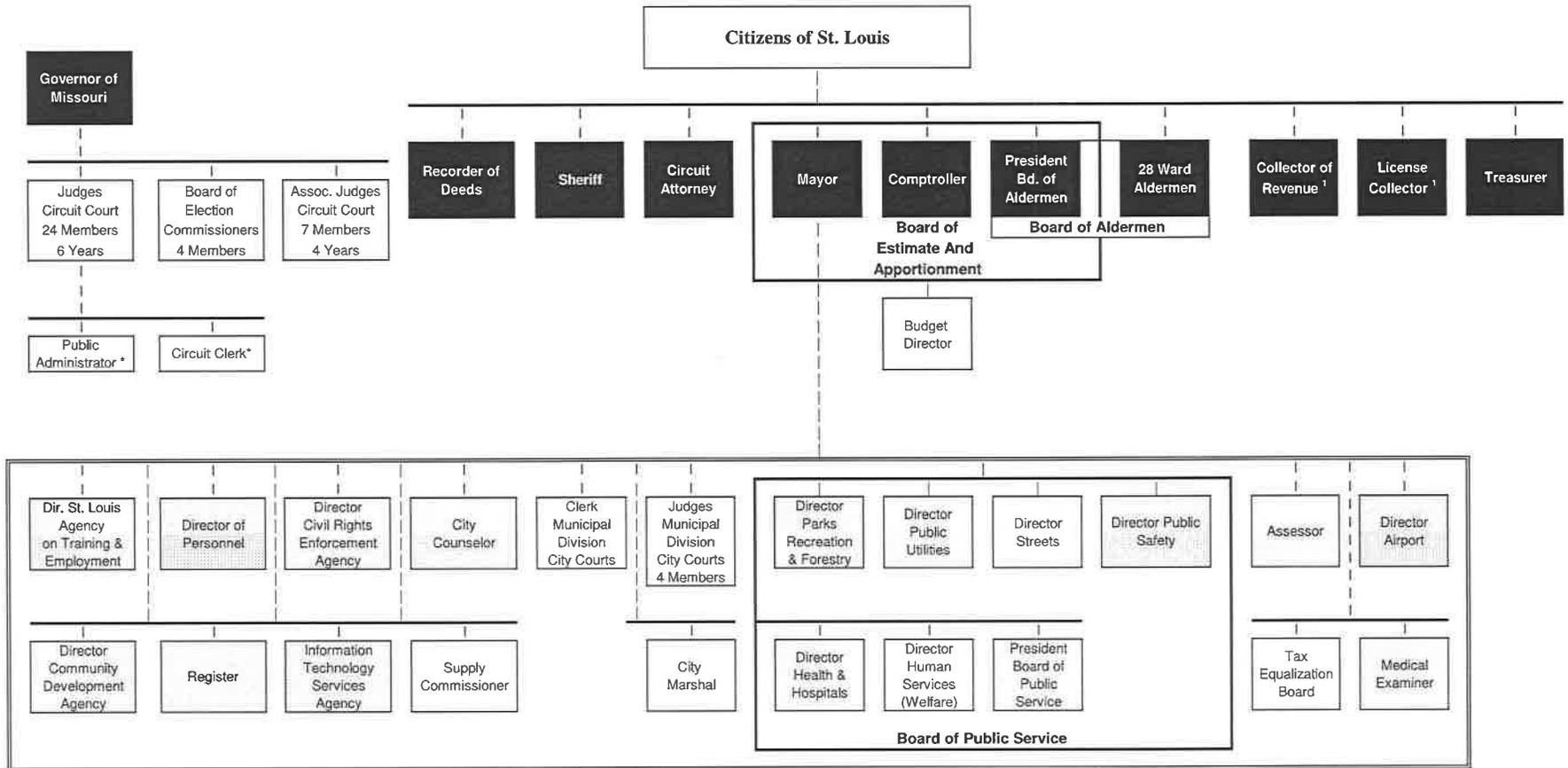
LEWIS REED
President,
Board of Aldermen

Sharon Tyus
Lisa Middlebrook
Brandon Bosley
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Jack Coatar
Annie Rice
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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements for the year then ended 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 58% 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1, effective July 1, 2017, the City of St. Louis, Missouri implemented Governmental Accounting Standards Boards (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 22, the Budgetary Comparison Information on pages 152 through 159, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 160 through 168 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 January 11, 2019 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
January 11, 2019

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

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, 2018. 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 and deferred inflow of resources as of the current fiscal year end by \$414.8 million.
- Governmental activities and business-type activities had a net position of (\$922.7) million and \$1,337.5 million, respectively.
- The cost of services for the City's governmental activities was \$796.9 million in fiscal year 2018 (excluding interest and fiscal charges).
- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$237.3 million. Of this amount, (\$3.5) million is unassigned fund balance (deficit).
- In fiscal year 2018, the City issued \$104.6 million in long-term debt to finance projects and refund debt in governmental activities.
- Governmental Accounting Standards Board Statement No. 75 required the change of the Other Post-Employment Benefits (OPEB) accounting and reporting requirements. The change increased total OPEB liabilities by \$255.5 million.

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).

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

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.

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 nonmajor governmental funds is provided in the form of additional supplementary information as combining statements.

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

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 St. Louis Lambert 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.

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 Firefighters' 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, 2018

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2018 was \$414.8 million, down from \$646.5 million from fiscal year 2017. 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, 2018 and 2017
(Dollars in millions)

Assets	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 457.4	394.4	424.6	656.9	882.0	1,051.3
Capital assets	817.2	813.5	1,766.1	1,792.2	2,583.3	2,605.7
Total asset	1,274.6	1,207.9	2,190.7	2,449.1	3,465.3	3,657.0
Deferred outflow of resources	98.5	236.9	20.3	31.4	118.8	268.3
Total assets and deferred outflow of resources	1,373.1	1,444.8	2,211.0	2,480.5	3,584.1	3,925.3
Liabilities						
Long-term liabilities	2,003.3	1,927.8	804.5	1,105.1	2,807.8	3,032.9
Other liabilities	179.4	172.2	59.4	51.9	238.8	224.1
Total liabilities	2,182.7	2,100.0	863.9	1,157.0	3,046.6	3,257.0
Deferred inflow of resources	113.1	15.8	9.6	6.0	122.7	21.8
Total liabilities and deferred inflow of resources	2,295.8	2,115.8	873.5	1,163.0	3,169.3	3,278.8
Net position						
Net investment in capital assets	501.1	506.3	1,124.3	785.2	1,625.4	1,291.5
Restricted	106.7	63.5	101.9	419.4	208.6	482.9
Unrestricted (deficit)	(1,530.5)	(1,240.8)	111.3	112.9	(1,419.2)	(1,127.9)
Total net position	\$ (922.7)	(671.0)	1,337.5	1,317.5	414.8	646.5

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

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 \$414.8 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 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 2018 and fiscal year 2017, respectively, is \$208.6 million and \$482.9 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by \$291.3 million for the year ended June 30, 2018 primarily due to the change in accounting and reporting regarding GASB Statement No. 75, OPEB liability. Unrestricted governmental activities net position showed a \$1,530.5 million deficit at the end of fiscal year 2018 as compared with a \$1,240.8 million deficit in fiscal year 2017. 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, amounts to pay for unused employee vacation and sick days or pay annual OPEB due. The City will continue to include these amounts in future year's budgets as they come due.

In addition, six 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, \$17.1 million
- Joint venture financing agreement for the expansion of the convention center, \$19.1 million
- Obligations with component unit for the convention center hotel, \$16.0 million
- Obligations with component units for downtown development, \$14.7 million
- Obligations with component unit for downtown sports center, \$53.6 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of \$364.2 million

CITY OF ST. LOUIS, MISSOURI
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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

Schedule of Changes in Net Position

Fiscal years ended June 30, 2018 and 2017

(Dollars in millions)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 163.2	133.7	236.9	241.7	400.1	375.4
Operating grants and contributions	62.3	66.8	0.9	1.1	63.2	67.9
Capital grants and contributions	7.9	15.1	20.5	11.9	28.4	27.0
General revenues:						
Taxes	618.0	590.8	—	—	618.0	590.8
Investment income	0.5	0.6	2.1	2.6	2.6	3.2
Total revenues	<u>851.9</u>	<u>807.0</u>	<u>260.4</u>	<u>257.3</u>	<u>1,112.3</u>	<u>1,064.3</u>
Expenses:						
General government	58.4	83.0	—	—	58.4	83.0
Convention and tourism	5.2	5.8	—	—	5.2	5.8
Parks and recreation	30.3	31.7	—	—	30.3	31.7
Judicial	48.9	49.6	—	—	48.9	49.6
Streets	74.3	75.3	—	—	74.3	75.3
Public safety:						
Fire	80.5	92.4	—	—	80.5	92.4
Police	243.2	280.3	—	—	243.2	280.3
Other	60.0	60.7	—	—	60.0	60.7
Health and welfare	55.8	56.0	—	—	55.8	56.0
Public service	80.8	79.7	—	—	80.8	79.7
Community development	59.5	47.3	—	—	59.5	47.3
Interest and fiscal charges	59.3	58.4	—	—	59.3	58.4
Airport	—	—	164.6	176.9	164.6	176.9
Water Division	—	—	50.4	49.0	50.4	49.0
Parking Division	—	—	15.0	16.5	15.0	16.5
Total expenses	<u>856.2</u>	<u>920.2</u>	<u>230.0</u>	<u>242.4</u>	<u>1,086.2</u>	<u>1,162.6</u>
Excess (deficiency) before transfers	(4.3)	(113.2)	30.4	14.9	26.1	(98.3)

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2018

CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Net Position

Fiscal years ended June 30, 2018 and 2017

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Transfers	\$ 10.4	11.4	(10.4)	(11.4)	—	—
Change in net position	6.1	(101.8)	20.0	3.5	26.1	(98.3)
Net position – beginning of year	(671.0)	(569.2)	1,317.5	1,314.0	646.5	744.8
Cumulative effect of change in accounting principle	(257.8)	—	—	—	(257.8)	—
Net position – end of year	\$ (922.7)	(671.0)	1,337.5	1,317.5	414.8	646.5

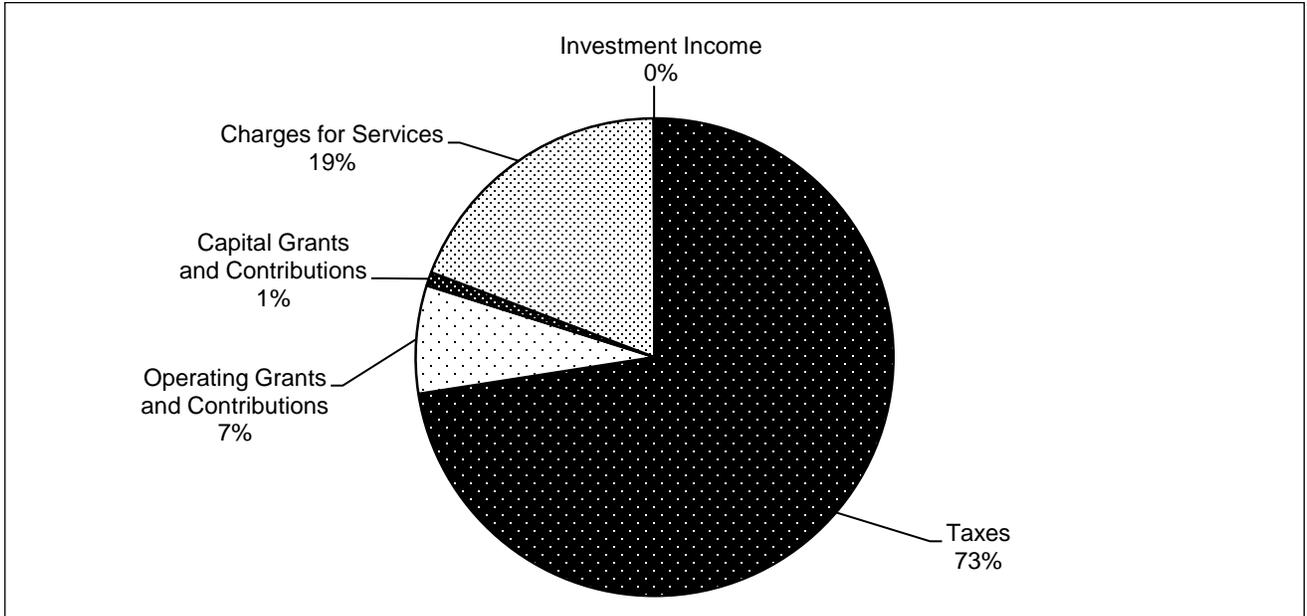
Changes in net position. The City's total revenue on a government-wide basis was \$1,112.3 million, an increase of \$48.0 million over the previous year. Taxes represent 55.6% of the City's revenue as compared with 55.5% last year. Additionally, 36.0% comes from fees charged for services, as compared to 35.3% 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 \$1,086.2 million, a decrease from \$1,162.6 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

Governmental activities. As a result of this year's operations, the net position of governmental activities increased by \$6.1 million. The increase was mainly driven by costs associated with the net pension obligations of the City's four retirement plans. The cumulative effect of change in accounting principle decreased the net position by an additional \$257.8 million. The net position decrease is primarily related to the anticipated level of spending over the expected growth in revenues. Revenues increased by \$44.9 million or 5.6%.

CITY OF ST. LOUIS, MISSOURI
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The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2018.

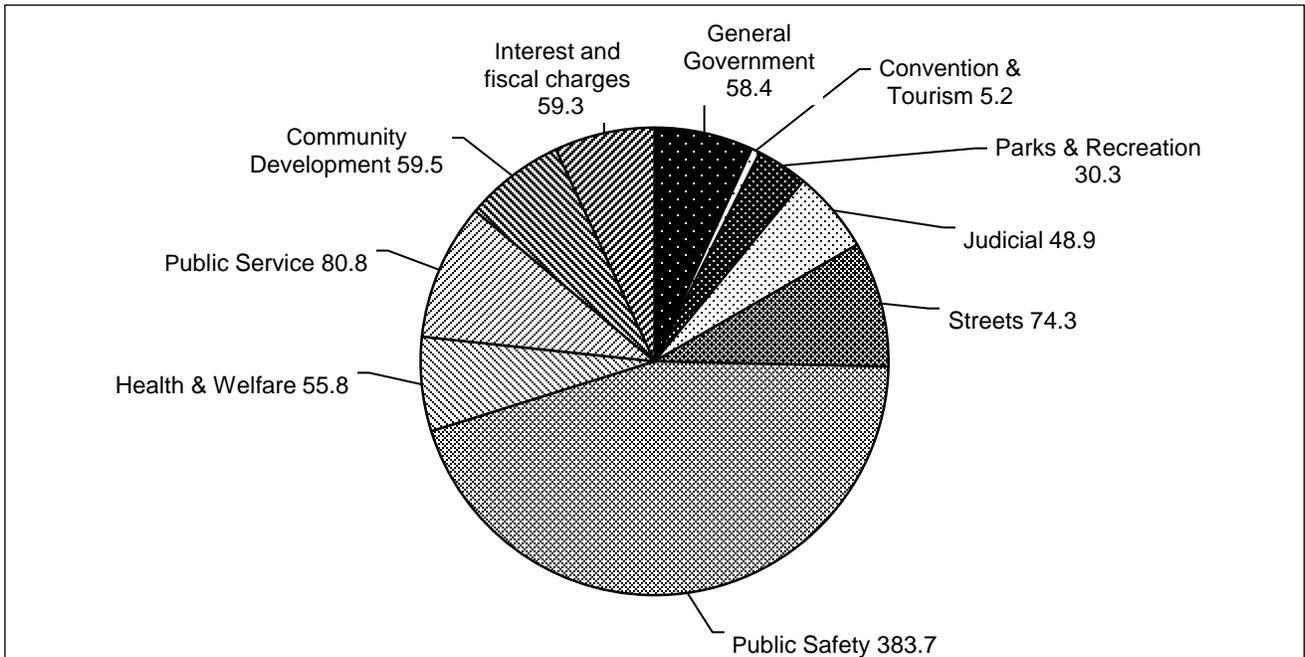


CITY OF ST. LOUIS, MISSOURI

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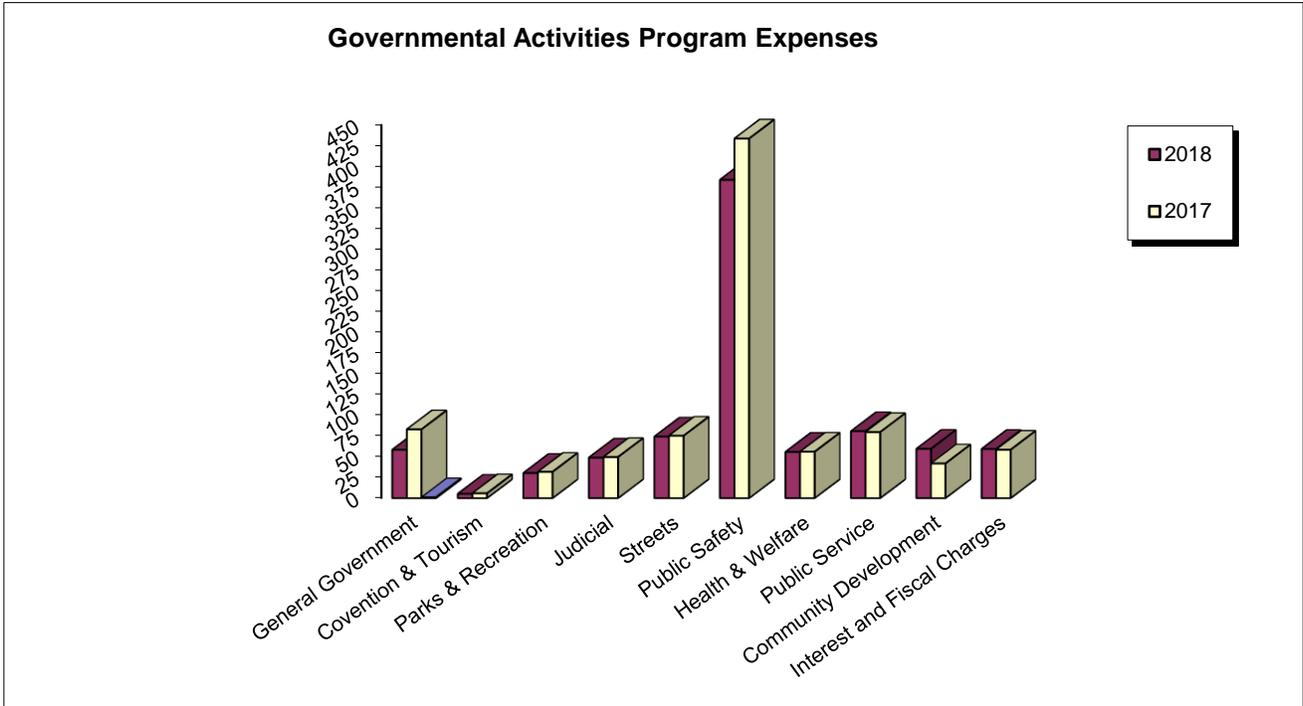
June 30, 2018

The following chart illustrates the City's governmental activities expenses by program (\$in millions). Total cost of governmental activities was \$856.2 million, a decrease of \$64.0 million or 7.0% over the prior year. As shown, public safety is the largest function in expense (44.8%). The majority of the spending was the result of funding Police of \$243.2 million and Fire of \$80.5 million, which includes any costs associated with their retirement plans.



CITY OF ST. LOUIS, MISSOURI
 Management's Discussion and Analysis – Unaudited
 June 30, 2018

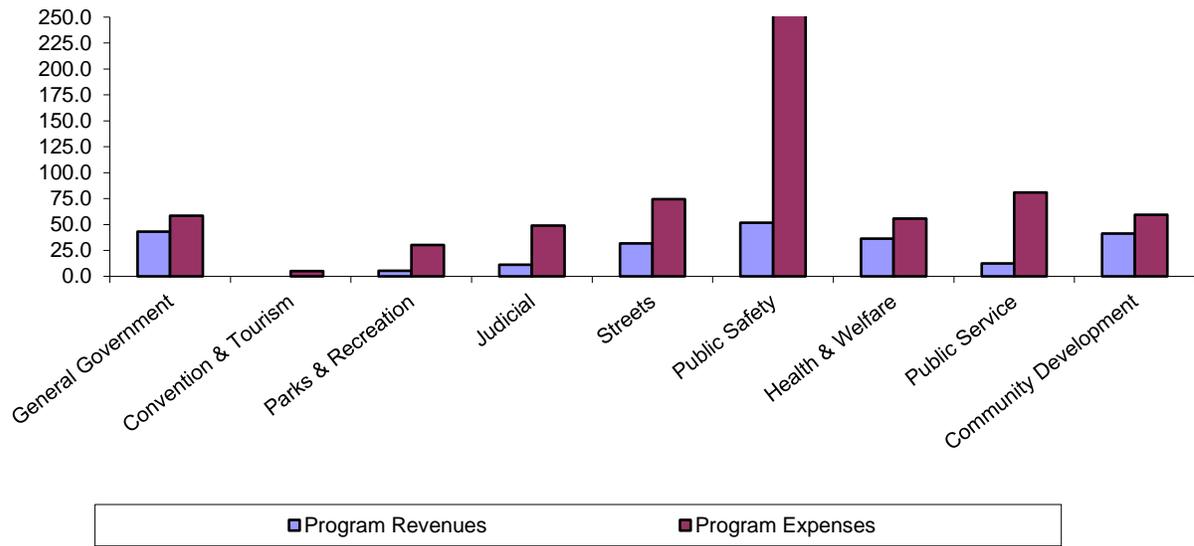
The following chart is a comparison of expense of governmental activities for fiscal years ended 2018 and 2017.



CITY OF ST. LOUIS, MISSOURI
 Management's Discussion and Analysis – Unaudited
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The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2018.

Governmental Program Revenues and Expenses



CITY OF ST. LOUIS, MISSOURI

Governmental Activities

(Dollars in millions)

	Total cost of services		Net costs of services	
	2018	2017	2018	2017
General government	\$ 58.4	83.0	(15.4)	(37.8)
Convention and tourism	5.2	5.8	(5.2)	(5.8)
Parks and recreation	30.3	31.7	(25.0)	(25.8)
Judicial	48.9	49.6	(37.6)	(41.1)
Streets	74.3	75.3	(42.6)	(47.1)
Public safety:				
Fire	80.5	92.4	(66.6)	(79.8)
Police	243.2	280.3	(235.5)	(274.9)
Other	60.0	60.7	(29.9)	(37.1)
Health and welfare	55.8	56.0	(19.3)	(21.6)
Public service	80.8	79.7	(68.4)	(59.8)
Community development	59.5	47.3	(18.1)	(15.2)
Totals	\$ 796.9	861.8	(563.6)	(646.0)

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$796.9 million compared with \$861.8 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was \$618.0 million. The primary remaining difference of \$178.9 million comprises charges for services (\$163.2 million), operating grants and contributions (\$62.3 million), and capital grants and contributions (\$7.9 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$20.0 million or 1.5%.

St. Louis Lambert International Airport. The net position of the Airport increased by \$15.1 million or 1.4%. The operating loss was (\$7.7) million this year versus net operating loss of (\$1.3) million in 2017. Total operating revenues for 2018 was \$134.3 million. Of this amount, major sources of operating revenue included aviation revenues (56.9%), concessions (21.5%), parking, net (17.4%), and lease revenue (4.2%). A significant nonoperating revenue is passenger facility charges which accounts for \$28.5 million.

At June 30, 2018, the capital assets balance was \$1,533.6 million. This amount includes buildings and structures of \$240.9 million, pavings with \$496.2 million, and equipment with \$24.7 million, all net of accumulated depreciation. Land is \$750.9 million, construction in progress is \$17.4 million, and easements is \$3.5 million.

At June 30, 2018, the Airport had bonded debt of \$630.3 million.

Water Division The net position of the Water Division increased by \$2.3 million or 1.0%. Operating income was \$4.4 million in fiscal year 2018 and \$4.8 million in fiscal year 2017. Total operating revenues for 2018 was \$54.4 million. Of this amount, major sources of operating revenue included metered revenue (42.3%) and flat rate revenue (45.6%).

At June 30, 2018, the capital assets balance was \$160.9 million. This amount includes buildings and structures (net of accumulated depreciation) with \$13.6 million, reservoirs and water mains, lines and accessories with \$98.4 million, equipment with \$32.3 million, land with \$1.2 million, and construction-in-progress with \$15.4 million.

At June 30, 2018, the Water Division had bonded debt of \$8.1 million.

Parking Division. The net position of the Parking Division increased by \$2.6 million or 7.1%. Operating income was \$5.5 million in fiscal year 2018 and \$6.5 million in fiscal year 2017. Total operating revenues for 2018 was \$17.9 million. Of this amount, major sources of operating revenue included parking meter revenue (18.3%), parking violations notices revenue (24.5%), and parking facilities revenue (52.2%).

At June 30, 2018, the capital assets balance was \$71.4 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$43.4 million, parking meters and lot equipment with \$3.9 million, equipment with \$1.0 million, and land with \$22.9 million and construction-in-progress with \$.2 million.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2018

At June 30, 2018, the Parking Division had bonded debt of \$61.1 million.

CITY OF ST. LOUIS, MISSOURI

Balance Sheet

Governmental Funds

June 30, 2018

(Dollars in millions)

	<u>2018</u>	<u>2017</u>	<u>2018 vs. 2017 \$ Change</u>	<u>2018 vs. 2017 % Change</u>
Total assets	\$ 429.2	386.0	43.2	11.2 %
Total liabilities	\$ 87.1	95.2	(8.1)	(8.5)
Deferred inflow of resources	104.9	104.0	0.9	0.9
Fund balance:				
Restricted and Nonspendable	154.8	128.9	25.9	20.1
Committed	77.8	69.3	8.5	12.3
Assigned	8.1	4.1	4.0	97.6
Unassigned	(3.5)	(15.5)	12.0	(77.4)
Total fund balance	<u>237.2</u>	<u>186.8</u>	<u>50.4</u>	<u>27.0</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 429.2</u>	<u>386.0</u>	<u>43.2</u>	<u>11.2 %</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 \$15.9 million.

The total fund balance in the City's general fund increased by \$19.7 million or 107.2% in the current fiscal year. The City's general fund decreased by \$4.0 million or 18.0% 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 result of the biweekly pay calendar that occurs every eleven years).

The total fund balance in the redevelopment projects fund increased by \$4.4 million or 12.2% 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.

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

The total fund balance in the City's capital projects fund decreased by \$3.7 million or 4.9% in the current fiscal year. The City's capital projects fund increased by \$12.5 million or 19.7% in the prior fiscal year. This is primarily due to the use of proceeds of general obligation bonds issued in fiscal year 2017 to be used for capital improvements.

The grants fund received \$62.3 million in intergovernmental revenues that funded community development in the amount of \$16.0 million, or 25.7%, and health and welfare in the amount of \$34.7 million, or 55.8% in the current fiscal year. 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 prior fiscal year.

The total fund balance in the City's other governmental funds increased by \$29.7 million or 53.5% in the current fiscal year. The increase is primarily due to the first full year of collection of the Economic Development tax approved by voters the previous fiscal year. The City's other governmental funds increased by \$4.7 million or 9.3% 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 \$59.5 million, the Water Division was \$29.2 million, and the Parking Division was \$22.6 million, as compared with \$64.9 million, \$27.0 million, and \$21.0 million, respectively in 2017. The total increase in net position for the enterprise funds was \$20.0 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, 2017, the net position of the pension funds totaled \$2.1 billion, an 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 \$54.4 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.

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

The general fund revenue estimate including transfers in and supplemental estimates totaled \$513.2 million. Actual results for the fiscal year's revenues and transfers in were \$509.0 million, which was below the original estimates by \$4.1 million or 0.8% of the estimate.

The general fund expense budget was \$515.6 million including transfers out. This also includes prior year encumbrances and commitments of \$2.5 million set aside and re-appropriated and a supplemental appropriation of \$2.7 million and \$1.0 million from the 27th pay period reserve. Actual expenditures and transfers out totaled \$506.9 million. This includes expenditures of \$1.0 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2018 budget total \$3.4 million. The general fund ended the fiscal year with a budget-basis-operating surplus of \$2.1 million plus \$1.0 million from the 27th pay period reserve.

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

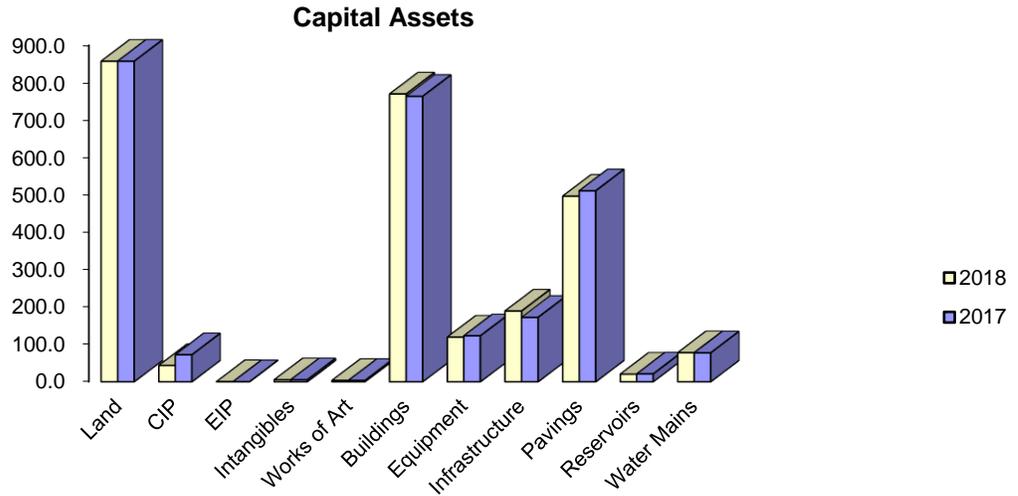
Schedule of Changes in Capital Assets

Net of Accumulated Depreciation

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 81.7	81.7	775.1	775.2	856.8	856.9
Construction in progress	10.6	33.4	33.1	38.9	43.7	72.3
Equipment in progress	0.5	0.2	—	—	0.5	0.2
Intangibles, nondepreciable	1.9	1.3	3.5	3.5	5.4	4.8
Works of art	3.6	3.6	—	—	3.6	3.6
Buildings and improvements	471.6	460.1	297.8	303.0	769.4	763.1
Equipment	57.5	60.4	61.9	62.5	119.4	122.9
Infrastructure	189.2	172.2	—	—	189.2	172.2
Intangibles, depreciable	0.5	0.6	—	—	0.5	0.6
Pavings	—	—	496.3	510.6	496.3	510.6
Reservoirs	—	—	20.4	21.1	20.4	21.1
Water mains, lines, accessories	—	—	77.9	77.4	77.9	77.4
Total	\$ 817.1	813.5	1,766.0	1,792.2	2,583.1	2,605.7

CITY OF ST. LOUIS, MISSOURI
 Management's Discussion and Analysis – Unaudited
 June 30, 2018



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.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2018

Long-Term Debt

At the end of fiscal year 2018, the City had outstanding long-term debt obligations for governmental activities in the amount of \$976.7 million compared with \$979.5 million in fiscal year 2017. Of this amount, \$33.1 million are general obligation bonds and \$364.2 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled \$400.1 million.

CITY OF ST. LOUIS, MISSOURI
Outstanding Long-Term Debt Obligations – Governmental Activities
(Dollars in millions)

	Fiscal year 2018	Fiscal year 2017	\$Change	% Change
General obligation bonds payable \$	33.1	37.3	(4.2)	(11.3)%
Section 108 Loan Guarantee Assistance Programs	17.1	22.2	(5.1)	(23.0)
Loan agreement with FPF	21.7	13.7	8.0	58.4
Development and tax increment financing bonds and notes payable	364.2	388.7	(24.5)	(6.3)
Loan agreement with Missouri Transportation Finance Corporation	—	0.5	(0.5)	(100.0)
Energy Loan Program	0.9	—	0.9	100.0
Capital lease – rolling stock	8.9	11.0	(2.1)	(19.1)
Certificates of participation	3.1	3.8	(0.7)	(18.4)
Obligations with component unit	84.2	37.1	47.1	127.0
Leasehold revenue improvement and refunding bonds	400.1	419.9	(19.8)	(4.7)
Joint venture financing agreement	19.1	24.1	(5.0)	(20.7)
Unamortized premium/discounts	24.3	21.2	3.1	14.6
Total	<u>\$ 976.7</u>	<u>979.5</u>	<u>(2.8)</u>	<u>(0.3)%</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for calendar year 2017 was \$458.3 million. The City's effective legal debt margin as of June 30, 2018 was \$434.7 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI
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The City's underlying general obligation credit ratings changed for fiscal year 2018. The City ratings on uninsured general obligation bonds as of June 30, 2018 were:

Moody's Investor's Service, Inc.	Baa1
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)

	<u>Fiscal year 2018</u>	<u>Fiscal year 2017</u>	<u>\$ Change</u>	<u>% Change</u>
Airport	\$ 630.3	906.3	(276.0)	(30.45)%
Water Division	8.1	8.5	(0.4)	(4.71)
Parking Division	61.1	64.4	(3.3)	(5.12)
Total	<u>\$ 699.5</u>	<u>979.2</u>	<u>(279.7)</u>	<u>(28.56)%</u>

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2018 and 2017 were \$699.5 million and \$979.2 million, respectively. The amount reflects a decrease of \$279.7 million, or 28.56%. This amount includes Airport bonds of \$630.3 million, Water Division bonds of \$8.1 million, and Parking Division bonds of \$61.1 million. For additional information on revenue bonds of the business-type activities, refer to notes 13 and 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2019 annual operating budget allocates \$1,116 million among all budgeted funds, a 5.9% increase over the previous year's budget, including supplemental appropriations.
- The fiscal year 2019 general fund revenue budget is \$517.5 million compared with \$513.2 million in fiscal year 2018, which includes a supplemental appropriation of \$2.7 million. This amount reflects an increase of \$4.4 million, or 1.4%.
- Total employee positions for fiscal year 2019 are 6,608 which is down 14 positions from fiscal year 2018.

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2018

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, 2018

(Dollars in thousands)

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	SLDC
Cash and cash equivalents	\$ 102,077	47,077	149,154	12,490
Investments	27,210	124,002	151,212	57
Receivables, net	200,369	26,490	226,859	18,501
Inventories	1,378	4,635	6,013	—
Restricted assets	95,975	226,632	322,607	—
Internal balances	11,031	(11,031)	—	—
Other assets	2,478	4,969	7,447	571
Receivable from primary government	—	—	—	347
Property held for development, net	—	—	—	30,244
Net pension asset	16,967	1,885	18,852	—
Capital assets, net:				
Nondepreciable	98,304	811,729	910,033	7,376
Depreciable	718,850	954,263	1,673,113	21,523
Total assets	1,274,639	2,190,651	3,465,290	91,109
Deferred outflow of resources	98,468	20,335	118,803	—
Total assets and deferred outflow of resources	1,373,107	2,210,986	3,584,093	91,109
Liabilities				
Accounts payable and accrued liabilities	19,729	25,957	45,686	1,413
Accrued salaries and other benefits	12,333	9,836	22,169	—
Accrued interest payable	142,549	18,471	161,020	—
Unearned revenue	3,082	5,202	8,284	—
Other liabilities	1,315	—	1,315	—
Payable to component unit	347	—	347	—
Payable to other government agencies	3	43	46	—
Long-term liabilities:				
Due within one year	126,039	39,594	165,633	9,480
Due in more than one year	1,877,289	764,772	2,642,061	54,593
Total liabilities	2,182,686	863,875	3,046,561	65,486
Deferred inflow of resources	113,114	9,597	122,711	—
Total liabilities and deferred inflow of resources	2,295,800	873,472	3,169,272	65,486
Net Position				
Net investment in capital assets	501,157	1,124,303	1,625,460	17,016
Restricted:				
Debt service	40,278	80,540	120,818	—
Capital projects	18,278	—	18,278	—
Passenger facility charges	—	21,339	21,339	—
Statutory restrictions	48,174	—	48,174	—
Unrestricted (deficit)	(1,530,580)	111,332	(1,419,248)	8,607
Total net position	\$ (922,693)	1,337,514	414,821	25,623

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Activities

Year ended June 30, 2018

(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		Total	
					Governmental activities	Business-type activities		
Primary government:								
Governmental activities:								
General government	\$ 58,416	42,203	833	—	(15,380)	—	(15,380)	—
Convention and tourism	5,193	—	—	—	(5,193)	—	(5,193)	—
Parks and recreation	30,316	4,762	593	—	(24,961)	—	(24,961)	—
Judicial	48,902	9,178	2,131	—	(37,593)	—	(37,593)	—
Streets	74,304	31,068	—	630	(42,606)	—	(42,606)	—
Public safety:								
Fire	80,495	12,152	1,724	—	(66,619)	—	(66,619)	—
Police	243,213	3,905	3,773	—	(235,535)	—	(235,535)	—
Other	59,999	29,205	928	—	(29,866)	—	(29,866)	—
Health and welfare	55,750	917	35,503	—	(19,330)	—	(19,330)	—
Public service	80,843	5,142	—	7,268	(68,433)	—	(68,433)	—
Community development	59,514	24,590	16,822	—	(18,102)	—	(18,102)	—
Interest and fiscal charges	59,259	—	—	—	(59,259)	—	(59,259)	—
Total governmental activities	856,204	163,122	62,307	7,898	(622,877)	—	(622,877)	—
Business-type activities:								
Airport	164,575	163,565	826	20,508	—	20,324	20,324	—
Water division	50,371	55,405	—	—	—	5,034	5,034	—
Parking division	15,000	17,947	—	—	—	2,947	2,947	—
Total business-type activities	229,946	236,917	826	20,508	—	28,305	28,305	—
Total primary government	\$ 1,086,150	400,039	63,133	28,406	(622,877)	28,305	(594,572)	—
Component unit:								
SLDC	\$ 23,682	13,665	10,511	—	—	—	—	494
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 88,574	—	88,574	—
Property taxes, levied for debt service					6,872	—	6,872	—
Sales taxes					204,608	—	204,608	—
Earnings/payroll taxes					218,338	—	218,338	—
Gross receipts taxes (includes franchise tax)					94,046	—	94,046	—
Miscellaneous taxes					5,567	—	5,567	—
Unrestricted investment earnings					519	2,125	2,644	454
Transfers					10,411	(10,411)	—	—
Total general revenues and transfers					628,935	(8,286)	620,649	454
Change in net position					6,058	20,019	26,077	948
Net position – beginning of year, previously reported					(670,995)	1,317,495	646,500	24,675
Cumulative effect of change in accounting principle					(257,756)	—	(257,756)	—
Net position – beginning of year, adjusted					(928,751)	1,317,495	388,744	—
Net position – end of year					\$ (922,693)	1,337,514	414,821	25,623

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Balance Sheet

Governmental Funds

June 30, 2018

(Dollars in thousands)

Assets	Major funds				Nonmajor funds	Total governmental funds
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	
Cash and cash equivalents:						
Restricted	\$ 8,406	3,579	23,949	1,052	3,734	40,720
Unrestricted	19,963	23,413	9,664	—	38,494	91,534
Investments:						
Restricted	11,817	1,762	31,769	—	9,907	55,255
Unrestricted	4,416	5,433	7,060	363	8,318	25,590
Receivables, net of allowances:						
Taxes	104,523	24,332	4,382	—	38,290	171,527
Licenses and permits	2,532	—	—	—	229	2,761
Intergovernmental	3,708	1,202	1,203	10,783	586	17,482
Charges for services	5,165	—	18	—	1,516	6,699
Other	342	—	1	—	398	741
Inventories	1,378	—	—	—	—	1,378
Prepaid asset	1,001	—	—	—	—	1,001
Due from other funds	8,453	6,077	—	—	—	14,530
Total assets	\$ 171,704	65,798	78,046	12,198	101,472	429,218
Liabilities, Deferred Inflow of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,799	58	5,069	7,078	2,252	19,256
Accrued salaries and other benefits	11,282	10	58	425	558	12,333
Due to component unit	—	—	—	—	293	293
Due to other funds	4,575	—	537	3,655	1,539	10,306
Due to other governmental agencies	3	—	—	—	—	3
Advance to other funds	40,435	—	—	—	—	40,435
Unearned revenue	491	—	—	—	2,591	3,082
Other liabilities	1,369	—	—	—	—	1,369
Total liabilities	62,954	68	5,664	11,158	7,233	87,077
Deferred inflow of resources	70,774	25,108	41	—	8,967	104,890
Total liabilities and deferred inflow of resources	133,728	25,176	5,705	11,158	16,200	191,967
Fund balances (deficit):						
Nonspendable	2,379	—	—	—	11	2,390
Restricted	18,709	36,886	52,575	1,040	43,213	152,423
Committed	1,020	—	39,088	—	37,672	77,780
Assigned	—	3,736	—	—	4,376	8,112
Unassigned	15,868	—	(19,322)	—	—	(3,454)
Total fund balances	37,976	40,622	72,341	1,040	85,272	237,251
Total liabilities, deferred inflow of resources, and fund balances	\$ 171,704	65,798	78,046	12,198	101,472	429,218

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, 2018

(Dollars in thousands)

Total fund balances – governmental funds – balance sheet	\$	237,251
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.		817,113
The City reports a net pension asset on the statement of net position relating to the Firemen's Retirement System. This asset is not reported in the fund financial statements.		16,967
Various taxes related to fiscal year 2018 will be collected beyond the 60-day period and are not recognized as revenue in the fund financial statements, but are recorded as deferred inflow of resources. Revenue for this amount is recognized in the government-wide financial statements.		8,422
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, 2018 and payable on December 31, 2018 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		96,467
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.		8,686
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, 2018 are:		
Accrued vacation and sick leave		(50,964)
Total OPEB liability		(489,731)
Net pension liability		(432,848)
Accrued interest payable		(142,549)
Joint venture financing agreement		(19,093)
Certificates of participation		(3,105)
Obligations with component unit		(84,235)
Energy loan program		(910)
Capital leases-rolling stock		(8,917)
Leasehold revenue improvement and refunding revenue bonds		(400,162)
Development and TIF bonds and notes payable		(364,238)
General obligation bonds payable		(33,060)
Section 108 Loan Guarantee Assistance Programs		(17,110)
Loan agreement with FPF		(21,745)
Deferred outflow of resources		98,468
Deferred inflow of resources		(113,114)
Unamortized discounts		2,322
Unamortized premiums		(26,608)
Total net position – governmental activities – statement of net position	\$	<u>(922,693)</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, 2018
(Dollars in thousands)

	Major funds			Nonmajor	Total governmental funds	
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund		Other governmental funds
Revenues:						
Taxes	\$ 386,616	40,361	24,277	—	166,028	617,282
Licenses and permits	22,927	3	—	—	7,990	30,920
Intergovernmental	25,259	4,080	7,898	62,307	2,796	102,340
Charges for services, net	38,237	—	219	—	14,759	53,215
Court fines and forfeitures	3,112	—	—	—	2	3,114
Investment income	348	(71)	271	(18)	(11)	519
Interfund services provided	4,040	—	—	—	—	4,040
Miscellaneous	4,281	20,579	1,917	—	10,747	37,524
Total revenues	484,820	64,952	34,582	62,289	202,311	848,954
Expenditures:						
Current:						
General government	36,214	1,008	—	807	17,616	55,645
Convention and tourism	120	—	—	—	—	120
Parks and recreation	17,938	—	1,427	586	4,183	24,134
Judicial	43,862	—	—	2,134	2,658	48,654
Streets	36,686	—	2,704	—	893	40,283
Public safety:						
Fire	72,554	—	—	2,041	1,236	75,831
Police	164,387	—	—	3,481	24,741	192,609
Other	49,470	—	—	973	9,035	59,478
Health and welfare	3,409	—	—	34,703	17,475	55,587
Public services	34,622	—	2,726	—	43,053	80,401
Community development	—	9,996	33,511	16,007	—	59,514
Capital outlay	1,667	—	59,581	41	—	61,289
Debt service:						
Principal	13,383	34,758	21,402	1,350	10,109	81,002
Interest and fiscal charges	19,766	18,843	5,980	106	8,363	53,058
Total expenditures	494,078	64,605	127,331	62,229	139,362	887,605
Excess (deficiency) of revenues over expenditures	(9,258)	347	(92,749)	60	62,949	(38,651)
Other financing sources (uses):						
Sale of capital asset	—	—	6	—	—	6
Issuance of leasehold revenue refunding revenue bonds	23,602	—	2,133	—	—	25,735
Issuance of obligations with component units	4,526	—	49,079	—	—	53,605
Issuance of capital lease – rolling stock	—	—	2,250	—	—	2,250
Issuance of refunding development and tax increment financing notes	—	7,318	—	—	—	7,318
Issuance of development and tax increment financing notes	—	5,869	—	—	—	5,869
Issuance of debt with Forest Park Forever	—	—	9,825	—	—	9,825
Payment to refunded escrow agent – leasehold revenue bonds	(25,168)	—	—	—	—	(25,168)
Payment for refunding of development and tax increment financing notes	—	(7,015)	—	—	—	(7,015)
Premium on bond issuances	2,574	—	2,660	—	—	5,234
Issuance of energy loan program agreement with DED	—	—	980	—	—	980
Transfers in	37,575	—	22,511	655	3,202	63,943
Transfers out	(14,157)	(2,101)	(387)	(464)	(36,423)	(53,532)
Total other financing (uses) sources, net	28,952	4,071	89,057	191	(33,221)	89,050
Net change in fund balances	19,694	4,418	(3,692)	251	29,728	50,399
Fund balances:						
Fund balance, beginning of year	18,282	36,204	76,033	789	55,544	186,852
Fund balance, end of year	\$ 37,976	40,622	72,341	1,040	85,272	237,251

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, 2018

(Dollars in thousands)

Net change in fund balances – governmental funds – statement of revenues, expenditures, and changes in fund balances \$ 50,399

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	61,289
Capital contribution	2,754
Loss on disposal of capital assets	(776)
Depreciation expense	<u>(59,603)</u>
	<u>3,664</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts are attributable to the following factors:

Change in revenues received after the 60-day accrual period	(865)
Property taxes due in the fiscal year following the fiscal year in which they were assessed	<u>1,792</u>
	<u>927</u>

Internal service funds are used by management to charge the cost of risk management, mailroom services and health and equipment 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. 3,028

The City reports a net pension liability and deferred outflows and inflows relating to pensions on the statement of net position relating to its defined benefit pension plans. These accounts are not reported in the fund financial statements. Fluctuations in net pension liabilities and deferred outflows and inflows relating to pensions are reported in the statement of activities. (31,665)

The City reports a total other postemployment (OPEB) liability and deferred inflow of resources on the statement of net position relating to its OPEB plan. These accounts are not reported in the fund financial statements. The fluctuation in the OPEB liability and deferred inflow of resources are reported in the statement of activities. (14,718)

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	(13,187)
Capital Lease – rolling stock	(2,250)
Loan agreements with FPF and energy loan program	(10,805)
Leasehold revenue improvements and refunding revenue bonds	(25,735)
Obligations with component unit	(53,605)
Repayments during the current year:	
Payments to refunded escrow agent – leasehold revenue bonds	25,168
Payment for refunding of development and tax increment financing notes	7,015
Annual principal payments on bonds and notes payable	71,001
Annual principal payments on joint venture financing agreement	4,975
Annual principal payments on capital lease	4,316
Annual principal payments certificates of participation	<u>710</u>
	<u>7,603</u>

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

This adjustment combines the net changes of the following:

Accrued vacation and sick leave	(1,745)
Accrued interest payable	(7,688)
Unamortized discounts	(122)
Unamortized premiums	(2,980)
Deferred outflow of resources-bond refundings	<u>(645)</u>
	<u>(13,180)</u>

Change in net position – governmental activities – statement of activities \$ 6,058

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Fund Net Position

Proprietary Funds

June 30, 2018

(Dollars in thousands)

Assets	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 104,310	399	3,866	108,575	—
Unrestricted cash and cash equivalents	26,189	7,020	13,868	47,077	10,543
Investments:					
Unrestricted investments	47,500	31,653	10,126	89,279	1,620
Receivables, net of allowances:					
Intergovernmental	4,688	—	—	4,688	—
Charges for services	4,307	14,842	211	19,360	1,159
Passenger facility charges	2,292	—	—	2,292	—
Accrued interest	150	—	—	150	—
Prepaid assets	—	—	—	—	1,478
Due from other funds	—	—	—	—	6,877
Advance from other funds	—	—	—	—	40,435
Inventories	2,326	2,309	—	4,635	—
Other current assets	637	74	20	731	—
Total current assets	192,399	56,297	28,091	276,787	62,112
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	28,392	2,902	—	31,294	—
Investments:					
Restricted investments	81,368	—	5,395	86,763	—
Unrestricted investments	34,723	—	—	34,723	—
Capital assets:					
Property, plant, and equipment	1,826,437	308,027	84,753	2,219,217	107
Less accumulated depreciation	(1,064,682)	(163,822)	(36,450)	(1,264,954)	(66)
Land, infrastructure and easements	761,755	144,205	48,303	954,263	41
Construction-in-progress	754,469	1,238	22,903	778,610	—
Capital assets, net	17,423	15,467	229	33,119	—
Intangibles and other assets, net	1,533,647	160,910	71,435	1,765,992	41
Intangibles and other assets, net	1,689	1,864	685	4,238	—
Net pension assets	1,885	—	—	1,885	—
Total noncurrent assets	1,681,704	165,676	77,515	1,924,895	41
Deferred outflow of resources	13,206	1,480	5,649	20,335	—
Total assets and deferred outflow of resources	1,887,309	223,453	111,255	2,222,017	62,153
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	11,275	6,914	524	18,713	473
Accrued salaries and other benefits	4,017	401	112	4,530	—
Accrued vacation and compensatory time benefits	3,339	1,818	149	5,306	—
Contracts and retainage payable	7,244	—	—	7,244	—
Accrued interest payable	18,190	105	176	18,471	—
Current portion of revenue bonds	35,780	430	3,384	39,594	—
Due to other funds	4,751	4,540	1,740	11,031	70
Due to other government agencies	—	—	43	43	—
Claims payable	—	—	—	—	25,619
Unearned revenue and other deposits	2,036	1,800	1,366	5,202	—
Total current liabilities	86,632	16,008	7,494	110,134	26,162
Noncurrent liabilities:					
Revenue bonds payable, net	646,250	7,633	60,594	714,477	—
Net pension liability	19,208	10,162	2,623	31,993	—
Customer deposits	—	2,152	—	2,152	—
Claims payable	—	—	—	—	27,305
Other liabilities	11,308	3,996	846	16,150	—
Total noncurrent liabilities	676,766	23,943	64,063	764,772	27,305
Deferred inflow of resources	8,800	406	391	9,597	—
Total liabilities and deferred inflow of resources	772,198	40,357	71,948	884,503	53,467
Net Position					
Net investments in capital assets	963,999	152,847	7,457	1,124,303	41
Restricted:					
Debt service	70,252	1,027	9,261	80,540	—
Passenger facility charges	21,339	—	—	21,339	—
Unrestricted	59,521	29,222	22,589	111,332	8,645
Total net position	\$ 1,115,111	183,096	39,307	1,337,514	8,686

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, 2018

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Aviation revenues	\$ 76,376	—	—	76,376	—
Concessions	28,820	—	—	28,820	—
Water sales	—	51,547	—	51,547	—
Lease revenue	5,689	—	—	5,689	—
Parking, net	23,379	—	17,936	41,315	—
Charges for services	—	—	—	—	36,812
Miscellaneous	—	2,899	—	2,899	—
Total operating revenues	134,264	54,446	17,936	206,646	36,812
Operating expenses:					
Claims incurred	—	—	—	—	24,405
Premiums	—	—	—	—	4,040
Personnel services	37,322	17,139	5,945	60,406	315
Material and supplies	4,679	11,260	260	16,199	4,996
Purchased power	—	3,737	—	3,737	—
Contractual services	38,093	7,185	1,280	46,558	—
Miscellaneous	84	2,027	1,887	3,998	—
Depreciation	59,012	6,273	2,905	68,190	14
Interfund services used	2,731	2,415	128	5,274	—
Total operating expenses	141,921	50,036	12,405	204,362	33,770
Operating income (loss)	(7,657)	4,410	5,531	2,284	3,042
Nonoperating revenues (expenses):					
Intergovernmental revenue	826	—	—	826	—
Investment income (loss)	1,489	374	262	2,125	(14)
Interest expense	(22,551)	(328)	(2,595)	(25,474)	—
Passenger facility charges	28,510	—	—	28,510	—
Loss on disposal of capital assets	(103)	(7)	—	(110)	—
Miscellaneous, net	791	959	11	1,761	—
Total nonoperating revenues (expenses), net	8,962	998	(2,322)	7,638	(14)
Income before transfers and capital contributions, net	1,305	5,408	3,209	9,922	3,028
Transfers in					
Transfers out	(6,688)	(3,122)	(1,612)	(11,422)	—
Capital contributions	20,508	—	—	20,508	—
Total transfers and capital contributions, net	13,820	(3,122)	(601)	10,097	—
Change in net position	15,125	2,286	2,608	20,019	3,028
Net position – beginning of year	1,099,986	180,810	36,699	1,317,495	5,658
Net position – end of year	\$ 1,115,111	183,096	39,307	1,337,514	8,686

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2018

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 135,568	51,416	17,392	204,376	45,127
Other operating cash receipts	—	—	500	500	—
Payments to suppliers of goods and services	(38,455)	(21,465)	(3,937)	(63,857)	(41,026)
Payments to employees	(37,173)	(17,200)	(5,885)	(60,258)	(309)
(Payments)/receipts for interfund services used	(2,896)	(3,546)	—	(6,442)	—
Net cash provided by operating activities	57,044	9,205	8,070	74,319	3,792
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(275)	—	(275)	—
Transfers from the State of Missouri	—	—	6	6	—
Transfers from other funds	—	—	1,011	1,011	—
Transfers to other funds	(6,688)	(3,091)	(1,612)	(11,391)	—
Net cash used in noncapital financing activities	(6,688)	(3,366)	(595)	(10,649)	—
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	28,441	—	—	28,441	—
Receipts from federal financing assistance	12,648	—	—	12,648	—
Acquisition and construction of capital assets	(25,844)	(5,907)	(659)	(32,410)	—
Proceeds from sale of surplus property	841	—	—	841	—
Principal paid on revenue bond maturities	(276,000)	(422)	(3,296)	(279,718)	—
Cash paid for interest	(29,570)	(127)	(2,466)	(32,163)	—
Other capital and financing activities	—	(977)	—	(977)	—
Net cash used in capital and related financing activities	(289,484)	(7,433)	(6,421)	(303,338)	—
Cash flows from investing activities:					
Purchase of investments	(88,756)	(49,742)	(3,045)	(141,543)	(297)
Proceeds from sales and maturities of investments	69,552	37,459	2,056	109,067	64
Investment income	3,133	364	235	3,732	—
Net cash used in investing activities	(16,071)	(11,919)	(754)	(28,744)	(233)
Net increase (decrease) in cash and cash equivalents	(255,199)	(13,513)	300	(268,412)	3,559
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	31,084	20,727	12,480	64,291	6,984
Restricted	383,006	3,107	4,954	391,067	—
	414,090	23,834	17,434	455,358	6,984
End of year:					
Unrestricted	26,189	7,020	13,868	47,077	10,543
Restricted	132,702	3,301	3,866	139,869	—
	\$ 158,891	10,321	17,734	186,946	10,543
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (7,657)	4,410	5,531	2,284	3,042
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	59,012	6,633	2,905	68,550	14
Changes in assets and liabilities:					
Receivables, net	886	(2,671)	108	(1,677)	(364)
Inventories	(23)	213	—	190	—
Prepaid assets	—	—	—	—	(133)
Other assets, net	(78)	1,164	41	1,127	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	4,579	(437)	206	4,348	268
Claims payable	—	—	—	—	(7,714)
Unearned revenue and other deposits	783	44	(152)	675	—
Due to/from other funds	(33)	(317)	(625)	(975)	345
Advance to other funds	—	—	—	—	8,334
Customer deposits	—	106	—	106	—
Net pension liabilities	17,742	60	145	17,947	—
Other long term liabilities	(18,167)	—	(89)	(18,256)	—
Total adjustments	64,701	4,795	2,539	72,035	750
Net cash provided by operating activities	\$ 57,044	9,205	8,070	74,319	3,792
Supplemental disclosure for noncash activities:					
Unrealized loss on investments	\$ (1,662)	—	(17)	(1,679)	—
Gain (loss) on disposal of capital assets	—	(7)	5	(2)	—
Capital contribution	9,451	—	—	9,451	—
Capital assets in contracts and retainage payable	7,244	—	—	7,244	—

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018
(Dollars in thousands)

Assets	Pension Trust Funds (as of September 30, 2017*)	Agency Funds
Cash and cash equivalents – unrestricted	\$ 12,024	34,172
Cash and cash equivalents – restricted	—	45
Pension trust investments:		
Fixed income securities	124,322	—
Domestic bond funds	90,435	—
Stocks	666,263	—
Mortgage-backed securities	22,149	—
Collective investment funds	335,072	—
Real estate equities and investment trust	197,258	—
Investment property	882	—
Hedge funds	196,435	—
Money market mutual funds and other short-term investments	63,141	—
Managed master limited partnership	240,919	—
Managed international equity funds	193,611	—
Total investments	2,130,487	—
Receivables, net of allowances:		
Taxes	—	19,445
Contributions	1,091	—
Accrued interest	2,049	—
Other	1,049	716
Capital assets, net	818	—
Total assets	2,147,518	54,378
Deferred outflow of resources		
System's staff pension related	631	—
Total deferred outflow of resources	631	—
Total assets and deferred outflow of resources	2,148,149	54,378
Liabilities		
Accounts payable and accrued liabilities	1,890	12,026
Deposits held for others	632	15,336
Due to other governmental agencies	—	27,016
Other liabilities	1,994	—
Total liabilities	4,516	54,378
Deferred inflow of resources		
System's staff pension related	23	—
Total deferred inflow of resources	23	—
Total liabilities and deferred inflow of resources	4,539	54,378
Net position		
Net position restricted for pension benefits	\$ 2,143,610	—

*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, 2018

(Dollars in thousands)

	Pension Trust Funds (as of September 30, 2017*)
Additions:	
Contributions:	
Members	\$ 7,711
Employer	76,383
Investment income:	
Interest and dividends	27,203
Class action lawsuit proceeds	573
Net appreciation in fair value of investments	<u>229,740</u>
Investment gain	257,516
Less investment expense	<u>(10,651)</u>
Net investment gain	<u>246,865</u>
Total additions	<u>330,959</u>
Deductions:	
Benefits	156,213
Refunds of contributions	4,465
Administrative expense	<u>3,449</u>
Total deductions	<u>164,127</u>
Net increase	166,832
Net position restricted for pension benefits:	
Beginning of year	<u>1,976,778</u>
End of year	<u>\$ 2,143,610</u>

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

(1) Summary of Significant Accounting Policies

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

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

Reporting Entity

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

1) Blended Component Units

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

Public Facilities Protection Corporation (PFPC)

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

St. Louis Municipal Finance Corporation (SLMFC)

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

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

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, Senior Citizen Service Board and the St. Louis Public Library.

4) Joint Venture

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

The Authority, established in 1990 as a separate legal entity by an Act of the Missouri State legislature, is governed by an 11-member board of commissioners. The mayor of the City and the county executive of St. Louis County, Missouri (the County) each appoint three members and the governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

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, 2017, 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 nonfiduciary 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): St. Louis Lambert 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

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

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.

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.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
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(Dollars in thousands)

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's office and other agency operations.

Measurement Focus and Basis of Accounting

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

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

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

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

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

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.

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.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received, 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 2017 was \$1.5933 per \$100 (in dollars) of assessed valuation of which \$1.46 (in dollars) is for the general fund and \$0.1333 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

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

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(Dollars in thousands)

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 or by using other observable inputs as reported by the respective investment custodian.

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

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

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

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

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

CITY OF ST. LOUIS, MISSOURI
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June 30, 2018
(Dollars in thousands)

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

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

	Years
Buildings	40 to 99
Improvements other than buildings	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.

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3) Airport

Capital assets are recorded at historical 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 their acquisition 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

Nondepreciable 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 5 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
Leasehold improvements	40
Parking facilities (includes infrastructure)	3 to 40
Equipment	3 to 10

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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.

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 outflow of resources, deferred inflow 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 outflow and inflow of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflow of resources, deferred inflow 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, 2018 were \$2,292. This amount was collected during July and August 2018.

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 outflow/inflow 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 and OPEB related amounts (see note 10 and 11).

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As of June 30, 2018, deferred outflow/inflow of resources consist of the following:

Deferred outflow of resources:	
Pension related:	
FRS	\$ 10,047
FRP	18,426
PRS	46,556
ERS	20,148
Loss on bond defeasance/refunding	23,626
	\$ 118,803
Deferred inflow of resources:	
Pension related:	
FRS	\$ 31,819
FRP	21,162
PRS	45,445
ERS	4,044
OPEB	16,923
Gain on bond defeasance/refunding	3,318
	\$ 122,711

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, 2018.

Nonuniformed 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, 2018.
- **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 represents 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."

Statements of Cash Flows

For the purpose of the statements 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, 2018, the Mailroom Services and Equipment Services internal service funds have deficit net position balance of \$13 and \$28, respectively. These amounts will be offset by future charges for services. At June 30, 2018, the Assessor’s Office nonmajor governmental fund has a deficit fund balance of \$67. This amount will be offset by future taxes.

Current Adoption of GASB Statements

As of July 1, 2017, the City adopted the provisions of GASB Statement No. 75 entitled “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). As part of GASB Statement No. 75, the City changed the accounting for its total OPEB liability and presents related deferred outflow of resources and deferred inflow of resources in its statement of net position.

To record the cumulative effect of implementing the change in accounting principles, the City has made an adjustment to its net position as of June 30, 2017 to include amounts for the total OPEB liability and other deferred outflow of resources and deferred inflow of resources. The previously stated governmental activities net position balance has been adjusted as follows:

Net position, June 30, 2017, as previously reported	\$ (670,995)
Cumulative effect of change in accounting principle	<u>(257,756)</u>
Net position, July 1, 2017, as adjusted	<u><u>\$ (928,751)</u></u>

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016 and should be applied retroactively. The requirements of this statement are effective for the City for the year ended June 30, 2018, and had no effect on the City’s financial statements.

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GASB Statement No. 85, *Omnibus* – The objective of this is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB statements. The Statement establishes reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The requirements of this statement are effective for the City for the year ended June 30, 2018, and had an immaterial effect on the City’s financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* – The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The requirements of this statement are effective for the City for the year ended June 30, 2018, and had no effect on the City’s financial statements.

(2) Deposits and Investments

(a) Primary Government

The following is a reconciliation of the City’s deposit and investment balances as of June 30, 2018:

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

	Cash and cash equivalents	Investments	Restricted cash	Restricted investments	Total
Government-wide statement of net position	\$ 149,154	151,212	180,589	142,018	622,973
Fiduciary statement of fiduciary net position – agency funds	<u>34,172</u>	<u>—</u>	<u>45</u>	<u>—</u>	<u>34,217</u>
Total primary government excluding pension trust funds	<u>183,326</u>	<u>151,212</u>	<u>180,634</u>	<u>142,018</u>	<u>657,190</u>

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	<u>Cash and cash equivalents</u>	<u>Investments</u>	<u>Restricted cash</u>	<u>Restricted investments</u>	<u>Total</u>
Fiduciary statement of fiduciary net position – pension trust funds:					
Firemen’s System	\$ 4,096	484,383	—	—	488,479
Firefighter’s Plan	32	60,566	—	—	60,598
Police System	7,739	769,331	—	—	777,070
Employees System	157	816,207	—	—	816,364
	<u>12,024</u>	<u>2,130,487</u>	<u>—</u>	<u>—</u>	<u>2,142,511</u>
Total pension trust funds					
Total primary government	<u>\$ 195,350</u>	<u>2,281,699</u>	<u>180,634</u>	<u>142,018</u>	<u>2,799,701</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 or by using other observable inputs as reported by the respective investment custodian.

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

As of June 30, 2018, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$ 34,530
Federal Home Loan Mortgage Corp.	14,344
Federal Home Loan Bank	36,938
United States Treasuries	221,132
International bank notes	18,965
Commercial paper	61,947
Money market mutual funds	58,746
Certificates of deposit	10,176
Other cash deposits	<u>200,412</u>
	<u>\$ 657,190</u>

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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.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities. Level 2 investments include commercial paper, bank notes, money market mutual funds, certificates of deposit 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, 2018.

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The following table presents assets that are measured at fair value on a recurring basis at June 30, 2018:

	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
U.S. government agency obligation	\$ 85,812	—	85,812	—
United States Treasuries	221,132	221,132	—	—
International bank notes	18,965	—	18,965	—
Commercial paper	61,947	—	61,947	—
Certificates of deposit	10,176	—	10,176	—
Money market mutual funds	58,746	—	58,746	—
	<u>\$ 456,778</u>	<u>221,132</u>	<u>235,646</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. 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, 2018:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Federal National Mortgage Association	\$ 34,530	11,122	23,408	—	—
Federal Home Loan Mortgage Corp.	14,344	6,988	7,356	—	—
Federal Home Loan Bank	36,938	36,938	—	—	—
United States Treasuries	221,132	133,811	87,321	—	—
International bank notes	18,965	—	18,965	—	—
Commercial paper	61,947	61,947	—	—	—
Certificates of deposit	10,176	10,176	—	—	—
Money market mutual funds	58,746	58,746	—	—	—
	<u>\$ 456,778</u>	<u>319,728</u>	<u>137,050</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, 2018:

	Fair value	AAA	A-1+	AA+	A-1	Not rated
Federal National Mortgage Association	\$ 34,530	—	—	34,530	—	—
Federal Home Loan Mortgage Corp.	14,344	—	—	14,344	—	—
Federal Home Loan Bank	36,938	—	—	25,564	—	11,374
United States Treasuries*	221,132	—	—	49,790	—	171,342
International bank notes	18,965	18,965	—	—	—	—
Commercial paper	61,947	—	—	—	51,942	10,005
Certificates of deposit	10,176	10,126	—	—	—	50
Money market mutual funds	58,746	3,866	—	—	—	54,880
	<u>\$ 456,778</u>	<u>32,957</u>	<u>—</u>	<u>124,228</u>	<u>51,942</u>	<u>247,651</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. 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, 2018, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$1,679 of Federal Home Loan Mortgage Corporation securities, \$8,513 Federal Home Loan Bank securities, and \$32,472 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, 2018, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	5.25 %
Federal Home Loan Mortgage Corp.	2.18
Federal Home Loan Bank	5.62
United States Treasuries	33.65
International bank notes	2.89
Commercial paper	9.43
Money market mutual funds	8.94
Certificates of deposit	1.55
Other cash deposits	30.49
	100.00 %

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2) Primary Government – Pension Trust Fund – Firemen’s System

As of September 30, 2017, the Firemen’s System had the following cash deposits and investments:

Common stock	\$	195,552
Collective investment – equity		33,699
Limited partnership units		17,808
Hedge funds – equity		83,539
Collective investment – bonds		78,928
Fixed income securities		13,079
Domestic bond funds		4,262
Mortgage-backed securities		1,992
Real estate investment trust		45,673
Money market funds		9,851
Other cash deposits		4,096
		488,479
	\$	488,479

Investments 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. Certain investments are recorded at net asset value (NAV) as a practical expedient or at fair value per investment managers. The Firemen’s System cash deposits are collateralized with securities held by the pledging financial institution in the Firemen’s Systems name.

Fair Value Measurement and Application. GASB No. 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, 2017:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 125,696	—	—	125,696
International	69,856	—	—	69,856
Collective investment funds – government bonds, agencies, and mortgage-backed securities	—	5,296	—	5,296
Fixed income securities				
Domestic	—	13,079	—	13,079
Collective investment funds – international equity	33,699	—	—	33,699

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Collective investment funds –				
domestic fixed income	\$ —	73,632	—	73,632
Domestic bond funds	—	4,262	—	4,262
Mortgage-backed securities	—	1,992	—	1,992
Money market mutual funds	9,851	—	—	9,851
Total investments	<u>\$ 239,102</u>	<u>98,261</u>	<u>—</u>	<u>337,363</u>
Investments measured at net asset value (NAV):				
Hedge funds				83,539
Real estate investment trust				45,673
Limited partnership units				<u>17,808</u>
Total investments measured at NAV				<u>147,020</u>
Total investments measured at fair value			\$	<u><u>484,383</u></u>

For the investments measured at NAV at September 30, 2017:

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

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, 2017:

	<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>
Collective investment – bonds \$	78,928	4,554	15,854	31,328	27,192
Fixed income securities	13,079	—	6,975	3,844	2,260
Domestic bond funds	4,262	—	2,829	1,116	317
Mortgage-backed securities	1,992	—	—	—	1,992
Total investments	<u>\$ 98,261</u>	<u>4,554</u>	<u>25,658</u>	<u>36,288</u>	<u>31,761</u>

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The Firemen's System's fixed income investments level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2017:

Credit rating	Total	Collective investment	Fixed income	Domestic bond	Mortgage-backed
AAA	\$ 35,189	32,451	—	2,738	—
AA	7,383	2,191	1,676	1,524	1,992
A	17,873	9,268	8,605	—	—
BBB	24,854	22,457	2,397	—	—
BB	7,027	7,027	—	—	—
B	4,698	4,698	—	—	—
Not rated	1,237	836	401	—	—
	<u>\$ 98,261</u>	<u>78,928</u>	<u>13,079</u>	<u>4,262</u>	<u>1,992</u>

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

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen's System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Firemen's System's current level of foreign currency exposure as of September 30, 2017:

	Money market	Equities	Fixed income	Hedge fund	Limited Partnership Units	Real estate investment trust	Total
Australian Dollar	\$ —	2,159	—	—	—	—	2,159
British Pound Sterling	—	8,603	—	—	—	—	8,603
Canadian Dollar	—	651	—	—	—	—	651
Danish Krone	—	1,728	—	—	—	—	1,728
Euro	—	32,767	—	—	—	—	32,767
Hong Kong Dollar	—	2,615	—	—	—	—	2,615
Japanese Yen	—	8,238	—	—	—	—	8,238
Singapore Dollar	—	—	—	—	—	—	—
South Korean Won	—	2,283	—	—	—	—	2,283
Swedish Krona	—	347	—	—	—	—	347
Swiss Franc	—	4,790	—	—	—	—	4,790
Total foreign currency	—	64,181	—	—	—	—	64,181
U.S. Dollar	9,851	165,070	98,261	83,539	17,808	45,673	420,202
Total	<u>\$ 9,851</u>	<u>229,251</u>	<u>98,261</u>	<u>83,539</u>	<u>17,808</u>	<u>45,673</u>	<u>484,383</u>

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

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

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

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

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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, 2017 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 trust (REIT)	4.8
Hedge fund	2.2
Private equity (partnerships)	9.4

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 2.75%) and net of investment expenses (assumed at 0.5%).

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

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, 2017 are as follows:

The Principal U.S. Property Account (REIT)	\$	45,673
Mackay Shields Core Plus Opportunities Portfolio		37,865
Prudential Core Plus Bond Fund		35,768
AJO Emerging Markets All-Cap Offshore Fund, Ltd.		34,436
Acadian International Small Cap Fund		33,699
Magnitude Institutional, LLC Class A Hedge Fund		26,836

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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, 2017, \$44,864 in loans was outstanding to borrowers. The Firemen’s System earned income of \$343 for its participation in the securities lending program for the year ended September 30, 2017.

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

As of September 30, 2017, the Firefighters’ Plan had the following cash deposits and investments:

Equities	\$	32,266
Fixed income		11,611
Collective investment funds		12,970
Real estate funds		3,258
Money market funds		461
Other cash deposits		32
	\$	60,598

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.

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Fair Value Measurement and Application. GASB No. 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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 11,831	—	—	11,831
International	89	—	—	89
Government bonds, agencies and mortgage-backed securities	2,528	5,466	—	7,994
Corporate bonds:				
Domestic	—	3,617	—	3,617
Exchange traded funds:				
Domestic equity	17,838	—	—	17,838
International equity	2,508	—	—	2,508
Money market funds	—	461	—	461
Total investments	<u>\$ 34,794</u>	<u>9,544</u>	<u>—</u>	<u>44,338</u>
Investments measured at net asset value (NAV):				
OFI Global Trust Company International Growth Fund Class T				12,970
Principal Global Investors U.S. Property Separate Account Class N				<u>3,258</u>
Total investments measured at fair value			<u>\$</u>	<u>60,566</u>

For the investments measured at NAV at September 30, 2017:

- There were no unfunded purchase commitments.
- Redemption frequency is daily.
- Notice period for redemptions is 1 to 7 days.

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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, 2017:

	<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	\$ 7,994	1,376	2,758	663	3,197
Corporate bonds	3,617	—	2,291	1,326	—
Total	<u>\$ 11,611</u>	<u>1,376</u>	<u>5,049</u>	<u>1,989</u>	<u>3,197</u>

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, 2017:

<u>Credit rating level</u>	<u>Total</u>
AA+	\$ 6,907
AA-	459
A+	578
A	950
A-	739
BBB+	646
BBB	—
Not rated	<u>1,332</u>
	<u>\$ 11,611</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.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Firefighters' Plan's investment in a single issuer. The Firefighters' Plan policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value, with the exception of U.S. government obligations. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer. It is the Firefighters' Plan policy to invest in each asset class ranging between a minimum and maximum as shown below:

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

Long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic large cap equity	5.6 %
Domestic small cap equity	7.0
Foreign equity	3.7
Foreign equity – emerging market	7.9
Real estate	6.8
Fixed income	2.2

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%).

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Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighters' Plan at September 30, 2017 are as follows:

Vanguard Russell 1000 Value Index Fund	\$	9,556
Vanguard Russell 1000 Growth Index Fund		8,283
Principal Global Investors U.S. Property Separate Account Class N		3,258
OFI Global Trust Company International Growth Fund Class T		12,970

4) Primary Government – Pension Trust Fund – Police System

As of September 30, 2017, the Police System had the following cash deposits and investments:

Equities:		
Common stock	\$	188,015
Collective investment funds		194,136
Real estate securities fund		59,907
Mortgaged-backed securities		20,157
Fixed income collective investment fund		15,339
Corporate bonds		51,694
Hedge funds of funds		37,016
Fixed income securities		12,174
Money market funds		43,467
Investment property		882
Partnership interest		146,544
Other cash deposits		7,739
	\$	<u>777,070</u>

The Police System's bank deposits were fully secured or collateralized at September 30, 2017. 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.

Investments 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 No. 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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 136,601	—	—	136,601
International	51,414	—	—	51,414
Government bonds, agencies and mortgage-backed securities	—	32,331	—	32,331
Corporate bonds:				
Domestic	—	45,501	—	45,501
International	—	6,193	—	6,193
Collective investment funds:				
International equity	101,893	—	—	101,893
Domestic equity	92,243	—	—	92,243
Domestic fixed income	—	15,339	—	15,339
Money market funds	43,467	—	—	43,467
Investment property	—	—	882	882
Total investments	<u>\$ 425,618</u>	<u>99,364</u>	<u>882</u>	<u>525,864</u>
Investments measured at net asset value (NAV):				
Limited partnership units:				
Venture capital				114,707
Energy				31,837
Hedge funds				37,016
Real estate investment trust				<u>59,907</u>
Total investments measured at NAV				<u>243,467</u>
Total investments at fair value			<u>\$ 769,331</u>	

For the investments measured at NAV at September 30, 2017:

- There were no unfunded purchase commitments.

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- Redemption frequency, when currently eligible, is quarterly.
- Notice period for redemptions is 1 to 90 days.

The Police System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Police System's development and continual monitoring of sound investment policies. The investment maturities, credit rating by investment, and foreign currency 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, 2017:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate bonds	\$ 51,694	825	16,513	20,227	14,129
Mortgaged-backed securities – nongovernment	17,157	—	2,661	803	13,693
Mortgaged-backed securities – government	3,000	1	—	37	2,962
Collective investment funds	15,339	4,519	6,743	862	3,215
Government securities	12,174	1,010	5,181	1,795	4,188
	<u>\$ 99,364</u>	<u>6,355</u>	<u>31,098</u>	<u>23,724</u>	<u>38,187</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, 2017:

Credit rating level	Total	Government	Nongovernment	Collective investment funds	Corporate bonds	Government securities
		mortgage-backed securities	mortgage-backed securities			
AAA	\$ 14,647	3,000	6,897	—	1,712	3,038
AA	27,822	—	333	15,339	5,258	6,892
A	30,928	—	2,608	—	28,320	—
BBB	9,668	—	—	—	9,668	—
BB	—	—	—	—	—	—
CCC	113	—	113	—	—	—
CC	—	—	—	—	—	—
D	174	—	174	—	—	—
Not rated	16,012	—	7,032	—	6,736	2,244
	<u>\$ 99,364</u>	<u>3,000</u>	<u>17,157</u>	<u>15,339</u>	<u>51,694</u>	<u>12,174</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, 2017:

	<u>Equities</u>	<u>Fixed income</u>	<u>Money market</u>	<u>Hedge funds of funds</u>	<u>Investment property and partnership</u>	<u>Total</u>
Australian Dollar	\$ —	342	—	—	—	342
British Pound Sterling	917	2,318	—	—	—	3,235
Canadian Dollar	267	1,363	—	—	—	1,630
Euro	1,190	3,112	—	—	—	4,302
Indian Rupee	1,155	—	—	—	—	1,155
Israeli Shekel	1,518	—	—	—	—	1,518
Japanese Yen	—	—	—	—	—	—
Swiss Franc	1,429	—	—	—	—	1,429
Taiwan Dollar	530	—	—	—	—	530
Total foreign currency	7,006	7,135	—	—	—	14,141
U.S. Dollar	435,052	92,229	43,467	37,016	147,426	755,190
Total	\$ 442,058	99,364	43,467	37,016	147,426	769,331

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
Nondirectional 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, 2017 are summarized in the following table:

Asset class	Long-term expected real rate of return
Fixed income	0.25 %
Domestic equity	4.50
Foreign equity	4.50
Nondirectional hedge fund of funds	2.15
Real estate (REIT)	4.50
Private equity (partnerships)	7.95
Money market	(1.85)

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

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
ElmTree U.S. Net Lease Fund III, LP
EnTrust Capital Diversified Fund QP, Ltd.
EnTrust Special Opportunities Fund III, LP
Falcon E&P Opportunities Fund, L.P.
GAM US Institutional Diversity, Inc.
Neuberger Berman Secondary Opportunities Fund III, L.P.
Neuberger Berman US Equity Index PutWrite Fund, LLC
Principal U.S. Property Account
Wellington Trust Company International Opportunities Fund

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

Collective funds:

Trilogy International Group Trust I	\$	52,776
Lazard Emerging Markets Core Equity Trust		51,414
Wellington Trust Company International Opportunities Fund		49,117
MFB Northern Trust Collective Russell 1,000 Growth Index Fund		46,865
MFB Northern Trust Company Daily S&P 500 Equity Index Fund		45,378
Brandes Non-U.S. Small Cap Portfolio Fund		44,399
Principal Real Estate Investment Trust		39,165

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

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associated with securities lent. Outstanding loans to borrowers at September 30, 2017 were \$51,097. The Police System earned income of \$220 for its participation in the securities lending program for the year ended September 30, 2017.

5) Primary Government – Pension Trust Fund – Employees System

As of September 30, 2017, the Employees System had the following cash deposits and investments:

Common stocks	\$	198,736
Managed international equity funds		193,611
Managed master limited partnerships		76,567
Bonds		87,458
Domestic bond funds		86,173
Real estate funds		88,420
Temporary cash investments		9,362
Managed hedge fund of funds		75,880
Other cash deposits		157
		157
	\$	816,364

The bank balances of the Employees System at September 30, 2017 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. Certain investments are valued at net asset value (NAV) as a practical expedient. These investments have no unfunded commitments and have a redemption frequency or notice ranging from daily to 90 days.

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, 2017:

	<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	\$ 20,389	3,039	—	23,428
Corporate bonds	—	30,336	—	30,336
Domestic bond funds	11,406	—	—	11,406
International bonds and securities	1,631	30,020	—	31,651
Other debt obligations	20,267	—	—	20,267
Common stocks	198,736	—	—	198,736
Managed master limited partnerships	44,792	—	—	44,792
Total investments	<u>\$ 297,221</u>	<u>63,395</u>	<u>—</u>	<u>360,616</u>
Investments measured at the net asset value (NAV):				
Loomis High Yield Conservative Trust (B)				30,151
SSGA Passive Bond Market Index (NL) Fund				35,754
Principal Real Estate Group Annuity Contract				88,420
Acadian Emerging Markets Mutual Equity Fund II				59,032
Kabouter International Opportunities Fund II				31,775
Silchester International Value Equity Group Trust				93,146
Walter Scott Group Trust International				41,434
Entrust Capital Diversified Fund				34,577
Weatherlow Offshore Fund I				41,302
Total investments measured at NAV				<u>455,591</u>
Total investments measured at fair value				<u>\$ 816,207</u>
Investment derivative instruments:				
Foreign exchange contracts	<u>\$ —</u>	<u>341</u>	<u>—</u>	<u>341</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>Managed international funds</u>	<u>Managed limited partnerships</u>	<u>Total</u>
Polish Zloty	\$ 6	60	1,061	—	1,127
British Pound	38	1,880	20,133	5,153	27,204
Australian Dollar	5	361	1,419	—	1,785
Canadian Dollar	15	767	1,641	1,205	3,628
Euro	24	5,927	23,921	10,515	40,387
Japanese Yen	29	4,960	37,481	9,426	51,896
Mexican Peso	16	109	1,849	—	1,974
Danish Krone	4	71	3,250	—	3,325
Hong Kong Dollar	—	—	19,694	673	20,367
Swiss Franc	—	—	15,293	837	16,130
South Korean Won	—	—	12,978	—	12,978
New Taiwan Dollar	—	—	7,793	—	7,793
Thai Baht	—	—	5,354	—	5,354
Indian Rupee	—	—	4,980	—	4,980
Singapore Dollar	—	—	3,319	1,648	4,967
Brazilian Real	—	—	4,571	341	4,912
Turkish New Lira	—	—	3,998	—	3,998
South Africa Rand	—	—	2,419	—	2,419
Malaysian Ringgit	—	—	1,797	—	1,797
Swedish Krona	—	—	1,511	—	1,511
Indonesian Rupiah	—	—	1,505	—	1,505
Norwegian Krone	—	—	247	716	963
Various other currencies	—	—	527	—	527
Total	\$ <u>137</u>	<u>14,135</u>	<u>176,741</u>	<u>30,514</u>	<u>221,527</u>

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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:

Quality rating		
Aaa/U.S. governments	\$	80,329
Aa		6,702
A		25,984
Baa		3,920
Below Baa		55,757
Not rated		301
Total	\$	172,993

All temporary cash investments held by the Employees Retirement System at September 30, 2017 were unrated.

Interest Rate Risk

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

Investment	Fair value	Effective duration
Payden and Rygel	\$ 32,220	6.56 years
Allegiant (PNC)	54,600	6.49 years
SSGA	35,754	5.98 years
Loomis	30,151	4.23 years
Vanguard	20,268	8.00 years
	\$ 172,993	

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 Employees System. At September 30, 2017, 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 noncash collateral unless the borrower defaults. On June 21, 2017, the Employee System executed a custodial

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agreement with another financial institution. As of September 30, 2017, the Employees System had no securities on loan.

Concentration of Credit Risk

At September 30, 2017, 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 5% or more of total investments to the Employees System:

Acadian Asset Management:		
Emerging Market Fund	\$	59,032
Twin Capital Management:		
Domestic Equity		53,703
PNC Capital Advisors:		
U.S. Broad Market Core Fixed Income		54,600
Principal Global Investors:		
Real Estate Group Annuity Contract		88,420
Silchester International Advisors:		
International Value Equity Group Trust		93,146
Evanston Weatherlow Offshore:		
Hedge fund		41,303
Walter Scott & Partners Limited Group Trust:		
International Equity Fund		41,434

(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, 2018, 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, 2018, the market value of investments approximated the carrying value of \$57.

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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	\$ 104,523	3,708	5,165	2,874	116,270
Redevelopment project fund	24,332	1,202	—	—	25,534
Capital projects fund	4,382	1,203	18	1	5,604
Grants fund	—	10,783	—	—	10,783
Other governmental funds	38,290	586	1,516	627	41,019
Internal service funds	—	—	1,159	—	1,159
	<u>—</u>	<u>—</u>	<u>1,159</u>	<u>—</u>	<u>1,159</u>
Total governmental activities	<u>\$ 171,527</u>	<u>17,482</u>	<u>7,858</u>	<u>3,502</u>	<u>200,369</u>
Business-type activities:					
Airport	\$ —	4,688	4,307	2,442	11,437
Water Division	—	—	14,842	—	14,842
Parking Division	—	—	211	—	211
	<u>—</u>	<u>—</u>	<u>211</u>	<u>—</u>	<u>211</u>
Total business-type activities	<u>\$ —</u>	<u>4,688</u>	<u>19,360</u>	<u>2,442</u>	<u>26,490</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	\$	753
Taxes receivable – redevelopment projects funds		10
Taxes receivable – other governmental funds		79
License and permits receivable – general fund		25
Charges for services receivable – general fund		2,966
Charges for services receivable – other governmental funds		64
Business-type activities:		
Charges for services receivable – Airport		45
Charges for services receivable – Water Division		4,367
	<u>\$</u>	<u>8,309</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, 2018:

Airport bond fund:	
Debt service account	\$ 109,772
Debt service reserve account	26,546
Airport renewal and replacement fund	3,500
Passenger facility charge fund	19,047
Airport debt service stabilization fund	38,211
Airport construction fund	14,923
Drug enforcement agency funds	2,071
	<u>214,070</u>
	<u>\$ 214,070</u>

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.

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- 4) *Arbitrage Rebate Fund*: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.
- 5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.
- 6) *Airport Renewal and Replacement Fund*: an amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.
- 7) *A sub-account in the Airport Revenue Fund*: an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.
- 8) *Airport Debt Service Stabilization Fund and the Airport Development Fund*: various amounts for fiscal years 2006 through 2011, achieved a balance of \$38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount 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, 2018 is as follows:

Bond funds:	
Waterworks bond fund	\$ 277
Water replacement and improvement account	750
Total bond funds	1,027
Customer deposits	2,152
Service line maintenance	122
Total restricted cash	\$ 3,301

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, 2018 are as follows:

Series 2015B bonds:	
Debt service	\$ <u>830</u>
Total series 2015B bonds	<u>830</u>
Series 2015A bonds:	
Debt service reserve	513
Debt service	189
Series 2015A project account	<u>17</u>
Total series 2015A bonds	<u>719</u>
Series 2013A bonds:	
Debt service reserve	<u>92</u>
Total series 2013A bonds	<u>92</u>
Series 2007B bonds:	
Debt service reserve	448
Debt service	—
Repair and replacement	2,673
Net project revenues	—
Parking trust – Parking Division accounts	<u>1,920</u>
Total series 2007 bonds	<u>5,041</u>
Series 2016 bonds:	
Debt service	1,159
Transferred debt service	<u>966</u>
Total series 2016 bonds	<u>2,125</u>
Series 2003A and 2003B bonds:	
Gross revenues	150
Bond	104
Repair and replacement	41
Operating reserve	100
Redemption	<u>59</u>
Total series 2003A and 2003B bonds	<u>454</u>
Total restricted cash and investments	<u>\$ <u>9,261</u></u>

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

- 1) *Debt service and Transferred 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 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.

Descriptions of the funds required by the Series 2007B 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.

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

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

(7) Capital Assets

(a) Primary Government

The following is a summary of changes in capital assets – governmental activities for the year ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2018</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 81,664	—	—	—	81,664
Construction in progress	33,414	19,676	—	(42,532)	10,558
Equipment in progress	204	288	—	—	492
Works of art	3,611	13	—	—	3,624
Intangibles	1,254	712	—	—	1,966
	<u>120,147</u>	<u>20,689</u>	<u>—</u>	<u>(42,532)</u>	<u>98,304</u>
Total capital assets not being depreciated					
Capital assets being depreciated:					
Buildings	671,221	16,448	—	6,280	693,949
Improvements other than buildings	110,105	3,998	—	1,083	115,186
Equipment	180,865	9,281	(4,080)	—	186,066
Infrastructure	675,982	13,530	—	35,169	724,681
Intangibles	2,023	83	—	—	2,106
	<u>1,640,196</u>	<u>43,340</u>	<u>(4,080)</u>	<u>42,532</u>	<u>1,721,988</u>
Total capital assets being depreciated					

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	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Less accumulated depreciation for:					
Buildings	\$ 279,358	15,970	—	—	295,328
Improvements other than buildings	39,502	2,705	—	—	42,207
Equipment	122,881	8,941	(3,304)	—	128,518
Infrastructure	503,742	31,724	—	—	535,466
Intangibles	1,356	263	—	—	1,619
Total accumulated depreciation	<u>946,839</u>	<u>59,603</u>	<u>(3,304)</u>	<u>—</u>	<u>1,003,138</u>
Total capital assets being depreciated, net	<u>693,357</u>	<u>(16,263)</u>	<u>(776)</u>	<u>42,532</u>	<u>718,850</u>
Governmental activities capital assets, net	<u>\$ 813,504</u>	<u>4,426</u>	<u>(776)</u>	<u>—</u>	<u>817,154</u>

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

The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2018. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 775,230	—	(126)	—	775,104
Construction in progress	38,832	22,780	—	(28,493)	33,119
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	<u>817,568</u>	<u>22,780</u>	<u>(126)</u>	<u>(28,493)</u>	<u>811,729</u>
Capital assets being depreciated:					
Buildings and structures	772,231	10,551	(9)	9,254	792,027
Equipment	108,809	4,877	(1,383)	148	112,451
Pavings	1,040,833	—	—	18,669	1,059,502
Parking meters and lot equipment	8,161	(126)	—	—	8,035
Reservoirs	35,172	105	—	—	35,277

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	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Boiler plant equipment	\$ 661	—	—	—	661
Pumping equipment	11,215	466	(30)	—	11,651
Purification basins and equipment	43,753	—	—	413	44,166
Water mains, lines, and accessories	140,946	2,397	(68)	—	143,275
Motor vehicle equipment	11,806	1,141	(775)	—	12,172
Total capital assets being depreciated	2,173,587	19,411	(2,265)	28,484	2,219,217
Less accumulated depreciation for:					
Buildings and structures	469,201	25,022	(9)	—	494,214
Equipment	82,012	4,837	(1,357)	—	85,492
Pavings	530,171	33,123	—	—	563,294
Parking meters and lot equipment	3,643	483	—	—	4,126
Reservoirs	14,091	735	—	—	14,826
Boiler plant equipment	653	3	—	—	656
Pumping equipment	9,899	270	(30)	—	10,139
Purification basins and equipment	20,272	936	—	—	21,208
Water mains, lines, and accessories	63,594	1,830	(66)	—	65,358
Motor vehicle equipment	5,460	951	(770)	—	5,641
Total accumulated depreciation	1,198,996	68,190	(2,232)	—	1,264,954
Total capital assets being depreciated, net	974,591	(48,779)	(33)	28,484	954,263
Business-type activities capital assets, net	\$ 1,792,159	(25,999)	(159)	(9)	1,765,992

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

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

Governmental activities:			
General government		\$	6,355
Convention and tourism			5,072
Parks and recreation			6,141
Judicial			316
Streets			34,150
Public safety:			
Fire			2,187
Police			3,749
Other			688
Health and welfare			282
Public service			663
			<u>663</u>
Total depreciation expense, governmental activities		\$	<u>59,603</u>
Business-type activities:			
Airport		\$	59,012
Water Division			6,273
Parking Division			2,905
			<u>2,905</u>
Total depreciation expense, business-type activities		\$	<u>68,190</u>

(b) Component Unit – SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2018:

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 7,376	—	—	7,376
Construction in progress	310	—	(310)	—
Total capital assets not being depreciated	<u>7,686</u>	<u>—</u>	<u>(310)</u>	<u>7,376</u>
Capital assets being depreciated:				
Leasehold improvements	23,438	1,086	—	24,524
Equipment	713	—	—	713
Parking facilities	17,835	—	—	17,835
Total capital assets being depreciated	<u>41,986</u>	<u>1,086</u>	<u>—</u>	<u>43,072</u>

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	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Less accumulated depreciation for:				
Leasehold improvements	\$ 4,994	528	—	5,522
Equipment	712	—	—	712
Parking facilities	14,916	399	—	15,315
Total accumulated depreciation	<u>20,622</u>	<u>927</u>	<u>—</u>	<u>21,549</u>
Total capital assets being depreciated, net	<u>21,364</u>	<u>159</u>	<u>—</u>	<u>21,523</u>
SLDC capital assets, net	<u>\$ 29,050</u>	<u>159</u>	<u>(310)</u>	<u>28,899</u>

(8) Component Unit – SLDC Property Held For Development

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC’s financial statements based on management’s intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. A reserve for impairment in the amount of \$109,032 has been established on these properties.

(9) Accounts Payable and Accrued Liabilities

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 4,787	12	4,799
Redevelopment projects fund	58	—	58
Capital projects fund	3,838	1,231	5,069
Grants fund	7,078	—	7,078
Other governmental funds	2,239	13	2,252
Internal service	473	—	473
Total governmental activities	<u>\$ 18,473</u>	<u>1,256</u>	<u>19,729</u>
Business-type activities:			
Airport	\$ 11,686	7,244	18,930
Water Division	6,914	—	6,914
Parking Division	524	—	524
Total business-type activities	<u>\$ 19,124</u>	<u>7,244</u>	<u>26,368</u>

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(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 defined benefit retirement 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 or the Police System 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, 2017
Firefighters’	September 30, 2017
Police	September 30, 2017
Employees	September 30, 2017

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

1) System Description (FRS)

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

The following disclosures are based on the September 30, 2017 FRS financial statements and the October 1, 2017 actuarial valuation. The valuation as of October 1, 2017, 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.

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- 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% ordinary and 80% accidental to 60% ordinary and 40% accidental.

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

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Firemen’s System City contribution was credited toward 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, 2017:

Retirees and beneficiaries currently receiving benefits	924
Current members:	
Vested – DROP	59
Vested – Non-DROP	187
Nonvested	283
Total current members	529
Total membership	1,453

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 (Asset) (FRS)

The City's net pension liability (asset) as of June 30, 2018 was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2017.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (asset) (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2017	\$ 489,518	453,640	35,878
Changes for the year:			
Interest	34,537	—	34,537
Refunds of member contributions	(816)	(816)	—
Benefit payments	(32,016)	(32,016)	—
Difference between expected and actual experience	(26,463)	—	(26,463)
Assumption changes	—	—	—
Employer contributions	—	3,314	(3,314)
Net investment income	—	60,391	(60,391)
Transfer in due to settlement agreement	—	167	(167)
Administrative expenses	—	(1,068)	1,068
Net changes	<u>(24,758)</u>	<u>29,972</u>	<u>(54,730)</u>
Balances at June 30, 2018	\$ <u>464,760</u>	<u>483,612</u>	<u>(18,852)</u>

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

Governmental activities	\$ (16,967)
Airport	<u>(1,885)</u>
	<u>\$ (18,852)</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, 2017
Actuarial cost method:	
GASB 67 reporting	Entry Age Normal
Funding	Entry Age – frozen initial liability
Amortization method/period	30-year closed period from establishment
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 actuarial assumption used in the October 1, 2017 actuarial valuation were based on the results of an actuarial experience study for the period October 2010 to October 2014 which was performed to compare the actual demographic and economic experience with the actuarial assumptions used in the actuarial valuation.

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, 2017, 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 state 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, 2017 actuarial valuation, a 7.30% discount rate was used. The sensitivity of the net pension liability (asset) to changes in the discount rate for the year ended June 30, 2018 for the City is as follows:

	<u>Discount rate</u>	<u>Net pension liability (asset)</u>
1% decrease	6.30 %	\$ 24,623
Current rate	7.30	(18,852)
1% increase	8.30	(55,822)

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, 2018, the City recognized pension expense of \$5,933. 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 5-year period. The pension expense for the City's fiscal year ended June 30, 2018 is summarized as follows:

Service cost	\$	—
Interest		34,536
Administrative expenses		1,068
Other changes – transfer due to settlement agreement		(167)
Projected earnings on pension plan investments		(32,005)
Recognition of outflow due to assumption changes		11,290
Recognition of outflow due to investment experience		492
Recognition of outflow due to liability experience		<u>(9,281)</u>
Pension expense for year ended June 30, 2018	\$	<u>5,933</u>

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5) Deferred Outflow/Inflow of Resources Related to Pension (FRS)

In accordance with GASB Statement No. 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, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	\$ —	9,504
Difference between expected and actual liability experience	2	22,315
Change in assumptions	10,045	—
Total	\$ 10,047	31,819

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
2019	\$ 1,254
2020	(6,178)
2021	(11,171)
2022	(5,677)
	\$ (21,772)

(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.

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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 910; St. Louis, Missouri 63101.

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

The Firefighters' Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an 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 5 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 5 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 5 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.

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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.

The Firefighters' Plan membership consisted of the following as of September 30, 2017:

Retirees and beneficiaries currently receiving benefits	58
Current active members:	
Vested – Non-DROP	418
Vested – participating DROP	58
Nonvested	160
Total current active members	636
Total membership	694

2) Funding Policy (FRP)

A grandfathered member with at least 20 years of service as of February 1, 2013, contributes 8% of their salary, after-tax. All other members contribute 9% of their salary, pretax. 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

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System Entry Age Normal Agreement (Fireman's Retirement EAN Note) with the City in the amount of \$3,396.

3) Net Pension Liability (FRP)

The City's net pension liability for Firefighters' Plan as of June 30, 2018 was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2017	\$ 101,984	43,948	58,036
Changes for the year:			
Service cost	6,009	—	6,009
Interest	8,214	—	8,214
Difference between expected and actual experience	4,041	—	4,041
Change in benefits	—	—	—
Change in assumptions	(19,682)	—	(19,682)
Benefit payments	(552)	(552)	—
Contributions – employer	—	9,263	(9,263)
Contributions – employee	—	3,121	(3,121)
Net investment income	—	5,900	(5,900)
Administrative expenses	—	(413)	413
Net changes	<u>(1,970)</u>	<u>17,319</u>	<u>(19,289)</u>
Balances at June 30, 2018	<u>\$ 100,014</u>	<u>61,267</u>	<u>38,747</u>

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

Governmental activities	\$ 34,872
Airport	<u>3,875</u>
	<u>\$ 38,747</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, 2017
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	2.75%
Investment rate of return	7.25%, net of investment and administrative expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue Collar Employee table adjusted to 2006 with MP-2017

The actuarial assumptions used in the October 2017 actuarial valuation were based on the results of an actuarial experience study performed for the period October 2013 through September 2017.

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, 2017, 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 %	5.60 %
Domestic mid cap equity	20	7.00
Foreign equity	20	3.70
Foreign equity – emerging market	5	7.90
Real estate	5	6.80
Fixed income	20	2.20
Total	<u>100 %</u>	

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The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed 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. 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, 2017 actuarial valuation, a 7.25% discount rate was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2018 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.25 %	\$ 52,065
Current rate	7.25	38,747
1% increase	8.25	27,319

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, 2018, the City recognized pension expense of \$8,376. 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 5-year period. The pension expense for the City's fiscal year ended June 30, 2018 is summarized as follows:

Service cost	\$	6,009
Interest		8,214
Administrative expenses		413
Contributions – employee		(3,121)
Projected earnings on pension plan investments		(3,432)
Benefit changes		—
Recognized portion of current-period liability gains and losses		25
Recognized portion of change in assumptions		320
Recognized portion of current-period investment gains and losses		(52)
Pension expense for year ended June 30, 2018	\$	8,376

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5) Deferred Outflow/Inflow of Resources Related to Pension (FRP)

In accordance with GASB Statement No. 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, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	\$ —	1,261
Differences between expected and actual experience	4,524	2,680
Change in assumptions	13,902	17,221
Total	\$ 18,426	21,162

The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over 5 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
2019	\$ 293
2020	231
2021	(257)
2022	(149)
2023	1,014
Thereafter	(3,868)
	\$ (2,736)

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(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.

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 5 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 5 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, 2017:

Retirees and beneficiaries currently receiving benefits	1,908
Current active members:	
Vested – in DROP	141
Vested – not in DROP	218
Total vested	359
Nonvested	902
Total current active members	1,261
Total members	3,169

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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.

3) Net Pension Liability (PRS)

The City's net pension liability for Police System as of June 30, 2018 was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2017	\$ 1,089,317	709,238	380,079
Changes for the year:			
Service cost	17,988	—	17,988
Interest	66,043	—	66,043
Difference between expected and actual experience	3,911	—	3,911
Change in assumption	(55,154)	—	(55,154)
Contributions – employer	—	33,826	(33,826)
Contributions – employee	—	4,654	(4,654)
Net investment income	—	93,520	(93,520)
Benefit payments	(63,452)	(63,452)	—
Administrative expenses	—	(1,206)	1,206
Net changes	<u>(30,664)</u>	<u>67,342</u>	<u>(98,006)</u>
Balances at June 30, 2018	\$ <u>1,058,653</u>	<u>776,580</u>	<u>282,073</u>

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

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

Date of actuarial valuation	October 1, 2017
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	2.50%
Investment rate of return	7.50%, net of 0.15% administrative expenses
Projected salary increases	3.00%–6.50%, varying by age
Mortality (Ordinary)	RP-2014 Blue Collar projected with MO-2015 with 1.15 adjustment
Mortality (Accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Disabled)	RP-2014 Disabled Retiree with MP-2015 with 0.9 adjustment male and no adjustment female

The actuarial assumptions used in the October 2017 actuarial valuation were based on the results of an actuarial experience study performed for the five year period ending September 2015.

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, 2017, 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	19 %	0.25 %
Domestic equity	30	4.50
Foreign equity	25	4.50
Nondirectional hedge fund of funds	5	2.15
Real estate (REIT)	8	4.50
Private equity (partnerships)	8	7.95
Other/money market	5	(1.85)
Total	<u>100 %</u>	

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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 7.50% and expects assets will be sufficient to cover PNP until 2058. The muni-bond rate used in the valuation was 3.64% 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 6.67% 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, 2018 for the City is as follows:

	<u>Discount rate</u>	<u>Net pension liability</u>
1% decrease	5.67 %	\$ 403,223
Current rate	6.67	282,073
1% increase	7.67	182,172

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.

4) Pension Expense (PRS)

For the fiscal year ended June 30, 2018, the City recognized pension expense of \$64,197. 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 5-year period. The pension expense for the fiscal year ended June 30, 2018 is summarized as follows:

Service cost	\$	17,988
Interest		66,043
Administrative expenses		1,206
Contributions – employee		(4,654)
Projected earnings on pension plan investments		(52,229)
Recognized portion of change in assumptions		30,980
Recognized portion of current-period liability gains and losses		(605)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		5,468
Pension expense for year ended June 30, 2018	\$	64,197

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5) Deferred Outflow/Inflow of Resources Related to Pension (PRS)

In accordance with GASB Statement No. 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, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	\$ 2,607	1,228
Net difference between projected and actual earnings on pension plan investments	—	7,448
Change in assumptions	43,949	36,769
Total	\$ 46,556	45,445

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:

	Recognition
Year ended June 30:	
2019	\$ 31,107
2020	(12,957)
2021	(8,781)
2022	(8,258)
	\$ 1,111

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

1) System Description (ERS)

All nonuniformed 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.

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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 5 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 5 years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

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

2) Funding Policy (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 12.22% effective July 1, 2017 and 12.51% of active member payroll effective July 2016.

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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, 2018 were \$24,103.

3) Net Pension Liability (ERS)

The City reported a liability of \$144,021 for its proportionate share of the net pension liability as of June 30, 2018. The Employees Systems net pension liability is recorded within the accompanying financial statements as follows:

Governmental activities	\$	115,903
Airport		15,333
Water Division		10,162
Parking Division		<u>2,623</u>
	\$	<u><u>144,021</u></u>

The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. 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, 2017, the City's collective proportion was 82.9%, which was a decrease of 0.3% from its proportion measured as of September 30, 2016 of 83.2%.

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

Date of actuarial valuation	October 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Fixed 20 year period as of October 2015 as a level percentage of payroll
Remaining amortization period	20 years as of October 2015
Asset valuation method	5-year smoothed market
Inflation	2.50%
Discount rate	7.50%
Projected salary increases	3.00% plus merit component based on employee's years of service
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

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The actuarial assumptions used in the October 1, 2017 actuarial valuation were based on the results of an actuarial experience study performed in 2015 which reviewed all the economic and demographic assumptions.

The long-term expected rate of return on the Employees System investments was determined using a building-block approach and forward looking model 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 rates 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.

Even though history provides a valuable perspective for setting the investment return assumption, the Employees System relies primarily on an approach which builds upon the last capital market assumption. Specifically, the Employees System uses Summit Strategies Group capital market assumptions in analyzing the Employees System's asset allocation. The assumptions and Employees Systems' formal policy for asset allocation are shown below.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real return and reflecting expected volatility and correlation.

For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2017, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term* expected real rate of return
Large cap	17.00 %	7.30 %
Small cap	4.00	7.00
International large cap	15.30	7.30
Emerging markets	6.20	9.30
High yield	5.00	5.30
Master limited partnerships	7.50	10.80
Private equity	5.00	9.80
Core fixed income	12.50	3.80
International fixed income	4.00	3.50
Core real estate	10.00	6.50
Treasury inflation protected securities	3.50	3.50
Hedge funds	10.00	5.00
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, 2017 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, 2018 for the City is as follows:

	<u>Discount rate</u>	<u>Net pension liability</u>
1% decrease	6.50 %	\$ 226,046
Current rate	7.50	144,021
1% increase	8.50	73,842

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, 2018, the City recognized pension expense of \$23,864. 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 5-year period.

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5) Deferred Outflow/Inflow of Resources Related to Pension (ERS)

In accordance with GASB Statement No. 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, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	\$ —	3,412
Net difference between projected and actual earnings on pension plan investments	1,569	—
Changes in proportion	102	632
Changes in assumptions	—	—
Contributions subsequent to the measurement date	18,477	—
Total	\$ 20,148	4,044

The \$18,477 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 participants. The following table summarizes the future recognition of these items:

	Recognition
Year ended June 30:	
2019	\$ 3,350
2020	6,469
2021	(7,170)
2022	(5,022)
	\$ (2,373)

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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, 2018 contributions of \$286, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2018, SLDC's current covered payroll was \$3,179 and total payroll amounted to \$3,887. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5½% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and 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

During 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The City is obligated under Chapter 84.160 RSMo to provide medical and life insurance benefits for civilian and commissioned Police employees hired prior to local control, September 1, 2013, and the only eligible employees are those in service or retired prior to this date. The City provides these other postemployment benefits (OPEB) under a single-employer, defined benefit postemployment plan that is administered by the City. No assets are accumulated in a trust that meets the criteria of GASB Statement No. 75. 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 5 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.

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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 June 30, 2018, the date of the latest actuarial valuation, plan membership consisted of the following:

Retired participants	1,586
Active members	<u>1,416</u>
Total plan members	<u><u>3,002</u></u>

Total OPEB Liability

The City's total OPEB liability of \$489,731 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date. The total OPEB liability is recorded within governmental activities with the accompanying financial statements.

Changes in Total OPEB Liability

	<u>Total OPEB liability</u>
Balances at June 30, 2017	\$ 234,180
Cumulative effect of change in accounting	<u>257,756</u>
Balance July 1, 2017, adjusted	<u>491,936</u>
Changes for the year:	
Service cost	15,481
Interest	17,946
Change in assumption	(23,261)
Contributions – employer	<u>(12,371)</u>
Net changes	<u>(2,205)</u>
Balances at June 30, 2018	<u><u>\$ 489,731</u></u>

OPEB Expense

For the fiscal year ended June 30, 2018, the City recognized plan expense of \$27,089. The expense for the fiscal year ended June 30, 2018 is summarized as follows:

Service cost	\$ 15,481
Interest	17,946
Recognized portion of change in assumptions	<u>(6,338)</u>
Pension expense for year ended June 30, 2018	<u><u>\$ 27,089</u></u>

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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.

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

Date of actuarial valuation:	June 30, 2018
Actuarial cost method	Entry Age Normal as a % of Salary
Funding policy:	The Plan is unfunded and projected to be unfunded
Discount rate:	July 1, 2018 – 3.87%
Salary increase:	Officers: 6.25% for first 9 yrs. of service, 3.50% for 10 to 19 yrs. of service, and 3.0% thereafter Civilians: 4.25% for first year of service grading down to 3.00% at 20 yrs. of service

Healthcare trends:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Post Medicare</u>
2018	7.70 %	8.71 %
2019	7.26	8.14
2020	6.81	7.55
2021	6.35	6.95
2022	5.89	6.35
2023	5.43	4.74
2024	4.97	5.12
2025+	4.50	4.50

Mortality (Healthy):	RP-2006 Fully Generational with Scale MP-2018
Mortality (Disabled):	RP-2006 Fully Generational with Scale MP-2018

The sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates for the year ended June 30, 2018 for the City is as follows:

	<u>Discount rate</u>	<u>Total OPEB liability</u>
1% decrease	2.87 %	\$ 577,699
Current rate	3.87	489,731
1% increase	4.87	420,942

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Healthcare trend rates	Total OPEB liability
1% decrease	\$ 416,557
Current rate	489,731
1% increase	584,271

Deferred Outflow/Inflow of Resources Related to OPEB

In accordance with GASB Statement No. 75, 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, and contributions subsequent to the measurement date as deferred outflow/inflow of resources. At June 30, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to plan from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	\$ —	—
Net difference between projected and actual earnings on pension plan investments	—	—
Change in assumptions	—	16,923
Total	\$ —	16,923

The differences in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected service life of all employees (3.67 years) in the postretirement plan:

	Recognition
Year ended June 30:	
2019	\$ (6,338)
2020	(6,338)
2021	(4,247)
2022	—
2023	—
	\$ (16,923)

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Funding Status and Funding Progress

As of June 30, 2018, the most recent actuarial valuation date, the plan was 0% funded. The June 30, 2018 actuarial valuation stated the total OPEB liability was \$489,731, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$92,643, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 528.62%.

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.

(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, 2018:

	Primary government June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Governmental activities:					
General obligation bonds payable	\$ 37,345	—	(4,285)	33,060	4,415
Section 108 Loan Guarantee Assistance Programs	22,160	—	(5,050)	17,110	5,360
Development and Tax increment financing bonds and notes payable	388,669	13,187	(37,618)	364,238	21,945
Loan agreement with MTFC	530	—	(530)	—	—
Energy Loan Program	—	980	(70)	910	132
Capital lease – rolling stock	10,983	2,250	(4,316)	8,917	4,263
Certificates of participation	3,815	—	(710)	3,105	740
Obligations with component unit	37,106	53,605	(6,476)	84,235	5,676
Loan agreement with FPF	13,680	9,825	(1,760)	21,745	483
Leasehold revenue improvement and refunding revenue bonds	419,909	25,735	(45,482)	400,162	16,683
Joint venture financing agreement	24,068	—	(4,975)	19,093	5,183
Unamortized discounts	(2,444)	—	122	(2,322)	—
Unamortized premiums	23,628	5,234	(2,254)	26,608	—
Net pension liability	604,324	—	(171,476)	432,848	—
Total OPEB liability	234,180	255,551	—	489,731	13,094
Accrued vacation and sick leave	49,219	29,155	(27,410)	50,964	22,446
Claims and judgments payable	60,638	34,146	(41,860)	52,924	25,619
	<u>60,638</u>	<u>34,146</u>	<u>(41,860)</u>	<u>52,924</u>	<u>25,619</u>
Governmental activities long-term liabilities	<u>\$ 1,927,810</u>	<u>429,668</u>	<u>(354,150)</u>	<u>2,003,328</u>	<u>126,039</u>

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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.

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Business-type activities:					
Airport:					
Revenue bonds payable	\$ 906,255	—	(276,000)	630,255	35,780
Net pension liability	28,077	—	(8,869)	19,208	—
Pension funding project	4,828	—	(124)	4,704	132
Other	372	—	—	372	—
Accrued vacation, compensatory, and sick time benefits	5,327	3,323	(3,294)	5,356	3,339
Unamortized discounts and premiums	60,194	—	(8,419)	51,775	—
Unearned lease revenues	4,629	—	(282)	4,347	—
Total airport	<u>1,009,682</u>	<u>3,323</u>	<u>(296,988)</u>	<u>716,017</u>	<u>39,251</u>
Water Division:					
Revenue bonds payable	8,485	—	(422)	8,063	430
Customer deposits	2,046	1,081	(975)	2,152	—
Net pension liability	12,536	—	(2,374)	10,162	—
Pension funding project	2,865	—	(74)	2,791	79
Accrued vacation and sick time benefits	3,212	48	(158)	3,102	1,818
Total water division	<u>29,144</u>	<u>1,129</u>	<u>(4,003)</u>	<u>26,270</u>	<u>2,327</u>
Parking Division:					
Revenue bonds payable	64,387	—	(3,296)	61,091	3,384
Net pension liability	3,170	—	(547)	2,623	—
Pension funding project	778	—	(21)	757	—
Other	157	—	(68)	89	—
Unamortized discounts and premiums, net	3,074	—	(187)	2,887	—
Total parking division	<u>71,566</u>	<u>—</u>	<u>(4,119)</u>	<u>67,447</u>	<u>3,384</u>
Business-type activities long-term liabilities	<u>\$ 1,110,392</u>	<u>4,452</u>	<u>(305,110)</u>	809,734	44,962
Less amounts recorded in:					
Accrued salaries and other benefits				(5,157)	(5,157)
Accounts payable and accrued liabilities				(211)	(211)
				<u>\$ 804,366</u>	<u>39,594</u>

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(b) General Obligation Bonds

Principal and interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2019	\$ 4,415	1,336	5,751
2020	1,025	1,192	2,217
2021	1,090	1,144	2,234
2022	1,145	1,113	2,258
2023	1,200	1,079	2,279
2024–2028	7,135	4,664	11,799
2029–2033	9,775	2,724	12,499
2034–2036	7,275	489	7,764
	<u>\$ 33,060</u>	<u>13,741</u>	<u>46,801</u>

(c) Section 108 Loan Guarantee Assistance Programs

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2019	\$ 5,360	312	5,672
2020	5,700	207	5,907
2021	6,050	74	6,124
	<u>\$ 17,110</u>	<u>593</u>	<u>17,703</u>

(d) Development and Tax Increment Financing Bond and Notes Payable

On December 28, 2017 the City issued \$7,318 in 706 Market Redevelopment Project Series Note 2016A (reissue) payable in varying amounts through 2037 with an interest rate of 3.75%. These were issued to refund \$7,015 of the 706 Market Redevelopment Project Series Note 2016A. The aggregated differences in debt service due to the refunding is estimated at \$2,061, and results in an economic gain (difference between old and new debt service payments) of \$1,463.

In addition, the City issued a total \$5,869 in TIF bonds and notes payable during fiscal year 2018.

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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:			
2019	\$ 21,945	23,777	45,722
2020	23,335	22,229	45,564
2021	24,817	20,785	45,602
2022	26,396	19,246	45,642
2023	25,851	17,772	43,623
2024–2028	137,553	63,228	200,781
2029–2033	74,737	27,534	102,271
2034–2038	29,604	9,681	39,285
	<u>\$ 364,238</u>	<u>204,252</u>	<u>568,490</u>

(e) Loan Agreement With Missouri Department of Economic Development (DED-DE)

On November 9, 2017, the City entered into a loan agreement with the Missouri Department of Economic Development – Division of Energy (DED-DE) in the amount of \$980 at an annual interest rate of 2.75%. The proceeds of the loan are to be used for the design, acquisition, installation and implementation of energy saving conservation measures.

Principal and interest requirements under the loan agreement with the DED-DE are as follows:

	Principal	Interest	Total
Year ending June 30:			
2019	\$ 132	24	156
2020	136	20	156
2021	140	17	157
2022	144	13	157
2023	148	9	157
2024–2025	210	5	215
	<u>\$ 910</u>	<u>88</u>	<u>998</u>

(f) Capital Lease – Rolling Stock

On December 29, 2017, the City entered into a capital lease agreement with US Bancorp in the amount of \$2,250 at a rate of 2.25%. The proceeds are to be used to purchase refuse trucks. Equal payments of \$351 are to be made annually with the final due December 29, 2024.

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The following is a schedule of future minimum lease payments as of June 30, 2018.

Year ending June 30:			
2019		\$	4,456
2020			3,101
2021			351
2022			351
2023			351
2024–2025			<u>702</u>
Total future minimum lease payments			9,312
Amount representing interest			<u>(395)</u>
Present value of net minimum lease payments		\$	<u><u>8,917</u></u>

(g) Certificates of Participation

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation, which supports the Kiel Premises, as of June 30, 2018.

Year ending June 30:			
2019		\$	821
2020			817
2021			818
2022			<u>818</u>
Total future minimum obligation payments			3,274
Amount representing interest			<u>(169)</u>
Present value of net minimum obligation payments		\$	<u><u>3,105</u></u>

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

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(h) Obligations with Component Unit

1) Convention Center – SLDC Series 2000 Bonds

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2018.

Year ending June 30:		
2019	\$	15,295
2020		15,295
2021		15,295
Total future minimum obligation payments		45,885
Amount representing interest		(29,926)
Present value of net minimum obligation payments	\$	15,959

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.

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The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2018.

Year ending June 30:		
2019	\$	970
2020		1,000
2021		1,020
2022		1,050
2023		1,073
2024–2028		5,896
2029–2033		6,843
2034–2038		7,652
2039–2040		1,259
		<hr/>
Total future minimum obligation payments		26,763
Amount representing interest		<hr/> (12,092)
Present value of net minimum obligation payments	\$	<hr/> <hr/> 14,671

3) Scottrade Center Project – SLDC Series 2018A Bonds

On March 15, 2018, The Land Clearance for Redevelopment Authority (LCRA) issued \$53,605 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2018A (LCRA Series 2018A bonds) for the Scottrade Center Project, a contractual obligation of the City. The proceeds from the bonds will be used for a portion of the rehabilitation of and improvement of the multipurpose sports and entertainment venue known as the Scottrade Center (Phase One) as well as certain costs of issuance and capitalized interest expenses under the Trust Indenture agreement. The LCRA Series 2018A bonds include \$5,730 in serial bonds, \$47,875 in term bonds which bear interest rates ranging from 3.00% to 5.00%.

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Concurrently with the execution and delivery of the Trust Indenture and the original issuance of the LCRA Series 2018A bonds, the SLDC, the City and the developer entered into a Financing Agreement.

Year ending June 30:

2019	\$		1,467
2020			1,485
2021			1,485
2022			2,485
2023			2,587
2024–2028			13,523
2029–2033			15,126
2034–2038			22,425
2039–2043			22,426
2044–2048			22,429
Total future minimum obligation payments			105,438
Amount representing interest			(51,833)
Present value of net minimum obligation payments	\$		53,605

(i) Loan Agreement with Forest Park Forever

During fiscal year 2018, the SLMFC issued \$9,825 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	Principal	Interest	Total
Year ending June 30:			
2019	\$ 483	994	1,477
2020	505	972	1,477
2021	528	948	1,476
2022	553	924	1,477
2023	578	899	1,477
2024–2028	3,311	4,075	7,386
2029–2033	4,139	3,246	7,385
2034–2038	5,176	2,209	7,385
2039–2043	6,472	914	7,386
	\$ 21,745	15,181	36,926

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(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, 2018:

Governmental activities	\$	111,288
Business-type activities		8,252
	\$	119,540

(b) Convention Center 2017

On September 13, 2017, the SLMFC issued \$25,735 in Convention Center Refunding and Improvement Projects Leasehold Revenue Bonds, Series 2017 with an average interest rate of 4.034% to advance refund \$23,255 of the Leasehold Revenue Bonds, Series 2009B with an average interest rate of 5.375%. The net proceeds of \$25,168 (after the addition of \$2,574 premium less payment of \$760 in issuance costs) were deposited with the escrow agent under the escrow deposit agreement and, together with interest earnings thereon, were applied to the payment of principal and interest on the Leasehold Revenue Bonds, Series 2009B. The remaining proceeds of \$2,133 were deposited to a project fund and \$248 to the Convention Center 2017A reserve account. The current and advance refunding decrease the total debt service payment of the Series 2017 payment by \$40 and results in an economic gain (difference between present value of old and new debt service payments) of \$225. As a result, the Series 2009B Convention Center Leasehold Revenue Bonds are considered to be defeased, and the liability removed from the financial statements.

(c) Principal and Interest Requirements

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

	City Parks		Convention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2019	\$ 555	1,053	230	2,151
2020	575	1,030	235	2,144
2021	605	1,002	240	2,136
2022	630	977	9,640	8,030
2023	655	952	8,199	9,474
2024–2028	3,730	4,296	38,149	50,217
2029–2033	4,535	3,494	29,802	58,632
2034–2038	5,620	2,414	22,916	68,101
2039–2043	7,110	918	17,265	432
	\$ 24,015	16,136	126,676	201,317

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	Justice Center		Forest Park	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2019	\$ 3,690	146	1,105	187
2020	1,810	34	1,150	143
2021	—	—	1,205	86
2022	—	—	1,270	25
	<u>\$ 5,500</u>	<u>180</u>	<u>4,730</u>	<u>441</u>

	Carnahan Courthouse/QEBC		1520 Market Street/NGA	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2019	\$ 1,540	908	800	702
2020	1,595	849	820	679
2021	1,540	788	845	651
2022	1,605	726	875	625
2023	1,680	646	900	598
2024–2028	8,275	1,848	4,995	2,502
2029–2033	3,635	444	6,135	1,348
2034–2035	—	—	2,768	149
	<u>\$ 19,870</u>	<u>6,209</u>	<u>18,138</u>	<u>7,254</u>

	Recreation sales tax		Police Capital Improvement sales tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
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	1,615	1,409	795	813
2024–2028	9,385	5,745	4,620	3,428
2029–2033	11,775	3,355	5,895	2,151
2034–2038	11,175	934	5,855	590
	<u>\$ 39,675</u>	<u>17,795</u>	<u>19,275</u>	<u>10,508</u>

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	Public Safety Sales Tax Pension Funding Project 2008		Juvenile Detention Center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2019	\$ 2,290	134	610	856
2020	—	—	630	837
2021	—	—	645	819
2022	—	—	675	793
2023	—	—	700	766
2024–2028	—	—	4,070	3,267
2029–2033	—	—	5,195	2,143
2034–2038	—	—	6,555	769
	<u>\$ 2,290</u>	<u>134</u>	<u>19,080</u>	<u>10,250</u>

	Pension Funding Project 2007		Refuse and Municipal Garage	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2019	\$ 3,365	7,770	1,080	380
2020	3,585	7,552	1,100	359
2021	3,820	7,318	1,125	335
2022	4,065	7,070	1,150	308
2023	4,330	6,806	1,200	258
2024–2028	26,250	29,424	3,970	404
2029–2033	35,975	19,708	—	—
2034–2038	38,150	6,394	—	—
	<u>\$ 119,540</u>	<u>92,042</u>	<u>9,625</u>	<u>2,044</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.

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At June 30, 2018, 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:				
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>\$ 17,595</u>	<u>1,907</u>	<u>1,498</u>	<u>21,000</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, 2018:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Within One Year</u>
Due to other governmental agencies	\$ 5,720	1,029	(1,081)	5,668	600
Notes payable	19,184	13,000	(803)	31,381	697
Bank line of credit	17,036	623	(85)	17,574	4,083
Other liabilities	8,192	4,639	(3,381)	9,450	4,100
	<u>\$ 50,132</u>	<u>19,291</u>	<u>(5,350)</u>	<u>64,073</u>	<u>9,480</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:			
2019	\$ 4,780	1,897	6,677
2020	26,961	1,111	28,072
2021	386	711	1,097
2022	400	696	1,096
2023	415	681	1,096
2024–2035	16,013	8,145	24,158
	<u>\$ 48,955</u>	<u>13,241</u>	<u>62,196</u>

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(17) Revenue Bonds Payable

(a) Airport

Bonds outstanding at June 30, 2018 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	\$ 189,655
Bond Series 2007A, interest rate ranging of 5.25%, payable in varying amounts through 2027	34,105
Bond Series 2009A, interest rate ranging from 5.375% to 6.625%, payable in varying amounts through 2035	100,690
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	23,180
Bond Series 2013, interest rate of 5.00%, payable in varying amounts through 2019	6,885
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	17,310
Bond Series 2017A, interest rate ranging of 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
	630,255
Less:	
Current maturities	(35,780)
Unamortized discounts and premiums	51,775
	15,995
	\$ 646,250

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

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As of June 30, 2018, 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:			
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	40,270	25,105	65,375
2024–2028	194,440	96,037	290,477
2029–2033	183,815	41,333	225,148
2034–2038	32,930	11,074	44,004
2039–2043	13,930	6,252	20,182
2044–2048	17,770	2,308	20,078
	<u>\$ 630,255</u>	<u>301,272</u>	<u>931,527</u>

(b) Water Division

Water revenue bonds outstanding at June 30, 2018 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	\$ 8,063
Less:	
Current maturities	<u>(430)</u>
	<u>\$ 7,633</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. The final drawdown relating to the program was completed in fiscal year 2017.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending June 30:			
2019	\$ 430	124	554
2020	439	117	556
2021	448	110	558
2022	458	103	561
2023	467	96	563
2024–2035	<u>5,821</u>	<u>541</u>	<u>6,362</u>
	<u>\$ 8,063</u>	<u>1,091</u>	<u>9,154</u>

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

(c) Parking Division

Revenue bonds outstanding at June 30, 2018 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2024	\$ 1,660
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038	5,593
Series 2007B revenue bonds, interest rates variable, not to exceed 6.00%, payable in varying amounts through 2018	430
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	833
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031	5,745
Series 2015B subordinated parking revenue bond interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033	35,125
Series 2016 revenue bond interest ranging from 3% to 4% payable in varying amounts through 2031	<u>11,705</u>
	61,091
Less:	
Current portion of revenue bonds payable	(3,384)
Unamortized discount and premium	<u>2,887</u>
	<u>\$ 60,594</u>

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Debt service requirements of the revenue bonds at June 30, 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2019	\$ 3,384	2,349	5,733
2020	3,517	2,210	5,727
2021	3,664	2,067	5,731
2022	3,806	1,919	5,725
2023	3,965	1,756	5,721
2024–2028	19,766	6,216	25,982
2029–2033	20,461	2,159	22,620
2034–2038	2,528	323	2,851
	<u>\$ 61,091</u>	<u>18,999</u>	<u>80,090</u>

(18) Pledged Revenues

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

(a) Governmental Activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2036. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2018, the total principal and interest remaining to be paid on the debt is \$46,801. Principal and interest paid was \$5,730 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$6,918. During fiscal year 2018, the proportion of pledged revenues needed for debt service to revenues collected was 82.83%.

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 2037. 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

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bonds are expected to require 100% of estimated related net revenues. As of June 30, 2018, the total principal and interest remaining is \$608,239. Principal and interest paid was \$53,263 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$57,847. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 92.08%.

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, 2018, the total principal and interest remaining on these financings is \$20,282. Principal and interest paid was \$1,642 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$1,217. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. The purpose of the financings was to construct a new Justice Center. The term of commitment related to such pledged revenues extend to fiscal year 2020. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2018, total principal and interest remaining on the debt is \$5,680. Principal and interest paid was \$10,606 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$6,892. During fiscal year 2018, 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, 2018, total principal and interest remaining on the debt is \$42,097. Principal and interest paid was \$3,683 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$3,699. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 99.57%.

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, 2018, total principal and interest remaining on the debt is \$57,470. Principal and interest paid was \$3,025 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended

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June 30, 2018 was \$4,859. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 62.26%.

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, 2018 total principal and interest remaining on the debt is \$29,783. Principal and interest paid was \$1,211 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$1,712. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 70.74%.

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, 2018, total principal and interest remaining on the debt is \$40,151. Principal and interest paid was \$1,604 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$3,036. During fiscal year 2018, the proportion of pledged revenues needed to revenue collected was 52.83%.

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 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, 2018, total principal and interest outstanding on this portion of the debt is \$3,662. The pledged net revenue recognized for the year ended June 30, 2018 related to the collection of PILOTs and EATS was \$3,823. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 95.79%.

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 associated with the Euclid-Buckingham parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2028. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2018, total principal and interest outstanding on this portion of the debt is \$5,477. The pledged net revenue recognized for the year ended June 30, 2018 related to the collection of PILOTs and EATS was \$355. During fiscal year 2018, the proportion of pledged revenues needed to revenues collected was 100%.

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The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 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, 2018, total principal and interest remaining on the debt is \$34,507. During fiscal year 2018, revenue from the police parking ticket revenues totaled \$504. During fiscal year 2018, none of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment. See note 18b.

(b) Business-type Activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$630,255 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 2048. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2018, the total principal and interest remaining to be paid on the bonds is \$931,527. Principal and interest paid was \$62,926 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$81,653.

Water Division

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2018, the remaining principal and interest requirement is \$9,154 payable through January 2034 (fiscal year 2034). Principal and interest paid for the Series 2013 Bonds was \$553. The proportion of pledged revenue to revenue collected is estimated at 1.0% at June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$9,961.

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, 2018 the remaining principal and interest requirement is \$69,013 payable through fiscal year 2038. Principal and interest paid for the Series 2007B, 2013A, 2015A, 2015B and 2016 Parking Revenue Bonds was \$5,002 for the year ended June 30, 2018. The pledged net revenue recognized for the year ended June 30, 2018 was \$9,328.

(19) Short-Term Debt

(a) City

The City issued \$66,000 of general fund Tax and Revenue Anticipation notes dated July 10, 2017 and redeemed June 1, 2018. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

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Short-term debt activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Issued	Redeemed	Balance June 30, 2018
Tax and revenue anticipation notes	\$ —	66,000	(66,000)	—
	<u>\$ —</u>	<u>66,000</u>	<u>(66,000)</u>	<u>—</u>

(20) Operating Leases

(a)

At June 30, 2018, 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:	
2019	\$ 859
2020	585
2021	410
2022	234
2023	61
2024–2028	<u>212</u>
	<u>\$ 2,361</u>

Rental and lease expenditures for the fiscal year 2018 totaled \$4,307.

(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.

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- 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 2018, revenues from signatory air carriers accounted for 48.1% of total Airport operating revenues.

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

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the year ended June 30, 2018:

	<u>Signatory</u>	<u>Non-signatory</u>	<u>Total</u>
Airfield	\$ 47,243	10,127	57,370
Terminal and concourses	16,465	723	17,188
Hangars and other buildings	540	696	1,236
Cargo buildings	303	279	582
	<u>\$ 64,551</u>	<u>11,825</u>	<u>76,376</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.

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

Year ending June 30:	
2019	\$ 27,255
2020	19,970
2021	11,986
2022	9,684
2023	7,377
2024–2028	16,781
2029–2033	14,219
2034–2038	5,602
Thereafter	<u>5,120</u>
Total minimum future rentals	<u>\$ 117,994</u>

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$46,529 for the year ended June 30, 2018.

Unearned lease revenues included in Airport other long-term liabilities in the amount of \$4,348 as of June 30, 2018 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 noncancelable arrangements that expire at various dates through April 2020. Expenses for operating leases and service agreements were \$37 for the year ended June 30, 2018. Future minimum payments are as follows:

Year ending June 30:	
2019	\$ 48
2020	43
2021	26
2022	<u>7</u>
Total minimum future rentals	<u>\$ 124</u>

(c) Component Unit – SLDC

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

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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, AHC and PDA as of June 30, 2018 are as follows:

Year ending June 30:		
2019	\$	335
2020		336
2021		<u>335</u>
	\$	<u><u>1,006</u></u>

Additionally, at June 30, 2018, 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, 2018, SLDC has incurred debt of \$14,910 and capitalized \$108,637 of land and site improvements recorded as property held for development related to this project. \$95,481 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, 2018 are as follows:

Receivable fund	Payable fund	Amount
General fund	Special revenue—Grants fund	\$ 3,655
	Other governmental nonmajor funds	3
	Internal service fund	70
	Enterprise:	
	Airport	1,976
	Water Division	1,194
	Parking Division	1,555
		8,453
Redevelopment projects fund	General fund	4,005
	Capital projects fund	537
	Other governmental nonmajor funds	1,535
		6,077
Internal service funds	General fund	570
	Other governmental nonmajor funds	1
	Enterprise:	
	Airport	2,775
	Water Division	3,346
	Parking Division	185
		6,877
		\$ 21,407

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, 2018 are as follows:

Advance from	Advance to	Amount
General fund	Internal service fund	\$ 40,435

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(22) Interfund Transfers

Interfund transfers for the year ended June 30, 2018 consisted of the following:

		Transfer To					
		General Fund	Capital Projects Fund	Grants Fund	Other Govern- mental Funds	Parking Division	Total
	General fund	\$ —	11,275	655	2,227	—	14,157
	Redevelopment projects fund	901	48	—	141	1,011	2,101
	Capital Projects fund	387	—	—	—	—	387
Transfer	Other Governmental funds	24,728	11,188	—	507	—	36,423
From	Grants fund	464	—	—	—	—	464
	Airport	6,688	—	—	—	—	6,688
	Water Division	3,122	—	—	—	—	3,122
	Parking Division	1,285	—	—	327	—	1,612
		<u>\$ 37,575</u>	<u>22,511</u>	<u>655</u>	<u>3,202</u>	<u>1,011</u>	<u>64,954</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, 2018, claims have been made on the City to make refunds under certain programs and other programs are still open as to compliance determination by the respective agencies. In the opinion of City officials, settlement of these matters will not result in a material liability to the City.

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

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

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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, \$1,875 is included in the total self-insurance claim liability of \$52,924 and \$700 is included as the total estimate of reasonably possible claims of \$23,348.

(b) Commitments

At June 30, 2018, the City had outstanding commitments amounting to approximately \$14,948, resulting primarily from service agreements.

Additionally, at June 30, 2018, the Airport had outstanding commitments amounting to approximately \$20,838 resulting primarily from contracts for construction projects. In addition, the Airport has \$51,763 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, 2018, encumbrances of \$4,039 were reported in the general fund, \$14,380 in the capital projects services fund and \$5,623 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 8.7% of the Airport's total operating revenues and 18.1% of total revenues from signatory air carriers for the fiscal year ended June 30, 2018. Accounts receivable at June 30, 2018, contained \$2,015 relating to unused credits issued by the Airport to American. This amount includes \$703 of unbilled aviation revenue credits at June 30, 2018.

Southwest provided 27.0% of the Airport's total operating revenues and 56.2% of total revenues from participating air carriers for the fiscal year ended June 30, 2018. Accounts receivable at June 30, 2018 contained \$1,448 relating to unused credits issued by the Airport to Southwest. This amount includes \$2,057 of unbilled aviation revenue credits at June 30, 2018.

(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.

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(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 \$3,186 during the year ended June 30, 2018.

SLDC has received nine 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, a Round 13, \$75,000 allocation awarded in 2016 and a Round 14, \$35,000 allocation awarded in 2017 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 seven allocations have been fully deployed into 44 projects. The Round 13 allocation still has \$40,000 available; however, four transactions are currently in underwriting and expected to close by the end of 2018 which will reduce the available allocation from that round to \$18,000. The Round 14 allocation of \$35,000 has not had any activity.

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, 2018.

(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 and unemployment benefits. The City has sovereign 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 liability on such claims is increased or decreased on an annual basis effective January first of each year by the director of the Missouri Department of Insurance based on data

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published by the Bureau of Economic Analysis of the United States Department of Commerce. For 2018, these limits are \$421 per person and \$2,804 per occurrence. Various legal actions involving the City, including claims of negligence, employment discrimination and civil rights violations, are presently pending. In addition to compensatory damages, punitive damages and attorneys' fees are recoverable for the latter two types of claims. Additionally, a number of these same types of claims and lawsuits against SLPD are presently pending. 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 \$52,924 at June 30, 2018, relating to these matters is recorded in the self-insurance internal service fund – PFPC. Of total workers' compensation liability, \$3,715 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 \$485 for the year ended June 30, 2018. 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 \$1,200 at June 30, 2018 relating to such matters is recorded in the self-insurance internal service fund – health.

Additionally, as of June 30, 2018, 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 \$158.

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, 2018 and, for the years ended June 30, 2018 and 2017 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2018 and 2017 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2018	\$ 60,638	34,146	(41,860)	52,924
2017	\$ 51,151	44,448	(34,961)	60,638

Additionally, there is an estimate of general liability claims outstanding of \$23,348 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.

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(25) Grant Loan Programs

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

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

(26) Component Unit – SLDC Conduit Debt

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

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(27) Fund Balance

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

	<u>General fund</u>	<u>Redevelopment projects fund</u>	<u>Capital projects fund</u>	<u>Grant funds</u>	<u>Other governmental fund</u>	<u>Total</u>
Nonspendable:						
Health and welfare	\$ —	—	—	—	10	10
Parks and recreation	—	—	—	—	1	1
Public safety	1,378	—	—	—	—	1,378
Other	1,001	—	—	—	—	1,001
Total	<u>2,379</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>2,390</u>
Restricted:						
Redevelopment	—	15,978	—	—	—	15,978
Streets and bridges	—	—	2,384	—	44	2,428
Public safety	—	—	—	1,040	6,013	7,053
Parks and recreation	—	—	10,821	—	2,498	13,319
Convention and tourism	—	—	21,131	—	—	21,131
Transportation	—	—	—	—	14,733	14,733
Debt service	18,709	20,908	4,957	—	14,447	59,021
Capital improvement	—	—	10,822	—	—	10,822
Other	—	—	2,460	—	5,478	7,938
Total	<u>18,709</u>	<u>36,886</u>	<u>52,575</u>	<u>1,040</u>	<u>43,213</u>	<u>152,423</u>
Committed:						
Health and welfare	—	—	—	—	12,982	12,982
Streets and bridges	—	—	7,940	—	1,278	9,218
Public safety	—	—	—	—	11,086	11,086
Parks and recreation	—	—	9,943	—	2,453	12,396
Convention and tourism	—	—	—	—	3,317	3,317
Payroll Reserve	1,020	—	—	—	—	1,020
Capital improvement	—	—	21,205	—	6,556	27,761
Total	<u>1,020</u>	<u>—</u>	<u>39,088</u>	<u>—</u>	<u>37,672</u>	<u>77,780</u>
Assigned:						
Redevelopment	—	3,736	—	—	—	3,736
Health and welfare	—	—	—	—	14	14
Streets and bridges	—	—	—	—	56	56
Public safety	—	—	—	—	1,249	1,249
Parks and recreation	—	—	—	—	162	162
Other	—	—	—	—	2,895	2,895
Total	<u>—</u>	<u>3,736</u>	<u>—</u>	<u>—</u>	<u>4,376</u>	<u>8,112</u>
Unassigned	15,868	—	(19,322)	—	—	(3,454)
Total	<u>\$ 37,976</u>	<u>40,622</u>	<u>72,341</u>	<u>1,040</u>	<u>85,272</u>	<u>237,251</u>

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(28) Tax Abatements

The City implemented GASB 77, Tax Abatement Disclosures, for the year ended June 30, 2018. The following table represents the abated revenues at June 30, 2018:

Name of Program	Industrial Revenue Bond Transactions - Personal Property**	Industrial Revenue Bond Transactions - Earnings Tax Incentive Credits
Purpose of program	Personal property tax abatement or exemption from sales and use tax of qualified purchases of construction materials and/or personal property to provide economic development benefits to the municipality.	Use of earnings tax revenues to remediate existing underdeveloped and obsolete conditions in the project area, improve property values, create jobs and additional revenues to the municipality.
Abated tax	Personal Property Tax, Merchants & Manufacturing Tax, and Sales & Use Tax	Earnings Tax
Authorizing Statute/Ordinance	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.	Sections 70.210 to 70.320 RSMo. and the Charter of the City of St. Louis
Eligibility requirement	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).	Determination by governing body that area requires assistance Municipality must adopt an ordinance approving the Cooperation Agreement.
How tax is reduced	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.	City agrees, subject to annual appropriation, to reimburse redeveloper for eligible project costs up to a defined limit using a portion of earnings tax revenues.
Determination of abated amount	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.	By ordinance and cooperation agreement with redeveloper.
Recapture provisions	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None
Gross dollar of reduced tax revenues - Total*	\$ 906	\$ 821
Gross dollar of reduced tax revenues - City's portion*	\$ 38	\$ 821

* Dollar amounts per calendar year

** Industrial Revenue Bonds - No sales and use tax data were available during this period.

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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 are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.
Determination of abated amount	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance and redevelopment agreement (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 2,752	\$ 1,142	\$ 4,895
Gross dollar of reduced tax revenues – City’s portion*	\$ 530	\$ 220	\$ 943

* Dollar amounts per calendar year

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(Dollars in thousands)

Name of Program	Chapter 99 – Commercial	Chapter 353 – Commercial	Chapter 353 – Commercial PILOT
Purpose of program	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 353.010 – 353.190 RSMo	Sections 353.010 – 353.190 RSMo
Eligibility requirement	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.	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.
How tax is reduced	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.
Determination of abated amount	By statute, ordinance and redevelopment agreement with LCRA (if any).	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance and redevelopment agreement (if any).
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 8,290	\$ 5,325	\$ 3,809
Gross dollar of reduced tax revenues – City's portion*	\$ 1,454	\$ 934	\$ 668

* Dollar amounts per calendar year

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Name of Program	Chapter 100 – Planned Industrial Expansion Authority	Enhanced Enterprise Zone Tax Incentives	Industrial Revenue Bond Transactions – Real Property
Purpose of program	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.	Real property tax abatement to provide economic development benefits to the municipality
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 – 353.190 RSMo; City Ordinance 54788 approved 12/11/1967	Sections 135.950 to 135.973, RSMo; City Ordinance 67350 approved 12/11/06	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.
Eligibility requirement	Establishment of Planned Industrial Expansion Authority (PIEA) under Sections 100.300 to 100.620 RSMo. Determination by governing body that area is blighted. PIEA adopts development plan. Municipality must hold public hearing and adopt ordinance approving development plan. PIEA may enter development agreement with developer. Effectuated through either title transfer.	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.	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).
How tax is reduced	Assessments are abated through the procedures set forth in Chapter 353 RSMo.	City authorizing resolution specifies 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.	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.
Determination of abated amount	By statute, ordinance, and redevelopment agreement with PIEA (if any).	By statute, resolution and redevelopment agreement with EEZB.	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 68	\$ 3,385	\$ 374
Gross dollar of reduced tax revenues – City’s portion*	\$ 12	\$ 594	\$ 72

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
(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 9, 2018, the City issued \$66,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on May 30, 2019 and bear interest at a rate of 3.00% per year.

(b) Development and Tax Increment Revenue Notes

Subsequent to June 30, 2018, the City issued development and tax increment revenue notes totaling \$5,033 with interest rates of 5.05%.

(c) Property Taxes

The City tax rate levied in November 2018 was \$1.6252 per \$100 (in dollars) of assessed valuation of which \$1.4919 (in dollars) is for the general fund and \$0.1333 (in dollars) is for the debt service fund.

(d) General Obligation Bonds

On November 15, 2018, the City issued \$46,410 of general obligation debt approved by voters on August 7, 2018 for various capital improvements.

(e) Capital Lease Financing

On September 18, 2018, the City entered into a master equipment lease purchase agreement to borrow \$5,500 with an interest rate of 3.03% to purchase rolling stock. A second draw on the agreement was executed on October 30, 2018 in the amount of \$1,500 with an interest rate of 3.23% for additional rolling stock.

(f) Justice Center Series 2011 Cash Defeasance

On July 2, 2018, the City executed a cash defeasance to pay off the Series 2011 debt due February 2019. This enabled the City to forgo the cost of the letter of credit required by the financing.

(g) Sale of City Hall Upper Lot

On September 22, 2017, the Board of Alderman approved Ordinance No. 70612 authorizing the Parking Division to sell City Hall Upper Lot for a hotel project that is currently under development at the site of the old Municipal Courts Building. The impact to the Parking Division related to the revenue from that portion of the City Hall lot, as well as the requirements needed to remain in compliance with the bond indentures is being evaluated.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2018
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(h) General Revenue Fund Reserves

On June 26, 2018, a resolution to the Parking Division's Fiscal 2019 budget was adopted for a one-time transfer from the unrestricted reserves account to the City of St. Louis General Revenue Fund Reserves account for \$10,000 to improve the long-term fiscal well-being of the City.

CITY OF ST. LOUIS, MISSOURI

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues				
Taxes:				
Gross receipts	\$ 6,183	6,183	6,314	131
City earnings	179,093	179,093	173,774	(5,319)
Franchise	51,781	51,781	54,396	2,615
Sales	53,600	53,600	53,950	350
Property	60,044	60,044	61,161	1,117
Payroll	38,167	38,167	37,973	(194)
Motor vehicle	3,325	3,325	3,367	42
Other	693	693	1,237	544
Total taxes	<u>392,886</u>	<u>392,886</u>	<u>392,172</u>	<u>(714)</u>
Licenses and permits:				
Graduated business	6,307	6,307	6,267	(40)
Cigarette	1,703	1,703	1,477	(226)
Building division	6,994	6,994	10,247	3,253
Communication transmission	1,775	1,775	1,925	150
Liquor	534	534	574	40
Other	724	724	657	(67)
Motor vehicle	1,423	1,423	1,460	37
Total licenses and permits	<u>19,460</u>	<u>19,460</u>	<u>22,607</u>	<u>3,147</u>
Intergovernmental:				
Motor fuel tax allocation	8,500	8,500	8,546	46
Juvenile detention center	2,021	2,021	1,960	(61)
Public safety	6,742	6,742	5,535	(1,207)
Other intergovernmental	378	378	315	(63)
Total intergovernmental	<u>17,641</u>	<u>17,641</u>	<u>16,356</u>	<u>(1,285)</u>
Charges for services:				
Parks and recreation	296	296	305	9
Streets	16,658	19,358	18,601	(757)
Public safety	10,123	10,123	8,900	(1,223)
Health	615	615	650	35
Fee offices	4,062	4,062	3,904	(158)
Other	2	2	39	37
Services provided to other funds	5,305	5,305	5,241	(64)
Total charges for services	<u>37,061</u>	<u>39,761</u>	<u>37,640</u>	<u>(2,121)</u>
Court fines and forfeitures	2,864	2,864	2,340	(524)
Interest	1	1	3	2
Miscellaneous	2,878	2,878	3,156	278
Total revenues	<u>472,791</u>	<u>475,491</u>	<u>474,274</u>	<u>(1,217)</u>
Expenditures	<u>499,819</u>	<u>501,683</u>	<u>492,982</u>	<u>8,701</u>
Excess (deficiency) of revenues over expenditures	<u>(27,028)</u>	<u>(26,192)</u>	<u>(18,708)</u>	<u>7,484</u>
Other financing sources (uses):				
Transfers in	37,710	37,710	34,767	(2,943)
Transfers out	(12,087)	(12,924)	(12,924)	—
Total other financing sources (uses), net	<u>25,623</u>	<u>24,786</u>	<u>21,843</u>	<u>(2,943)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,405)</u>	<u>(1,406)</u>	<u>3,135</u>	<u>4,541</u>

See accompanying independent auditors' report.

Schedule 1, Continued

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
General government:						
110 Board of Alderman	\$ 3,193	3,193	2,770	169	2,939	254
120 Mayor's Office	2,162	2,162	1,890	130	2,020	142
123 Department of Personnel	3,829	3,788	3,085	304	3,389	399
124 Registrar	173	173	171	7	178	(5)
126 Civil Rights Enforcement Agency	333	333	334	2	336	(3)
127 Information Technology Service Agency	5,952	5,953	3,454	2,025	5,479	474
137 Division of the Budget	456	456	448	5	453	3
139 City Counselor	7,500	7,542	4,200	6,296	10,496	(2,954)
141 Planning and Urban Design	487	487	347	75	422	65
160 Comptroller	6,367	6,242	3,509	2,325	5,834	408
162 Municipal Garage	409	409	297	29	326	83
163 Microfilm Section	313	313	224	30	254	59
170 Supply Commissioner	723	723	712	5	717	6
171 Multigraph Section	925	925	641	139	780	145
330 Tax Equalization Board	11	11	6	1	7	4
333 Recorder of Deeds	2,800	2,800	2,560	282	2,842	(42)
334 Election and Registration	2,571	2,566	1,672	632	2,304	262
340 Treasurer	711	711	702	44	746	(35)
Prior year encumbrance	1,533	1,533	—	159	159	1,374
Sub total general government	40,448	40,320	27,022	12,659	39,681	639
190 City-Wide Accounts	4,974	5,139	1,772	3,813	5,585	(446)
Prior year encumbrance	—	—	—	—	—	—
Sub total city-wide accounts	4,974	5,139	1,772	3,813	5,585	(446)
Total general government	45,422	45,459	28,794	16,472	45,266	193

CITY OF ST. LOUIS, MISSOURI

Schedule 1, Continued

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Convention and tourism:						
930 Soldier's Memorial Building	\$ 123	123	121	1	122	1
Total convention and tourism	123	123	121	1	122	1
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	662	662	599	31	630	32
213 Division of Recreation	1,604	1,604	1,460	119	1,579	25
214 Division of Forestry	8,676	8,676	7,313	738	8,051	625
220 Division of Parks	7,518	7,518	6,590	406	6,996	522
225 Soulard Market	229	229	133	70	203	26
250 Tower Grove Park	725	725	—	725	725	—
Prior year encumbrance	42	42	—	42	42	—
Total parks and recreation	19,456	19,456	16,095	2,131	18,226	1,230
Judicial:						
311 Circuit Court (General)	10,057	10,057	5,059	4,029	9,088	969
312 Circuit Attorney	7,582	7,582	6,225	777	7,002	580
315 Sheriff	9,265	9,265	8,533	256	8,789	476
316 City Courts	2,435	2,393	1,755	448	2,203	190
318 Public Administrator	139	139	139	—	139	—
320 Probation Department and Juvenile Detention Center	16,584	16,584	14,111	1,621	15,732	852
321 Drug Court	527	527	—	399	399	128
Prior year encumbrance	893	893	—	758	758	135
Total judicial	47,482	47,440	35,822	8,288	44,110	3,330

Schedule 1, Continued

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Streets:						
510 Director of Streets	\$ 1,084	1,084	1,177	35	1,212	(128)
511 Transportation and Traffic Division	9,748	9,748	5,250	4,291	9,541	207
513 Auto Towing and Storage	1,834	1,834	1,567	252	1,819	15
514 Street Division	6,894	6,894	5,628	1,369	6,997	(103)
516 Refuse Division	14,959	17,538	8,321	9,208	17,529	9
Prior year encumbrance	—	—	—	—	—	—
Total streets	34,519	37,098	21,943	15,155	37,098	—
Public safety - fire:						
611 Fire Department Operations	58,717	58,717	57,345	3,030	60,375	(1,658)
612 Firemen's Retirement System	11,126	11,126	11,126	—	11,126	—
Prior year encumbrance	—	—	—	—	—	—
Total public safety - fire	69,843	69,843	68,471	3,030	71,501	(1,658)
Public safety - police:						
650 Police Department	135,708	135,305	119,581	12,224	131,805	3,500
651 Police Retirement System	31,802	31,802	31,795	—	31,795	7
Prior year encumbrance	29	29	—	—	—	29
Total public safety - police	167,539	167,136	151,376	12,224	163,600	3,536

CITY OF ST. LOUIS, MISSOURI

Schedule 1, Continued

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Public safety – other:						
610 Director of Public Safety	\$ 724	921	903	119	1,022	(101)
614 Office of Special Events	191	191	192	—	192	(1)
616 Excise Commissioner	425	399	334	27	361	38
620 Building Commissioner	8,038	8,013	7,594	472	8,066	(53)
622 Neighborhood Stabilization	2,526	2,498	2,230	126	2,356	142
625 City Emergency Management Agency	206	159	106	33	139	20
632 Medium Security Institution	15,896	15,558	10,132	5,036	15,168	390
633 City Jail	23,031	22,791	16,593	5,738	22,331	460
635 Civilian Oversight Board	301	293	253	18	271	22
Prior year encumbrance	8	8	—	2	2	6
Total public safety-other	51,346	50,831	38,337	11,571	49,908	923
Health and welfare:						
335 Medical Examiner	2,246	2,246	839	1,224	2,063	183
800 Director of Human Services	1,575	1,575	1,244	116	1,360	215
Total health and welfare	3,821	3,821	2,083	1,340	3,423	398
Public services:						
900 President's Office, Board of Public Services	2,555	2,555	2,219	206	2,425	130
903 Building Operations	15,995	16,083	4,117	11,349	15,466	617
910 Equipment Services Division	15,819	15,939	7,428	8,371	15,799	140
Total public services	34,369	34,577	13,764	19,926	33,690	887
Debt service:						
Principal	12,451	12,508	—	12,503	12,503	5
Interest and fiscal charges	13,448	13,391	—	13,535	13,535	(144)
Total debt service	25,899	25,899	—	26,038	26,038	(139)
Total expenditures	\$ 499,819	501,683	376,806	116,176	492,982	8,701

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Redevelopment Projects Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 41,018	41,018	41,018	—
Licenses and permits	3	3	3	—
Intergovernmental	4,045	4,045	4,045	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	33	33	33	—
Miscellaneous	20,579	20,579	20,579	—
Total revenues	<u>65,678</u>	<u>65,678</u>	<u>65,678</u>	<u>—</u>
Expenditures:				
Current:				
General government	1,425	1,425	917	508
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community development	15,532	15,532	15,532	—
Capital outlay	—	—	—	—
Debt service	53,643	53,643	53,643	—
Total expenditures	<u>70,600</u>	<u>70,600</u>	<u>70,092</u>	<u>508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,922)</u>	<u>(4,922)</u>	<u>(4,414)</u>	<u>(508)</u>
Other financing sources (uses):				
Proceeds net of refunding	11,660	11,660	11,660	—
Transfers in	—	—	—	—
Transfers out	(2,124)	(2,124)	(2,124)	—
	<u>9,536</u>	<u>9,536</u>	<u>9,536</u>	<u>—</u>
Net change in fund balances	<u>\$ 4,614</u>	<u>4,614</u>	<u>5,122</u>	<u>(508)</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

Required Supplementary Information

Year ended June 30, 2018

(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, economic development sales tax fund 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

Required Supplementary Information

Year ended June 30, 2018

(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:

	<u>General fund</u>	<u>Redevelopment projects fund</u>
Budget basis	\$ 3,135	5,122
Increase (decrease) due to:		
Revenue accruals	103	(702)
Expenditure accruals	(37,694)	(2)
Unbudgeted activities and funds	<u>54,150</u>	<u>—</u>
GAAP basis	<u>\$ 19,694</u>	<u>4,418</u>

See accompanying independent auditors’ report.

Schedule 4

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service cost	\$ 17,988	12,618	12,978	12,992						
Interest	66,043	67,036	66,579	65,906						
Difference between expected and actual experience	3,911	(3,684)	(2,041)	—						
Change in benefit	—	—	—	—						
Change of assumptions	(55,154)	131,846	16,249	6,650						
Benefit payments	(63,452)	(62,637)	(69,533)	(60,973)						
Net change in total pension liability	(30,664)	145,179	24,232	24,575						
Total pension liability – beginning	1,089,317	944,138	919,906	895,331						
Total pension liability – ending (a)	1,058,653	1,089,317	944,138	919,906						
System fiduciary net position:										
Contributions – employer	33,826	30,779	30,600	32,325						
Contributions – employee	4,654	4,377	4,488	4,438						
Net investment income	93,520	52,927	(8,325)	48,095						
Benefit payments	(63,452)	(62,637)	(69,533)	(60,973)						
Administrative expenses	(1,206)	(1,103)	(1,125)	(1,096)						
Net change in fiduciary net position	67,342	24,343	(43,895)	22,789						
System fiduciary net position – beginning	709,238	684,895	728,790	706,277						
System fiduciary net position – ending (b)	776,580	709,238	684,895	729,066						
Net pension liability – ending: (a)-(b)	\$ 282,073	380,079	259,243	190,840						
System's fiduciary net position as a percentage of the total pension liability	73.36 %	65.11 %	72.54 %	79.25 %						
Covered-employee payroll*	\$ 76,142	72,684	72,325	72,151						
Net pension liability as a percentage of covered-employee payroll	370.46 %	522.92 %	358.44 %	264.50 %						

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

* Covered-employee payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2018

(Dollars in thousands)

Police Retirement System of St. Louis.

Schedule of contributions – Last ten fiscal years (In thousands)

	<u>Covered employee payroll</u>	<u>Contributions as percentage of covered- employee payroll</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>
Fiscal year ended June 30:					
2018	\$ 73,619	45.95 %	33,827	33,827	—
2017	77,844	39.54	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

Notes to required supplementary information for contributions

Valuation date	October 1, 2017
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-2014 disabled retiree projected generally with MO-2015 with 0.9 adjustment male and no adjustment for females

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service cost	\$ —	—	—	—						
Interest	34,537	34,916	34,403	34,450						
Difference between expected and actual experience	(26,463)	(6,984)	15	—						
Change in benefit	—	—	—	—						
Change of assumptions	—	—	43,915	—						
Refunds	(816)	(1,278)	(1,294)	(1,205)						
Benefit payments	(32,016)	(32,155)	(33,562)	(34,002)						
Net change in total pension liability	(24,758)	(5,501)	43,477	(757)						
Total pension liability – beginning	489,518	495,019	451,542	452,299						
Total pension liability – ending (a)	464,760	489,518	495,019	451,542						
System fiduciary net position:										
Contributions – employer	3,314	2,715	—	1,008						
Refunds	(816)	(1,278)	(1,294)	(1,205)						
Net investment income	60,391	38,228	(10,932)	48,270						
Benefit payments	(32,016)	(32,155)	(33,562)	(34,002)						
Transfer out due to settlement agreement	—	—	—	(10,279)						
Transfer from future benefit fund	167	167	—	—						
Administrative expenses	(1,068)	(1,095)	(1,594)	(1,424)						
Net change in fiduciary net position	29,972	6,582	(47,382)	2,368						
System fiduciary net position – beginning	453,640	447,058	494,440	492,222						
System fiduciary net position – ending (b)	483,612	453,640	447,058	494,590						
Net pension liability – ending: (a)-(b)	\$ (18,852)	35,878	47,961	(43,048)						
System's fiduciary net position as a percentage of the total pension liability	104.06 %	92.67 %	90.31 %	109.53 %						
Covered-employee payroll*	\$ 31,079	30,219	30,288	29,768						
Net pension liability as a percentage of covered-employee payroll	(60.66)%	118.73 %	158.35 %	(144.61)%						

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

* Covered-employee payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2018

(Dollars in thousands)

Firemen's Retirement System of St Louis

Schedule of contributions – Last ten fiscal years (In thousands)

	Covered employee payroll	Contributions as percentage of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2018	\$ 29,122	11.38 %	3,314	3,314	—
2017	30,697	8.84	2,715	2,715	—
2016	30,288	—	—	—	—
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	—

Notes to required supplementary information for contributions

Valuation date	October 1, 2017
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

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service cost	\$ 6,009	6,033	6,227	6,411						
Interest	8,214	7,215	6,146	4,088						
Difference between expected and actual experience	4,041	337	1,179	(5,360)	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>					
Change in benefit	—	—	979	—						
Change of assumptions	(19,682)	—	22,244	—						
Benefit payments	(552)	(381)	(263)	(133)						
Net change in total pension liability	(1,970)	13,204	36,512	5,006						
Total pension liability – beginning	101,984	88,780	52,268	47,262						
Total pension liability – ending (a)	100,014	101,984	88,780	52,268						
Plan fiduciary net position:										
Contributions – employer	9,263	9,148	8,507	15,825						
Contributions – employee	3,121	2,919	2,829	2,813						
Net investment income	5,900	2,892	(843)	(92)						
Benefit payments	(552)	(381)	(263)	(133)						
Administrative expenses	(413)	(405)	(313)	(207)						
Net change in fiduciary net position	17,319	14,173	9,917	18,206						
Plan fiduciary net position – beginning	43,948	29,776	19,859	1,653						
Plan fiduciary net position – ending (b)	61,267	43,949	29,776	19,859						
Net pension liability – ending: (a)-(b)	\$ 38,747	58,035	59,004	32,409						
Plan's fiduciary net position as a percentage of the total pension liability	61.26 %	43.09 %	33.54 %	37.99 %						
Covered-employee payroll*	\$ 38,483	36,637	35,531	34,939						
Net pension liability as a percentage of covered – employee payroll	100.69 %	158.41 %	166.06 %	92.76 %						

* Covered-employee payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (Dollars in thousands)

Firefighters' Retirement Plan

Schedule of contributions – Last ten fiscal years (In thousands)

	<u>Covered employee payroll</u>	<u>Contributions as percentage of covered- employee payroll</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>
Fiscal year ended June 30:					
2018	\$ 36,059	25.69 %	9,263	9,263	—
2017	37,216	24.58	9,148	9,148	—
2016	35,531	20.93	7,436	8,507	(1,071)
2015	34,939	25.59	8,942	8,942	—
2014	22,642	30.40	6,883	6,883	—
2013	—	—	—	—	—
2012	—	—	—	—	—
2011	—	—	—	—	—
2010	—	—	—	—	—
2009	—	—	—	—	—

Notes to required supplementary information for contributions

Valuation date	October 1, 2017
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	7.25%, net of investment expenses
Inflation	2.75%
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue Collar Employee table adjusted to 2006 with MP-2017

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (Dollars in thousands)

Employees Retirement System of the City 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability	82.91 %	83.20 %	83.50 %	83.90 %	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>					
Proportionate share of the net pension liability	\$ 144,021	174,115	189,264	129,712						
Covered-employee payroll	198,402	197,322	211,924	211,675						
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.59 %	88.24 %	89.31 %	61.28 %						
Plan fiduciary net position as a percentage of the total pension liability	68.37 %	65.33 %	63.64 %	70.09 %						

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (Dollars in thousands)

Employees Retirement System of the City of St Louis

Schedule of contributions – Last ten fiscal years (In thousands)

	<u>Covered employee payroll</u>	<u>Contributions as percentage of covered- employee payroll</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>
Fiscal year ended June 30:					
2018	\$ 197,404	12.51 %	22,953	24,692	(1,739)
2017	197,906	13.51	23,743	26,734	(2,991)
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	—	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)

Notes to required supplementary information for contributions

Valuation date	October 1, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method/period	Layered 20-year amortization of unfunded liability
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%, net of investment expenses
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

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
 Retirement Systems and Other Postemployment Benefit Plans
 Required Supplementary Information
 Unaudited
 June 30, 2018
 (Dollars in thousands)

SLPD OPEB Plan

Schedule of changes in the total OPEB liability and related ratios – Last ten fiscal years (In thousands)

Total pension liability	Fiscal year end June 30										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	
Service cost	\$ 15,481										
Interest	17,946										
Difference between expected and actual experience	—	<i>(Historical information prior to implementation of GASB 75 is not required)</i>									
Change in benefit	—										
Change of assumptions	(23,261)										
Benefit payments	(12,371)										
Net change in total OPEB liability	(2,205)										
Total OPEB liability – beginning, as previously reported	234,180										
Cumulative effect of change in accounting principle	257,756										
Total OPEB liability – beginning, as adjusted	491,936										
Total OPEB liability – ending	489,731										
Covered-employee payroll*	\$ 92,643										
Total OPEB liability as a percentage of covered-employee payroll	528.62 %										

* Covered-employee payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.



Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Public Safety Trust – 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.

Economic Development Sales Tax – Used to account for revenues received from an increase of sales tax to be used for economic development.

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

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

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

Debt Service Fund

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

Schedule 5

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2018

(Dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	License Collector	Public Safety Trust
Assets									
Cash and cash equivalents:									
Restricted	\$ —	—	—	—	—	—	—	—	—
Unrestricted	7,932	—	—	372	23	2,062	843	2,008	398
Investments:									
Restricted	—	—	—	—	—	—	—	—	—
Unrestricted	1,840	—	—	86	5	479	—	—	92
Receivables, net of allowances:									
Taxes	6,688	7,146	3,688	771	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	219
Intergovernmental	—	—	—	—	415	—	—	—	—
Charges for services	—	—	—	—	—	746	—	—	—
Other	—	—	—	—	—	—	—	—	—
Total assets	\$ 16,460	7,146	3,688	1,229	443	3,287	843	2,008	709
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 1,434	—	—	—	10	135	—	—	—
Accrued salaries and other benefits	227	—	—	—	85	16	—	—	8
Due to component units	—	—	—	—	—	—	—	—	—
Due to other funds	4	495	387	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—
Total liabilities	1,665	495	387	—	95	151	—	—	8
Deferred inflow of resources	—	—	—	—	415	596	—	—	74
Total liabilities and deferred inflow of resources	1,665	495	387	—	510	747	—	—	82
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	—	6,651	—	—	(67)	—	843	2,008	—
Committed	12,356	—	3,301	—	—	2,540	—	—	627
Assigned	2,439	—	—	1,229	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	14,795	6,651	3,301	1,229	(67)	2,540	843	2,008	627
Total liabilities, deferred inflow of resources, and fund balances	\$ 16,460	7,146	3,688	1,229	443	3,287	843	2,008	709

Schedule 5, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2018

(Dollars in thousands)

	Special revenue						Debt Service Fund	Total Other Governmental Fund	
	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue			Total Special Revenue
Assets									
Cash and cash equivalents:									
Restricted	\$ —	1,198	—	—	—	—	1,198	2,536	3,734
Unrestricted	1,288	2,071	8,064	976	6,892	5,565	38,494	—	38,494
Investments:									
Restricted	—	2,987	—	—	—	—	2,987	6,920	9,907
Unrestricted	299	481	1,872	226	1,600	1,338	8,318	—	8,318
Receivables, net of allowances:									
Taxes	3,571	893	3,533	3,434	1,318	—	31,042	7,248	38,290
Licenses and permits	—	—	—	—	10	—	229	—	229
Intergovernmental	—	—	—	—	171	—	586	—	586
Charges for services	—	—	—	—	765	5	1,516	—	1,516
Other	—	—	—	—	185	213	398	—	398
Total assets	\$ 5,158	7,630	13,469	4,636	10,941	7,121	84,768	16,704	101,472
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 142	75	—	—	306	150	2,252	—	2,252
Accrued salaries and other benefits	1	77	—	—	144	—	558	—	558
Due to component units	—	—	—	—	51	242	293	—	293
Due to other funds	516	137	—	—	—	—	1,539	—	1,539
Unearned revenue	—	—	—	—	2,378	213	2,591	—	2,591
Total liabilities	659	289	—	—	2,879	605	7,233	—	7,233
Deferred inflow of resources	—	—	—	—	659	—	1,744	7,223	8,967
Total liabilities and deferred inflow of resources	659	289	—	—	3,538	605	8,977	7,223	16,200
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	—	5,245	13,469	4,636	117	830	33,732	9,481	43,213
Committed	4,499	2,096	—	—	6,798	5,455	37,672	—	37,672
Assigned	—	—	—	—	488	220	4,376	—	4,376
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	4,499	7,341	13,469	4,636	7,403	6,516	75,791	9,481	85,272
Total liabilities, deferred inflow of resources, and fund balances	\$ 5,158	7,630	13,469	4,636	10,941	7,121	84,768	16,704	101,472

See accompanying independent auditors' report.

Schedule 6

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2018

(Dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	License Collector	Public Safety Trust
Revenues:									
Taxes	\$ 34,964	40,434	14,890	7,714	2,480	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	2,938
Intergovernmental	—	—	—	—	415	—	—	—	—
Charges for services, net	—	—	—	—	2	2,631	8,421	1,931	—
Court fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment income	15	—	—	(1)	—	(4)	37	—	(1)
Miscellaneous	61	—	—	—	—	—	329	—	—
Total	<u>35,040</u>	<u>40,434</u>	<u>14,890</u>	<u>7,713</u>	<u>2,897</u>	<u>2,627</u>	<u>8,787</u>	<u>1,931</u>	<u>2,937</u>
Expenditures:									
General government	340	—	165	—	4,242	—	8,675	1,850	236
Parks and recreation	21	—	—	—	—	—	—	—	—
Judicial	125	—	—	—	—	—	—	—	198
Streets	615	—	—	—	—	—	—	—	—
Public safety:									
Fire	135	—	—	12	—	—	—	—	—
Police	9,861	—	—	4,000	—	—	—	—	2,059
Other	3,084	—	—	—	—	—	—	—	—
Health and welfare	16,858	—	—	—	—	—	—	—	—
Public services	—	40,519	—	—	—	2,124	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service:									
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	<u>31,039</u>	<u>40,519</u>	<u>165</u>	<u>4,012</u>	<u>4,242</u>	<u>2,124</u>	<u>8,675</u>	<u>1,850</u>	<u>2,493</u>
Excess (deficiency) of revenues over expenditures	<u>4,001</u>	<u>(85)</u>	<u>14,725</u>	<u>3,701</u>	<u>(1,345)</u>	<u>503</u>	<u>112</u>	<u>81</u>	<u>444</u>
Other financing sources (uses):									
Transfers in	—	51	25	—	1,400	—	—	—	—
Transfers out	(610)	—	(14,788)	(3,300)	(51)	(6)	(86)	(22)	(7)
Total other financing sources (uses), net	<u>(610)</u>	<u>51</u>	<u>(14,763)</u>	<u>(3,300)</u>	<u>1,349</u>	<u>(6)</u>	<u>(86)</u>	<u>(22)</u>	<u>(7)</u>
Net change in fund balances	3,391	(34)	(38)	401	4	497	26	59	437
Fund balances:									
Beginning of year	11,404	6,685	3,339	828	(71)	2,043	817	1,949	190
End of year	<u>\$ 14,795</u>	<u>6,651</u>	<u>3,301</u>	<u>1,229</u>	<u>(67)</u>	<u>2,540</u>	<u>843</u>	<u>2,008</u>	<u>627</u>

Schedule 6, Continued

CITY OF ST. LOUIS, MISSOURI
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended June 30, 2018
 (Dollars in thousands)

	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Revenues:									
Taxes	\$ 19,530	4,867	14,590	4,639	15,071	—	159,179	6,849	166,028
Licenses and permits	—	—	—	—	5,042	10	7,990	—	7,990
Intergovernmental	—	—	—	—	2,359	22	2,796	—	2,796
Charges for services, net	—	4	—	—	1,502	268	14,759	—	14,759
Court fines and forfeitures	—	—	—	—	—	2	2	—	2
Investment income	(2)	(7)	(21)	(3)	(14)	(12)	(13)	2	(11)
Miscellaneous	647	2,000	—	—	3,994	3,716	10,747	—	10,747
Total	20,175	6,864	14,569	4,636	27,954	4,006	195,460	6,851	202,311
Expenditures:									
General government	—	—	—	—	1,723	385	17,616	—	17,616
Parks and recreation	—	3,663	—	—	430	69	4,183	—	4,183
Judicial	—	—	—	—	2,323	12	2,658	—	2,658
Streets	—	—	—	—	214	64	893	—	893
Public safety:									
Fire	1,075	—	—	—	—	14	1,236	—	1,236
Police	8,135	—	—	—	686	—	24,741	—	24,741
Other	1,071	—	—	—	3,392	1,488	9,035	—	9,035
Health and welfare	—	—	—	—	468	149	17,475	—	17,475
Public services	—	—	—	—	371	39	43,053	—	43,053
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service:									
Principal	4,226	1,305	—	—	293	—	5,824	4,285	10,109
Interest and fiscal charges	5,145	1,696	—	—	76	—	6,917	1,446	8,363
Total expenditures	19,652	6,664	—	—	9,976	2,220	133,631	5,731	139,362
Excess (deficiency) of revenues over expenditures	523	200	14,569	4,636	17,978	1,786	61,829	1,120	62,949
Other financing sources (uses):									
Transfers in	45	411	—	—	1,257	7	3,196	6	3,202
Transfers out	(1)	(19)	(1,100)	—	(16,416)	(17)	(36,423)	—	(36,423)
Total other financing sources (uses), net	44	392	(1,100)	—	(15,159)	(10)	(33,227)	6	(33,221)
Net change in fund balances	567	592	13,469	4,636	2,819	1,776	28,602	1,126	29,728
Fund balances:									
Beginning of year	3,932	6,749	—	—	4,584	4,740	47,189	8,355	55,544
End of year	\$ 4,499	7,341	13,469	4,636	7,403	6,516	75,791	9,481	85,272

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 7

Use Tax Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2018

(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	\$ 31,370	35,870	33,857	(2,013)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	10	10	31	21
Miscellaneous	20	20	61	41
Total revenues	<u>31,400</u>	<u>35,900</u>	<u>33,949</u>	<u>(1,951)</u>
Expenditures:				
Current:				
General government	—	355	340	15
Convention and tourism	—	—	—	—
Parks and recreation	—	100	11	89
Judicial	—	390	121	269
Streets	699	699	623	76
Public safety:				
Fire	—	135	135	—
Police	7,661	9,861	9,861	—
Other	2,751	4,071	3,121	950
Health and welfare	24,224	24,224	16,665	7,559
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>35,335</u>	<u>39,835</u>	<u>30,877</u>	<u>8,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,935)</u>	<u>(3,935)</u>	<u>3,072</u>	<u>7,007</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><u>(4,435)</u></u>	<u><u>(4,435)</u></u>	<u><u>2,572</u></u>	<u><u>7,007</u></u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 8

Transportation Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 44,997	44,997	40,380	(4,617)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>44,997</u>	<u>44,997</u>	<u>40,380</u>	<u>(4,617)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	44,997	44,997	40,519	4,478
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>44,997</u>	<u>44,997</u>	<u>40,519</u>	<u>4,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>(139)</u>	<u>(139)</u>
Other financing sources (uses):				
Transfers in	—	—	51	51
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>51</u>	<u>51</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

Schedule 9

Convention and Tourism Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(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	\$ 15,477	15,477	14,928	(549)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>15,477</u>	<u>15,477</u>	<u>14,928</u>	<u>(549)</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>15,312</u>	<u>15,312</u>	<u>14,763</u>	<u>(549)</u>
Other financing sources (uses):				
Transfers in	—	—	25	25
Transfers out	<u>(15,310)</u>	<u>(15,310)</u>	<u>(14,788)</u>	<u>522</u>
	<u>(15,310)</u>	<u>(15,310)</u>	<u>(14,763)</u>	<u>547</u>
Net change in fund balances	\$ <u><u>2</u></u>	<u><u>2</u></u>	<u><u>—</u></u>	<u><u>(2)</u></u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 10

Licensed Gaming Program Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 6,450	7,450	7,569	119
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>6,450</u>	<u>7,450</u>	<u>7,569</u>	<u>119</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	28	(3)
Police	3,000	4,000	4,000	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>3,025</u>	<u>4,025</u>	<u>4,028</u>	<u>(3)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,425</u>	<u>3,425</u>	<u>3,541</u>	<u>116</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(3,300)	(3,300)	(3,300)	—
	<u>(3,300)</u>	<u>(3,300)</u>	<u>(3,300)</u>	<u>—</u>
Net change in fund balances	<u>\$ 125</u>	<u>125</u>	<u>241</u>	<u>116</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 11

Assessor's Office Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 2,405	2,405	2,480	75
Licenses and permits	—	—	—	—
Intergovernmental	386	386	415	29
Charges for service, net	1	1	2	1
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,792</u>	<u>2,792</u>	<u>2,897</u>	<u>105</u>
Expenditures:				
Current:				
General government	4,342	4,342	4,285	57
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>4,342</u>	<u>4,342</u>	<u>4,285</u>	<u>57</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,550)</u>	<u>(1,550)</u>	<u>(1,388)</u>	<u>162</u>
Other financing sources (uses):				
Transfers in	1,565	1,565	1,400	(165)
Transfers out	—	—	—	—
	<u>1,565</u>	<u>1,565</u>	<u>1,400</u>	<u>(165)</u>
Net change in fund balances	<u>\$ 15</u>	<u>15</u>	<u>12</u>	<u>(3)</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 12

Lateral Sewer Program Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,627	2,627	2,609	(18)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,627</u>	<u>2,627</u>	<u>2,609</u>	<u>(18)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,629	2,629	2,148	481
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,629</u>	<u>2,629</u>	<u>2,148</u>	<u>481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>(2)</u>	<u>461</u>	<u>463</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ (2)</u>	<u>(2)</u>	<u>461</u>	<u>463</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 13

Public Safety Trust Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	2,880	2,880	2,896	16
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>2,880</u>	<u>2,880</u>	<u>2,896</u>	<u>16</u>
Expenditures:				
Current:				
General government	275	275	240	35
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	448	448	202	246
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,059	2,059	2,059	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>2,782</u>	<u>2,782</u>	<u>2,501</u>	<u>281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98</u>	<u>98</u>	<u>395</u>	<u>297</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	<u>\$ 98</u>	<u>98</u>	<u>395</u>	<u>297</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 14

Public Safety Sales Tax Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 19,392	19,392	19,502	110
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>19,392</u>	<u>19,392</u>	<u>19,502</u>	<u>110</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	1,075	1,075	1,075	—
Police	8,135	8,135	8,135	—
Other	1,794	1,794	1,026	768
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,724	6
Total expenditures	<u>19,734</u>	<u>19,734</u>	<u>18,960</u>	<u>774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(342)</u>	<u>(342)</u>	<u>542</u>	<u>884</u>
Other financing sources (uses):				
Transfers in	—	—	45	45
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>45</u>	<u>45</u>
Net change in fund balances	<u>\$ (342)</u>	<u>(342)</u>	<u>587</u>	<u>929</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 15

Parks and Recreation Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 4,834	4,834	4,859	25
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	12	12	4	(8)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	12	12
Miscellaneous	2,000	2,000	2,000	—
Total revenues	<u>6,846</u>	<u>6,846</u>	<u>6,875</u>	<u>29</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	5,880	5,880	3,687	2,193
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,033	3,025	3,000	25
Total expenditures	<u>8,913</u>	<u>8,905</u>	<u>6,687</u>	<u>2,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,067)</u>	<u>(2,059)</u>	<u>188</u>	<u>2,247</u>
Other financing sources (uses):				
Transfers in	400	400	411	11
Transfers out	—	(8)	(8)	—
	<u>400</u>	<u>392</u>	<u>403</u>	<u>11</u>
Net change in fund balances	<u>\$ (1,667)</u>	<u>(1,667)</u>	<u>591</u>	<u>2,258</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 16

Economic Development Sales Tax Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 11,200	11,200	11,057	(143)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	<u>11,200</u>	<u>11,200</u>	<u>11,057</u>	<u>(143)</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	1,100	1,100	—	1,100
Health and welfare	2,200	2,200	—	2,200
Public service	6,800	6,800	—	6,800
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>—</u>	<u>10,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,100</u>	<u>1,100</u>	<u>11,057</u>	<u>9,957</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(1,100)	(1,100)	(1,100)	—
	<u>(1,100)</u>	<u>(1,100)</u>	<u>(1,100)</u>	<u>—</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>9,957</u>	<u>9,957</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 17

Other Budgeted Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 10,880	15,551	15,135	(416)
Licenses and permits	2,856	2,856	5,046	2,190
Intergovernmental	799	799	2,194	1,395
Charges for service, net	3,494	3,494	1,890	(1,604)
Court fines and forfeitures	1,140	1,140	1,178	38
Investment income	—	—	—	—
Miscellaneous	4,783	4,821	3,679	(1,142)
Total revenues	<u>23,952</u>	<u>28,661</u>	<u>29,122</u>	<u>461</u>
Expenditures:				
Current:				
General government	1,952	1,952	1,691	261
Convention and tourism	—	—	—	—
Parks and recreation	1,413	1,413	457	956
Judicial	2,677	2,677	2,346	331
Streets	306	306	213	93
Public safety:				
Fire	—	—	—	—
Police	1,550	1,550	588	962
Other	4,893	4,893	3,420	1,473
Health and welfare	867	867	472	395
Public service	1,036	1,084	367	717
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	<u>14,694</u>	<u>14,742</u>	<u>9,554</u>	<u>5,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,258</u>	<u>13,919</u>	<u>19,568</u>	<u>5,649</u>
Other financing sources (uses):				
Transfers in	580	580	929	349
Transfers out	(16,079)	(18,799)	(17,555)	1,244
	<u>(15,499)</u>	<u>(18,219)</u>	<u>(16,626)</u>	<u>1,593</u>
Net change in fund balances	<u>\$ (6,241)</u>	<u>(4,300)</u>	<u>2,942</u>	<u>7,242</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 18

Debt Service Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 6,527	6,527	6,895	368
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	20	20	17	(3)
Miscellaneous	—	—	—	—
Total revenues	<u>6,547</u>	<u>6,547</u>	<u>6,912</u>	<u>365</u>
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	5,830	5,830	5,731	99
Total expenditures	<u>5,830</u>	<u>5,830</u>	<u>5,731</u>	<u>99</u>
Excess (deficiency) of revenues over (under) expenditures	<u>717</u>	<u>717</u>	<u>1,181</u>	<u>464</u>
Other financing sources (uses):				
Transfers in	—	—	6	6
Transfers out	—	—	—	—
	<u>—</u>	<u>—</u>	<u>6</u>	<u>6</u>
Net change in fund balances	<u>\$ 717</u>	<u>717</u>	<u>1,187</u>	<u>470</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 19

Capital Projects Fund – Major Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2018

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 23,976	23,976	24,262	286
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	(10)	(10)
Miscellaneous	1,016	1,016	955	(61)
Total revenues	<u>25,622</u>	<u>25,622</u>	<u>25,837</u>	<u>215</u>
Expenditures:				
Current:				
General government	1,123	867	—	867
Convention and tourism	—	—	—	—
Parks and recreation	4,087	4,258	1,371	2,887
Judicial	—	—	—	—
Streets	6,931	7,855	4,211	3,644
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	13,304	13,077	5,303	7,774
Capital outlay	25,644	30,332	8,298	22,034
Debt service	22,620	22,620	22,026	594
Total expenditures	<u>73,709</u>	<u>79,009</u>	<u>41,209</u>	<u>37,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,087)</u>	<u>(53,387)</u>	<u>(15,372)</u>	<u>38,015</u>
Other financing sources (uses):				
Sale of capital assets	400	400	6	(394)
Transfers in	17,192	19,792	19,943	151
Transfers out	(3,976)	(3,976)	(4,183)	(207)
	<u>13,616</u>	<u>16,216</u>	<u>15,766</u>	<u>(450)</u>
Net change in fund balances	<u>\$ (34,471)</u>	<u>(37,171)</u>	<u>394</u>	<u>37,565</u>

See accompanying independent auditors' report.

Schedule 20

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, 2018

(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</u>	<u>Public Safety Sales Tax</u>	<u>Parks and Recreation</u>	<u>Economic Development Sales Tax</u>	<u>Other Budgeted Special Revenue</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Net change in fund balances – budget basis	\$ 2,572	(88)	—	241	12	461	395	587	591	9,957	2,942	1,187	394
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.	1,091	54	(38)	144	—	18	41	673	(13)	3,512	(20)	(61)	(40)
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(272)	—	—	16	(8)	18	1	(693)	4	—	2,275	—	923
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.	—	—	—	—	—	—	—	—	10	—	(2,378)	—	(4,969)
Net change in fund balances – GAAP basis	\$ <u>3,391</u>	<u>(34)</u>	<u>(38)</u>	<u>401</u>	<u>4</u>	<u>497</u>	<u>437</u>	<u>567</u>	<u>592</u>	<u>13,469</u>	<u>2,819</u>	<u>1,126</u>	<u>(3,692)</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

Schedule 21

Combining Statement of Net Position
Internal Service Funds

June 30, 2018

(Dollars in thousands)

Assets	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Current assets:					
Cash and cash equivalents – unrestricted	\$ 3,564	—	6,969	10	10,543
Investments – unrestricted	—	—	1,618	2	1,620
Receivables, net of allowances:					
Charges for services	—	—	1,159	—	1,159
Prepaid assets	1,419	59	—	—	1,478
Due from other funds	6,306	—	181	390	6,877
Advance from other funds	40,435	—	—	—	40,435
Total current assets	<u>51,724</u>	<u>59</u>	<u>9,927</u>	<u>402</u>	<u>62,112</u>
Noncurrent assets:					
Capital assets	—	107	—	—	107
Less accumulated depreciation	—	(66)	—	—	(66)
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>41</u>	<u>—</u>	<u>—</u>	<u>41</u>
Total assets	<u>51,724</u>	<u>100</u>	<u>9,927</u>	<u>402</u>	<u>62,153</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	43	—	430	473
Due to other funds	—	70	—	—	70
Claims payable (due within one year)	24,419	—	1,200	—	25,619
Total current liabilities	<u>24,419</u>	<u>113</u>	<u>1,200</u>	<u>430</u>	<u>26,162</u>
Noncurrent liabilities:					
Claims payable (due over one year)	27,305	—	—	—	27,305
Total noncurrent liabilities	<u>27,305</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,305</u>
Total liabilities	<u>51,724</u>	<u>113</u>	<u>1,200</u>	<u>430</u>	<u>53,467</u>
Net Position					
Net investment in capital assets	—	41	—	—	41
Unrestricted	—	(54)	8,727	(28)	8,645
Total net position	<u>\$ —</u>	<u>(13)</u>	<u>8,727</u>	<u>(28)</u>	<u>8,686</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 22

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

Year ended June 30, 2018

(Dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 14,143	548	18,434	3,687	36,812
Total operating revenues	14,143	548	18,434	3,687	36,812
Operating expenses:					
Claims incurred	9,490	—	14,915	—	24,405
Premiums	4,040	—	—	—	4,040
Personnel services	—	315	—	—	315
Material and supplies	613	245	—	4,138	4,996
Depreciation	—	14	—	—	14
Total operating expenses	14,143	574	14,915	4,138	33,770
Operating income (loss)	—	(26)	3,519	(451)	3,042
Nonoperating revenues (expenses):					
Investment income (loss)	—	—	(14)	—	(14)
Total nonoperating revenues (expenses), net	—	—	(14)	—	(14)
Income (loss) before capital contributions	—	(26)	3,505	(451)	3,028
Changes in net position	—	(26)	3,505	(451)	3,028
Net position – beginning of year	—	13	5,222	423	5,658
Net position – end of year	\$ —	(13)	8,727	(28)	8,686

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 23

Combining Statement of Cash Flows
Internal Service Funds

Year ended June 30, 2018

(Dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 22,879	591	18,051	3,606	45,127
Payments to suppliers of goods and services	(21,527)	(282)	(15,342)	(3,875)	(41,026)
Payments to employees	—	(309)	—	—	(309)
Net cash provided by (used in) operating activities	1,352	—	2,709	(269)	3,792
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	—	—	—	—	—
Other capital and financing activities	—	—	—	—	—
Net cash provided by (used in) capital and related financing	—	—	—	—	—
Cash flows from investing activities:					
Purchase of investments	—	—	(295)	(2)	(297)
Proceeds from sales and maturities of investments	—	—	—	64	64
Net cash (used in) provided by investing activities	—	—	(295)	62	(233)
Net increase (decrease) in cash and cash equivalents	1,352	—	2,414	(207)	3,559
Cash and cash equivalents beginning of year	2,212	—	4,555	217	6,984
Cash and cash equivalents end of year	\$ 3,564	—	6,969	10	10,543
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	(26)	3,519	(451)	3,042
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	14	—	—	14
Change in assets and liabilities:					
Receivables, net	—	4	(368)	—	(364)
Due to/from other funds	402	39	(15)	(81)	345
Advance to other funds	8,334	—	—	—	8,334
Prepaid assets	(97)	(36)	—	—	(133)
Accounts payable and accrued liabilities	—	5	—	263	268
Claims payable	(7,287)	—	(427)	—	(7,714)
Total adjustments	1,352	26	(810)	182	750
Net cash provided by (used in) operating activities	\$ 1,352	—	2,709	(269)	3,792

See accompanying independent auditors' report.

Pension Trust Funds

Pension trust funds are used to account for the activity of the four 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.

Schedule 24

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Fiduciary Net Position
Pension Trust Funds

June 30, 2018

(Dollars in thousands)

Assets	Firemen's System (as of September 30, 2017*)	Firefighter's Plan (as of September 30, 2017*)	Police System (as of September 30, 2017*)	Employees System (as of September 30, 2017*)	Total (as of September 30, 2017*)
Current assets:					
Cash and cash equivalents – unrestricted	\$ 4,096	32	7,739	157	12,024
Investments – unrestricted:					
Fixed income securities	13,079	11,611	12,174	87,458	124,322
Domestic bond funds	4,262	—	—	86,173	90,435
Stocks	195,552	32,266	239,709	198,736	666,263
Mortgage-backed securities	1,992	—	20,157	—	22,149
Collective investment funds	112,627	12,970	209,475	—	335,072
Real estate equities and investment trust	45,673	3,258	59,907	88,420	197,258
Investment property	—	—	882	—	882
Hedge funds	83,539	—	37,016	75,880	196,435
Money market mutual funds and other short	9,851	461	43,467	9,362	63,141
Managed master limited partnership	17,808	—	146,544	76,567	240,919
Managed international equity funds	—	—	—	193,611	193,611
Total investments	<u>484,383</u>	<u>60,566</u>	<u>769,331</u>	<u>816,207</u>	<u>2,130,487</u>
Receivables, net of allowances:					
Contributions	—	926	—	165	1,091
Accrued interest	324	46	918	761	2,049
Other	921	12	116	—	1,049
Capital assets, net	<u>447</u>	<u>127</u>	<u>244</u>	<u>—</u>	<u>818</u>
Total assets	<u>490,171</u>	<u>61,709</u>	<u>778,348</u>	<u>817,290</u>	<u>2,147,518</u>
Deferred outflows of resources					
System's staff pension related	<u>124</u>	<u>61</u>	<u>105</u>	<u>341</u>	<u>631</u>
Total deferred outflows of resources	<u>124</u>	<u>61</u>	<u>105</u>	<u>341</u>	<u>631</u>
Total assets and deferred outflows of resources	<u>490,295</u>	<u>61,770</u>	<u>778,453</u>	<u>817,631</u>	<u>2,148,149</u>
Liabilities					
Accounts payable and accrued liabilities	402	66	707	715	1,890
Deposits held for others	138	14	480	—	632
Other liabilities	<u>899</u>	<u>421</u>	<u>674</u>	<u>—</u>	<u>1,994</u>
Total liabilities	<u>1,439</u>	<u>501</u>	<u>1,861</u>	<u>715</u>	<u>4,516</u>
Deferred inflows of resources					
System's staff pension related	<u>8</u>	<u>2</u>	<u>13</u>	<u>—</u>	<u>23</u>
Total deferred inflows of resources	<u>8</u>	<u>2</u>	<u>13</u>	<u>—</u>	<u>23</u>
Total liabilities and deferred inflows of resources	<u>1,447</u>	<u>503</u>	<u>1,874</u>	<u>715</u>	<u>4,539</u>
Net position					
Net position restricted for pension benefits	<u>\$ 488,848</u>	<u>61,267</u>	<u>776,579</u>	<u>816,916</u>	<u>2,143,610</u>

* See note 10.

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule 25

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds

Year ended June 30, 2018

(Dollars in thousands)

	Firemen's System (as of September 30, 2017*)	Firefighter's Plan (as of September 30, 2017*)	Police System (as of September 30, 2017*)	Employees System (as of September 30, 2017*)	Total (as of September 30, 2017*)
Additions:					
Contributions:					
Member	\$ —	3,121	4,456	134	7,711
Employer	3,314	9,263	34,024	29,782	76,383
Investment income:					
Interest and dividends	6,752	649	9,384	10,418	27,203
Class action lawsuit proceeds	568	—	5	—	573
Net appreciation in fair value of investments	55,975	5,445	86,916	81,404	229,740
Investment gain	63,295	6,094	96,305	91,822	257,516
Less investment expense	(2,243)	(195)	(2,786)	(5,427)	(10,651)
Net investment gain	61,052	5,899	93,519	86,395	246,865
Total additions	64,366	18,283	131,999	116,311	330,959
Deductions:					
Benefits	32,325	396	59,959	63,533	156,213
Refunds of contributions	816	156	3,493	—	4,465
Administrative expense	1,068	412	1,206	763	3,449
Total deductions	34,209	964	64,658	64,296	164,127
Net increase	30,157	17,319	67,341	52,015	166,832
Net position restricted for pension benefits:					
Beginning of year	458,691	43,948	709,238	764,901	1,976,778
End of year	\$ 488,848	61,267	776,579	816,916	2,143,610

* 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.

Schedule 26

CITY OF ST. LOUIS, MISSOURI
 Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2018
 (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	\$ 1,665	1,874	—	391	3,199	6,925	2,487	642	16,989	34,172
Cash and cash equivalents – restricted	—	—	—	—	—	45	—	—	—	45
Receivables, net of allowances:										
Taxes	19,445	—	—	—	—	—	—	—	—	19,445
Other	—	—	716	—	—	—	—	—	—	716
Total assets	<u>21,110</u>	<u>1,874</u>	<u>716</u>	<u>391</u>	<u>3,199</u>	<u>6,970</u>	<u>2,487</u>	<u>642</u>	<u>16,989</u>	<u>54,378</u>
Liabilities:										
Accounts payable and accrued liabilities	—	—	716	—	—	—	—	—	11,310	12,026
Deposits held for others	—	1,874	—	391	1,992	5,679	205	642	4,553	15,336
Due to other governmental agencies	<u>21,110</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,207</u>	<u>1,291</u>	<u>2,282</u>	<u>—</u>	<u>1,126</u>	<u>27,016</u>
Total liabilities	<u>21,110</u>	<u>1,874</u>	<u>716</u>	<u>391</u>	<u>3,199</u>	<u>6,970</u>	<u>2,487</u>	<u>642</u>	<u>16,989</u>	<u>54,378</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

Schedule 27

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2018

(Dollars in thousands)

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Collector of Revenue				
Assets:				
Cash and cash equivalents – unrestricted	\$ 2,541	427,066	(427,942)	1,665
Receivables, net of allowances – taxes	<u>21,950</u>	<u>8,955</u>	<u>(11,460)</u>	<u>19,445</u>
Total assets	<u>\$ 24,491</u>	<u>436,021</u>	<u>(439,402)</u>	<u>21,110</u>
Liabilities – due to other governmental agencies	\$ 24,491	436,021	(439,402)	21,110
Total liabilities	<u>\$ 24,491</u>	<u>436,021</u>	<u>(439,402)</u>	<u>21,110</u>
Property Tax Escrow				
Assets – cash and cash equivalents – unrestricted	\$ 1,238	4,142	(3,506)	1,874
Liabilities – deposits held for others	<u>\$ 1,238</u>	<u>4,142</u>	<u>(3,506)</u>	<u>1,874</u>
General Insurance				
Assets:				
Cash and cash equivalents – unrestricted	\$ —	39,761	(39,761)	—
Receivables, net of allowances – other	<u>879</u>	<u>716</u>	<u>(879)</u>	<u>716</u>
Total assets	<u>\$ 879</u>	<u>40,477</u>	<u>(40,640)</u>	<u>716</u>
Liabilities – accounts payable and accrued liabilities	\$ 879	40,477	(40,640)	716
Bail Bonds				
Assets – cash and cash equivalents – unrestricted	\$ 420	300	(329)	391
Liabilities – deposits held for others	<u>\$ 420</u>	<u>300</u>	<u>(329)</u>	<u>391</u>
License Collector				
Assets – cash and cash equivalents – unrestricted	\$ 3,260	21,142	(21,203)	3,199
Liabilities:				
Deposits held for others	1,968	31	(7)	1,992
Due to other governmental agencies	<u>1,292</u>	<u>21,111</u>	<u>(21,196)</u>	<u>1,207</u>
Total liabilities	<u>\$ 3,260</u>	<u>21,142</u>	<u>(21,203)</u>	<u>3,199</u>
Circuit Clerk				
Assets:				
Cash and cash equivalents – unrestricted	\$ 4,365	21,578	(19,018)	6,925
Cash and cash equivalents – restricted	<u>1,604</u>	<u>3</u>	<u>(1,562)</u>	<u>45</u>
Total assets	<u>\$ 5,969</u>	<u>21,581</u>	<u>(20,580)</u>	<u>6,970</u>
Liabilities:				
Deposits held for others	\$ 4,844	17,998	(17,163)	5,679
Due to other governmental agencies	<u>1,125</u>	<u>3,582</u>	<u>(3,416)</u>	<u>1,291</u>
Total liabilities	<u>\$ 5,969</u>	<u>21,580</u>	<u>(20,579)</u>	<u>6,970</u>

Schedule 27, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2018

(Dollars in thousands)

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Police Agency				
Assets:				
Cash and cash equivalents – unrestricted	\$ 2,373	572	(458)	2,487
Total assets	<u>\$ 2,373</u>	<u>572</u>	<u>(458)</u>	<u>2,487</u>
Liabilities:				
Deposits held for others	\$ 184	244	(223)	205
Due to other governmental agencies	2,189	328	(235)	2,282
Total liabilities	<u>\$ 2,373</u>	<u>572</u>	<u>(458)</u>	<u>2,487</u>
Treasurer's Office				
Assets:				
Cash and cash equivalents – unrestricted	\$ 439	612	(409)	642
Total assets	<u>\$ 439</u>	<u>612</u>	<u>(409)</u>	<u>642</u>
Liabilities:				
Deposits held for others	439	612	(409)	642
Total liabilities	<u>\$ 439</u>	<u>612</u>	<u>(409)</u>	<u>642</u>
Other Agency				
Assets:				
Cash and cash equivalents – unrestricted	\$ 14,208	48,674	(45,893)	16,989
Total assets	<u>\$ 14,208</u>	<u>48,674</u>	<u>(45,893)</u>	<u>16,989</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 9,662	4,822	(3,174)	11,310
Deposits held for others	3,232	14,013	(12,692)	4,553
Due to other governmental agencies	1,314	29,838	(30,026)	1,126
Total liabilities	<u>\$ 14,208</u>	<u>48,673</u>	<u>(45,892)</u>	<u>16,989</u>
Total – All Agency Funds				
Assets:				
Cash and cash equivalents – unrestricted	\$ 28,844	563,847	(558,519)	34,172
Cash and cash equivalents – restricted	1,604	3	(1,562)	45
Receivables, net of allowances:				
Taxes	21,950	8,955	(11,460)	19,445
Other	879	716	(879)	716
Total assets	<u>\$ 53,277</u>	<u>573,521</u>	<u>(572,420)</u>	<u>54,378</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 10,541	45,299	(43,814)	12,026
Deposits held for others	12,325	37,340	(34,329)	15,336
Due to other governmental agencies	30,411	490,880	(494,275)	27,016
Total liabilities	<u>\$ 53,277</u>	<u>573,519</u>	<u>(572,418)</u>	<u>54,378</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. The tables within the Statistical Section are unaudited.

Contents	Table Numbers
<i>Primary Government:</i>	
Financial Trends	1–4
<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>	
Revenue Capacity	5–10
<i>These tables contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	11–15
<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>	
Demographic and Economic Information	16
<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>	
Operating Information	17–20
<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>	

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Primary government:										
Governmental activities:										
Net investments in capital assets	\$ 501,157	506,299	522,729	545,075	534,961	502,818	495,977	472,165	453,220	510,743
Restricted	106,730	63,491	27,314	25,783	32,344	30,799	31,822	34,179	29,390	32,784
Unrestricted	(1,530,580)	(1,240,785)	(1,119,296)	(1,044,723)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)	(366,224)
Total governmental activities net position	(922,693)	(670,995)	(569,253)	(473,865)	(149,928)	39,099	84,247	99,297	90,495	177,303
Business-type activities:										
Net investments in capital assets	1,124,303	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
Restricted	101,879	419,356	277,199	138,598	148,170	149,699	150,661	166,462	163,449	137,995
Unrestricted	111,332	112,925	118,178	108,841	108,851	104,834	100,521	18,072	23,375	10,456
Total business-type activities net position	1,337,514	1,317,495	1,313,965	1,302,880	1,290,808	1,288,455	1,266,083	1,259,937	1,258,723	1,242,747
Total primary government:										
Net investments in capital assets	1,625,460	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
Restricted	208,609	482,847	304,513	138,598	180,514	180,498	182,483	200,641	192,839	170,779
Unrestricted	(1,419,248)	(1,127,860)	(1,001,118)	(365,024)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)	(355,768)
Total primary government net position	\$ 414,821	646,500	744,712	829,015	1,140,880	1,327,554	1,350,330	1,359,234	1,349,218	1,420,050

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 58,416	83,029	66,403	58,679	94,791	73,204	72,063	79,871	84,330	85,680
Convention and tourism	5,193	5,801	5,789	5,775	5,711	5,513	4,979	4,563	4,507	4,504
Parks and recreation	30,316	31,695	31,390	30,111	31,765	30,818	28,529	29,416	32,778	33,431
Judicial	48,902	49,587	51,085	50,730	52,009	52,232	50,931	52,362	54,880	56,159
Streets	74,304	75,329	75,707	73,452	69,584	68,402	70,420	66,952	66,263	63,646
Public safety:										
Fire	80,495	92,422	88,008	64,658	86,085	75,460	69,062	66,637	67,334	70,572
Police	243,213	280,295	226,537	202,080	209,762	138,028	140,815	139,010	141,805	146,955
Police pension						28,492	19,854	17,949	14,902	8,196
Other	59,999	60,714	60,647	58,714	59,323	61,264	59,068	52,182	55,980	60,020
Health and welfare	55,750	56,020	57,112	54,071	49,602	61,162	52,092	50,468	51,552	54,223
Public service	80,843	79,680	79,451	78,021	76,863	62,301	71,458	65,898	59,980	59,218
Community development	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264	61,859
Interest and fiscal charges	59,259	58,378	60,049	60,580	58,009	57,674	59,750	58,612	57,933	54,684
Total governmental activities expenses	<u>856,204</u>	<u>920,220</u>	<u>884,637</u>	<u>802,370</u>	<u>828,742</u>	<u>792,080</u>	<u>779,205</u>	<u>752,043</u>	<u>768,508</u>	<u>759,147</u>
Business-type activities:										
Airport	164,575	176,892	165,756	160,233	175,058	173,968	171,574	187,449	181,775	175,758
Water division	50,371	49,039	49,726	46,799	50,184	45,799	43,637	44,530	43,479	47,500
Parking division	15,000	16,520	15,253	13,851	14,043	13,558	13,229	13,141	13,514	14,352
Total business-type activities expenses	<u>229,946</u>	<u>242,451</u>	<u>230,735</u>	<u>220,883</u>	<u>239,285</u>	<u>233,325</u>	<u>228,440</u>	<u>245,120</u>	<u>238,768</u>	<u>237,610</u>
Total primary government expenses	<u>\$ 1,086,150</u>	<u>1,162,671</u>	<u>1,115,372</u>	<u>1,023,253</u>	<u>1,068,027</u>	<u>1,025,405</u>	<u>1,007,645</u>	<u>997,163</u>	<u>1,007,276</u>	<u>996,757</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 42,203	44,435	42,132	32,455	34,783	33,375	36,697	37,767	39,340	37,706
Convention and tourism	—	—	—	—	—	—	8	19	18	19
Parks and recreation	4,762	5,139	5,328	4,611	5,979	2,958	7,314	4,378	4,419	4,516
Judicial	9,178	6,347	9,746	12,042	23,076	21,542	18,996	20,524	20,791	18,952
Streets	31,068	27,562	27,330	26,898	26,110	26,012	27,514	34,842	17,644	17,734
Public safety:										
Fire	12,152	10,829	10,246	12,562	9,553	18,887	8,181	8,088	7,677	7,669
Police	3,905	2,831	4,051	6,228	5,260					
Other	29,205	22,115	23,533	21,376	20,639	19,537	19,218	17,527	19,022	19,632
Health and welfare	917	1,364	1,073	875	1,631	1,041	992	1,255	591	494
Public service	5,142	5,341	5,977	6,974	6,037	2,906	5,265	3,009	1,487	253
Community development	24,590	7,774	7,076	5,907	4,412	5,332	5,367	4,819	4,528	5,524
Operating grants and contributions	62,307	66,793	67,052	60,792	57,173	64,782	71,513	75,281	98,270	73,563
Capital grants and contributions	7,898	15,134	6,524	7,987	5,628	14,882	31,623	33,666	7,548	12,726
Total governmental activities program revenues	<u>233,327</u>	<u>215,664</u>	<u>210,068</u>	<u>198,707</u>	<u>200,281</u>	<u>211,254</u>	<u>232,688</u>	<u>238,475</u>	<u>221,335</u>	<u>198,788</u>
Business-type activities:										
Charges for services:										
Airport	163,565	169,004	162,837	164,745	165,927	164,606	157,154	149,438	160,378	159,061
Water Division	55,405	54,620	57,494	54,399	56,647	56,902	58,631	56,039	50,983	48,709
Parking Division	17,947	18,032	17,113	16,129	15,804	14,657	14,999	13,813	12,428	13,897
Operating grants and contributions	826	1,136	692	1,277	706	751	1,069	1,513	1,615	2,683
Capital grants and contributions	20,508	11,937	9,378	23,627	16,726	21,615	10,050	8,267	31,815	35,122
Total business-type activities program revenues	<u>258,251</u>	<u>254,729</u>	<u>247,514</u>	<u>260,177</u>	<u>255,810</u>	<u>258,531</u>	<u>241,903</u>	<u>229,070</u>	<u>257,219</u>	<u>259,472</u>
Total primary government program revenues	<u>\$ 491,578</u>	<u>470,393</u>	<u>457,582</u>	<u>458,884</u>	<u>456,091</u>	<u>469,785</u>	<u>474,591</u>	<u>467,545</u>	<u>478,554</u>	<u>458,260</u>

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

(Continued)

Table 2, Continued

CITY OF ST. LOUIS, MISSOURI

Changes in Net Position

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net program (expense) revenue:										
Governmental activities	\$ (622,877)	(704,556)	(674,569)	(603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)	(560,359)
Business-type activities	28,305	12,278	16,779	39,294	16,525	25,206	13,463	(16,050)	18,451	21,862
Total primary government net expense	\$ (594,572)	(692,278)	(657,790)	(564,369)	(611,936)	(555,620)	(533,054)	(529,618)	(528,722)	(538,497)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 88,574	86,542	82,397	77,365	75,136	73,234	68,531	66,767	67,291	67,562
Property taxes, levied for debt service	6,872	6,984	6,251	6,406	6,661	7,140	5,909	7,669	6,463	4,810
Sales tax	204,608	179,075	179,362	175,581	173,018	157,302	164,174	155,708	142,295	143,972
Earnings/payroll taxes	218,338	223,018	204,013	203,251	202,022	189,762	186,068	178,571	172,450	181,214
Gross receipt taxes (includes franchise tax)	94,046	90,145	91,778	92,160	97,344	94,721	93,587	97,327	90,291	108,178
Miscellaneous taxes	5,567	5,068	4,791	4,485	4,977	3,784	4,504	4,080	3,902	3,712
Unrestricted investment earnings	519	621	632	381	364	265	470	953	886	6,001
Gain/loss on sale of capital assets	—	—	—	—	—	—	(1,142)	2,528	62	83
Transfers	10,411	11,361	9,957	9,619	9,431	9,470	9,366	8,767	7,317	8,301
Total governmental activities	628,935	602,814	579,181	569,248	568,953	535,678	531,467	522,370	490,957	523,833
Business-type activities:										
Unrestricted investment earnings	2,125	2,613	3,585	2,956	1,818	2,336	2,049	2,941	3,878	5,188
Gain/loss on sale of capital assets	—	—	—	—	4,872	—	—	4	553	—
Extraordinary item – Natural disaster	—	—	678	1,737	2,730	4,300	—	23,086	—	—
Transfers	(10,411)	(11,361)	(9,957)	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)	(8,301)
Total business-type activities	(8,286)	(8,748)	(5,694)	(4,926)	(11)	(2,834)	(7,317)	17,264	(2,475)	(3,113)
Total primary government	\$ 620,649	594,066	573,487	564,322	568,942	532,844	524,150	539,634	488,482	520,720
Change in net position:										
Governmental activities:	\$ 6,058	(101,742)	(95,388)	(34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)	(36,526)
Business-type activities	20,019	3,530	11,085	34,368	16,514	22,372	6,146	1,214	15,976	18,749
Total primary government	\$ 26,077	(98,212)	(84,303)	(47)	(42,994)	(22,776)	(8,904)	10,016	(40,240)	(17,777)

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Nonspendable	\$ 2,379	3,608	3,768	2,425	2,537	—	—	—	*	*
Restricted	18,709	13,145	13,532	14,852	16,008	14,784	16,755	16,723	*	*
Committed	1,020	—	10,136	9,134	8,054	8,054	8,063	6,895	*	*
Assigned	—	—	—	3,938	6,521	6,043	1,509	1,055	*	*
Unassigned	15,868	1,529	(5,150)	(1,696)	2,605	25,777	29,543	24,675	*	*
Reserved	—	—	—	—	—	—	—	—	31,284	26,484
Unreserved	—	—	—	—	—	—	—	—	22,132	35,570
Total general fund	<u>\$ 37,976</u>	<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>
All other governmental funds:										
Nonspendable	\$ 11	11	11	11	14	11	11	11	*	*
Restricted	133,714	112,175	93,231	84,500	96,160	71,117	79,573	131,102	*	*
Committed	76,760	69,322	70,387	64,075	65,536	57,127	54,553	54,678	*	*
Assigned	8,112	4,121	4,770	6,379	5,053	4,473	1,837	3,200	*	*
Unassigned	(19,322)	(17,059)	(18,057)	(18,227)	(24,025)	(24,648)	(20,103)	(26,752)	*	*
Reserved	—	—	—	—	—	—	—	—	181,410	173,407
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	19,342	30,104
Capital projects funds	—	—	—	—	—	—	—	—	(13,961)	(10,689)
Total all other governmental funds	<u>\$ 199,275</u>	<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>

* 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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes	\$ 617,282	585,773	564,488	556,593	557,487	524,428	519,852	510,150	480,082	506,228
Licenses, fees and permits	30,920	26,441	26,947	26,743	26,004	24,359	21,259	21,716	24,214	22,238
Intergovernmental	102,340	109,353	100,946	97,684	88,069	107,289	130,079	138,141	117,084	116,693
Charges for services, net	53,215	48,313	51,048	47,222	49,867	52,347	46,166	44,659	30,906	28,316
Court fines and forfeitures	3,114	3,388	4,009	4,916	10,810	11,022	12,103	10,848	11,558	11,127
Investment income	519	621	632	381	364	265	470	953	886	6,001
Interfund services provided	4,040	4,847	4,488	858	3,464	5,531	4,293	4,631	3,043	6,354
Miscellaneous	37,524	17,845	20,915	19,234	19,584	13,514	17,651	15,845	15,987	12,865
Total revenues	848,954	796,581	773,473	753,631	755,649	738,755	751,873	746,943	683,760	709,822
Expenditures:										
General government	55,645	71,572	59,708	65,648	84,648	63,980	60,942	67,400	77,906	80,226
Convention and tourism	120	119	124	126	123	116	150	189	176	198
Parks and recreation	24,134	25,945	25,805	25,169	26,553	25,689	23,885	25,153	27,357	29,827
Judicial	48,654	49,363	51,026	50,058	51,491	51,849	50,821	52,498	53,985	55,222
Streets	40,283	42,571	42,743	40,645	37,867	37,378	40,772	39,498	37,356	37,500
Public Safety:										
Fire	75,831	73,099	67,229	68,415	74,261	71,595	69,887	68,518	66,590	62,010
Police	192,609	190,422	183,337	179,129	176,089	138,004	140,815	139,010	141,805	146,955
Police-pension	—	—	—	—	—	28,492	19,719	17,949	14,783	8,072
Other	59,478	59,808	60,407	58,242	58,736	60,178	58,741	51,899	54,653	57,443
Health and welfare	55,587	55,839	56,859	53,808	49,207	60,709	51,855	50,127	51,230	53,441
Public service	80,401	79,224	78,689	77,334	76,211	61,519	70,840	65,916	59,315	58,594
Community development	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264	63,220
Capital outlay	61,289	47,607	38,322	31,560	35,444	36,914	90,065	94,653	51,175	67,615
Debt service:										
Principal	81,002	59,653	55,697	65,602	—	55,209	54,952	58,091	46,721	41,759
Interest and fiscal charges	53,058	52,322	53,768	48,510	64,316	47,154	47,256	46,283	54,555	47,350
Cost of issuance	—	—	—	—	44,375	—	—	—	—	1,290
Advance refunding escrow	—	2,010	2,380	—	—	—	—	—	1,178	—
Total expenditures	887,605	856,824	858,553	829,745	814,559	816,316	860,884	845,307	815,049	810,722
Deficiency of revenues over expenditures	(38,651)	(60,243)	(85,080)	(76,114)	(58,910)	(77,561)	(109,011)	(98,364)	(131,289)	(100,900)

* 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.

(Continued)

Table 4, Continued

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other financing sources (uses):										
Sale of capital assets	\$ 6	190	—	1,849	207	3	345	3,216	62	83
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	25,735	90,167	—	31,695	26,000	—	—	9,250	74,191	21,850
Issuance of contractual obligation with component unit	53,605	—	—	—	—	—	—	—	16,960	—
Premium on leasehold revenue bonds	—	—	49,441	—	1,471	1,890	4,038	145	396	—
Discount on leasehold revenue bonds	—	—	—	—	—	—	—	—	(384)	(525)
Proceeds from agreement with FPF	9,825	7,695	5,000	—	—	—	—	—	—	—
Issuance of general obligation bonds	—	25,000	16,795	—	—	—	—	—	—	—
Premium on general obligation bonds and revenue bonds	—	—	—	—	—	—	—	—	—	—
Discount on general obligation bonds	5,234	12,171	5,434	3,782	—	—	—	—	—	—
Issuance of capital lease	—	(131)	—	—	—	—	—	—	—	—
Issuance of tax increment revenue notes	2,250	—	—	—	16,605	—	2,384	11,150	704	5,600
Issuance of refunding development and tax increment financing notes	5,869	19,794	49,757	49,917	10,852	57,195	51,101	46,503	28,352	32,669
Payment for refunding of development and TIF notes	7,318	9,050	49,757	49,917	10,852	57,195	51,101	46,503	28,352	32,669
Discount on tax increment revenue bonds	(7,015)	(9,050)	—	(3,442)	—	—	—	4,580	—	—
Issuance of loan agreement	—	—	—	(11)	—	—	—	—	—	—
Issuance of joint venture financing agreement	980	—	—	2,080	3,510	—	—	—	—	—
Payment to refunded escrow agent-joint venture	—	—	—	—	—	—	—	—	—	—
Payment to refunded escrow agent-leasehold revenue bonds	—	—	—	—	—	—	—	—	—	—
Payment of development and tax increment financing notes	(25,168)	(91,780)	(44,067)	(37,642)	—	—	(53,172)	(2,416)	(12,391)	—
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)	—
Recovery of legal judgment	—	—	—	—	—	—	—	—	—	—
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	—	—	—	18,006	—
Transfers in	63,943	64,790	65,731	61,946	68,121	62,143	62,920	53,467	58,575	50,849
Transfers out	(53,532)	(53,429)	(55,774)	(52,327)	(58,690)	(52,673)	(53,554)	(46,910)	(50,549)	(42,548)
Total other financing sources, net	89,050	74,467	142,074	112,959	78,928	125,753	120,266	116,247	144,972	109,461
Net change in fund balances	\$ 50,399	14,224	56,994	36,845	20,018	48,192	11,255	17,883	13,683	8,561
Debt service as a percentage of noncapital expenditures	16.2 %	13.8 %	13.3 %	14.3 %	8.3 %	13.1 %	13.3 %	13.9 %	13.3 %	12.0 %
Debt service expenditures	\$ 134,060	111,975	109,465	114,112	64,316	102,363	102,208	104,374	101,276	89,109
Noncapital expenditures	826,316	809,217	820,231	798,185	779,115	779,402	770,819	750,654	763,874	743,107

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 and equipment	Less: tax-exempt property	Total taxable assessed value	Estimated actual taxable value	Total direct tax rate	Taxable assessed value to estimated actual taxable value
	Residential	Commercial							
2018	\$ 2,243,128	2,724,759	812,911	176,763	1,374,775	4,582,786	18,554,812	1.5933	24.7 %
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

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.

Source: City of St. Louis Assessor's Office

Table 6

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City of St. Louis:										
Municipal purposes	\$ 0.9799	1.0000	0.9928	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500	0.8161
County purposes	0.3429	0.3500	0.3500	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064	0.2940
Hospital purposes	0.0980	0.1000	0.1000	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874	0.0839
Public health purposes	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168
Recreation purposes	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175	0.0168
Interest and public debt	0.1333	0.1331	0.1330	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813	0.0949
Total City of St. Louis	\$ 1.5933	1.6231	1.6158	1.6063	1.6092	1.4848	1.4691	1.4224	1.3601	1.3225
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	5.0342	5.1211	4.3711	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943	3.8028
St. Louis Community College	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013
Metropolitan St. Louis Sewer District	0.1159	0.1196	0.0876	0.0879	0.0874	0.0821	0.0818	0.0790	—	—
Sheltered Workshop District	0.1472	0.1500	0.1500	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346	0.1295
St. Louis Public Library	0.5496	0.5600	0.5600	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019	0.4938
Community Mental Health	0.0883	0.0900	0.0900	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800	0.0777
Community Children's Service Fund	0.1865	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827	0.1775
Senior Services:	0.0500	—	—	—	—	—	—	—	—	—
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671
Art Museum Subdistrict	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714	0.0671
Museum of Science and Natural History Subdistrict	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334
Botanical Garden Subdistrict	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334
Missouri History Museum Subdistrict	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355	0.0334
Total overlapping governments	\$ 6.6823	6.7587	5.9740	5.9787	5.9782	6.0126	5.7379	5.4963	5.2864	5.1470
Total City of St. Louis and overlapping governments	\$ 8.2756	8.3818	7.5898	7.5850	7.5874	7.4974	7.2070	6.9187	6.6465	6.4695

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 2017			Calendar year 2008		
	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation
Utilities	\$ 97,111	1	2.20 %	\$ 85,254	2	1.94 %
Gaming	73,953	2	1.68	83,949	3	1.91
Financial Services	71,410	3	1.62	40,896	5	0.93
Telecommunications	59,893	4	1.36	66,217	4	1.51
Manufacturing	58,850	5	1.34	94,890	1	2.16
Utilities	57,558	6	1.31	29,983	6	0.68
Property Management	29,996	7	0.68	—		—
Manufacturing	28,562	8	0.65	27,146	10	0.62
Retail	26,614	9	0.60	—		—
Property Management	23,927	10	0.55	—		—
Transportation	—		—	29,856	7	0.68
Healthcare	—		—	29,836	8	0.68
Financial Services	—		—	27,485	9	0.63
	<u>\$ 527,874</u>		<u>11.99 %</u>	<u>\$ 515,512</u>		<u>11.74 %</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
2018	\$ 67,567	63,117	93.4 %	—	63,117	93.4 %
2017	65,035	60,626	93.2	2,758	63,384	97.5
2016	64,417	59,795	92.8	3,707	63,502	98.6
2015	63,872	58,736	92.0	4,146	62,882	98.5
2014	60,538	55,764	92.1	4,160	59,924	99.0
2013	58,797	53,545	91.1	4,828	58,373	99.3
2012	57,723	52,191	90.4	4,634	56,825	98.4
2011	57,990	52,223	90.1	4,568	56,791	97.9
2010	56,169	49,634	88.4	5,531	55,165	98.2
2009	* 56,104	49,487	88.2	6,130	55,617	99.1

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)	Revenue	(1)
	Business	Individual	Business	Individual	Earnings tax	base	0.5% Tax
2018	\$ 3,787,500	14,558,200	37,875	145,582	183,457	7,942,400	39,712
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

Note:

Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Source: City of St. Louis Collector of Revenue

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 and payroll tax	Rank	(1) Percentage of total earnings and payroll tax	Total earnings and payroll tax	Rank	(1) Percentage of total earnings and payroll tax
Education	\$ 9,296	1	4.17 %	5,925	4	3.30 %
Financial Services	7,400	2	3.32	7,381	2	4.10
Healthcare	6,477	3	2.90	4,418	5	2.46
Manufacturing	4,115	4	1.84	7,478	1	4.16
Government	4,099	5	1.84	—	—	—
Education	3,893	6	1.74	2,820	7	1.57
Manufacturing	3,639	7	1.63	2,641	8	1.47
Telecommunications	3,319	8	1.49	6,088	3	3.39
Government	3,315	9	1.49	2,309	9	1.28
Utilities	3,214	10	1.44	2,947	6	1.64
Manufacturing	—	—	—	2,198	10	1.22
Retail	—	—	—	—	—	—
	<u>48,767</u>		<u>21.86 %</u>	<u>44,205</u>		<u>24.59 %</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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General Obligation Bonds	\$ 33,060	37,345	16,795	23,010	28,130	35,050	38,955	42,685	46,300	49,790
Tax Increment Revenue Bonds	364,238	388,669	381,231	340,342	300,321	296,122	246,079	200,202	167,436	163,554
Lease Revenue Bonds	400,162	419,909	438,932	435,005	470,889	473,403	502,429	548,958	567,292	531,615
Capital Leases	93,152 (1)	48,089	59,391	71,157	76,299	66,713	72,009	75,993	67,779	53,131
Joint Venture Financing Agreement	19,093	24,068	28,845	33,434	37,844	42,085	46,166	50,092	53,873	57,516
Federal Section 108	17,110	22,160	26,910	31,370	35,580	39,530	43,250	46,750	50,050	53,160
Other Obligations	25,760	18,025	13,538	11,935	16,153	15,502	15,644	11,353	13,191	14,373
Unamortized Discounts/Premiums	24,286	21,184	10,823	6,918	3,646 (4)	(1,892)	(1,357)	(4,912)	(4,987)	(5,046)
Net pension liability	432,848	604,324	507,792	324,741 (3)	52,390	36,815	33,608	29,435	25,123	22,406
Total OPEB liability	489,731 (2)	234,180	205,680	177,727	148,744 (5)	—	—	—	—	—
Accrued vacation and sick leave	50,964	49,219	50,751	50,303	51,841	25,194	25,047	26,699	27,814	28,212
Claims and judgements payable	52,924	60,638	51,151	50,279	45,825	26,104	24,833	24,789	22,636	20,369
Business-type activities:										
Airport	\$ 716,017	1,009,682	760,202	791,130	816,800	831,687	870,025	893,979	948,242	847,096
Water Division	26,270	29,070	27,131	20,201	14,320	17,237	21,167	25,799	29,406	32,372
Parking Division	67,447	71,566	74,597	76,727	71,711	67,597	69,755	71,578	73,493	74,651
Total Primary Government	\$ 2,813,062	3,038,128	2,653,769	2,444,279	2,170,493	1,971,147	2,007,610	2,043,400	2,087,648	1,943,199
Percentage of Personal Income	20.92 % (6)	23.76 %	20.19 %	19.58 %	17.86 %	16.64 %	17.66 %	18.70 %	18.23 %	17.79 %
Per Capita	9,115 (6)	9,756	8,406	7,700	6,817	6,197	6,293	6,409	6,566	6,111

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

(2) GASB 75 became effective causing a change in the methodology of how the OPEB liability is calculated

(3) GASB 68 became effective causing a change in the methodology of how pension liabilities are calculated

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

(5) The OPEB liability only applies to Police Department personnel. The Police Department came under the City's local control on September 1, 2013.

Prior to FY14, the police department was considered a component unit on the City's financial statements.

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

Source: Notes to basic financial statements

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)
2018	\$ 33,060	9,481	23,579	0.13 %	\$ 76
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

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, 2018
(dollars in thousands)

Governmental unit	Debt outstanding	Estimated percentage applicable	Estimated share of overlapping debt
Debt repaid with property taxes:			
Board of Education of the City of St. Louis (1):			
General Obligation Debt	\$ 255,799	100.00 %	\$ 255,799
Other debt:			
Metropolitan St. Louis Sewer District (2)	1,575,869	9.06	* 142,829
St. Louis Public Library (3)	50,000	100.00	* 50,000
Junior College District of St. Louis (4)	<u>52,110</u>	18.94	<u>* 9,870</u>
Subtotal, overlapping debt	<u>\$ 1,933,778</u>		458,498
City of St. Louis direct debt (5)			<u>952,572</u>
Total direct and overlapping debt			<u>\$ 1,411,070</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

CITY OF ST. LOUIS, MISSOURI

Table 14

Legal Debt Margin Calculation

Last Ten Fiscal Years
(dollars in thousands)

Legal debt margin calculation for fiscal year ended June 30, 2018

Assessed Value	4,582,786
Debt limit (10% of assessed value)	458,279
Debt applicable to limit:	
General obligation bonds	33,060
Less: Amount set aside for repayment. of general obligation debt.	(9,481)
Total net debt applicable to limit	23,579
Legal debt margin	434,700

Fiscal year ended June 30, 2017

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 458,279	456,399	437,300	430,209	423,288	423,933	420,253	426,565	455,015	468,315
Total net debt applicable to limit	23,579	28,990	9,708	16,044	21,288	26,337	30,818	34,567	38,969	41,574
Legal debt margin	\$ 434,700	427,409	427,592	414,165	402,000	397,596	389,435	391,998	416,046	426,741
Total net debt applicable to the limit as a percentage of debt limit	5.15 %	6.35 %	2.22 %	3.73 %	5.03 %	6.21 %	7.33 %	8.10 %	8.56 %	8.88 %

Source: Assessor and Comptroller's Office

Table 15
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Water Revenue Bonds (1)						Airport Revenue Bonds (1)					
	Water revenue	Less: operating expenses	Net available revenue	Debt service		Coverage	Aviation revenue	Less: operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2018	\$ 54,446	44,485	9,961	422	131	18.01	164,562	82,909	81,653	40,475	22,451	1.30
2017	53,557	43,264	10,293	412	74	21.18	168,911	84,151	84,760	38,668	35,254	1.15
2016	56,538	44,193	12,345	404	33	28.25	167,961	74,670	93,291	58,623	18,281	1.21
2015	53,842	41,357	12,485	4,019	43	3.07	170,315	74,041	96,274	44,095	32,922	1.25
2014	56,647	44,645	12,002	3,765	86	3.12	178,365	86,524	91,841	30,465	46,318	1.20
2013	56,902	40,590	16,312	3,895	143	4.04	174,394	83,237	91,157	30,655	41,804	1.26
2012	58,631	38,126	20,505	3,740	650	4.67	161,518	81,872	79,646	19,985	41,501	1.30
2011	56,044	38,535	17,509	3,585	809	3.98	165,405	91,993	73,412	29,970	46,942	0.95
2010	51,295	37,549	13,746	2,440	959	4.04	170,429	87,385	83,044	21,670	44,157	1.26
2009	49,173	41,425	7,748	3,300	1,100	1.76	169,961	86,054	83,907	21,725	40,575	1.35

(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, Continued
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Parking Revenue Bonds (1)						Tax Increment Financing Bonds (1) (2)					
	Parking/ Project revenues	Less: Operating expenses	Net available revenue	Debt service		Coverage	Tax increment revenue	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2018	\$ 18,828	9,500	9,328	2,867	2,135	1.86	51,595	707	50,888	30,603	17,528	1.07
2017	18,403	8,620	9,783	2,091	826	3.35	33,467	887	32,580	12,356	19,090	1.06
2016	18,272	7,920	10,352	2,381	2,526	2.11	29,413	874	28,539	8,868	18,326	1.05
2015	17,147	7,603	9,544	2,232	2,738	1.92	23,436	1,064	22,372	16,056	18,772	0.64
2014	17,035	7,809	9,226	1,960	2,839	1.92	21,512	850	20,662	6,653	14,944	0.96
2013	15,935	7,248	8,687	1,860	2,911	1.82	22,796	898	21,898	7,067	14,000	1.04
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	5,776	12,800	0.93
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83
2009	15,601	8,691	6,910	1,275	3,246	1.53	12,327	401	11,926	5,384	8,793	0.84

(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, Continued
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Section 108 Downtown Convention Headquarters Hotel Project							Justice Center Leasehold Revenue Bonds (1) (2)					
	Tax increment revenue	Less: Operating expenses	Net available revenue	Debt service		Coverage	Prisoner housing reimbursement	Less: Operating expenses	Net available revenue	Debt service		Coverage	
				Principal	Interest					Principal	Interest		
2018	\$ 4,649	265	4,384	3,700	444	1.06	6,892	—	6,892	10,025	581	0.65	
2017	4,749	297	4,452	3,480	494	1.12	7,450	—	7,450	9,485	1,136	0.70	
2016	4,500	328	4,172	3,270	530	1.10	6,997	—	6,997	9,030	1,587	0.66	
2015	4,341	356	3,985	3,080	404	1.14	6,322	—	6,322	8,615	2,008	0.60	
2014	4,278	350	3,928	2,890	572	1.13	6,259	—	6,259	8,265	2,352	0.59	
2013	4,044	401	3,643	2,720	581	1.10	4,620	—	4,620	7,190	2,653	0.47	
2012	4,629	360	4,269	2,560	1,381	1.08	5,298	—	5,298	11,020	2,500	0.39	
2011	4,576	260	4,316	2,410	2,387	0.90	4,494	—	4,494	7,465	3,659	0.40	
2010	3,701	270	3,431	2,270	2,523	0.72	6,919	—	6,919	5,680	4,238	0.70	
2009	5,403	280	5,123	2,130	2,645	1.07	6,535	—	6,535	6,620	4,507	0.59	

(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, Continued
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Civil Courts/Carnahan Courthouse Leasehold Revenue Bonds (1) (2)						Forest Park Leasehold Revenue Bonds/Subordinate Leasehold Revenue Bonds (1) (2)					
	Court fees	Less: Operating expenses	Net available revenue	Debt service		Coverage	10.4% of the 1/2c capital sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2018	\$ 1,217	—	1,217	860	782	0.74	3,699	—	3,699	2,825	858	1.00
2017	1,203	—	1,203	—	610	1.97	3,700	—	3,700	3,025	654	1.01
2016	1,213	—	1,213	1,330	853	0.56	3,533	—	3,533	3,170	549	0.95
2015	1,237	—	1,237	3,970	951	0.25	3,087	—	3,087	2,470	619	1.00
2014	1,301	—	1,301	3,920	1,092	0.26	3,152	—	3,152	1,720	527	1.40
2013	1,460	—	1,460	2,755	1,207	0.37	1,815	—	1,815	895	473	1.33
2012	1,492	—	1,492	2,635	1,332	0.38	1,905	—	1,905	865	508	1.39
2011	1,368	—	1,368	160	1,349	0.91	1,740	—	1,740	835	533	1.27
2010	1,419	—	1,419	2,255	493	0.52	1,722	—	1,722	805	563	1.26
2009	1,499	—	1,499	2,155	1,563	0.40	1,814	—	1,814	785	587	1.32

(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, Continued
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Recreation Sales Tax Leasehold Revenue Bonds (1) (2)							Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)					
	Parks and recreation sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage	10% of the 1/2c Capital sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage	
				Principal	Interest					Principal	Interest		
2018	\$ 4,859	—	4,859	1,305	1,720	1.61	1,712	—	1,712	625	586	1.41	
2017	4,689	—	4,689	2,010	968	1.57	1,856	—	1,856	350	958	1.42	
2016	4,855	—	4,855	1,155	2,084	1.50	1,831	—	1,831	340	970	1.40	
2015	4,886	—	4,886	1,110	2,129	1.51	1,863	—	1,863	325	983	1.42	
2014	4,473	—	4,473	1,065	2,172	1.38	1,889	—	1,889	315	996	1.44	
2013	4,323	—	4,323	1,025	2,213	1.34	1,747	—	1,747	300	1,008	1.34	
2012	4,520	—	4,520	985	2,252	1.40	1,830	—	1,830	290	1,019	1.40	
2011	4,152	—	4,152	950	2,290	1.28	1,671	—	1,671	280	1,030	1.28	
2010	4,055	—	4,055	910	2,326	1.25	1,654	—	1,654	265	1,041	1.27	
2009	4,280	—	4,280	875	2,361	1.32	1,742	—	1,742	255	1,051	1.33	

(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, Continued
CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

<u>City Parks Leasehold Revenue Bonds (1) (2)</u>							
Fiscal year	6.6% of the 1/2c Capital Sales Tax, 15.5% of Metro Parks Sales Tax, and 60% of Metro Parks Arch Sales Tax		Less: Operating expenses	Net available revenue	Debt service		Coverage
					Principal	Interest	
2018	\$	3,036	—	3,036	530	1,074	1.89
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		—	—	—	—	—	—

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

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

Table 16

CITY OF ST. LOUIS, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar year	(1) Population	(4) Personal income <i>(thousands of dollars)</i>	(4) Per capita personal income	(1) Median age	(2) Public school enrollment	(3) Unemployment rate
2017	308,626	13,448,883	43,577	35	21,754	3.8 %
2016	311,404	12,786,566	41,061	35	22,506	4.0
2015	315,685	13,142,730	41,632	34	24,154	5.0
2014	317,419	12,484,968	39,333	35	24,869	5.7
2013	318,416	12,151,780	38,163	35	25,200	7.2
2012	318,069	11,842,448	37,232	34	22,516	7.4
2011	319,008	11,369,625	35,641	34	23,576	7.8
2010	318,842	10,928,301	34,275	35	25,046	8.7
2009	317,955	11,453,476	36,022	35	26,108	11.7
2008	317,959	10,925,710	34,362	36	27,574	7.8

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 2017			Calendar Year 2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	17,031	1	3.68 %	13,538	2	3.05 %
BJC Health Systems	14,869	2	3.21	15,864	1	3.58
St. Louis University	9,954	3	2.15	9,603	3	2.17
City of St. Louis	8,227	4	1.78	9,272	4	2.09
Defense Finance and Acct Services	6,545	5	1.41	—		—
A G Edwards/Wells Fargo	5,447	6	1.18	—		—
St. Louis Board of Education	4,820	7	1.04	5,477	5	1.24
US Postal Service	4,485	8	0.97	4,560	9	1.03
SSM Health SLUH	4,181	9	0.90	—		—
State of Missouri	3,940	10	0.85	4,912	6	1.11
AT&T Services	—		—	4,609	8	1.04
Anheuser Busch	—		—	4,718	7	1.06
National Finance Center	—		—	4,460	10	1.01
	<u>79,499</u>		<u>17.17 %</u>	<u>77,013</u>		<u>17.38 %</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/Program:										
Primary Government Employees:										
General government	507	509	505	506	485	491	498	509	528	539
Convention and tourism	2	2	2	2	3	3	3	2	2	3
Parks and recreation	281	285	284	283	314	313	313	309	322	328
Judicial	635	643	653	653	681	679	706	714	709	721
Streets	426	442	446	451	455	455	455	455	464	463
Fire	776	776	776	776	781	778	813	829	830	830
Police	1,824	1,818	1,814	1,822	1,841	1,867	1,940	1,943	1,937	1,992
Other	751	759	757	752	749	750	709	716	774	814
Health and welfare	181	203	210	212	213	206	220	219	257	278
Public service	304	306	303	302	217	221	222	224	251	258
Community development	61	61	60	65	61	59	65	65	65	65
Business-Type Employees:										
Airport	530	524	529	530	537	540	555	580	583	637
Water Division	347	344	342	342	341	341	341	361	380	380
Parking Division	102	105	109	105	94	82	89	103	86	90
Total Employees	<u>6,727</u>	<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>

Source: Budget division

Table 19

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

	Fiscal year									
	2018	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Payroll checks issued	185,212	185,212	179,475	179,431	180,873	183,489	185,338	191,837	201,642	202,802
Invoices processed	89,423	91,432	91,393	91,341	90,518	95,572	96,571	95,375	98,772	103,352
Deeds recorded	62,543	67,074	48,219	33,120	63,261	74,138	58,991	61,841	66,351	65,740
Birth and death certificate copies issued	72,731	73,643	72,418	68,357	60,780	54,552	55,773	57,898	61,836	65,874
Marriage licenses processed	2,318	2,992	2,992	2,962	2,680	2,358	2,318	2,548	2,570	2,523
Real property parcels	138,954	140,669	140,936	141,364	142,480	143,357	145,166	145,572	145,858	145,507
Personal property accounts	108,397	110,342	110,862	108,878	109,296	107,666	109,439	108,257	108,427	110,285
Problem properties cases heard*	7,723	6,669	5,201	4,894	5,555	7,911	8,942	8,981	8,491	7,932
Citizen Service Bureau (CSB) calls answered	108,442	110,788	107,479	126,780	131,129	119,504	124,637	122,470	102,964	119,531
CSB service requests issued	78,373	79,121	113,245	103,730	65,526	98,306	109,596	119,109	107,116	90,177
Parks and Recreation and Forestry:										
Park use permits issued	3,142	3,007	3,186	3,484	3,212	3,056	3,066	3,170	3,727	3,283
Vacant lot grass cuttings	26,536	46,734	54,693	56,298	52,886	52,079	51,845	52,110	51,015	52,929
Vacant building grass cuttings	22,232	22,332	24,400	22,641	24,775	24,366	24,870	24,124	23,520	22,332
CSB service requests received	24,334	24,560	21,341	22,303	22,149	23,116	24,009	25,660	23,007	26,655
Judicial:										
Juvenile cases-referrals *	2,308	2,026	2,436	2,297	2,395	2,702	3,031	3,444	3,540	4,282
Jurors summoned	58,487	63,797	99,879	120,629	112,881	55,105	59,650	58,230	65,805	71,187
Jurors who served	17,697	20,085	21,244	21,474	17,265	22,596	23,186	20,019	21,582	26,030
Streets:										
Tons of waste placed in landfills	141,341	142,707	142,768	139,667	134,125	150,645	164,134	173,812	185,848	199,725
Tons of waste recycled	16,760	16,589	15,907	15,769	14,686	15,618	12,830	4,842	3,851	4,900
Vehicles towed	13,102	12,837	11,594	9,825	9,197	8,880	8,470	9,850	9,765	11,523
Public Safety:										
Fire:										
Suppression calls	58,335	58,804	56,335	50,067	56,623	46,959	48,159	59,683	51,464	45,855
EMS calls	57,487	54,580	54,968	54,118	68,772	58,213	61,401	74,929	73,771	60,062
Police:										
Directed calls for service*	266,061	285,403	289,780	277,684	237,367	267,435	300,921	309,696	321,015	325,958
Felony arrests*	10,484	11,319	12,970	10,466	12,569	14,205	15,309	13,424	13,284	14,186
Misdemeanor arrests*	5,671	6,509	6,125	3,640	5,043	6,307	8,574	6,986	7,948	8,569
Police reports written*	67,581	72,055	71,046	68,400	66,104	65,337	72,057	76,204	83,339	86,316
Public Service:										
Contracts executed	125	137	130	115	125	78	108	81	298	252
Bridges inspected	40	45	43	41	41	44	40	44	33	36
Airport:										
Major airlines	8	7	7	9	9	9	10	10	10	10
Commuter airlines	18	17	14	14	16	18	19	19	19	20
Air cargo carriers	3	3	3	3	3	3	3	3	3	3
Passengers	15,209,248	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
Aircraft operations	195,171	193,439	188,466	185,474	184,211	189,068	191,653	186,908	195,409	226,052
Water Division:										
Bills issued – metered	51,179	51,185	51,325	51,327	51,625	51,512	52,000	52,128	52,432	53,208
Bills issued – flat rate	317,411	316,911	317,269	316,850	317,200	316,904	316,000	316,596	321,720	325,420
Billions of gallons of water purified	43,544	42,620	47,645	43,553	45,265	44,922	46,597	43,345	44,015	46,223

* 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Parks and Recreation:										
Park acreage	3,250	3,250	3,250	3,249	3,248	3,248	3,248	3,243	2,960	2,722
Miles of bicycle paths	39	38	38	38	38	36	36	36	36	36
Athletic fields	153	153	153	153	153	153	153	152	152	152
Recreation centers	7	7	7	9	9	9	9	7	9	8
Neighbourhood centers	2	2	2	—	—	—	—	—	—	1
Swimming pools	11	11	11	11	11	12	12	7	9	8
Golf courses	4	4	4	4	4	4	4	3	3	2
Judicial:										
Court houses	3	3	3	3	3	3	3	3	3	3
Streets:										
Alley containers	26,500	26,507	26,507	26,507	26,507	26,507	26,507	27,724	27,724	27,724
Rollout carts	40,000	39,952	39,952	39,952	39,952	39,952	39,952	34,770	21,202	21,202
Recycling containers	6,000	5,744	5,744	5,744	5,744	5,744	5,744	3,434	125	136
Streets – paved (miles)	25	26	27	24	21	14	16	18	21	21
Streets – (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	450	450	450	450	450	450	450	450	450	450
Street, alley and easement lights	70,652	70,652	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,059
Public Safety:										
Fire:										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	193	142	139	122	122	122	122	122	114	114
Police:										
Police stations	4	4	4	4	4	3	3	3	3	3
Police vehicles	673	668	679	675	757	759	757	694	710	703
Public Service:										
Bridges structurally deficient	15	15	17	18	15	15	14	15	17	5
Bridges functionally obsolete	27	27	24	28	28	28	27	30	22	20
Total bridges	73	73	73	73	73	73	73	72	71	72
Water Division:										
Miles of water mains	1,372	1,372	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



Redevelopment of the Gateway Arch was completed in 2018 with the opening of a new entrance facing downtown St. Louis and an expansion of the Arch museum. Photo: Nic Lehoux.