NEW ISSUE **Rating: S&P: A**
Book-Entry Only **(See "RATING" herein)**

In the opinion of Co-Bond Counsel, under existing law and assuming, among other matters, continued compliance with certain covenants, continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, and the accuracy of particular representations and certifications, interest on the Series 2015 Bonds (including any original issue discount properly allocable to the owners thereof) is excluded from gross income for federal and Missouri income tax purposes. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2015 Bonds, is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. The Series 2015 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Co-Bond Counsel express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2015 Bonds. See "TAX MATTERS" herein.

$7,790,000
ST. LOUIS MUNICIPAL FINANCE CORPORATION
Forest Park Leasehold Revenue Refunding Bonds
(City of St. Louis, Missouri, Lessee)
Series 2015

Dated: Date of Delivery **Due: as shown on inside front cover**

The Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015 (the "Series 2015 Bonds"), are being issued by the St. Louis Municipal Finance Corporation (the "Corporation"), under the Fourth Supplemental Indenture of Trust dated as of March 1, 2015, which supplements an Indenture of Trust dated as of March 1, 1997 as previously amended and supplemented and as may be further amended and supplemented (collectively, the "Indenture") by and between the Corporation and UMB Bank, N.A., St. Louis, Missouri, as trustee (the "Trustee"). The Series 2015 Bonds are special obligations of the Corporation payable solely from rental payments (the "Rentals") to be made by The City of St. Louis, Missouri (the "City") with respect to the Series 2015 Bonds and other moneys derived by the Corporation pursuant to the Fourth Supplemental Lease Purchase Agreement dated as of March 1, 2015, supplementing the Lease Purchase Agreement dated as of March 1, 1997 as previously amended and as may be further amended (collectively, the "Lease Purchase Agreement") by and between the Corporation and the City. The proceeds of the Series 2015 Bonds and other available City moneys will be used for the purpose of (i) refunding the Corporation's outstanding $8,105,000 Forest Park Leasehold Revenue Improvement Bonds (City of St. Louis, Missouri, Lessee), Series 2004 (the "Series 2004 Bonds") maturing on February 15 in the years 2016 and thereafter, as described herein, (ii) funding a debt service reserve fund, and (iii) paying expenses incurred in connection with the issuance and sale of the Series 2015 Bonds.

The Series 2015 Bonds will be issued in fully registered book-entry form and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC") or such other name as may be requested by an authorized representative of DTC, an automated depository for securities and a clearing house for securities transactions. So long as DTC or its nominee, Cede & Co., or such other name as may be requested by an authorized representation of DTC, is the registered owner of the Series 2015 Bonds, payments of the principal of and interest on the Series 2015 Bonds will be made directly to DTC or its nominee, Cede & Co., or such other name as may be requested by an authorized representation of DTC, which will remit such payments to the DTC Participants (as defined herein) for subsequent disbursements to the beneficial owners of the Series 2015 Bonds. The Series 2015 Bonds are issuable in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2015 Bonds is payable on each February 15 and August 15, beginning on August 15, 2015.

The Series 2015 Bonds are not subject to redemption prior to maturity.

THE SERIES 2015 BONDS ARE ISSUED BY AND REPRESENT SPECIAL OBLIGATIONS OF THE CORPORATION. THE PRINCIPAL OF THE SERIES 2015 BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE CORPORATION, THE CITY, THE STATE OF MISSOURI (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND NONE OF THE CORPORATION, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, EXCEPT FROM THE PAYMENTS, REVENUES AND RECEIPTS DERIVED FROM THE LEASE PURCHASE AGREEMENT.

THE ISSUANCE OF THE SERIES 2015 BONDS SHALL NOT OBLIGATE THE CITY TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION TO MAKE PAYMENTS UNDER THE LEASE PURCHASE AGREEMENT IN ANY FISCAL YEAR SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE PURCHASE AGREEMENT IS IN EFFECT. THE CORPORATION HAS NO TAXING POWER. NONE OF THE CORPORATION, THE CITY, OR THEIR OFFICERS, DIRECTORS OR EMPLOYEES SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, AND INTEREST ON THE SERIES 2015 BONDS, EXCEPT AS PROVIDED IN THE INDENTURE AND THE LEASE PURCHASE AGREEMENT.

This cover page contains information for reference only. It is not a complete summary of the Series 2015 Bonds. Investors must read the entire Official Statement, including the cover page, the inside cover page and the Appendices hereto, to obtain information essential to making an informed investment decision. Capitalized terms used but not defined on this cover page have the meanings provided herein.

See the inside cover page for maturities, principal amounts, interest rates, yields and prices.

The Series 2015 Bonds are offered when, as and if issued by the Corporation and accepted by the Underwriters, subject to the approval of legality of the Series 2015 Bonds by the Hardwick Law Firm, LLC, Kansas City, Missouri, and Armstrong Teasdale LLP, St. Louis, Missouri, Co-Bond Counsel. Certain legal matters will be passed upon by the City Counselor of the City Counsel to the City and the Corporation, by Squire Patton Boggs (US) LLP, New York, New York and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Disclosure Counsel, and by White Goss, a professional corporation, Kansas City, Missouri, and White Coleman & Associates, LLC, St. Louis, Missouri, Co-Counsel to the Underwriters. It is expected that the Series 2015 Bonds in definitive form will be available for delivery on or about March 4, 2015, against payment therefor.

US Bancorp **Wells Fargo Securities**

The Williams Capital Group, L.P.

The date of this Official Statement is February 24, 2015

$7,790,000
St. Louis Municipal Finance Corporation
Forest Park Leasehold Revenue Refunding Bonds
(City of St. Louis, Missouri, Lessee)
Series 2015

Maturity February 15	Principal Amount	Interest Rate	Yield	Price	CUSIP*
2016	$ 980,000	5.000%	0.490%	104.256%	79165TQ Z7
2017	1,015,000	5.000	0.830	108.037	79165TR A1
2018	1,065,000	4.000	1.210	108.053	79165TR B9
2019	1,105,000	4.000	1.440	109.788	79165TR C7
2020	1,150,000	5.000	1.710	115.542	79165TR D5
2021	1,205,000	5.000	1.960	116.986	79165TR E3
2022	1,270,000	2.000	2.210	98.653	79165TR F0

* CUSIP numbers shown above have been assigned by an organization not affiliated with the City, the Corporation, the Trustee or the Underwriters. None of the City, the Corporation, the Trustee or the Underwriters are responsible for the selection of CUSIP numbers nor do they make any representation as to the correctness of such numbers on the Series 2015 Bonds or as indicated herein.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CORPORATION, THE CITY, OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2015 BONDS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2015 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. WHILE THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE CORPORATION, THE CITY, AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, THE INFORMATION CONTAINED HEREIN IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED TO BE A REPRESENTATION OF THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION, OR THE CITY SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2015 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER VARIOUS STATE SECURITIES ACTS, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2015 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2015 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2015 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE CITY OF ST. LOUIS, MISSOURI
1200 Market Street
St. Louis, Missouri 63101

ELECTED OFFICIALS

Francis G. Slay, Mayor
Darlene Green, Comptroller
Lewis Reed, President, Board of Aldermen
Tishaura O. Jones, City Treasurer

BOARD OF ALDERMEN

Sharon Tyus – Ward 1
Dionne Flowers – Ward 2
Freeman M. Bosley, Sr. – Ward 3
Samuel L. Moore – Ward 4
Tammika Hubbard – Ward 5
Christina Ingrassia – Ward 6
Vacant – Ward 7
Stephen J. Conway – Ward 8
Kenneth Ortmann – Ward 9
Joseph Vollmer – Ward 10
Thomas A. Villa – Ward 11
Larry Arnowitz – Ward 12
Beth Murphy – Ward 13
Carol Howard – Ward 14
Megan E. Green – Ward 15
Donna Baringer – Ward 16
Joseph D. Roddy – Ward 17
Terry Kennedy – Ward 18
Marlene E. Davis – Ward 19
Craig N. Schmid – Ward 20
Antonio D. French – Ward 21
Jeffrey L. Boyd – Ward 22
Joseph A. Vaccaro – Ward 23
Scott Ogilvie – Ward 24
Shane Cohn – Ward 25
Frank Williamson – Ward 26
Chris Carter – Ward 27
Lyda Krewson – Ward 28

OTHER CITY OFFICIALS

Ivy Neyland-Pinkston, Deputy Comptroller for Finance and Development
Candice Gordon, Accounting Officer
Winston Calvert, City Counselor

BOARD OF ESTIMATE AND APPORTIONMENT

Francis G. Slay, Mayor
Darlene Green, Comptroller
Lewis Reed, President of the Board of Aldermen

ST. LOUIS MUNICIPAL FINANCE CORPORATION

Ivy Neyland-Pinkston, President
Tom Shepard, Vice President
Mary Ellen Ponder, Vice President
Michael A. Garvin, Secretary
Paul Payne, Treasurer

CO-BOND COUNSEL

Hardwick Law Firm, LLC
Kansas City, Missouri

Armstrong Teasdale LLP
St. Louis, Missouri

FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

TREASURER'S ADVISOR

Comer Capital Group, LLC
Jackson, Mississippi

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OFFICIAL STATEMENT
Relating To

$7,790,000

St. Louis Municipal Finance Corporation
Forest Park Leasehold Revenue Refunding Bonds
(City of St. Louis, Missouri, Lessee)
SERIES 2015

INTRODUCTION

This Official Statement, including the cover page, the inside cover page, and the Appendices hereto, is furnished in connection with the offer and sale of $7,790,000 aggregate principal amount of Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015 (the "Series 2015 Bonds") of the St. Louis Municipal Finance Corporation (the "Corporation").

The Series 2015 Bonds are being issued pursuant to the Fourth Supplemental Indenture of Trust dated as of March 1, 2015 (the "Fourth Supplemental Indenture"), supplementing the Indenture of Trust dated as of March 1, 1997 (the "Original Indenture"), as amended by that certain First Supplemental Indenture of Trust dated as of December 1, 2004 (the "First Supplemental Indenture"), that certain Second Supplemental Indenture of Trust dated as of March 30, 2007 (the "Second Supplemental Indenture"), that certain Third Supplemental Indenture of Trust dated as of April 1, 2013 (the "Third Supplemental Indenture") and the Fourth Supplemental Indenture (collectively, the Original Indenture, as amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, and as may be further amended and supplemented, is referred to herein as the "Indenture"), by and between the Corporation and UMB Bank, N.A. as trustee (the "Trustee"). The proceeds of the Series 2015 Bonds and other available moneys of The City of St. Louis, Missouri (the "City") will be used for the purpose of (i) refunding the outstanding Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2004 (the "Series 2004 Bonds") maturing February 15, 2016 and thereafter (the "Refunded Bonds") and (ii) funding a debt service reserve fund and (iii) paying expenses incurred in connection with the issuance and sale of the Series 2015 Bonds. See "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Series 2004 Bonds were issued to refund the Corporation's Forest Park Leasehold Revenue Improvement Bonds (City of St. Louis, Missouri, Lessee) Series 1997 (the "Series 1997 Bonds") which were issued to construct, renovate, replace, equip and install site furnishing and improvements to Forest Park, to fund a debt service reserve fund, and to pay costs of issuance for the Series 2004 Bonds.

The Corporation has previously issued its Forest Park Taxable Subordinate Leasehold Revenue Improvement Bonds (City of St. Louis, Missouri, Lessee) Series 2013 in the principal amount of up to $30,000,000 (the "Series 2013 Bonds"), which will remain outstanding on a subordinate basis to the Series 2015 Bonds. See "SECURITY FOR THE BONDS – Rentals."

The Series 2015 Bonds will be payable from and secured by a pledge of Rentals and certain Additional Rentals (as defined in the Indenture) and receipts to be received by the Corporation pursuant to the Lease Purchase Agreement dated as of March 1, 1997 (the "Original Lease Purchase Agreement") as amended by that certain Supplemental Lease Purchase Agreement dated as of December 15, 1999 (the "1999 Supplemental Lease Purchase Agreement"), that certain First Supplemental Lease Purchase Agreement dated as of December 1, 2004 (the "First Supplemental Lease Purchase Agreement"), that certain Second Supplemental Lease Purchase Agreement dated as of March 30, 2007 (the "Second Supplemental Lease Purchase Agreement"), that certain Supplemental Lease Purchase Agreement dated as of December 1, 2009 (the "2009 Supplemental Lease Purchase Agreement"), that certain Third Supplemental Lease Purchase Agreement dated as of April 1, 2013 (the "Third Supplemental Lease Purchase Agreement") and the Fourth Supplemental Lease Purchase Agreement dated as of March 1, 2015 (the "Fourth Supplemental Lease Purchase Agreement" which, collectively with the Original Lease Purchase Agreement, as amended by the 1999 Supplemental Lease Purchase Agreement, the First Supplemental Lease Purchase Agreement, the Second Supplemental Lease Purchase Agreement, the 2009 Supplemental Lease Purchase Agreement, the Third Supplemental Lease Purchase Agreement and the Fourth Supplemental Lease Agreement and as may be further amended and supplemented, is referred to herein as the "Lease Purchase Agreement") by and between the Corporation and the City pursuant to which the Corporation has leased to the City certain real estate located in the City's Forest Park, including the City's interest in certain buildings, structures, improvements and equipment and other personal property thereon (the "Forest Park Improvements"). THE CITY IS ONLY OBLIGATED TO MAKE PAYMENTS UNDER THE LEASE PURCHASE AGREEMENT FROM ANNUAL APPROPRIATIONS, IF ANY, MADE BY THE CITY, AND THE FULL FAITH AND CREDIT OF THE CITY HAS NOT BEEN PLEDGED TO THE PAYMENT OF THE SERIES 2015 BONDS. See "APPENDIX D – SUMMARIES OF LEGAL DOCUMENTS - The Lease Purchase Agreement" herein.

Pursuant to the Lease Purchase Agreement, the Rentals received with respect to the Series 2015 Bonds are to be deposited in the funds and accounts established with respect to the Series 2015 Bonds in the Indenture.

Brief descriptions of the refunding plan, the Corporation, the City, Forest Park, the estimated sources and uses of funds, certain investment considerations and risk factors, the Series 2015 Bonds, the Indenture, the Base Lease, the Lease Purchase Agreement and the Continuing Disclosure Agreement are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Series 2015 Bonds, the Indenture, the Base Lease, the Lease Purchase Agreement and the Continuing Disclosure Agreement, are qualified in their entirety by reference to such documents, and references herein to the Series 2015 Bonds are qualified in their entirety by reference to the respective forms thereof and the information with respect thereto included in the aforementioned documents, copies of all of which are available for inspection at the principal corporate trust office of the Trustee. During the period of the offering, copies of such documents will also be available at the office of U.S. Bancorp, 461 Fifth Avenue, 10th Floor, New York, New York 10017, (917) 326-3926.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in "APPENDIX D – SUMMARIES OF LEGAL DOCUMENTS" hereto.

THE CITY

The City is located on the Mississippi River, the eastern boundary of the State, just below its confluence with the Missouri River and occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is a constitutional charter city not a part of any county, and is organized and existing under and pursuant to its Charter, the Constitution and the laws of the State. For more information about the City, see "APPENDIX B – INFORMATION CONCERNING THE CITY OF ST. LOUIS, MISSOURI" hereto.

Certain information relating to Forest Park is set forth in "APPENDIX A – INFORMATION REGARDING FOREST PARK".

The City's basic audited financial statements for the Fiscal Year ended June 30, 2014, the most recent Fiscal Year for which audited financial statements of the City are available, are set forth in "APPENDIX C – INDEPENDENT AUDITOR'S REPORT AND BASIC FINANCIAL STATEMENTS OF THE CITY OF ST. LOUIS, MISSOURI FOR THE FISCAL YEAR ENDED JUNE 30, 2014." A complete copy of the City's 2014 Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2014 is available for inspection at the City's Comptroller's Office, 1200 Market Street, City Hall, Room 212, St. Louis, Missouri, 63103 and can be obtained through the City's website at https://www.stlouis.mo.gov/governmental/departments/comptroller/documents/fy-2014-comprehensive-annual-financial-report.cfm. Payments made by the City under the Lease Purchase Agreement will be made from Dedicated Revenues and other legally available funds to the extent appropriated by the City on an annual basis.

THE CORPORATION

Organization, Powers and Purposes

The Corporation is a nonprofit corporation duly organized and existing pursuant to the Nonprofit Corporation Act of the State of Missouri, as amended (the "State"). The Corporation was incorporated in September 1991 and its purposes and objectives are to lessen the burden of the government of the City by financing, acquiring, and leasing to the City real property and improvements thereon for use by the City. In furtherance of its purposes and objectives, the Corporation may borrow money, invest and disburse funds and issue bonds. Neither the Board of Directors of the Corporation nor any person executing the Series 2015 Bonds is personally liable on such Series 2015 Bonds by reason of the issuance thereof. The Series 2015 Bonds issued by the Corporation will not constitute a debt, liability or obligation of the City or the State. The Corporation has, by proper corporate actions of its Board of Directors, been duly authorized to execute and deliver the Base Lease, the Lease Purchase Agreement and the Indenture.

The Corporation has corporate power under the Nonprofit Corporation Act to issue the Series 2015 Bonds, to enter into the Base Lease, the Lease Purchase Agreement and the Indenture and to secure the Series 2015 Bonds under the Indenture. No part of the net earnings, income or property of the Corporation shall inure to the benefit of, or be distributed to, its directors, officers or other private persons or entities. The Corporation has no taxing power.

Board of Directors and Officers

The affairs of the Corporation are governed and managed by its Board of Directors. The Board of Directors is comprised of five persons who serve on its board by virtue of their respective positions within the City government as follows:

1) The Mayor of the City or designee;
2) The Comptroller of the City or designee;
3) The President of the Board of Aldermen or designee;
4) The City Counselor or designee; and
5) The Budget Director of the City or designee.

The above-enumerated persons serve as directors of the Corporation for so long as they hold their respective positions with the City. When a successor has been qualified and assumes such position, such successor succeeds his/her predecessor to the Board of Directors of the Corporation.

The officers of the Corporation include a president, two vice presidents, a secretary and a treasurer who are chosen by vote of a majority of the directors in office. The officers hold office for terms of three years. The Board of Directors may appoint such other officers and agents as it deems necessary, who hold their offices for such terms, exercise such powers and perform such duties as determined from time to time by the Board of Directors.

The officers of the Corporation are as follows:

Name	Office
Ivy Neyland-Pinkston	President
Tom Shepard	Vice President
Mary Ellen Ponder	Vice President
Michael A. Garvin	Secretary
Paul Payne	Treasurer

The principal mailing address of the Corporation is Room 3005, 1520 Market Street, St. Louis, Missouri 63103.

The Corporation neither has nor assumes any responsibility as to the accuracy or completeness of any information contained in this Official Statement which has been furnished by others. Without limiting the generality of the foregoing, information under the headings "THE CITY", "FOREST PARK", and APPENDICES A, B and C was furnished by the City.

Outstanding Indebtedness

The Corporation has issued the Series 2004 Bonds, and will use a portion of the proceeds of the Series 2015 Bonds to refund the Refunded Bonds. The Corporation has issued the Series 2013 Bonds in the principal amount of up to $30,000,000 (the "Series 2013 Bonds"), which will remain outstanding on a subordinate basis to the Series 2015 Bonds. See "SECURITY FOR THE SERIES 2015 BONDS – Rentals" and "- Additional Bonds".

The Corporation has previously sold and delivered numerous series of bonds and notes secured by instruments separate and apart from the Indenture and the Lease Purchase Agreement. The owners of such bonds and notes have no claims on the assets, funds or revenues of the Corporation securing the Series 2015 Bonds, and the owners of the Series 2015 Bonds will have no claim on assets, funds or revenues of the Corporation securing such other bonds and notes.

With respect to additional indebtedness of the Corporation, the Corporation may from time to time enter into separate agreements with the City for the purpose of providing financing for eligible projects and programs. Obligations that may be sold by the Corporation in the future may be created under the Indenture or under separate and distinct indentures or resolutions and may be secured by instruments, properties and revenues separate from those securing the Series 2015 Bonds.

THE REFUNDING PLAN

The Series 2004 Bonds

The Series 2004 Bonds were issued pursuant to the Original Indenture, as amended by the First Supplemental Indenture, to refund the outstanding Series 1997 Bonds, to fund a debt service reserve fund, and to pay costs of issuance for the Series 2004 Bonds. The aggregate principal amount of the Refunded Bonds is $8,105,000.

Refinancing Plan

A portion of the proceeds of the Series 2015 Bonds will be deposited in the debt service fund for the Series 2004 Bonds held by UMB Bank, N.A., as trustee for the Series 2004 Bonds and applied to optionally redeem the remaining outstanding principal amount of the Refunded Bonds, at a redemption price of one hundred percent (100%) of the principal amount thereof, plus interest accrued thereon to the redemption date on March 26, 2015.

SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the issuance of the Series 2015 Bonds and the refunding of the Refunded Bonds are as follows:

Sources of Funds:

Principal Amount of the Series 2015 Bonds	$7,790,000.00
Net Original Issue Premium	683,513.60
Subtotal	$8,473,513.60
City's Contribution from Series 2004 Debt Service Reserve Fund	847,351.36
TOTAL	$9,320,864.96

Uses of Funds:

Deposit to 2004 Debt Service Fund[1]	$8,145,953.02
Deposit to Debt Service Reserve Fund	847,351.36
Costs of Issuance[2]	327,560.58
TOTAL	$9,320,864.96

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1 This amount shall be deposited with the trustee for the Series 2004 Bonds and applied to the payment of principal, premium, if any, and interest on the Refunded Bonds to the March 26, 2015 redemption date.

2 Includes Underwriters' discount, and legal, financial advisory, accounting, printing and other fees and expenses incurred with the issuance of the Series 2015 Bonds.

DEBT SERVICE REQUIREMENTS

The following table lists the debt service requirements for the Series 2015 Bonds, after taking into account the redemption of the Refunded Bonds.

THE SERIES 2015 BONDS

Fiscal Year Ending	Principal	Interest	Total Annual Debt Service
6/30/2016	980,000	312,299.17	1,292,299.17
6/30/2017	1,015,000	280,700.00	1,295,700.00
6/30/2018	1,065,000	229,950.00	1,294,950.00
6/30/2019	1,105,000	187,350.00	1,292,350.00
6/30/2020	1,150,000	143,150.00	1,293,150.00
6/30/2021	1,205,000	85,650.00	1,290,650.00
6/30/2022	1,270,000	25,400.00	1,295,400.00
	7,790,000	1,264,499.17	9,054,499.17

DESCRIPTION OF THE SERIES 2015 BONDS

General Description

The Series 2015 Bonds will be due on February 15 in the amounts and in each of the years set forth on the inside cover page of this Official Statement. The Series 2015 Bonds will be dated the date of delivery and will bear interest from such date at the rates shown on the inside cover page of this Official Statement, such interest to be payable semiannually on February 15 and August 15 in each year (each an "Interest Payment Date"), commencing on August 15, 2015, and to be computed on the basis of a 360 day year, consisting of twelve 30-day months. The Series 2015 Bonds will mature in the amounts set forth on the inside cover page of this Official Statement.

The Series 2015 Bonds are issued as fully registered Bonds in denominations of $5,000 or any integral multiple thereof.

The Series 2015 Bonds will be issued in fully registered book-entry form and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York or such other name as may be requested by an authorized representative of DTC, an automated depository for securities and a clearinghouse for securities transactions. So long as DTC or its nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC, is the registered owner of the Series 2015 Bonds, payments of the principal of and interest on the Series 2015 Bonds will be made directly to DTC or its nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC, which will remit such payments to the DTC Direct Participants (as defined in "APPENDIX F – DTC INFORMATION") for subsequent disbursements to the beneficial owners of the Series 2015 Bonds.

The Series 2015 Bonds will not be a general obligation of the Corporation, but will be special obligations of the Corporation, payable solely out of the Rentals and certain Additional Rentals under the Lease Purchase Agreement, and other payments, revenues and receipts, including, under certain circumstances, Series 2015 Bond proceeds deposited in the Debt Service Reserve Fund, income from the investment thereof and proceeds from insurance and condemnation awards. The Rentals deposited with the Trustee, together with other moneys available to the Trustee, are intended to be sufficient for the prompt payment when due of the principal of and interest on the Series 2015 Bonds becoming due during any one-year term of the Lease Purchase Agreement.

The Series 2015 Bonds will state that the principal of and the interest on the Series 2015 Bonds are special obligations of the Corporation. None of the Corporation, the City or the State shall be obligated to pay the principal of or interest on the Series 2015 Bonds or other costs incident thereto, except from the Rentals and receipts received by the Corporation under the Lease Purchase Agreement and pledged by the Corporation therefor. The Series 2015 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the full faith and credit nor the taxing power of the City, the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2015 Bonds or other costs incidental thereto. The Corporation has no taxing power. None of the directors, officers or employees of the Corporation or the City, or any person executing the Series 2015 Bonds shall be liable personally thereon by reason of the issuance thereof. See "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS" herein.

LEASE PAYMENTS PURSUANT TO THE LEASE PURCHASE AGREEMENT ARE SUBJECT TO THE ANNUAL APPROPRIATION OF RENTALS BY THE CITY. IF THE CITY FAILS TO BUDGET AND APPROPRIATE FUNDS FOR RENTALS IN ANY FISCAL YEAR, THE LEASE PURCHASE AGREEMENT WILL TERMINATE AT THE END OF THE FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED. See "SECURITY FOR THE SERIES 2015 BONDS" herein.

No Redemption of Series 2015 Bonds

The Series 2015 Bonds are not subject to redemption prior to maturity.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2015 Bond certificate will be issued for each maturity of the 2015 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. For additional information regarding DTC and DTC's book-entry-only system, see "APPENDIX F – DTC INFORMATION" hereto.

In reading this Official Statement, it should be understood that while the Series 2015 Bonds are in book-entry-only form, references in other sections of this Official Statement to registered owners should be read to include the person for which a Direct Participant acquires an interest in the Series 2015 Bonds, but (i) all rights of ownership must be exercised through DTC and its book-entry-only system, and (ii) except as described elsewhere in this Official Statement, notices that are to be given to registered owners under the Indenture shall be given only to DTC hereto.

The Corporation, the City and the Trustee will not have any responsibility or obligation to DTC Participants, indirect participants, or any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, Cede & Co., any DTC Direct Participant, or any indirect participant; (ii) any notice that is permitted or required to be given to the Owners of the Series 2015 Bonds; (iii) the selection by DTC or any DTC Direct Participant or indirect participant of any person to receive payment in the event of a partial redemption of any Series 2015 Bonds; (iv) the payment by DTC or any DTC Direct Participant or indirect participant of any amount with respect to the principal or redemption premium, if any, or interest due with respect to any Series 2015 Bonds; (v) any consent given or other action taken by DTC as the Owner of the Series 2015 Bonds; or (vi) any other matter relating to DTC or the book-entry only system.

Registration, Transfer and Exchange of Series 2015 Bonds

The registration of the transfer of any Series 2015 Bond may be made only upon surrender of the Series 2015 Bonds to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. The Series 2015 Bonds may be exchanged for other Series 2015 Bonds of any denomination authorized by the Indenture in the same aggregate principal amount, stated maturity, and series upon presentation to the Trustee, subject to the terms, conditions and limitations of the Indenture and upon payment of any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. The record date for the payment of interest on the Series 2015 Bonds is the first day (whether or not a Business Day) of the calendar month of each interest payment date. The Series 2015 Bonds are being issued in book-entry only form with a single Global Bond Certificate for each maturity of the Series 2015 Bonds to be delivered by the Corporation to the initial purchasers for deposit with DTC. The Series 2015 Bonds shall be registered on the Bond Register in the name of Cede & Co., or such other name as may be requested by an authorized representative of DTC, as nominee of DTC. For so long as Cede & Co., or such other name as may be requested by an authorized representative of DTC, is the registered owner of the Series 2015 Bonds, all such payments will be made to Cede & Co. or such other name as may be requested by an authorized representative of DTC.

Persons Deemed Owners of Series 2015 Bonds

The person in whose name any Series 2015 Bond shall be registered as shown as of each Record Date on the Bond Register required to be maintained by the Trustee shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Series 2015 Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2015 Bond, including the interest thereon, to the extent of the sum or sums so paid.

SECURITY FOR THE SERIES 2015 BONDS

General

As security for the payment of the principal of and interest on the Series 2015 Bonds, the Corporation is pledging to the Trustee under the Indenture, for the equal and proportionate benefit and security of all present and future owners of the Series 2015 Bonds and any Additional Bonds, all of its right, title and interest in and to the Lease Purchase Agreement (except the Corporation's rights to indemnity under the Lease Purchase Agreement) and all Rentals, Additional Rentals, and other payments, revenues and receipts derived by the Corporation under and pursuant to the provisions of the Lease Purchase Agreement (except for the rights of the Corporation to receive moneys for its own accounts under the Lease Purchase Agreement), and all moneys and securities from time to time held by the Trustee under the terms of the Indenture, including moneys on deposit in the separate accounts of the Debt Service Reserve Fund (but excluding any moneys required to be held by the Trustee pursuant to the provisions of the Indenture in the Rebate Fund).

THE CITY IS ONLY OBLIGATED TO MAKE PAYMENTS UNDER THE LEASE PURCHASE AGREEMENT FROM ANNUAL APPROPRIATIONS MADE BY THE CITY, AND THE FULL FAITH AND CREDIT OF THE CITY HAS NOT BEEN PLEDGED TO THE PAYMENT OF THE SERIES 2015 BONDS.

Pursuant to a Base Lease dated as of March 1, 1997, as amended and supplemented by that certain Supplemental Base Lease dated as of December 15, 1999, that certain First Supplemental Base Lease dated as of March 30, 2007, the Supplemental Base Lease dated as of December 1, 2009, and the Second Supplemental Base Lease dated as of April 1, 2013 (collectively, and as may be further amended and supplemented, the "*Base Lease*") between the City and the Corporation, the City has previously leased to the Corporation a leasehold interest in certain real estate located in the City's Forest Park, including the Forest Park Improvements. Pursuant to the Lease Purchase Agreement, the Corporation has leased back to the City the Forest Park Improvements. The Series 2015 Bonds and the interest thereon are special obligations of the Corporation payable solely out of the Rentals, Additional Rentals and other revenues, moneys and receipts derived by the Corporation from the leasing of the Forest Park Improvements to the City pursuant to the Lease Purchase Agreement. The City has covenanted, subject to annual appropriation, to pay Rentals and Additional Rentals at such times and in such amounts as are necessary to assure no default in the payment of principal of and interest on the Series 2015 Bonds. See "APPENDIX D - SUMMARIES OF LEGAL DOCUMENTS – SUMMARY OF THE LEASE PURCHASE AGREEMENT".

THE SERIES 2015 BONDS ARE ISSUED BY AND REPRESENT SPECIAL OBLIGATIONS OF THE CORPORATION. THE SERIES 2015 BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OR LIABILITY OF THE CORPORATION, THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NONE OF THE CORPORATION, THE CITY OR THE STATE SHALL BE LIABLE THEREON EXCEPT FROM PAYMENTS, REVENUES AND RECEIPTS FROM THE LEASE PURCHASE AGREEMENT. NO INCORPORATOR, MEMBER, AGENT, EMPLOYEE, DIRECTOR OR OFFICER OF THE CORPORATION OR THE CITY SHALL AT ANY TIME OR UNDER ANY CIRCUMSTANCES BE INDIVIDUALLY OR PERSONALLY LIABLE UNDER THE INDENTURE OR THE LEASE PURCHASE AGREEMENT FOR ANYTHING DONE OR OMITTED TO BE DONE BY THE CORPORATION THEREUNDER.

Pursuant to the Lease Purchase Agreement, the City has agreed, subject to annual appropriation, to make payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on, the Series 2015 Bonds, which payments are to be made by the City directly to the Trustee for the account of the Corporation, and all Rentals and certain other revenues and receipts under the Lease Purchase Agreement (except as reserved therein) have been duly pledged and assigned to the Trustee for that purpose. The City's obligation to make such payments is absolute and unconditional, free of deductions and without abatement, offset, recoupment, diminution or setoff, but subject to appropriation. Such payments must be sufficient to fund debt service on the Series 2015 Bonds, fund any deficiency in the Debt Service Reserve Fund and to pay all other amounts required under the Indenture. Additionally, subject to annual appropriation by the Board of Aldermen, the City has agreed in the Lease Purchase Agreement that to the extent Rentals are insufficient to provide the Corporation and the Trustee with funds sufficient to pay the foregoing, the City will pay as Additional Rentals, upon demand therefor, such further sums of money as may be required from time to time for such purposes.

LEASE PAYMENTS PURSUANT TO THE LEASE PURCHASE AGREEMENT ARE SUBJECT TO THE ANNUAL APPROPRIATION OF RENTALS BY THE CITY. IF THE CITY FAILS TO BUDGET AND APPROPRIATE FUNDS FOR RENTALS IN ANY FISCAL YEAR, THE LEASE PURCHASE AGREEMENT WILL TERMINATE AT THE END OF THE FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

THE ISSUANCE OF THE SERIES 2015 BONDS SHALL NOT OBLIGATE THE CITY TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION TO MAKE PAYMENTS UNDER THE LEASE PURCHASE AGREEMENT IN ANY FISCAL YEAR

SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE PURCHASE AGREEMENT IS IN EFFECT. If the City fails to pay any Rentals or Additional Rentals when due under the Lease Purchase Agreement, however, the City is required upon the request of the Trustee or the Corporation to immediately quit and vacate the Forest Park Improvements. If the City fails to pay any required Rentals or Additional Rentals, the Trustee or the Corporation may bring legal action to evict the City from the Forest Park Improvements.

The Rentals and Additional Rentals constitute current expenses of the City and do not constitute mandatory payment obligations of the City in any ensuing Fiscal Year beyond the Fiscal Year for which such payments have been appropriated. No provision of the Lease Purchase Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation.

The City covenants and agrees in the Lease Purchase Agreement that the City's Budget Director, or any other officers at any time charged with responsibility of formulating budget proposals, is directed to include in the budget proposals submitted to the Board of Estimate and Apportionment, and to the extent permitted by law, to the Board of Aldermen, in any year during the Lease Purchase Agreement term, a request or requests for the Rentals and reasonable estimate of Additional Rentals. Requests for appropriations shall be made in each Fiscal Year so that the Rentals and a reasonable estimate of Additional Rentals to be paid during the succeeding Fiscal Year will be available for such purposes. It is the intention of the City that the decision to appropriate the Rentals and Additional Rentals to provide financing for the Forest Park Improvements pursuant to the Lease Purchase Agreement will be made solely by the Board of Aldermen and not by any other official of the City, except subject to the power of the Mayor of the City to approve or disapprove ordinances.

The City presently expects, in each Fiscal Year of the City during the Lease Purchase Agreement term, to appropriate funds in an amount sufficient to pay the Rentals and reasonably estimated Additional Rentals.

Rentals

It is the City's intention to pay Rentals and Additional Rentals from Dedicated Revenues (as defined below), but in connection with the Series 2015 Bonds, the City may apply any available funds to such payments subject to annual appropriation. The City has agreed in the Lease Purchase Agreement that to the extent the balance in the Debt Service Account for the Series 2015 Bonds is less than the sum then required to be on deposit therein in order to pay the principal of and interest then payable on the Series 2015 Bonds, the City will, subject to annual appropriation, pay as Rentals any amount necessary to make up such shortfall.

Dedicated Revenues

Pursuant to the Lease Purchase Agreement, the City agrees to pay Rentals, subject to annual appropriation, as follows:

i. 10.421% of the Capital Improvements Sales Tax (a one half cent sales tax increase for capital improvements including the payment of debt service on bonds issued to fund capital improvements);

ii. 24.5% of the Great Rivers Greenway Tax (a one tenth of one cent sales tax on all retail sales made in the City); and

iii. All Earned Revenues which are dedicated to Forest Park pursuant to Chapter 5.74 of the City Code (certain revenues earned in Forest Park held in the Forest Park fund and used for capital improvements in Forest Park including the payment of debt service on bonds issued to fund capital improvements)

(collectively, the "***Dedicated Revenues***"); provided that the amount transferred will in no event be less than the amounts which correspond to payments of principal of and interest on the Bonds whenever the same become due. The City has covenanted under the Lease Purchase Agreement that, so long as the Bonds remain outstanding, it will not reduce the percentage or allocation of Dedicated Revenues to the Series 2015 Bonds and on a subordinated basis, to the Series 2013 Bonds.

One-Half Cent Capital Improvement Sales Tax; Covenant with Respect to Sales Tax Allocation

On August 3, 1993, City voters approved a one-half cent sales tax increase for capital improvements. A portion of the revenue generated by this one-half cent capital improvements sales tax increase is allocated to the Major Park Account and the Forest Park Subaccount in the Capital Improvements Sales Tax Trust Fund and, subject to annual appropriation by the City, is anticipated to pay Rentals and Additional Rentals under the Lease Purchase Agreement. See the information under the heading "GENERAL REVENUE RECEIPTS – Sales Tax" in "APPENDIX B – INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI" hereto.

Great Rivers Greenway Tax

Pursuant to Sections 67.1700 to 67.1769 of the Revised Statutes of Missouri, the voters of the City in November 2000, approved the collection of a one-tenth of one cent sales tax on all retail sales made in the City for the purpose of funding the creation, operation and maintenance of a Metropolitan Park and Recreation District d/b/a Great Rivers Greenway District (the "Great Rivers Greenway Tax") and by Ordinance No. 64994 the Board of Aldermen of the City allocated the amounts of the Great Rivers Greenway Tax to be applied to the Major Parks.

Pursuant to Ordinance No. 64994, fifty percent of the revenue from the Great Rivers Greenway Tax goes to the metropolitan district and 50% is returned to the City. Forty percent (40%) of City's 50% share of the Great River Greenway Tax is required to be applied to the Major Parks and then further divided based on relative acreage of such Major Parks; as a result of which 24.5% (61.3% of the 40%) of the City's share of the proceeds of the Great Rivers Greenway Tax is dedicated to Forest Park.

Although the Dedicated Revenues provide a source of revenues for making Rentals, such revenues are not pledged to the repayment of the Series 2015 Bonds and the City may pay such Rentals and Additional Rentals, subject to annual appropriation, from any available source of funds. The City has declared by Ordinance that a designated portion of the proceeds of the stated sales taxes passed by the voters are required to be credited to the special trust funds established for Forest Park and no funds appropriated to such subaccount may be transferred or expended for any other purpose.

The Lease Purchase Agreement also provides that the amounts payable as Rentals with respect to the Series 2013 Bonds are subordinate to and in addition to the amounts required to be paid as Rentals on the Series 2015 Bonds. See "APPENDIX C - SUMMARY OF LEGAL DOCUMENTS – Summary of the Lease Purchase Agreement – Rentals."

The Indenture provides that, following the issuance of the Series 2015 Bonds, the Trustee is required to apply amounts to be deposited in the Debt Service Fund: (i) into the Series 2004 Debt Service Account of the Debt Service Fund, amounts corresponding to payments of principal of, premium if any, and interest on the Series 2004 Bonds coming due on the redemption date; (ii) into the 2015 Debt Service

Account of the Debt Service Fund, amounts corresponding to payments of principal of and interest on the Series 2015 Bonds becoming due on the next Interest Payment Date, (iii) into the Series 2015 Debt Service Reserve Account, to the extent that the balance in such account is less than the Debt Service Reserve Fund Requirement for the Series 2015 Bonds, (iv) into the Series 2013 Debt Service Account of the Debt Service Fund, amounts corresponding to payments of interest on the Series 2013 Bonds becoming due on the next interest payment date for the Series 2013 Bonds, (v) if the Interest Payment Date is August 15, the amount of principal and interest coming due on the Series 2015 Bonds on the subsequent February 15; and (vi) into the Series 2013 Redemption Account. See "APPENDIX C - SUMMARY OF LEGAL DOCUMENTS – SUMMARY OF THE INDENTURE."

History of Dedicated Revenue Collections

The City's revenue collections for Dedicated Revenues for the Fiscal Years 2005 through 2014 (in thousands), on a cash basis, are set forth below (such data includes reductions for any applicable collections for tax increment financing projects and certain reimbursements to the City's Board of Public Service and the City's Streets Department):

Historical Dedicated Revenues
Fiscal Year 2005-2014
Dollars in Thousands

Fiscal Year	Capital Improvement Sales Tax Trust Fund	Great Rivers Greenway Tax	Earned Revenue	Total
2005	$1,741	$378	$1,741	$3,860
2006	1,789	386	1,214	3,388
2007	1,839	393	1,433	3,665
2008	1,850	399	1,407	3,656
2009	1,814	389	1,377	3,580
2010	1,722	370	1,322	3,414
2011	1,742	373	1,327	3,442
2012	1,730	337	1,422	3,489
2013	1,702	390	1,478	3,569
2014	1,746	248	1,548	3,542

Source: City Comptroller's office.

Debt Service Reserve Fund

The Indenture establishes a Debt Service Reserve Fund to secure Series 2015 Bonds issued pursuant to the Indenture. Funds on deposit in the Debt Service Reserve Fund shall be used and applied by the Trustee solely to prevent a default in the event moneys on deposit in the Debt Service Fund shall be insufficient to pay the principal of and interest on the Series 2015 Bonds as the same become due. The Trustee may disburse and expend moneys from the Debt Service Reserve Fund whether or not the amount therein equals the Debt Service Reserve Fund Requirement (as defined below). Moneys on deposit in the Debt Service Reserve Fund may be used to purchase Bonds in the open market, prior to their Stated Maturity, provided all Series 2015 Bonds at the time Outstanding are purchased and sufficient funds are available therefor. Moneys on deposit in the Debt Service Reserve Fund shall be used to pay and retire the Series 2015 Bonds last becoming due, unless such Series 2015 Bonds and all interest thereon are otherwise paid. On a quarterly basis, the Trustee is required to calculate the market value of investments, exclusive of accrued interest, purchased with funds of, and on deposit in, the Debt Service Reserve Fund. The City is required to make up any deficiency as Additional Rentals no later than the next valuation date.

"Debt Service Reserve Fund Requirement" means, as of the date of calculation, and calculated on the basis of all of the Series 2015 Bonds and any bonds issued on a parity therewith (the "Senior Bonds"), the least of (i) the maximum annual debt service on such Senior Bonds Outstanding, (ii) 10% of the stated principal amount of such Senior Bonds (or issue price if such Senior Bonds are sold with more than a de minimus amount of original issue discount or premium) or (iii) 125% of the average annual debt service requirements on such Senior Bonds. The Debt Service Reserve Fund Requirement may be satisfied by Debt Service Reserve Fund Deposits in cash or in partial substitution or in lieu of cash by an insurance policy, letter of credit, line of credit or surety bond or similar liquidity or credit facility guaranteeing payments into the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement which facility shall be issued by an entity that is rated in one of the two highest rating categories (without regard to modifiers) by any rating agency which rates such facility.

So long as the sum on deposit in the Debt Service Reserve Fund shall total an amount equal to the Debt Service Reserve Fund Requirement on each valuation date, no further deposits to said Debt Service Reserve Fund shall be required. If, however, the Trustee is ever required to withdraw funds from the Debt Service Reserve Fund to prevent a default as provided in the Indenture and the withdrawal of such funds reduces the amount on deposit in the Debt Service Reserve Fund to less than the Debt Service Reserve Fund Requirement, the City shall, in accordance with the Lease Purchase Agreement make up such deficiency by making monthly payments of Additional Rentals, commencing on the first day of the calendar month immediately following the date of such withdrawal and continuing on the first day of each month thereafter, in an amount equal to one-twelfth (1/12) of the maximum amount of such deficiency, until the amount on deposit in the Debt Service Reserve Fund again aggregates to a sum equal to the Debt Service Reserve Fund Requirement.

Additional Bonds

So long as no event has occurred and is continuing which, with the passage of time or otherwise, would become an Event of Default under the Indenture (unless such Additional Bonds are Refunding Bonds or are being issued to cure such event), Additional Bonds may be issued under and equally and ratably secured by the Indenture on a parity with the Series 2015 Bonds and any other outstanding Additional Bonds, at any time and from time to time upon compliance with the conditions described in this Section, for the purpose of paying the Costs of completing the Project, such cost to be evidenced by a certificate signed by a City Representative and a Corporation Representative. Additional Bonds may also be issued for the purpose of providing funds for refunding all or any part of the Bonds then Outstanding of any Series, including the payment of any redemption premium thereon and interest to accrue to the designated Redemption Date and any expenses in connection with such refunding.

In no event may the City issue any Additional Bonds secured by any component of the Dedicated Revenues without the prior written consent of the holders of the Series 2013 Bonds; provided, however, the City may issue Additional Bonds, without the consent of the holders of the Series 2013 Bonds, to refinance the Series 2004 Bonds, including the payment of any redemption premium thereon and interest to accrue to the designated redemption date and any expenses in connection with the refunding of such Bonds, so long as the annual debt service on the Series 2004 Bonds is not increased by such refunding and the final maturity of the Series 2004 Bonds is not extended (which provisions apply to the Series 2015 Bonds).

FOREST PARK

Background

Forest Park is one of the largest urban parks in the United States, encompassing 1,293 acres in the western portion of the City. It is home to the region's most important cultural institutions, including the Missouri History Museum, the St. Louis Art Museum, the St. Louis Science Center, the Municipal Opera Theatre, the World's Fair Pavilion, the Jewel Box, Steinberg Rink and the St. Louis Zoo. From its opening on June 24, 1876, Forest Park has been a beautiful and serene place, while also full of excitement and discovery. It has witnessed some of the City's greatest achievements, including the 1904 World's Fair and the welcome home celebration for Charles Lindbergh. From its inception more than 120 years ago, Forest Park has been a magnet for St. Louisans. In 1896, Forest Park had 2.5 million visitors. Currently, approximately 13 million visitors, five times the population of the region, visit Forest Park and its many attractions on an annual basis.

The Master Plan

In 1993, the City began developing its Forest Park Master Plan (the "Master Plan") to conserve Forest Park's size, beauty and quality for future generations while satisfying the many, diverse needs of today's park users. The estimated cost of implementing the Master Plan was $86 million, financed from both public and private funding. Approximately $43 million was raised from private individual and corporate donors to implement the Master Plan. An additional estimated $43 million was provided by public sources, including the sale of the Series 1997 Bonds.

The Master Plan emphasized sound technical and environmental designs that are economical to maintain. The Master Plan was designed to integrate Forest Park's natural and man-made systems into a cohesive and mutually beneficial ecosystem. The goal of the Master Plan was "to create a total park experience" that stimulates the mind, body, and spirit, through a variety of natural, cultural, educational, and recreational facilities, opportunities, and amenities. See "APPENDIX A - INFORMATION REGARDING FOREST PARK" for a more detailed description of the Master Plan and its implementation.

The Master Plan is substantially completed.

Forest Park Maintenance and Operations Program

The Master Plan included repairs of infrastructure, new construction and landscaping in Forest Park. The City planned to establish a long-term funding mechanism for maintenance of Forest Park, in order to meet the policy guidelines of the Master Plan, and to provide for the dedication of certain donations in trust for such maintenance. Forest Park Forever, Inc., a Missouri nonprofit corporation ("FPF"), was established to promote the rebuilding and restoration of Forest Park through the development of wide-based financial and citizen support. The City and FPF entered into a Maintenance Cooperation Agreement dated March 30, 2007 (as amended and as may be amended in the future, the "Maintenance Cooperation Agreement"), to provide for certain shared responsibilities to maintain Forest Park as provided in the Maintenance Cooperation Agreement. The Maintenance Cooperation Agreement provides for the allocation of expenditures of annual trust donations for Forest Park.

The Corporation issued the Series 2013 Bonds, the proceeds of which were made available on a draw down basis, to fund costs according to the Maintenance Cooperation Agreement. To date, $7,480,000 has been drawn down and used to fund approved projects. Other than on-going maintenance, no major improvements are planned at the current time. See "APPENDIX A -

INFORMATION REGARDING FOREST PARK - FOREST PARK MAINTENANCE AND OPERATIONS PROGRAM."

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

An investment in the Series 2015 Bonds is subject to a number of significant risk factors. The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2015 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2015 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described herein.

Lease Payments of City Not a General Obligation

The City is not obligated to pay Rentals or Additional Rentals beyond the Fiscal Year which ends June 30, 2015. Neither the Rentals nor Additional Rentals under the Lease Purchase Agreement, nor any payments on the Series 2015 Bonds, constitute a general obligation or other indebtedness of the City or a mandatory payment obligation of the City in any Fiscal Year beyond the current year for which an appropriation thereof has been made.

The obligations of the City under the Lease Purchase Agreement are limited to those funds of the City which are specifically budgeted and appropriated annually by the Board of Aldermen of the City for such purpose. The failure to renew the Lease Purchase Agreement would mean the loss of occupancy of the Forest Park Improvements by the City.

Event of Non Appropriation

The City's obligations under the Lease Purchase Agreement may be terminated on an annual basis by the City without any penalty, and there is no assurance that the City will renew the Lease Purchase Agreement. Accordingly, whether the City will renew the Lease Purchase Agreement throughout the term of the Series 2015 Bonds is dependent upon certain factors which are beyond the control of the City, including (i) the continuing need of the City for facilities such as Forest Park, (ii) future changes in economic conditions; (iii) the demographic conditions within the City, and (iv) the ability of the City to generate sufficient funds from the Capital Improvements Sales Tax, the Great Rivers Greenway Tax, and the Earned Revenues, and fees, taxes, and other sources to pay its obligations under the Lease Purchase Agreement and the other obligations of the City and then to appropriate such funds for use in meeting its obligations under the Lease Purchase Agreement.

Limited Interest of the Trustee

Upon termination of the Lease Purchase Agreement by reason of an event of non-appropriation, or an event of default, the Trustee may terminate the Lease Purchase Agreement and give the City notice to vacate the Forest Park Improvements. Thereafter, the Trustee may sublease the Forest Park Improvements, subject to permitted encumbrances. Because the interest of the Trustee in the Forest Park Improvements is limited, an outright sale would not be possible. A potential purchaser of the Series 2015 Bonds should not assume that it will be possible to sublease or sell the leasehold interest of the Trustee in the Forest Park Improvements upon termination of the Lease Purchase Agreement (i) for the amount then outstanding on the Series 2015 Bonds, and/or (ii) within a time period which would prevent a default in the timely payment of amounts payable with respect to the Series 2015 Bonds.

No Mortgage of the Project

Payment of the principal of and interest on the Series 2015 Bonds is not secured by any deed of trust, mortgage or other lien on the Forest Park Improvements, any property of the City, or by any pledge of the revenues from the operations of the Forest Park Improvements.

Remedies May be Unenforceable

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Indenture. These remedies, in certain respects, may require judicial action, which is often subject to discretion and delay. Remedies provided for in the Base Lease, the Lease Purchase Agreement and the Indenture may be unenforceable as a result of the application of principles of equity or of state or federal laws relating to bankruptcy, other forms of debtor relief, and creditors' rights generally. Furthermore, it is not certain whether a court would permit the exercise of the remedies of repossession and sale or leasing with respect thereto. The enforcement of any remedies provided in the Base Lease, the Lease Purchase Agreement and the Indenture could prove both expensive and time consuming.

All legal opinions with respect to the enforceability of the Base Lease, the Lease Purchase Agreement and the Indenture will be expressly subject to the qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors right generally and by applicable principles of equity.

FINANCIAL STATEMENTS

The audited financial statements of the City and the related report of KPMG LLP, the City's independent auditor, for the Fiscal Year ended June 30, 2014, are included in **APPENDIX B** hereto. KPMG LLP, has not been engaged to perform, and has not performed, since the date of its report included in **APPENDIX B** hereto, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

THE TRUSTEE

UMB Bank, N.A., is acting as the Trustee for the Series 2015 Bonds.

RATING

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") has assigned a rating of "A" to the Series 2015 Bonds. No application has been made to any other rating agency in order to obtain additional ratings on the Series 2015 Bonds. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2015 Bonds.

LITIGATION

The City represents that there is no litigation pending or, to the knowledge of the City, threatened, affecting the City and seeking to restrain or enjoin (i) the issuance or delivery of the Series 2015 Bonds or the proceedings or authority under which the Series 2015 Bonds are issued and sold, or (ii) the right or authority of the City to enter into and perform its obligations under the Lease Purchase Agreement. The City further represents that there is not now pending or, to the knowledge of the City, threatened, any litigation affecting the City which could reasonably be expected to materially or adversely affect the validity or enforceability of the Series 2015 Bonds, the Lease Purchase Agreement or the Indenture.

The Corporation represents that there is no litigation pending or, to the knowledge of the Corporation, threatened, affecting the Corporation and seeking to restrain or enjoin (i) the issuance or delivery of the Series 2015 Bonds or the proceedings or authority under which the Series 2015 Bonds are issued and sold, or (ii) the right or authority of the Corporation to enter into and perform its obligations under the Lease Purchase Agreement. The Corporation further represents that there is not now pending or, to the knowledge of the Corporation, threatened, any litigation affecting the Corporation which could reasonably be expected to materially or adversely affect the validity or enforceability of the Series 2015 Bonds, the Lease Purchase Agreement or the Indenture.

On May 15, 2013 a criminal indictment was filed in the United States District Court for the Eastern District of Missouri against Joseph S. Vacca and Thomas D. Stritzel. The indictment alleged as follows: Joseph S. Vacca was the Deputy Director for the Parks Division of the City. Thomas D. Stritzel was the Chief of Park Rangers for the City. The indictment claimed that Joseph S. Vacca and Thomas D. Stritzel engaged in a scheme from January 1, 2005 to December 31, 2012 to divert approximately $464,722 from the City for their own personal use. On or about September 9, 2013 Joseph S. Vacca and Thomas D. Stritzel pled guilty to charges contained in the indictment. Joseph S. Vacca was sentenced to three years in prison on or about December 19, 2013 and ordered to pay restitution to the City in the amount of $472,722.26. Thomas Stritzel was sentenced to three years in prison on or about January 27, 2014 and ordered to pay restitution to the City in the amount of $472,722.26. This diversion of the City's funds did not involve the use of any bond proceeds, did not prevent any legitimate vendor from being paid and has not impacted the timely payment of any of the City's outstanding bonds.

On December 22, 2011, a lawsuit styled *Tanisha Ross-Paige v. the St. Louis Board of Police Commissioners* was filed in the Twenty Second Judicial Circuit Court of the State of Missouri by Tanisha Ross-Paige, a former police officer, against the St. Louis Board of Police Commissioners, claiming that her supervising sergeant sexually harassed her and that she suffered retaliation for complaining about the conduct. On March 21, 2014, the jury awarded Ms. Ross-Paige $7.5 million in damages, consisting of $300,000 in compensatory damages and $7.2 million in punitive damages. The verdict is against the St. Louis Board of Police Commissioners, a State agency, based on allegations made before the State turned over control of the police department to the City in 2013. The St. Louis Board of Police Commissioners is in the process of considering its options to appeal the case. The State is responsible for paying up to one half of the costs of such verdict up to a Fiscal Year total of $1 million, with the City responsible for the balance. The City anticipates that the St. Louis Board of Police Commissioners will seek to reduce the amount owed and estimates that its maximum exposure on this matter, after taking into account contributions by the State, may be from $1 to $3 million. The City believes that it has adequate reserves in its self-insurance program to cover its exposure on this matter.

In addition, some types of litigation relating to the City involve the possibility of lost revenue rather than awards of monetary damages. Two suits involve the City's red-light camera ordinance that issues red-light violation citations to the owner of a vehicle based on a camera taking a picture of such vehicle violating a red-light. A trial court has held that the City's red light ordinance is invalid. The decision was appealed to the Missouri Supreme Court and is under submission. Another case was filed February 14, 2014 seeking damages for the City's enforcement of its red-light camera ordinance. A successful challenge of the City's red-light camera ordinance would result in a loss of revenue to the City. The City estimates that any loss of revenue as a result of this litigation will be minimal. In addition, a lawsuit had been pending against the City in which The Firemen's Retirement System of St. Louis and the City's firemen sued the City, seeking to block implementation of the certain newly adopted ordinances designed to establish a new firemen's retirement system. The decision for the City was affirmed and the Missouri Supreme Court declined to hear an appeal, ending this litigation.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the Corporation of the Series 2015 Bonds and with regard to the tax-exempt status of the Series 2015 Bonds are subject to the approving opinions of Armstrong Teasdale LLP, St. Louis, Missouri, and the Hardwick Law Firm, LLC, Kansas City, Missouri, Co-Bond Counsel. The expected form of the opinion of Co-Bond Counsel is attached hereto as "APPENDIX E - FORM OF CO-BOND COUNSEL OPINION".

Certain legal matters will be passed upon by the City Counselor for the City, as counsel to the City and the Corporation. Certain legal matters will be passed upon by White Goss, a professional corporation, Kansas City, Missouri and White Coleman & Associates, LLC, St. Louis, Missouri, Co-Counsel to the Underwriters and by Square Patton Boggs (US) LLP, New York, New York and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Disclosure Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding the Series 2015 Bonds. The summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not (1) discuss all aspects of federal income taxation that may be relevant to investors based upon their personal investment circumstances; (2) describe the tax consequences of certain types of owners subject to special treatment under the federal income tax laws; (3) except for the income tax laws of the State of Missouri, discuss the consequences to an owner under any state, local or foreign tax laws; or (4) deal with the tax treatment of persons who purchases the Series 2015 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2015 Bonds.

Federal and Missouri Income Taxes

The Internal Revenue Code of 1986, as amended (the *"Code"*), imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2015 Bonds. Failure to comply with these requirements may result in interest on the Series 2015 Bonds being included in gross income for federal and Missouri income tax purposes, possibly from the date of original issuance of the Series 2015 Bonds. The City and the Corporation have covenanted to comply with such requirements to ensure that interest on the Series 2015 Bonds will not be included in federal or Missouri gross income. The opinion of Hardwick Law Firm, LLC, Kansas City, Missouri, and Armstrong Teasdale LLP, St. Louis, Missouri ("Co-Bond Counsel"), assumes compliance with these requirements.

In the opinion of Co-Bond Counsel, under existing laws, regulations, rulings, and court decisions, and assuming, among other matters, continued compliance with certain covenants, continued compliance with certain requirements of the Code, and the accuracy of particular representations and certifications, interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from taxes imposed by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri. Co-Bond Counsel is also of the opinion that such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on certain individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for such corporations. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Co-Bond Counsel express no opinion regarding any other federal or state tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2015 Bonds. Co-Bond Counsel will express no opinion regarding the applicability with respect to the Series 2015 Bonds or the interest on the Series 2015 Bonds of the taxes imposed by the State of Missouri on financial institutions under Chapter 148 of the Revised Statutes of Missouri, as amended.

Original Issue Discount

The initial offering prices of certain Series 2015 Bonds may be less than the principal amount thereof (the "Series 2015 OID Bonds"). An amount equal to the difference between the initial public offering price of a Series 2015 OID Bond (assuming a substantial amount of such maturity is first sold at that price) and its stated redemption price at maturity constitutes original issue discount. In the opinion of Co-Bond Counsel, the amount of original issue discount properly accruable with respect to a Series 2015 OID Bond is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri. The amount of properly accruable original issue discount during the period that the owner holds a Series 2015 OID Bond is added to the owner's tax basis for purposes of determining gain or loss upon maturity, redemption, prior sale or other disposition of such Series 2015 OID Bond. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires a Series 2015 OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such Series 2015 OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such Series 2015 OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Series 2015 OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such Series 2015 OID Bond. Any gain realized by an owner from a sale, exchange, payment, or redemption of a Series 2015 OID Bond will be treated as gain from the sale or exchange of such Series 2015 OID Bond. Owners of a Series 2015 OID Bond are advised that they should consult with their own advisors with respect to state and local tax consequences of owning such Series 2015 OID Bonds.

Original Issue Premium

Any Series 2015 Bond to be offered and sold in the initial offering at a price greater than the principal amount thereof (the "Series 2015 OIP Bonds") will result in a yield less than the interest rate for each such maturity as shown on the inside cover page of this Official Statement. Under the Code, the difference between the principal amount of a Series 2015 OIP Bond and the cost basis of such Series 2015 OIP Bond to an owner thereof is bond premium. Under the Code, bond premium is amortized over the term of a Series 2015 OIP Bond (i.e., to the maturity date of a Series 2015 OIP Bond or its earlier call date) for federal income tax purposes. An owner of a Series 2015 OIP Bond is required to decrease its basis in such Series 2015 OIP Bond by the amount of the amortizable bond premium attributable to each taxable year (or portion thereof) it owns such Series 2015 OIP Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate determined with respect to the yield on a Series 2015 OIP Bond compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Owners of Series 2015 OIP Bond (including purchasers of Series 2015 OIP Bonds in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of such Series 2015 OIP Bonds and with respect to the state and local consequences of owning and disposing of such Series 2015 OIP Bonds.

Post Issuance Events

Co-Bond Counsel will not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2015 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2015 Bonds.

Changes in Federal Law

Prospective Bondholders should be aware that from time to time legislation is or may be proposed which, if enacted into law, could result in interest on the Series 2015 Bonds being subject directly or indirectly to federal income taxation, or otherwise prevent Bondholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Series 2015 Bonds from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Series 2015 Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Other Tax Consequences

Prospective purchasers of the Series 2015 Bonds should be aware that there may be tax consequences of purchasing the Series 2015 Bonds other than those discussed under this section captioned "TAX MATTERS," including, but not limited to, the following: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2015 Bonds, or, in the case of a financial institution, that portion of such institution's interest expense allocable to the interest on the Series 2015 Bonds; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by fifteen percent of the sum of certain items, including the interest on the Series 2015 Bonds; (iii) interest on the Series 2015 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) passive investment income, including the interest on the Series 2015 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than twenty-five percent of the gross receipts of such Subchapter S corporation is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of the interest on the Series 2015 Bonds. Co-Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Series 2015 Bonds should consult their own tax advisors as the applicability of these tax consequences.

Interest paid on tax-exempt obligations such as the Series 2015 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2015 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

THE FOREGOING DISCUSSION IN "TAX MATTERS" WAS NOT INTENDED OR WRITTEN BY CO-BOND COUNSEL TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2015 BONDS. THE FOREGOING DISCUSSION IN "TAX MATTERS" WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2015 BONDS. EACH PROSPECTIVE PURCHASER OF THE SERIES 2015 BONDS SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE PURCHASER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

FINANCIAL ADVISOR

Public Financial Management, Inc. ("PFM") has been retained by the Corporation as financial advisor to render certain professional services. As such, PFM has provided advice on the plan of financing and structure of the Series 2015 Bonds and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. The information set forth herein has been obtained from the Corporation, the City and other sources which are believed to be reliable. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the Corporation, the City and other sources.

TREASURER'S ADVISOR

Comer Capital Group, LLC (**"**CCG**"**) serves as financial advisor to the Treasurer of the City. CCG assisted in the planning and allocation of certain accounts authorized by the Indenture. CCG Asset Management, LLC ("CGAM"), an affiliate of CCG, serves as an investment advisor to the City and provided advice related to the investment of proceeds of the Series 2015 Bonds and other funds invested in connection with the Indenture. Neither CCG nor CCGAM have participated in the preparation, drafting or review of this Official Statement.

UNDERWRITING

The underwriters listed on the cover page hereof (the "Underwriters") have jointly and severally agreed, pursuant to a bond purchase agreement by and between the Corporation and the Underwriters and subject to certain conditions precedent to closing, to purchase all, but not less than all, of the Series 2015 Bonds from the Corporation at an aggregate purchase price of $8,364,301.10, reflecting the par amount of the Series 2015 Bonds of $7,790,000 plus original issue premium of $683,513.60 and less an underwriting discount of $109,212.50. The Underwriters will be obligated to purchase all such Series 2015 Bonds if any such Series 2015 Bonds are purchased. The Series 2015 Bonds may be offered and sold to certain dealers (including underwriters and other dealers depositing such Series 2015 Bonds into investment trusts) at prices or yields lower than the public offering prices or yields and such public offering prices or yields may be changed, from time to time, by the Underwriters.

"US Bancorp" is the marketing name of U.S. Bancorp and its subsidiaries, including U.S. Bancorp Investments, Inc. ("USBII"), which is serving as Underwriter of the Series 2015 Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association. Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Series 2015 Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2015 Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2015 Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the Series 2015 Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

VERIFICATION OF MATHEMATICAL AND ARITHMETICAL CALCULATIONS

The accuracy of the mathematical and arithmetical computations (i) of the adequacy of the maturing principal amounts of the United States Government Obligations, together with the interest income thereon and uninvested cash, if any, to pay when due the principal of and redemption premium, if any, and interest on the Series 2004 Bonds to be refinanced; and (ii) relating to the yields related to (i) the United States Government Obligations and (ii) the Series 2015 Bonds, will be verified by Samuel Klein and Company, Certified Public Accountants, New York, New York. Such verification of arithmetical accuracy and mathematical computations shall be based upon information and assumptions supplied by the Corporation and on interpretations of the Code, provided by Co-Bond Counsel.

CERTAIN RELATIONSHIPS

White Goss, Kansas City, Missouri, is serving as co-counsel to the Underwriters and has represented the Underwriters in connection with the issuance of the Series 2015 Bonds. White Goss has also represented the City from time to time on other transactions or matters. White Coleman & Associates, LLC, St. Louis, Missouri, is serving as co-counsel to the Underwriters and has represented the Underwriters in connection with the issuance of the Series 2015 Bonds. White Coleman & Associates, LLC has also represented the City from time to time on other transactions or matters. Square Patton Boggs (US) LLP, New York, New York and Saulsberry & Associates, LLC, St. Louis, Missouri, is serving as Co-Disclosure Counsel and each also represent the City and certain of the Underwriters from time to time on other transactions or matters. In addition, the Hardwick Law Firm, LLC, Kansas City, Missouri, and Armstrong Teasdale LLP, St. Louis, Missouri, are serving as Co-Bond Counsel with respect to the issuance of the Series 2015 Bonds, and each also represent the City and certain of the Underwriters from time to time on other transactions or matters. Armstrong Teasdale LLP also represents the Trustee in certain other matters. Furthermore, PFM serves as financial advisor to the City from time to time on matters and transactions unrelated to the Series 2015 Bonds.

CONTINUING DISCLOSURE

Continuing Disclosure Agreement

In accordance with the requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the City will enter into a Continuing Disclosure Agreement with respect to the Series 2015 Bonds (the "Continuing Disclosure Agreement"), substantially in the form attached hereto as "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT," pursuant to which the City will agree to file or cause to be filed on an annual basis on the Electronic Municipal Market Access

("EMMA") system established by the Municipal Securities Rulemaking Board, in accordance with the Rule: (i) certain annual information, including certain statistical and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Series 2015 Bonds, and (iii) timely notice of a failure by the City to provide the required annual information on or before the date specified in the Continuing Disclosure Agreement. The Underwriters' obligation to purchase the Series 2015 Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2015 Bonds, an executed copy of the Continuing Disclosure Agreement.

Compliance by the City and the Corporation with Continuing Disclosure Obligations

The City. A comprehensive review of the City's compliance with its continuing disclosure obligations was completed in October, 2014. Such review concluded that the City consistently filed for the prior five-year period the annual financial information required to be provided pursuant to its continuing disclosure obligations under the Rule. Certain of such annual financial information, however, was not filed timely, such as incidents ranging from 2 to 26 days late with respect to the City's required annual financial information and, in some cases, later with respect to certain developer and special district annual financial information, in connection with tax increment and special district financing transactions for which the City has a continuing disclosure obligation. The review further concluded that the City had consistently filed for the prior five-year period the majority of statistical and operating data required to be provided pursuant to its undertakings under the Rule. However, certain of such data was not filed in the proper format and/or such data could be considered incomplete. Additional items identified in the review included instances of not reporting certain rating changes and incomplete cross references by CUSIP numbers to annual financial information, including certain statistical and operating data. The City has since updated such filings and linked its annual financial information, including statistical and operating data, on EMMA to its bond issues currently subject to continuing disclosure undertakings. Furthermore, the City filed operating data for the prior five-year period in the format required under the Rule.

The City's annual financial information for Fiscal Year 2014 was filed earlier than required pursuant to each of its continuing disclosure undertakings. Certain statistical and operating data for the City's continuing disclosure undertakings with a filing date of 180 days after the end of the City's Fiscal Year, however, was filed from 2 to 4 Business Days late, and certain other updates to statistical and operating data compiled by calendar year, was filed when it became available and was 17 Business Days late. Updates to certain statistical and operating data in regard to the City's retirement systems will be filed on EMMA on or about March 5, 2015 when such information is available from the retirement systems. Other than as stated herein, the City is in compliance in all material respects with its continuing disclosure undertakings for the prior five-year period through the date of this Official Statement.

The Corporation. The Corporation does not currently have any continuing disclosure obligations under the Rule.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between or among the Corporation, the City and the purchasers or holders of any of the Series 2015 Bonds. Any statement made in this Official Statement involving matters of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or its agencies and authorities or the Corporation since the date hereof.

It is anticipated that CUSIP identification numbers will be delivered with the Series 2015 Bonds, but neither the failure to print such numbers on any Series 2015 Bonds, nor any error in printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Series 2015 Bonds.

[Remainder of page intentionally left blank – signature page follows.]

This Official Statement, its execution, and its delivery to and distribution by the Underwriters to prospective purchasers of the Series 2015 Bonds, have been duly approved and authorized by the Corporation and the City.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: /s/ Ivy Neyland-Pinkston
Ivy Neyland-Pinkston, President

THE CITY OF ST. LOUIS, MISSOURI

By: /s/ Francis G. Slay
Francis G. Slay, Mayor

By: /s/ Darlene Green
Darlene Green, Comptroller

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APPENDIX A –
INFORMATION REGARDING FOREST PARK


Metrolink Station
Dennis & Judith Jones
Visitor and Education Center
Missouri
History
Museum
Forest Park Forever
Musician's
Monument
Club
House
The Cascades
"Flegel Falls"
Bates Statue
Cabanne
House
Fish Hatchery
Jewish
Tercentenary
Memorial
Sigel Statue
Lafayette
Bridge
Cricket Field
Twin
Lots
Old Stable Bridge
Columbus
Bridge
Franklin Bridge
Victorian
Footbridge
Pagoda
Circle
Nathan Frank
Bandstand
The Muny
Langenberg Field
Picnic
Island
BoatHouse
Art Hill
Saint Louis
Art Museum
Friedrich
Ludwig Jahn
Memorial
Wildlife
Island
Post Dispatch Lake
Kerth Fountain
Government Hill
World's Fair
Pavilion
Korean War
Memorial
Central Fields
Steinberg
Rink
Richard Hudlin
Tennis Courts
Jewel Box
Vandeventer
Gates
Colonial Daughters'
Fountain
St. Francis
of Assisi
Statue
Triple A Golf
Course
Club
House
Kennedy Forest
Zoo Parking
Pay Lot
Saint Louis Zoo
The Seven Pools
Waterfall
James S. McDonnell
Planetarium
Archery
Field
Boeing Aviation Field
Park
Administration
Mounted Police
Stables
Park and Forestry
Division Yard
Green
Houses
Turtle
Park
Forest Park Hospital
St. Louis
Science
Center
40
64
Parking
Wheels Path
Heels Path
Information
Restroom
Drinking
Fountain
Picnic
Area
Playground
Boating
Fishing

APPENDIX A
INFORMATION REGARDING FOREST PARK

The information contained in this Appendix A relates to Forest Park and has been obtained from The City of St. Louis, Missouri (the "City"). The delivery of this Official Statement will not create any implication that there has been no change in Forest Park or the affairs of the City or the St. Louis Municipal Finance Corporation (the "Corporation") since the date hereof or that the information contained or incorporated by reference in this Appendix is correct as of any time subsequent to its date.

The map facing this page shows Forest Park. The map is provided for demonstrative and illustration purposes only, and is not necessarily drawn to scale and may not accurately represent the relative sizes of amenities in Forest Park. Investors should not rely upon the map in making their decision to purchase the Series 2015 Bonds.

General

Forest Park is a gathering place for St. Louisans and their guests. It is one of the largest urban parks in the United States, encompassing 1,293 acres in the western portion of the City. From its opening on June 24, 1876, Forest Park has been a beautiful and serene place, while also full of excitement and discovery. It has been called the "soul" of St. Louis, the community's gathering place, and St. Louis' regional backyard. It reflects St. Louisans' interests, cultures and history.

Forest Park has hosted several of the City's greatest achievements, including the 1904 World's Fair and the welcome home celebration for Charles Lindbergh. The attraction of Forest Park stems from its excellent location in relation to major roads and highways, the simplicity of its natural beauty and the diversity of its uses for millions of visitors each year.

From its inception more than 120 years ago, Forest Park has been a magnet for St. Louisans. In 1896, Forest Park had 2.5 million visitors. Currently, approximately 13 million visitors, five times the population of the region, visit Forest Park and its many attractions on an annual basis.

Cultural Institutions Located in Forest Park

Forest Park is home to many of the St. Louis region's most important cultural institutions, including: the Missouri History Museum, the St. Louis Art Museum, the St. Louis Science Center, the Municipal Opera Theatre, the World's Fair Pavilion, the Jewel Box, Steinberg Rink, and the St. Louis Zoo. *None of these institutions is included within the property subject to the leasehold interest granted from the Corporation to the City*.

Although these institutions are located in and enhance Forest Park, many of these institutions are part of the Metropolitan Zoological Park and Museum District, which is subdivided into the Zoological Subdistrict, the Art Museum Subdistrict and the Museum of Science and Natural History Subdistrict. *None of the operating revenue from these institutions will be used to secure or make payments with respect to the Series 2015 Bonds.*

Governance

Forest Park is owned and operated by the City. The City's Department of Parks, Recreation and Forestry administers Forest Park through its Parks Division as part of an overall City park system. The *Forest Park Master Plan (*the "Master Plan"*)* established the Forest Park Advisory Board, whose members are appointed by the Mayor of the City, to monitor and provide community input into the implementation of the Master Plan.

Management

The City retained URS Corp. (formerly O'Brien-Kreitzberg, Inc.) to manage the implementation of the Master Plan. URS Corp. is a construction management firm founded in 1972. It has provided construction management services on more than 650 projects throughout the United States with a construction value of $174 billion.

THE FOREST PARK MASTER PLAN

St. Louisans have invested an estimated $86 million in public and private funds to return Forest Park to its former glory as one of St. Louis' unique landmarks. In 1993 the City began developing a master plan for Forest Park intended to preserve its size, beauty and quality for future generations, while also satisfying the many, diverse needs of the park's users. The resulting Master Plan is a model for sustainability. It emphasized sound technical and environmental designs that are economical to maintain. It transformed fragmented lakes and ponds into a "river-like" flowing water system. It simplified the road system, making access easier for all users. It reforested Forest Park with 7,500 trees. It strengthened Forest Park's infrastructure and reinforced Forest Park's role as home to the region's most important cultural institutions, including the Missouri History Museum, the St. Louis Art Museum, the St. Louis Science Center, the Municipal Opera Theatre, the World's Fair Pavilion, the Jewel Box, Steinberg Rink and the St. Louis Zoo.

The Master Plan has been substantially completed. Additional improvements to Forest Park have been completed or are under construction and maintenance is performed on an ongoing basis.

Water

Water has always been an important element of Forest Park. Water runs throughout Forest Park and helps define the character and uses of the surrounding landscape. The Master Plan included the transformation of Forest Park's lakes and lagoons into a "river-like" system which promoted better water quality, less flooding, and a self-sustaining park environment.

Nature

The Master Plan included preservation and maintenance of Forest Park's forests, meadows, hills, and wildlife habitat, to ensure an ecologically sound natural system that can be enjoyed by all park users. The passive open space system connects Forest Park's bottomlands, from one end of Forest Park to the other, along streams, through meadows, and across bridges. It extends up the valleys to the bluffs and upland areas, where visitors may discover views, visit a nature center, or gain access to recreation.

History, Infrastructure and Culture

The Master Plan emphasized on the historic prominence and grandeur of Forest Park's central area. It was sought to reaffirm Forest Park as home to many of the region's leading cultural institutions.

Forest Park displays a wide and diverse range of public art, architecture and infrastructure, which adds to the unique nature of Forest Park and its ambiance. The Master Plan acknowledged the value of these amenities and sought to maintain and enhance existing styles through the establishment of design and maintenance standards. Emphasis was placed on repairing and maintaining existing infrastructure and ensuring that the design and architecture qualities of park improvements were consistent with neighboring styles and landscaping.

Access

With currently approximately thirteen million visitors to Forest Park each year, it is essential that Forest Park maintain an adequate and comprehensive system of roads and paths to assist visitors in reaching their park destinations. The Master Plan ensured that only roads which are functional and necessary remained, and that each road and path be designed and maintained to blend into the surrounding landscape, causing the least visual and physical disruption possible. Commuter traffic through Forest Park has been discouraged.

Recreation

Each week, thousands of St. Louisans visit Forest Park to participate in one or more forms of recreational activities, including: golf, baseball, softball, handball, archery, jogging, bicycling, running, roller blading and tennis are all popular attractions in Forest Park. The Master Plan increased the number of multi-use active space and support facilities. Forest Park's athletic fields and facilities include:

- Municipal Golf Courses
- Aviation Field
- Central Fields
- Archery Range
- Langenberg Field
- Lindell Edge Par Golf Course
- Lindell Pavilion
- Triple A Club
- Steinberg Rink
- Dwight Davis Tennis Center
- Hudlin Courts
- Cricket Field
- Oakland Avenue Par 3 Golf Course

The following table provides information with respect to the improvements completed between 1996 and the present under the Master Plan:

Completed Projects Under Master Plan

Improvement	Total
Roadways, Walks and Curbs	$15,566.200
Water Distribution System	7,187,400
City Electrical System	2,901,800
Lake Lagoon System	9,634,500
Miscellaneous Site Work	1,897,500
New Golf Course	4,840,000
Reforestation	2,908,000
Walking/Running Paths	4,686,000
Street Lighting	4,258,100
Post Dispatch Lake Sewer System	3,960,000
Bridges and Culverts	4,226,300
Park Facilities and Features	14,901,500
Active Recreation	3,751,990
Design & Construction Total	$80,719,290
Project Management Fees	4,800,000
TOTAL	$85,519,290

Source: *Forest Park Master Plan*

FOREST PARK MAINTENANCE AND OPERATIONS PROGRAM

The Master Plan called for multiple projects comprising repairs of infrastructure, new construction and landscaping in Forest Park. The City was also desirous of establishing a long-term funding mechanism for maintenance of Forest Park, in order to meet the policy guidelines of the Master Plan, and to provide for the dedication of certain donations in trust for such maintenance.

Forest Park Forever, Inc., a Missouri nonprofit corporation ("FPF"), was established to promote the rebuilding and restoration of Forest Park through development of wide-based financial and citizen support. The City and FPF entered into a Maintenance Cooperation Agreement dated March 30, 2007 (as amended and as may be amended in the future, the "Maintenance Cooperation Agreement"), to provide for certain shared responsibilities for maintaining Forest Park as provided in the Maintenance Cooperation Agreement. The term of the Maintenance Cooperation Agreement terminates with the expiration of the Third Supplemental Lease Purchase Agreement.

The City and FPF have agreed that the maintenance of Forest Park within designated areas will be shared. The park maintenance and operations responsibilities of the City and FPF are divided into certain tasks, identified as the "Program" to be implemented to keep Forest Park in good condition and repair throughout the term of the Maintenance Cooperation Agreement. The City is solely responsible for the cost and performance of all maintenance work related to the streets, street lighting, roads, sidewalks and sewers within Forest Park.

The Maintenance Cooperation Agreement provides for allocation of expenditures of annual trust donations for park purposes, made by Barnes Jewish Hospital ("BJH") and FPF. FPF agreed to donate $1,800,000 annually, and BJH agreed to donate $2,000,000 annually, in trust for the cost of maintaining Forest Park.

The maintenance and operations component of the budget for Forest Park comes from FPF's annual fund contributions, BJH's annual fund contributions, net investment income and gifts, grants and donations. All funds for execution of the maintenance and operations program are disbursed annually in accordance with the Maintenance Cooperation Agreement.

FPF agreed to use best efforts to raise contributions for the benefit of Forest Park, $30 million of which were to provide funds to purchase the Forest Park Taxable Subordinate Leasehold Revenue Improvement Bonds (City of St. Louis, Missouri, Lessee) Series 2013 (the "Series 2013 Bonds") on a draw down basis. As the City makes payments on the Series 2013 Bonds, subject to annual appropriation, FPF agreed to deposit such payments into the 2011 Park Maintenance Fund of the City. Under the Maintenance Cooperation Agreement, FPF is obligated to apply debt service payments made by the City on the Series 2013 Bonds to fund enhanced maintenance services in Forest Park. In the event the City fails to make payments on the Series 2013 Bonds or in the event FPF fails to make payments in for any current budget year, the other party may reduce contributions made in the following year, the budget may be revised or the Maintenance Cooperation Agreement may be terminated.

To date $7,480,000 of the Series 2013 Bonds has been expended to fund Forest Park Improvements. The City does not currently anticipate making additional improvements to Forest Park other than those identified below which are anticipated to be funded with proceeds of the Series 2013 Bonds:

Improvement	Total
Storm Water Management Plan	
Site Furnishings/Park Amenities Phase I	$ 859,999
Parkwide Signage	$1,200,000
Government Drive Reconstruction *Wells to Fine Arts*	$2,471,096
Wells Drive Phase I Reconstruction *Skinker to Government*	$ 262,551
Wells Drive Phase II Reconstruction *Government to Tamm*	$1,459,036
Wells Drive Phase III Reconstruction *Tamm to Hampton*	$1,179,534
Wells Drive Phase IV Reconstruction *Macklind to Jefferson*	$ 655,244
McKinley Drive Reconstruction *Wells to Union*	$ 547,439
Grand Drive Phase I Reconstruction *Bridge to West Pine*	$ 465,240
Aviation Field Parking/Access	$ 527,471
Macklind Drive *Union to Wells*	$ 364,737
Concourse & Carr Lane Drive Reconstruction	$1,952,982
Union Drive *McKinley to Theater*	$1,054,736
Upper Muny Opera Parking Lot Reconstruction	$1,644,072
Liberal Arts Bridge and Muny Tributary Reconstruction	$2,780,066
Central Field Renovation	$1,661,380
Aviation Field Phase II	$ 680,878
Bowl Lake Renovation	$1,909,242
Jefferson Lake Renovation	$3,259,782
Miscellaneous Trails Reconstruction/Clayton-Skinker Ped Access	$ 763,258
Round Lake Renovation	$ 412,238
Park Amenities Phase II	$2,768,628
New Playground	$ 270,499
Grand Drive Phase II Reconstruction *West Pine to Kingshighway*	$ 659,237
Riparian Landscaping *near Lafayette Bridge-shoreline planting only*	$ 100,001
GRAND TOTAL	**$29,909,346.00**

A portion of the additional improvements to Forest Park have been completed by draw down of the Series 2013 Bond proceeds as set forth below:

Completed Projects Under Series 2013 Bonds

Improvement	**Cost**
Site Furnishing/Park Amenities Phase I Design (Comfort Station upgrades)	$ 128,825
Upper Muny Opera Parking Lot Design	246,278
Parkwide Signage Design	150,000
Parkwide Signage Construction	1,050,000
Miscellaneous Trail, Reconstruction and Clayton/Sinker Pedestrian Access	50,000
Previous City Project expenditures	16,500
Site Furnishings/Park Amenities (Comfort Station upgrades Part 1)	731,174
Central Field Renovation Design	248,871
Upper Muny Opera Parking Lot Construction	2,301,129
Government Drive (Wells to Fine Arts) Design	370,000
Wells Drive Phases 1, II and III (Skinker to Hampton Design)	435,000
Liberal Arts Bridge (Muny Tributary not included) Design	125,000
Wells Drive Phase IV (Macklind to Jefferson) Design	98,000
Macklind Drive Design	55,000
Union Drive (McKinley to Theatre) Design	158,000
McKinley Drive (Wells to Union Drive) Design	82,000
Total	$6,246,452 *

* Costs of issuance on the Series 2013 Bonds and rounding account for the difference between this total and the amount of Series 2013 Bonds drawn ($7,480,000).

APPENDIX B –
INFORMATION REGARDING THE CITY OF ST. LOUIS

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APPENDIX B
INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

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APPENDIX B

INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

The information contained in this Appendix relates to and has been obtained from The City of St. Louis, Missouri (the "*City*" or "*St. Louis*"). The delivery of this Official Statement is not intended to create any implication that there has been no change in the affairs of the City since the date hereof or that the information contained or incorporated by reference in this Appendix is correct as of any time subsequent to its date.

ORGANIZATION AND GOVERNMENT

General

The City is located on the Mississippi River, the eastern boundary of the State of Missouri (the "*State*"), just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is a constitutional charter city not a part of any county, organized and existing under and pursuant to its Charter, the Constitution and the laws of the State.

The City is popularly known as the "Gateway to the West," due to its central location and historical role in the nation's westward expansion. Commemorating this role is the 630-foot stainless steel Gateway Arch, the nation's tallest man-made monument, which is the focal point of the 86-acre Jefferson National Expansion Memorial located on the downtown riverfront.

Government

The City's system of government is provided for in its Charter, which first became effective in 1914 and has subsequently been amended from time to time by the City's voters.

The Mayor is elected at large for a four-year term and is the chief executive officer of the City. The Mayor appoints most department heads, municipal court judges and various members of the City's boards and commissions. The Mayor possesses the executive powers of the City and those powers are exercised by the boards, commissions, officers and departments of the City under his general supervision and control.

The Comptroller is the City's chief fiscal officer and is elected at large for a four-year term. Pursuant to the City Charter the Comptroller is the Chairman of the Department of Finance for the City and has broad investigative and audit powers with regard to City departments and agencies. The Comptroller also has administrative responsibility for all of the City's financial departments, accounting procedures and contractual obligations.

The legislative body of the City is the Board of Aldermen. The Board of Aldermen consists of 28 Aldermen and a President. One Alderman is elected from each of the City's 28 wards to serve a four-year term. Half of the City's wards alternately elect Aldermen bi-annually. The President of the Board of Aldermen is elected at large to serve a four-year term.

The Board of Aldermen may adopt bills or ordinances that the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor's veto by a two-thirds vote.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City. The Board of Estimate and Apportionment consists of the Mayor, the Comptroller and the President of the Board of Aldermen. For more detailed information regarding the responsibilities of the Board of Estimate and Apportionment, see "**FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS—Budget Process**" herein.

Most governmental functions of the City are controlled by the Mayor, the Comptroller, the Board of Estimate and Apportionment and the Board of Aldermen. The Sheriff, Treasurer, Collector of Revenue, License Collector, Circuit Clerk, Circuit Attorney, Recorder of Deeds and Public Administrator of the City are elected independently for four-year terms. Appointments of certain officials, including the members of the Board of Election Commissioners, are made by the Governor of the State.

CITY FUNDED SERVICES AND AGENCIES

General

The City provides a wide range of municipal and county services, including police and fire protection, non-commercial refuse collection, park and recreational facilities, forestry services, social services, street and other public lighting, traffic control and street maintenance.

Water

The Water Division is an enterprise fund of the City. As such, the Water Division is supported solely from its sale of water to City retail and residential customers as well as to wholesale customers in St. Louis and St. Charles counties. The Water Division receives no financial support from City general revenue or other funds. The City's waterworks system consists of two water treatment plants, three reservoirs and 1,400 miles of distribution piping. While the system is capable of producing 360 million gallons per day, current average daily production is approximately 120 million gallons. Storage capacity of the reservoir system is 128.6 million gallons. The Water Division serves over 84,000 residential customers and 9,000 industrial and commercial customers. While all commercial and industrial customers are metered, most of the residential customers are billed on a flat-rate basis, which is calculated on the number of rooms, water closets, bathtubs or showers and front footage. In 105 years of testing, the Water Division has complied with all water quality regulations. In 2007, the Water Division was honored to accept the U.S. Conference of Mayor's Award for producing the "Best Tasting City Water in America."

Airport

The Lambert-St. Louis International Airport (the *"Airport"*) is owned by the City. The St. Louis Airport Authority is the organization assigned to oversee the operation of the Airport for the City. The St. Louis Airport Authority was created in 1968 by an ordinance adopted by the Board of Aldermen. The Airport Authority is directed by the Airport Commission and the Airport Director. Currently, the Airport Authority has more than 537 full-time employees. The Airport is an enterprise fund of the City. The Airport receives no financial support from City general revenue or other funds.

Fire Protection

The Fire Department of the City of St. Louis provides fire protection and emergency medical services throughout the corporate limits of the City. It also provides fire protection to the Airport. Fire services to the City are provided from 30 fire stations currently staffed by approximately 649 full-time firefighters. An estimated 62 full-time firefighters serve the Airport. In addition to the firefighters, the Fire Department employs approximately 189 emergency medical services and civilian employees. The

Fiscal Year 2014 general fund expenditures for the Fire Department were $72.8 million which included $20 million in pension costs.

Police

Administrative and financial control of the Metropolitan Police Department, City of St. Louis (the *"Police Department"*) now rests with the City following previous State control. On November 6, 2012, the voters of the City approved a ballot measure that returned control of the Police Department to the City. The Board of Aldermen passed Ordinance Number 69489 accepting responsibility, ownership and liability as successor-in-interest for the contractual obligations, indebtedness, and other obligations of the Board of Police Commissioners and the Mayor signed Executive Order No. 48 establishing the Police Department under the Department of Public Safety and assumed control of the department under the City Charter on September 1, 2013. The Fiscal Year 2014 general fund expenditures for the Police Department were $148 million which included $30.5 million in pension costs.

OTHER LOCAL COMMISSIONS AND AGENCIES

There are a number of significant governmental authorities and commissions that provide services within the City. Certain City officeholders and representative bodies have appointment powers by State statute to a number of agencies that provide services within the City. Several of the major authorities and commissions are detailed below.

The Metropolitan St. Louis Sewer District

The Metropolitan St. Louis Sewer District ("*MSD*") is organized pursuant to Article VI, Section 30 of the Missouri Constitution, which empowers the people of St. Louis County, Missouri (the "*County*") and the City "to establish a metropolitan district for functional administration of services common to the area included therein." MSD is the only special district in the State established pursuant to that section of the Missouri Constitution. MSD was created to provide a metropolitan-wide system of wastewater treatment and sanitary sewerage facilities for the collection, treatment and disposal of sewage to serve the City and most of the more heavily populated areas of the County.

A duly appointed board is the governing body of MSD. The board consists of six members, with three members appointed by the Mayor and three members appointed by the County Executive.

MSD operates the fourth largest wastewater treatment system in the United States. MSD's service area now encompasses 525 square miles including all 61.4 square miles of the City and 463 square miles (approximately 90%) of the County. Only the extreme western parts of the County are not served by MSD. MSD provides sanitary sewer collection and treatment and storm water management to a population of approximately 1.4 million people.

On June 12, 2012, the voters within MSD approved the issuance by MSD of $945 million in sewer system revenue bonds to enable MSD to comply with federal and state clean water requirements and to finance a portion of the costs of MSD's capital improvement and replacement program. As of December 31, 2014, MSD has issued bonds pursuant to such approval in the aggregate principal amount of $427 million.

Metro

Formally known as the Bi-State Development Agency of the Missouri-Illinois Metropolitan District ("*Metro*"), Metro was established by the interstate compact between the states of Missouri and Illinois and was approved by an Act of Congress in 1950. A ten member Board of Commissioners sets policy and direction for Metro. The Governor of the State appoints five Commissioners and the County Boards of St. Clair and Madison County in Illinois appoint five. While Metro has broad powers, with the ability to plan, construct, maintain, own and operate bridges, tunnels, airport and terminal facilities (among other powers), and such additional power as conferred upon it by the legislature of both states, it is best known for operating public transit services. From July 1, 2013 to June 30, 2014, Metro provided 48.2 million passenger trips and operated 27.0 million revenue miles of service in a 558 square mile service area that includes the City and the County in Missouri, and St. Clair, Madison and Monroe counties in Illinois. The largest component of the transit system is the bus service, but beginning in 1993 Metro has also operated a light rail transit service, which now totals 46 miles.

The predominant source of revenue for Metro includes appropriation of regional sales taxes from the City and the County, federal grant funds, funds from the Illinois Department of Transportation and St. Clair County Transit District, State subsidies and passenger fares. The City collects revenue from two separate quarter cent sales taxes and a half cent sales tax and historically has appropriated the majority of such revenue to Metro. During Fiscal Year 2014, the City's sales tax subsidy to Metro was approximately $36.9 million.

St. Louis Development Corporation

The St. Louis Development Corporation (the "*SLDC*") is a nonprofit corporation which provides technical assistance, staff and support services and economic incentives to public and civic bodies and private entities engaged in improving economic opportunities in the City. SLDC functions as an umbrella entity for numerous boards and authorities with a broad variety of functions and powers in the City. SLDC focuses on growing investments and jobs in the City by enhancing real estate values and enabling sustainable and successful neighborhoods. SLDC's approximately 65 staff members work in several divisions, including executive, real estate, development incentives, major projects, communications, legal, finance and administration. Working as a team with the Comptroller's office, the Mayor's office, the Board of Aldermen and the Planning Commission, SLDC administers various boards and commissions, including: the Land Clearance for Redevelopment Authority; the Planned Industrial Expansion Authority; the Land Reutilization Authority; the Local Development Company (Small Business Administration); The Industrial Development Authority of the City of St. Louis, Missouri (the "Industrial Development Authority"); the Port Authority; the Tax Increment Financing Commission; the Clean Energy Development Board and the Enhanced Enterprise Zone Commission. Although SLDC works with a variety of City departments on various development initiatives, SLDC works especially closely on planning and development matters with two City departments – the Planning and Urban Design Agency and the Community Development Administration.

Other planning and economic development related public bodies and agencies operating in the City and served by SLDC include, but are not limited to, the St. Louis Housing Authority, the Regional Convention and Visitors Commission, the Regional Chamber, the East-West Gateway Coordinating Council of Governments, the Regional Convention and Sports Complex Authority and the Downtown STL, Inc.

In 2013, the St. Louis Economic Development Partnership was established, creating a regional economic development team consisting of the business development staff of SLDC and the economic development staff of the County. The mission of this joint effort is to support and attract new and growing businesses by, in part, administering a variety of loans working in conjunction with the Local Development Corporation, the Small Business Administration and the federal Economic Development Administration.

St. Louis Regional Convention and Sports Complex Authority

The St. Louis Regional Convention and Sports Complex Authority (the "*Authority*"), established in 1990 as a separate legal entity by an Act of the State legislature, is governed by an 11 member board of commissioners. The Mayor of the City and the County Executive of the County each appoint three members, and the Governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the County and the State because the three governments have entered into a contractual agreement with the Authority to sponsor the issuance of convention facility bonds, to repay the convention 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. The Convention Center is owned by the St. Louis Municipal Finance Corporation, a nonprofit corporation, and leased to the City pursuant to a lease purchase agreement. It is located in downtown St. Louis, and is the largest convention facility in the St. Louis Metropolitan Area and the only convention facility in the region capable of competing for national and regional conventions and trade shows. When originally completed, the Convention Center was the eighth largest facility of its kind in the United States. In order to enhance the competitiveness of the Convention Center, the City undertook a major expansion and renovation program in 1993 and constructed the Edward Jones Dome (which is not owned by the St. Louis Municipal Finance Corporation or subject to the lease purchase agreement) in 1995. As a result of the 1993 renovation program, which included the acquisition of additional land as well as expansion of the existing facilities, the Convention Center Property now contains 340,000 square feet of exhibit space in five halls, as well as 66 meeting rooms, the Ferrara Theatre, and the St. Louis Executive Conference Center. In addition, in October, 2011, the Authority completed $30 million in enhancements and improvements to the Edward Jones Dome, which contains 162,000 square feet of contiguous exhibit space as well as 29 meeting rooms. Together with the Edward Jones Dome, the Convention Center property is operated by the St. Louis Convention and Visitors Commission (the *"CVC"*) as the 2,700,000-square-foot America's Center Convention Complex.

Education

The public school systems within the City are operated under the administration and control of the Transitional School District of the City of St. Louis (the "*School District*") (formerly administered by the St. Louis Public School District) and The Community College District of St. Louis, St. Louis County, Missouri (the "*Community College District*"). Each have elected or appointed officials and have separate budgets and administrators. Both the School District and the Community College District are empowered to levy taxes sufficient to finance the operation of each respective public school system within its jurisdiction. The School District encompasses approximately 61.4 square miles and is located entirely within the corporate limits of the City. The estimated population of the City and therefore the School District was 319,294 as of 2010. The School District is one of the largest public school systems in the State, and operates 77 schools, including 45 elementary, 13 middle, 15 high and 4 special or alternative schools, all with an average daily enrollment of more than 27,000 students. The State Board of Education removed the School District's accreditation status on June 15, 2007. Prior to June 15, 2007 the School District was governed by the Board of Education of the City, a seven-member elected board. At the time the School District lost its accreditation, a three-member special administrative board was appointed to act as the governing body of the School District. On October 16, 2012, the State Board of Education unanimously voted to restore the School District's accreditation. Currently, the three-member special administrative board continues to act as the governing body of the School District. The board appoints the Superintendent of Schools, who is the chief administrative officer of the School District and is responsible for carrying out the policies set by the special administrative board.

In April of 2012, the Circuit Court of the County, upon remand from the State Supreme Court, ruled in the case of *Turner v. School District of Clayton* that a district, from which a student transferred due to loss of that district's accreditation, was not required to pay tuition and transportation costs for the transferring student. In addition, after the Missouri Department of Elementary and Secondary Education ("*DESE*"), designated the School District as provisionally accredited under the current Missouri School Improvement Program ("*MSIP*") standards, any impact the *Turner* decision may have had on the revenues of the system was further diminished.

Missouri also allows public charter schools to operate in the City (§ *160.400 R.S.Mo.).* A significant source of the School District's annual revenues is from monies appropriated by the Missouri General Assembly each year pursuant to a formula contained in State statutes. Under the formula, the School District's aid is decreased for each student that attends a charter school in the City. Each charter school receives an amount calculated for each School District resident student attending such charter school pursuant to a statutory formula, which amount is deducted from the School District's State aid. Historically, the amount a charter school receives has exceeded the amount of State aid the School District received for the student. In Fiscal Year 2014, approximately $80.4 million of State aid for the School District was identified for charter schools and the amount identified for charter schools in Fiscal Year 2015 is expected to be approximately $87.3 million.

Solid Waste Management and Development Corporation

The Solid Waste Management and Development Corporation (the "*SWMDC*") owns a system of underground pressurized steam transport pipe in the downtown St. Louis area commonly known as the "steam loop." The steam loop is leased on a long-term basis to a steam-generating private entity unrelated to the City. The steam loop serves City Hall and other municipal buildings, and is the only non-private source of steam in downtown St. Louis. The City appoints a voting majority of SWMDC's board of directors. The board of directors consists of representatives of the president of the Board of Public Service (Chairperson), deputy mayor/chief of staff and director of the Street Department. Separate financial statements are not prepared for SWMDC. SWMDC is governed by employees of the City and, therefore, the City can assert its control over SWMDC.

Library

The St. Louis Public Library (the "*Library*") is located in the City and serves an urban population of approximately 350,000. The Library's mission is to provide learning resources and information services that support and improve individual, family and community life. The Library strives to meet the informational and recreational needs of patrons through appropriate collection development, thoughtful programming and effective promotion of library services to the community.

The Library states that it is the only urban public library system consistently ranked among the top five in the nation. The Library placed second in the nation for the last two years in studies conducted by the Center for Public Policy and Social Research at Central Connecticut State University. Currently, the system consists of 15 branches and the Central Library with 4.6 million items in its collection, 85,000 cardholders, over 300 full-time staff, and 2 million visitors annually.

In 2011, the Library completed a $65 million bond issue primarily to finance a portion of the comprehensive renovations to its historic Central Library in downtown St. Louis and to refund certain outstanding indebtedness. The renovations have been completed, and the Central Library reopened to the public on December 9, 2012 after a total of $70 million in renovations. As a result of the restoration, another 50,000 square feet of public space was added which included an expanded children's library and a new auditorium. The project included restoration of original plaster work, chandeliers, woodwork and granite, in addition to the installation of new electrical, plumbing and ventilation systems and a new wireless internet system.

ECONOMIC AND DEMOGRAPHIC DATA

Population Statistics

The 61.4-square-mile City is the center of the St. Louis Consolidated Standard Metropolitan Statistical Area (the "*Metropolitan Area*") consisting of the City, the City of Sullivan in Crawford County, Missouri; Franklin, Jefferson, Lincoln, St. Charles, St. Louis and Warren Counties in Missouri;

and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair Counties in Illinois. The Metropolitan Area, covering approximately 8,649 square miles in the States of Missouri and Illinois, is the 18th largest metropolitan area in the United States in terms of population.

The following table sets forth the population statistics for the Metropolitan Area for the indicated calendar years:

Year	City of St. Louis	Metropolitan Area
1980	453,085	2,503,549
1990	396,685	2,580,897
2000	348,189	2,698,687
2010[1]	319,294	2,787,701

[1] Washington County, Missouri was removed from the Metropolitan Area statistics effective retroactively to the 2010 Census
Source: Bureau of the Census

While the 2010 Census showed that the City had dropped 8.3% in population to 319,294, significant reinvestment in the downtown area of the City over the decade has established a base for the City's future health and growth. Between 2000 and 2010, the two neighborhoods that form downtown St. Louis grew in population by 155%, as dozens of former manufacturing buildings were converted to lofts and apartments.

Between 2000 and 2012, the Citywide increase in the number of college graduates aged 25-34, at 26%, eclipsed that of Chicago, Boston, and San Francisco (*New York Times, 2014*). Further, for the period 2000-2009 the City ranked first in the nation with an 87% increase of those aged 25-34 who have a four-year degree or higher and live within three miles of downtown (*nextSTL.com, 2011*).

Industry and Commerce

Through 2013 and into 2014, the St. Louis Metropolitan Area and the City continue their successful transition from a predominantly heavy manufacturing-based economy to one based on focused industry clusters. The industry clusters are: plant and life sciences, information technology, advanced manufacturing, financial services, and transportation and distribution.

The St. Louis Metropolitan Area is a major business center being the headquarters location of such companies as Express Scripts, Emerson Electric, Monsanto, Reinsurance Group of America, Scottrade, Centene, Graybar Electric, Brown Shoe, Enterprise Rent-A-Car, Edward Jones, and Apex Oil. The City itself hosts such notable companies as Energizer Holdings, Peabody Energy, Sigma Aldrich, Stifel Financial, U.S. Bancorp Community Development Corporation, Wells Fargo Advisors, and the AB/InBev headquarters for the North American Region.

The City is also a major center for higher education with base locations at Washington University and St. Louis University, and for health care with BJC HealthCare and Washington University School of Medicine.

Downtown St. Louis has weathered the economic change well with over $4.5 billion of investment since 1999. Notable are recently completed projects such as: 600 Washington ($60 million), the Park Pacific Redevelopment ($109 million), the Central Library redevelopment ($70 million), the Seventh Street Garage ($39 million), the Laurel ($142 million), and the Peabody Opera House ($75 million). Downtown St. Louis continues as a major employment center of the region with approximately 90,000 jobs. It has also evolved into a residential center with over 13,000 residents.

Tourism

According to the CVC, the City ranks among the top 25 markets nationally for hotel room inventory. Each year an estimated 23.9 million people visit the City for conventions, meetings, and other business and leisure travel. Those visitors spend an estimated $4.9 billion in the area on lodging, meals, sightseeing, local transportation, shopping, admissions and a variety of goods and services. Travel and tourism ranks among the top 6 industries in the City and the County employing approximately 85,000 area residents.

Downtown St. Louis offers approximately 8,000 hotel rooms within a mile of the America's Center convention complex. In Fiscal Year 2014, 114 events with a total attendance of approximately 1,140,310 people took place in America's Center and the Edwards Jones Dome. Hotel properties throughout St. Louis are revitalizing the region's hospitality package with everything from new décor and renovated guestrooms to new rooftop entertainment areas. Just outside America's Center the 212-room Embassy Suites has opened in the MX complex, joining the Renaissance Grand as the two properties closest to the convention center. In the Laclede's Landing entertainment district, the 200-room Four Seasons and its in-house spa has been named the 8th best hotel spa in North America by Conde Nast Traveler's 2013 Readers' Poll.

The hotel at the landmark St. Louis Union Station is under new ownership and is called the St. Louis Union Station Hotel, a Doubletree by Hilton. It offers 539 sleeping rooms and impressive meeting and ballroom space. The St. Louis Hilton at the Ballpark is a completely renovated property with 670 rooms overlooking Busch Stadium and Ballpark Village. Located on the 25th floor, the 360 Rooftop Bar offers a 360-degree view of the City's skyline and includes a full-service kitchen and bar.

Near Forest Park, the 125-room boutique Moonrise Hotel has added the New Moon Room event facility to its iconic rooftop overlooking the Loop neighborhood. Nearby, the Cheshire is welcoming guests to its 108 guest rooms and six themed suites after a complete renovation of the historic English-themed property that also added several new dining options.

Near the Airport, the St. Louis Airport Marriott recently completed a $15 million renovation. The property's 35,000 square feet of meeting space has been improved and all 600 guest rooms and suites have been redesigned. A new lobby was added to the building and the fitness center, concierge lounge and hotel bar were given a facelift.

In the Chesterfield area of West St. Louis County, the Doubletree Hotel & Conference Center debuted a $10 million renovation. Extensive updates have been made to the lobby, ballroom, conference center and all guest rooms. The 223-room property is known for its 21,000-square-foot, International Association of Conference Centres approved Executive Conference Center and first-rate tennis club and fitness center facilities.

With more than 3,300 Holiday Inn Hotels worldwide, St. Louis' Holiday Inn South County Center is the 8th in the company to have the new "Hub at Holiday Inn." The "Hub" concept includes a cheerful lobby with a state-of-the-art business center, Wii gaming center, a 24-hour market and open concept restaurant and lounge. A new exterior and fresh contemporary décor for the hotel's ballroom and boardroom add to the property's transformation.

Transportation

The Airport is the primary commercial airport for the St. Louis Metropolitan Area and was the nation's 31st busiest airport by total passengers in calendar year 2013, according to the Airports Council International (ACI) North American traffic report. In addition, the Airport has become the largest medium hub airport in the nation. The Airport has 4 all-weather runways, 2 terminals, and is configured for up to 86 gates. Thirteen signatory airlines served the Airport in Fiscal Year 2014. There were 184,211 aircraft operations, including passenger, general aviation and military aircraft operations.

The Airport served approximately 12.3 million passengers in Fiscal Year 2014, down 3.2 percent from Fiscal Year 2013. American Airlines and Frontier Airlines accounted for nearly three-fifths of the decrease in total passengers from Fiscal Year 2013 to Fiscal Year 2014. In Fiscal Year 2014, Southwest Airlines accounted for 49.5% of total passengers, the largest share held by a single airline. American Airlines accounted for the second largest share at 15%. Delta Airlines accounted for the third largest share at 14%.

The Airport completed the Airport Experience Program, a $70 million interior renovation project, in 2014. The Airport Experience Program is the single largest interior renovation of the Airport's historic Terminal 1 since it opened in 1956. The renovations include new or renovated restrooms, an improved security checkpoint, new flooring, ceiling and wall finishes, new ticket counters, and improved passenger flow throughout the renovated areas. In addition, the Airport's copper was replaced with a new copper roof in December of 2014.

The Airport's Air Service Marketing Program continues its efforts to attract new service with existing air carriers as well as new airlines. Efforts have also been made to increase cargo service, especially in the international market.

The Port of Metropolitan St. Louis, as defined by the U.S. Army Corps of Engineers, ranks as the second largest inland port in the United States handling more than 33 million tons of freight each year. The City's 19-mile riverfront moves over half of that tonnage. In partnership with the U.S. Economic Development Administration, the St. Louis Port Authority recently completed a $19.8 million dock rebuild to expand the capacity and versatility of the City's Municipal River Terminal on the north riverfront. The expansion will provide docks with the capacity to handle increased tonnages of bulk commodities and possibly international shipping containers. Today this capacity does not exist anywhere in the St. Louis Metropolitan Area. The St. Louis Port Authority is in the process of negotiating a lease with a new long-term operator and anticipates this process to be completed in the first half of calendar year 2015.

The Port of Metropolitan St. Louis is connected to six Class 1 railroads and several smaller industrial rail lines; St. Louis is one of the nation's largest rail centers. The City's Class 1 rail lines include BNSF Railway, Canadian National, CSX, Kansas City Southern, Norfolk Southern and Union Pacific. St. Louis also has state of the art intermodal trucking and rail facilities that provide many benefits to the freight transportation business, including increased efficiency of cargo handling, improved security and allowing faster transportation of freight.

Construction is now complete on the new Stan Musial Veterans Memorial Bridge located immediately north of downtown. The Stan Musial Veterans Memorial Bridge improves access to downtown from Illinois, as approximately 30% of downtown St. Louis' workforce lives on the east side of the region. According to the Missouri Department of Transportation, by relocating Interstate 70 from the Poplar Street Bridge to the new Stan Musial Veterans Memorial Bridge, drivers will experience less congestion, fewer accidents, and less unnecessary fuel consumption. South of the new bridge, construction of improvements to the Poplar Street Bridge will begin; dual ramps between the Poplar Street Bridge and I-55 in both directions will be added. Other improvements include widening the bridge on eastbound I-64. Additional I-64 improvements completed in 2014, include the central corridor replacement of four bridges over I-64, and construction of a new eastbound off-ramp to the exit at Tower Grove Avenue, and a new westbound on-ramp at the Boyle Avenue interchange.

CityArchRiver 2015 broke ground on its $380 million project to reconnect the Mississippi River to downtown St. Louis. Demolition and reconstruction of the Walnut Street Bridge is complete. The Market and Chestnut Street Bridges were demolished, the Pine Street Bridge was converted to pedestrian use only, and the Park over the Highway construction began.

Bike St. Louis released its Phase III plans to upgrade and expand bike routes throughout the St. Louis area; 60 miles of existing bike routes will receive upgrades, as federal standards for on-street markings have changed. The plan also aims to add 40 miles of new routes with six types of bike facilities ranging from bike lanes to cycle tracks.

Employment

The Metropolitan Area and the City are major industrial centers in the Eastern Missouri and the Southwestern Illinois areas with a broad range of manufacturing enterprises. According to the U.S. Department of Labor, December of 2013 data shows that manufacturing jobs represented 8.5% or 113,100 of the total 1,325,900 non-farm jobs in the Metropolitan Area. The Metropolitan Area's major industries include aviation, biotechnology, chemicals, electrical utilities, food and beverage manufacturing, refining, research, telecommunications and transportation.

There were 218,999 non-farm jobs within the City in 2013, representing 7.9% of Missouri's job base. Job growth in the City has been concentrated in the service sector, and the City anticipates strong, long-term employment growth related to the industry clusters set forth above under the heading "**Industry and Commerce**." The City also anticipates similar growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business.

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The following table reflects the City's annual average employment by industry group for calendar year 2013:

City Employment by Industry Group
(Total Non-Farm)

Industry Group	Employees	Percentage
Services - Education & Health	57,925	26.4%
Services - Professional & Business	34,682	15.8
Government	30,995	14.2
Leisure & Hospitality	25,861	11.8
Trade, Transportation & Utilities	21,874	10.0
Manufacturing	17,872	8.2
Finance Activities	11,435	5.2
Services - Other	6,649	3.0
Natural Resources, Mining & Construction	6,001	2.7
Information	5,705	2.6
Total	**218,999**	**100%**[1]

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Missouri Research and Information Center.
[1] Total does not add to 100% due to rounding.

Employment Rates

The following table shows employment rates for residents of the City, State and U.S. in the calendar years below, except as otherwise indicated:

	October 2014	Average 2013	Average 2012	Average 2011	Average 2010
Labor Force	139,850	139,644	139,923	145,576	145,650
Number Employed	129,604	126,965	126,908	128,480	126,970
% City Unemployed	7.30	9.10	9.30	11.70	12.80
% State Unemployed	4.80	6.50	6.90	8.60	9.40
% U.S. Unemployed	5.50	7.40	8.06	8.95	9.60

Source: Missouri Economic Research & Information Center.
The above rates are not seasonally adjusted.

Major Taxpayers

In calendar year 2013, taxes totaled approximately $242.4 million, consisting of earnings, payroll and property taxes that were collected and combined in the General Revenue Fund. No one company contributed more than 5.3% of the total taxes collected. The top twenty taxpayers contributed $107.7 million.

Building and Construction Data

The following table shows trends in the number of building permits and value of housing construction, rehabilitation and commercial construction in the City for calendar years 2009 through 2013:

Calendar Year	Value of Housing		Value of Commercial Industrial or Other		
	New	Rehabilitation	Non-Housing	Total Value of Construction	Total Permits Issued
2009	$23,298,953	$ 30,486,860	$302,251,309	$ 356,037,122	3,820
2010	20,881,963	63,617,014	621,467,166	705,966,143	3,796
2011	22,045,139	45,962,461	246,645,873	314,653,473	3,635
2012	60,997,215	34,741,663	385,544,138	481,283,016	3,821
2013	27,713,830	71,796,301	298,565,250	398,075,381	3,999

Source: City Building Division.

There was an increase in the value of commercial, industrial, and other non-housing construction in calendar year 2010 due to permits being issued for a number of large development projects in progress, including the renovation of the Laurel (previously the Dillard's Building) into multi-family, hotel and retail space, an addition to the Art Museum, an addition to Barnes Jewish Hospital, a renovation to the Peabody Opera House (previously the Kiel Opera House) and a renovation to the St. Louis Public Central Library.

Housing rehabilitation also increased in calendar year 2010 due to various large multifamily rehabilitation projects such as the property at 314 South Grand with 227 units valued at $14 million and 1222-25 Washington with 44 units valued at $6.7 million.

There was an increase in the value of housing in calendar year 2012 due to permits being issued for large development projects including 1,959 multi-family units with a market value of approximately $43.6 million.

There was an increase in the value of housing rehabilitation in calendar year 2013 due to permits being issued for 222 single-family units and numerous multi-family unit rehabilitation projects.

Sports Related Economic Development

The City is home to three major professional sports teams, the St. Louis ***Rams***, the St. Louis Blues and the St. Louis Cardinals. The three teams contribute to the economy of the St. Louis Metropolitan Area with ticket sales, dollars spent at concessions and on merchandise, and money spent at local restaurants and hotels. The three teams also generate positive national media attention for the City.

The St. Louis Cardinals annually attract more than 3 million fans downtown, with approximately a million coming from outside the State. Ninety percent of fans come from outside the City. The St. Louis Regional Chamber estimated that the economic impact of the 2014 St. Louis Cardinals' season on the region was approximately $330.8 million with an estimated $154.5 million of direct impact and $176.3 million of indirect economic activity. The St. Louis Cardinals are one of the oldest franchises in Major League Baseball. The team has won more than 9,300 games, eleven World Series Championships, nineteen National League Pennants, three National League Eastern Division Titles and nine National

League Central Division Titles. There are more than twenty former Cardinals players and managers enshrined in the National Baseball Hall of Fame and Museum in Cooperstown, New York.

Over the last nineteen seasons, since a group of investors led by Bill DeWitt, Jr. purchased the Cardinals from Anheuser-Busch, the Cardinals have finished in first place nine times, won four National League pennants and two World Series titles while drawing over fifty million fans to the City. In 2006, the Cardinals moved into a new $411 million Busch Stadium in downtown St. Louis, with the team covering nearly ninety percent of the cost of the project, including infrastructure. Nearly 24,000,000 fans have attended games in the new ballpark since it opened.

In April 2014, the Ballpark Village Development Corporation completed phase one of a development project known as Ballpark Village. Ballpark Village is a mixed-use development project located immediately to the North of Busch Stadium. The $100 million first phase of Ballpark Village includes 100,000 square feet of retail space (the "*Ballpark Village Project*"). The Ballpark Village Project includes a Cardinals Nation venue composed of a Cardinals Hall of Fame and Museum, a two-story Cardinals Nation restaurant, and a roof-top deck that provides rooftop seating with views into Busch Stadium. Ballpark Village also includes two other main restaurants: a Budweiser Brew House and Drunken Fish sushi restaurant. The Budweiser Brew House features a beer garden and German-inspired cuisine and includes rooftop seating with views into Busch Stadium. The Ballpark Village Project includes a PBR St. Louis Cowboy bar and the Howl at the Moon dueling piano bar, as well as other restaurants and retail shops. The restaurants and shops are centered around a public event space known as the FOX Sports Midwest Live, which holds concerts and other live entertainment events. The BallPark Village Development Corporation is a joint venture between the St. Louis Cardinals and the Cordish Companies based in Baltimore, Maryland. The Cordish Companies have developed other venues similar to the Ballpark Village Project.

As part of the 1995 relocation agreement with the then Los Angeles Rams, the St. Louis Rams and the CVC agreed that the Edward Jones Dome would rank among the first tier, or top 25% of all stadiums, with such measurement to occur at ten year intervals beginning in 2005. As a result of the $30 million in enhancements and improvements made to the Edward Jones Dome during 2007 and 2008, the Rams waived the 2005 measurement. In regards to the 2015 measurement, the St. Louis Rams and CVC traded plans during 2012 that each party in good faith believed, once completed, would rank the Edward Jones Dome in the top 25% of all stadiums in existence or proposed to be in existence on the March 1, 2015 measurement date. After both parties rejected each other's plans, the matter was submitted to binding arbitration that commenced on January 14, 2013. The arbitrator subsequently ruled that the existing Edward Jones Dome could not be made top tier due to the overall dimensions, or footprint of the facility, and found in favor of the St. Louis Rams' plan. As a result, the St. Louis Rams will be able to convert their operating lease with the CVC to an annual term beginning March 1, 2015 with successive unilateral renewal options.

The City is also a venue for regional sporting events. Hosting ten NCAA Championships in the past decade, the City has generated significant economic impact, brought regional and national exposure and provided a first-class experience for athletes, coaches, fans and media from around the country. The region was the host of four major sporting events in 2012: USA Cross Country Championships in February, NCAA Division I Wrestling Championships in March, NCAA Men's Basketball Midwest Regional in March, and USA Gymnastics Visa Championships in June. USA Gymnastics and the United States Olympic Committee have awarded the 2016 U.S. Olympic Team Trials for men's gymnastics to be held at St. Louis University's Chaifetz Arena which also hosted the 2012 national gymnastics championships. The Professional Golfers Association ("*PGA*") held the 2013 Senior PGA Championship at Bellerive Country Club located in the County and announced that the venue would host the 2018 PGA Championship. In 2013 the USA Cross Country Championships took place in the region.

City Parks, Metropolitan Zoological Park and Museum District, and Great Rivers Greenway District

The City Parks Department is responsible for the operation and maintenance of 108 public parks consisting of approximately 3,000 acres of park land as well as 175 park medians, strips and triangles comprising some 250 additional acres. Its maintenance responsibilities consist of cutting and trimming all park acreage, maintaining the City's athletic fields, comfort stations, park maintenance buildings, park pavilions and other areas owned or used by the City for recreational and other purposes. In addition, the Horticulture Section is responsible for the operation of eighteen greenhouses in which are propagated over 450,000 flowering and foliage plants annually. The Facility Services Section is responsible for the maintenance of all facilities within the City's 108 parks. These include, but are not limited to, eight recreational centers, eight municipal swimming pools, 150 park buildings, 75 playgrounds, and maintenance of water/sewer lines, graffiti removal, fountains and irrigation systems.

The largest park in St. Louis, Forest Park, is located in the heart of the City and includes 1,293 acres. It is the home to the region's major cultural institutions—the Zoo, Art Museum, History Museum, Science Center and the Muny Opera. It also serves as a sports center for golf, tennis, baseball, bicycling, boating, fishing, handball, ice skating, roller blading, jogging, rugby and more. The City Parks Department estimates that Forest Park draws more than 12 million visitors per year.

The Metropolitan Zoological Park and Museum District (the "*District*") levies property taxes on behalf of five sub-districts in the City and the County: The Zoological Park, the Art Museum, the Science Center, the Botanical Garden and the Missouri History Museum sub-districts. The District was created by Missouri State Statute on January 1, 1972 and is governed by a Board consisting of eight members, each appointed for a four-year term. The Mayor of the City appoints four Board members and the County Executive appoints the balance. By statute, the District may retain five percent of the total tax revenue for administrative expenses. The District's total tax revenue for the fiscal year ending December 31, 2013 was $74.2 million, up from $73.02 million the prior year. This revenue, minus the administrative expenses, was made available to the sub-districts based on their respective tax levies.

The Great Rivers Greenway District ("*GRG*") was established in November 2000 by the successful passage of the Clean Water, Safe Parks and Community Trails Initiative (known as Proposition C) in the City, the County and St. Charles County, Missouri. GRG is funded by a 1/10th of 1 cent sales tax. The goal of GRG is to spearhead the development of an interconnected system of greenways, parks and trails that will encircle the St. Louis Metropolitan Area, enhancing the quality of life for residents and visitors. Eventually, the system will encompass a 600-mile web of more than 45 greenways that will crisscross the region and provide access to other trail and greenway projects within Missouri and near counties in Illinois. GRG has issued $84 million in bonds to fund part of the City Arch Riverfront 2015, which is a project to make improvements to the Gateway Arch grounds.

Development

SLDC, working as a team with the Comptroller's Office, the Mayor's Office, and the St. Louis Board of Aldermen, administers the City's Tax Increment Financing ("*TIF*") program, the Downtown Economic Stimulus Authority, and real estate tax abatement incentive programs. The Planning and Urban Design Agency and the Land Clearance for Redevelopment Authority, together with the Board of Aldermen, developed plans for the revitalization of various areas of the City. In 2005 the City's Planning Commission adopted the City's first Citywide land use plan since 1947. SLDC received from the U.S. Department of Treasury a $52 million allocation of New Markets Tax Credits in 2005, $45 million in 2008, $65 million in 2009, $21 million in 2011, and $30 million in New Markets Tax Credits for 2013.

More than $500 million in development has been completed downtown since 2010, including the completion of the Park Pacific Apartments and Laurel Apartments which together brought an additional 425 units of new housing to downtown. The completion of the Gallery 400 apartments will add 78 new market rate units to 400 Washington. Lodging Hospitality Management recently completed a $60 million upgrade of the Union Station Hotel by Doubletree and is currently planning a $70 million Phase 2 entertainment area to be located in the southern portion of Union Station. The five building Plaza Square Apartments redevelopment is underway - Building #50 has just been completed and it includes 149 units of affordable senior housing developed at a cost of $21.6 million - Buildings #10, #20, #30 and #40 are being rehabilitated at a cost of $30.1 million with approximately 780 market rate units and construction on a 400 space parking garage has been completed. The MX retail development has launched with the opening of the state of the art movie theatre and multiple eating and retail operations, and the start of construction of the National Blues Museum. The Cupples 9 office building has opened, housing Osborne Barr Marketing Co., which relocated some years ago from the County to downtown. The Peabody Opera House and the main branch of the St. Louis Public Library, both downtown attractions, opened in 2013 after extensive renovations. Downtown also enjoyed a number of companies which are recommitting to downtown, making new investments and adding new full-time jobs. These projects include Stifel, Nicolaus & Company, Incorporated, which has invested $34 million in its building and added some 225 new jobs to its national headquarters downtown; and Gateway EDI which has signed a lease extension and expansion in anticipation of adding up to 300 new jobs. Other expanding downtown operations include the marketing firm Group 360, U.S. Bancorp Community Development Corporation, the Cool Fire Group and the law firm, Brown & James. Other significant new projects in downtown include the completion of the $32 million St. Louis University School of Law (including a 12th floor 200 seat Mock Courtroom) in August, 2013, which has brought 800-1,000 students and staff into downtown, the renovation of the Mayfair Hotel in July, 2014 into the 182 room boutique Magnolia Hotel at the cost of $19 million and the completion of the 132 unit, 25 story Tower at Old Post Office Square in July, 2014 at the cost of $22 million.

Downtown is also becoming a location for new business start-ups. The T-REx (Regional Entrepreneurial Exchange) at the Lammert Building is now home to approximately 60 start-up information technology related ventures. T-REx has also attracted two business acceleration programs, the Capital Innovators and the Arch Grants, which provide seed capital along with intensive professional service resources to launch companies. Together, these two accelerator programs anticipate providing assistance to 40 start-up operations per year at the downtown location. Additionally, in 2013 the program at T-REx was expanded to house a new design incubator facility.

Other downtown projects include the recently completed $20 million reinvention of the 500 North Broadway office building; the completion of phase II of the $144 million 210 North Tucker IT building; the start of the $110 million renovation of the Arcade Building for institutional and residential uses; the recently completed $14.7 million conversion of the 1910 Pine building to 72 residential units; the completion of the $5 million rehabilitation of the 2200 Locust mixed-use building (now known as the Lacassian Lofts) with 7,000 square feet of commercial and 27 residential units; the start of construction of the $46 million renovation of the GenAm Building at 706 Market Street to accommodate the Laclede Gas Co. Headquarters.

Downtown infrastructure projects recently completed or in planning include the $380 million CityArchRiver project, an effort that includes upgrades to the Leonor K. Sullivan Boulevard, Memorial Drive, I-70, the Museum of Westward Expansion and $90 million in improvements to the museum's landscaping and infrastructure; $1.3 million enhancements to the Laclede's Landing streets and sidewalks; and $1.97 million third phase streetscape improvements along Washington Avenue downtown. A study is also underway to develop the St. Louis Street Car route connecting downtown with Old North St. Louis and the Central West End neighborhoods.

Beyond downtown, there continues to be a resurgence of manufacturing, with new investment and job creation. Proctor and Gamble is in the third year of a five year, $150 million expansion. Henkel Consumer Projects (Dial) is investing $50 million in expanding production. Elantas PDG, Inc., a coating manufacturing firm, is starting a $30 million upgrade. Other small projects include MFR Tire ($4.8 million), Volpi Foods ($8.8 million), Faultless Linen ($12 million), M & L Foods ($6.4 million), ADM ($9.1 million), Lehner Tool, Grossman Iron and Metal, and MDS Manufacturing. Also progress is being made on the development of the bioscience industry in the City, with the presence of two nationally recognized university research hospitals along with Sigma Chemical, Monsanto Solae and other plant and life science anchors. The City is positioning itself as a hub for research and innovation. Based on a life science incubator, the Center for Emerging Technologies, the BioGenerator, a life science business accelerator and new capital opportunities, the City is striving to capture the commercialization of local plant and life science research.

Other growing businesses include the biotech device company, Chemline, ChemLab Manufacturing, Material Logistics, Dyna Labs, Mid America Display, the expansion of Southside Day Nursery in a new building at Jefferson and Russell, and the expansion at Wells Fargo Investment Services which has added 400 new jobs.

The City has approved a tax increment financing plan titled the St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan (the "*CORTEX TIF*"). The CORTEX TIF is located in the western portion of the City immediately to the east of Forest Park in an area known as the Central West End. The CORTEX TIF redevelopment area includes over 168 acres composed of eleven separate redevelopment project areas. The CORTEX TIF proposes a total investment of approximately $2.1 billion over twelve years with approximately $167 million of public incentives. As of December 31, 2014, the City has activated five of the redevelopment project areas. The five activated redevelopment projects include a 220,000 square feet office building for BJC Healthcare (approximately $45 million investment), renovation of a 183,000 square foot building for Wexford Science & Technology (approximately $73 million investment) now known as the @ 4240 Building, and a 90,000 square foot building for the Shriners Hospital. Under construction is the 380,000 square foot IKEA retail home furnishings store along the northern side of I-64 and Vandeventer Avenue. CORTEX is adjacent to the $100 million BJC outpatient center.

Other City projects along the central corridor include the start of the $75 million, 100 North Euclid mixed-use project with 177 residential units and a 38,000 square foot Whole Foods market; the new $13 million Mercedes of St. Louis dealership on Hampton near Oakland; the renovation of 3852 Laclede Avenue for the $11.6 million 50 unit Laclede Lofts project; the new 82 unit, $10 million apartment building being constructed at 245 North Union; $65 million 12-story, 217 unit Lindell Residences at Euclid Avenue with 10,000 square feet of retail; the $26.7, million 206 unit Hallmark Apartments at West Pine Boulevard and Sarah Avenue; the construction of the KWMU Public Radio station by the University of Missouri-St. Louis at the cost of $12 million; the renovation at the cost of $25 million of the Metropolitan Building for artist lofts; and the renovation of the 28,000 square foot Sun Theater at 3619 Grandel Square for use by the Grand Center Arts Academy Charter School.

The completion and opening of the new $600 million Stan Musial Veterans Memorial Bridge just north of downtown carrying I-70 across the Mississippi River and the related $34 million Tucker Avenue project has spurred other North Riverfront projects in the City including: the renovation of 1600 North Broadway as the new and expanded $12 million 226,000 square foot headquarters for Bissingers Chocolates; the new $13.2 million Love's Travel Center; the $5 million expansion of the Performance Foodservice Middendorf facility at 3930 North 9th Street; the new $17 million Clarence Broadway industrial project; the $55 million expansion by Dial Corporation; and the $150 million expansion of Procter & Gamble.

Near Southside projects include $8.5 million Jefferson Commons; the $15 million 37,000 square foot Field Foods; the A.T. Still Dental University as well as a number of new single-family houses being built in the Lafayette Square neighborhood.

Numerous projects in the Forest Park Southeast neighborhood are underway, including completion of the second phase of the 140 unit, $24 million Aventura Apartments at Chouteau and South Taylor, the $4 million Urban Chestnut Brewery on Manchester, a $60 million mixed-use project at Manchester and Sarah, many small commercial projects along Manchester, and residential rehabilitations throughout the neighborhood. In addition to the numerous residential rehabilitations and some new construction projects in this neighborhood, similar developments are occurring in the Botanical Heights, Shaw, Tower Grove South and Tower Growth South neighborhoods.

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.

FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS

Introduction

Management of the City's finances includes preparation of an annual budget, control of the expenditure of City funds, cash management and the levy and collection of real and personal property taxes. This section presents information regarding the City's finances, including the City's accounting and budgeting practices.

Accounting and Reporting Practices

The City maintains its accounting records on the basis of funds as summarized below.

Governmental Type Funds—Governmental Type Funds are used to account for the acquisition, use and balances of the City's financial resources and related liabilities. The measurement focus is upon determination of changes in financial position, rather than on net income. The City's governmental-type funds include the following:

General Revenue Fund—The General Revenue 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 other funds.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund—The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal, interest and related costs for general obligation long-term debt.

Capital Project Fund—The Capital Project Fund is used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

<u>Proprietary Funds</u>—The Proprietary Funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The City's proprietary fund types include the following:

> *Enterprise Funds*—The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily though user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

> *Internal Service Funds*—The 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.

<u>Fiduciary Funds</u>—The Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. A description of the City's fiduciary fund follows:

> *Agency Funds*—Agency Funds are used to account for assets held as an agent by the City for others. Agency Funds are custodial in nature and are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units and/or other funds. Pension Trust funds are accounted for and reported similar to proprietary funds.

Budget Process

The Board of Estimate and Apportionment proposes annual operating and capital budgets for the ensuing Fiscal Year based on information provided by the various City departments (including the Budget Division), commissions and boards.

After internal review and analysis by the Board of Estimate and Apportionment, a proposed budget, which includes a statement showing estimated receipts and expenditure requirements of each department, commission and board, and a comparative statement of receipts and expenses incurred for the previous year, is submitted to the Board of Aldermen.

The Board of Estimate and Apportionment must submit its proposed budget to the Board of Aldermen no less than 60 days prior to the beginning of the Fiscal Year, July 1. The budget bill is assigned to the Ways and Means Committee of the Board of Aldermen, which conducts public hearings on segments of the proposed budget prior to taking any action. Thereafter, the proposed budget is reviewed and considered by the Board of Aldermen.

The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute for the payment of principal of or interest on City debt or for meeting any ordinance obligations. The Board of Aldermen may not increase the amount of the proposed budget, nor insert new items. Under the City Charter, the Board of Estimate and Apportionment submits and recommends to the Board of Aldermen a bill establishing the City's real property tax rates. Currently, increasing the level of existing taxes or imposing new taxes requires voter approval in accordance with the Missouri Constitution. See the caption **"GENERAL REVENUE RECEIPTS—The Hancock Amendment"** herein.

Should the Board of Estimate and Apportionment fail to submit its proposed budget or tax rate to the Board of Aldermen on a timely basis, the Budget Director is required to submit directly to the Board of Aldermen data, including projected revenues and expenses, necessary to permit the Board of Aldermen to approve an operating budget prior to the beginning of the Fiscal Year.

Should the Board of Aldermen not approve a budget or tax rate by the beginning of a Fiscal Year, the proposed budget or tax rate recommended by the Board of Estimate and Apportionment or in its absence the submission by the Budget Director, is deemed to have been approved by the Board of Aldermen.

Except with respect to the general appropriation bill and bills providing for the payment of principal of or interest on debt, no appropriation may be made from any revenue fund in excess of the credit balance of such fund and no appropriation may be made for any purpose to which the money may not lawfully be spent. The Board of Estimate and Apportionment may from time to time appropriate any accruing non-appropriated City revenue. Whenever an appropriation exceeds the amount required for the purpose for which it was made, the excess or any portion or portions thereof may, by ordinance recommended by the Board of Estimate and Apportionment, be appropriated to any other purpose or purposes. All unexpended appropriated money not appropriated by special ordinance for a specific purpose reverts at the end of the then current Fiscal Year to the fund or funds from which the appropriation was made. One half of the operating surplus of the General Revenue Fund is remitted to the Capital Project Fund at the end of each Fiscal Year.

Financing Controls

During recent years, the City has implemented significant measures to upgrade its financial reporting systems. This was done in an effort to bring the financial system in line with the requirements of generally accepted accounting principles. The City's Comprehensive Annual Financial Report for Fiscal Year 2013 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("*GFOA*"). This was the twenty-fifth consecutive year the City has received this prestigious award. The Certificate of Achievement is awarded to recognize a governmental unit that published an easily readable and efficiently organized comprehensive annual report that meets both generally accepted accounting principles and applicable legal requirements. The GFOA presented an award of Distinguished Presentation to the City's Budget Division for its annual budget for the Fiscal Year ending June 30, 2014. This award is given in recognition of a government unit that publishes a budget document that meets program criteria as a policy document, an operations guide and a communicative device.

At present, the City utilizes a fully computerized Accounting Information Management System (the "*AIM System*"). The AIM System is based on a single transaction concept of processing whereby all relevant files and reports are updated from a single input of information. The AIM System provides (1) integrated general and subsidiary accounting of all funds; (2) appropriation/encumbrance accounting and controls; and (3) generation of cost/expenditure data in multiple formats that are 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 account controls are designed to provide reasonable, but not absolute, assurance regarding (1) safeguarding assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. Through annual appropriations the City maintains budgetary control at the department level by line item. Cost classifications are categorized in the following groups: personnel services, supplies and materials, rental and leases, non-capital equipment, capital leases, contractual and other services, and debt service.

Encumbrances are recorded by the Control Section through an on-line budgetary control module before requisitions are sent to the Purchasing Division. If sufficient funds are not available to cover a purchase, the requisition is returned to the originating department for transfer of funds or cancellation. Department appropriations are allowed to be adjusted by transfers of appropriations with the prior approval of the Board of Estimate and Apportionment. The Comptroller controls all of the above using the AIM System.

It is the responsibility of the Comptroller, as set forth in the Charter, to provide City officials and taxpayers with reasonable assurances that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded. The internal audit staff of the Office of the Comptroller is responsible for carrying out the Charter and ordinance provisions relating to the audit of records, funds and securities of every person charged with safekeeping the City's assets. The objective is to evaluate the procedures in effect to conserve and safeguard the City's property. Besides the focus on the collection and recording of receipts, department audits include development of recommended procedures for improvement of internal controls in the maintenance of accounts receivable and properly control records. Audits are conducted on a continuing cycle.

Cash Management

Cash management is handled by the City Treasurer. The City Treasurer, an elected official, maintains bank accounts, invests funds and maintains account records.

All cash not restricted by law to specific accounts is pooled into the "General Pooled Cash" and invested by the City Treasurer. The City Treasurer provides cash forecasting so that adequate cash is available while investments are maximized. Consistent with State law, all investments held by the City Treasurer are in direct securities backed by the full faith and credit of the U.S. Government or its agencies and those that may be approved by the State Treasurer or in time deposits collateralized by those securities.

General Revenue Fund

In accordance with generally accepted accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Revenue Fund from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. Expenditures from the General Revenue Fund are for payments of the payroll, pension, employee benefits and other miscellaneous ordinary operating expenses of most departments and agencies of City government.

The Fiscal Year 2015 Annual Operating Plan continues the ongoing effort to allocate the City's resources to maximize the efficacy of programs and services for maintaining the quality of life of its residents, visitors and businesses alike. In the current Fiscal Year, revenues through the third quarter continued to show modest growth, albeit at a pace slightly less than original estimates. Employment based tax receipts were up, but less than the rate of inflation. Meanwhile sales tax receipts boosted by such events as post season baseball were on pace to exceed current year estimates. With overall revenue growth remaining at less than two percent per year, the ability to meet rising costs of the City services as well as maintaining its infrastructure remains a challenge. The City has pursued efforts in recent years to reduce operating expenditures and staffing where possible without impacting key City services. Initiatives to reform the City's pension systems are ongoing and a major part of the overall effort and have resulted in a reduction in funding requirements of the City's firefighter pension systems.

General Revenue Fund revenues for Fiscal Year 2015 are forecast at $484.4 million, an increase of 1.6% over the revised estimate of $476.9 million for the Fiscal Year 2014. Revenue growth projections for most major tax sources are expected to grow collectively by approximately 1.3%. Major revenues such as Earnings Tax, are projected to maintain underlying growth of approximately 1.8%. Sales tax receipts were tracking above trend in the current Fiscal Year aided by non-recurring events, but are projected to see a modest decline of .7% from what had been forecast for Fiscal Year 2015. Other revenues, such as property tax receipts are projected to rise 1.7% and franchise taxes collectively are projected to increase 1.5%.

The Fiscal Year 2015 General Revenue Fund budget is $484.4 million, an increase of 1.1% from the budget for Fiscal Year 2014. Approximately 75% of the budget is related to salary and benefit costs of employees. Police and Public Safety represent about 55% of the total General Revenue Fund budget. With $150.3 million in operating and pension costs, the Police Department represents approximately 31% of the General Revenue Fund budget and is the largest component of the Public Safety function. The Police Department budget reflects the consolidation of certain support units with other departments of City government and the assumption of the security functions of the previous office of City Marshal and Park Rangers from the Parks Department after local control of the Police Department became effective September 1, 2013. The remaining public safety allocation from the General Revenue Fund provides for fire protection, pre-trial inmate housing, emergency medical services and various permitting, inspection and neighborhoods stabilization activities. The General Revenue Fund budget also funds the majority of park and recreation operations at $20.6 million, streets, traffic and refuse collection at $36.0 million, and general government and finance operations at $33.3 million. Because the City functions as both a city and a county, the General Revenue Fund also includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions for $55.3 million. Debt service payments for large projects funded through lease arrangements are included in the General Revenue Fund allocation in the amount of $36.3 million. Lease debt payments in Fiscal Year 2015 include the annual lease payments on the Scottrade Center, the Convention Center/Stadium and City Justice Center complexes, and Civil Courts and Carnahan Courthouse complexes. The remainder of the General Revenue Fund budget can be categorized as paying for public service engineering services, maintenance and operations of public buildings, and fleet services.

General Revenue Fund Expenditures

The following table is a combined statement of revenues, expenditures and changes in fund balances on an accrual basis for the Fiscal Years 2010 through 2014.

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CITY OF ST. LOUIS
GENERAL REVENUE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACCRUAL BASIS - FISCAL YEARS ENDED JUNE 30
(DOLLARS IN THOUSANDS)

	2014	2013	2012	2011	2010
REVENUES					
Taxes	$ 365,469	$ 344,561	$ 339,818	$ 335,915	$ 319,556
Licenses and permits	19,279	18,358	16,769	16,770	18,990
Intergovernmental	21,948	21,203	21,988	24,592	23,311
Charges for services, net	32,067	35,760	29,632	28,766	16,586
Court fines and forfeitures	10,810	11,022	12,103	10,848	11,558
Investment income	241	192	138	353	563
Interfund services provided	3,464	5,531	4,293	4,631	3,043
Miscellaneous	8,587	4,799	5,472	4,736	5,692
Total revenues	461,865	441,426	430,213	426,611	399,299
EXPENDITURES					
Current:					
General government	65,926	45,896	41,845	41,951	47,687
Convention and tourism	119	112	123	142	159
Parks and recreation	18,777	19,050	18,059	17,111	18,544
Judicial	46,367	47,137	45,916	45,512	46,700
Streets	33,524	32,714	33,185	31,848	29,424
Public Safety:	272,172	259,909	260,143	252,458	245,073
Health and welfare	3,229	10,939	3,005	2,861	2,994
Public services	33,236	22,116	24,942	24,929	23,828
Debt service	32,377	34,828	32,925	42,839	38,614
Total expenditures	505,727	472,701	460,143	459,651	453,023
Deficiency of revenues over expenditures	(43,862)	(31,275)	(29,930)	(33,040)	(53,724)
OTHER FINANCING SOURCES (USES)					
Issuance of leasehold revenue (refunding) bonds	—	—	49,825	3,140	27,078
Issuance of certificates of participation	—	—	—	—	—
Issuance of justice center notes	—	—	—	—	—
Bond premium on debt issuances	—	—	4,038	145	96
Premium on debt issuances	—	—	—	—	—
Bond discount on debt issuances	—	—	—	—	(85)
Payment to refunded escrow agent	—	—	(53,172)	(2,416)	(12,391)
Advance refunding on TIF bonds and notes payable	—	—	—	—	—
Firemen's Retirement EAN note proceeds	—	—	5,278	—	—
Transfers in	38,346	40,058	40,573	35,856	36,013
Transfers out	(16,680)	(9,995)	(10,090)	(8,314)	(5,625)
Total other financing sources (uses), net	21,666	30,063	36,452	28,411	45,086
Net change in fund balances	(22,196)	(1,212)	6,522	(4,629)	(8,638)
Fund balances:					
Beginning of year	57,921 [1]	55,870	49,348	53,977 [2]	62,054
End of year	$ 35,725	$ 54,658	$ 55,870	$ 49,348	$ 53,416

1 Includes cumulative effect of change in accounting principles.
2 Classification of Communication Fund into General Fund due to GASB 54 accounts for change in beginning balance.
Source: Audited Financial Statements.

GENERAL REVENUE RECEIPTS

General Revenue Fund Receipts by Category

The following table sets forth the percentage of receipts for various categories of the General Revenue Fund for the Fiscal Years 2012 through 2014:

	Fiscal Year		
	2014	**2013**	**2012**
TAXES:			
Earnings	32.42%	32.03%	32.99%
Franchise	11.12	11.32	10.95
Sales	10.41	10.17	11.00
Gross Receipts	1.64	1.50	1.55
Motor Vehicle Sales Tax	0.60	0.58	0.61
Real Estate	9.32	9.36	9.12
Personal Property	2.31	2.21	2.08
Payroll	7.46	7.61	7.52
Other Taxes	0.40	0.33	0.39
Total Taxes	75.67	75.11	76.21
License Fees	3.99	3.80	3.67
Departmental Receipts	12.67	13.51	12.82
Transfers	7.66	7.58	7.30
	100.00%	100.00%	100.00%

Source: City Comptroller's Office.

Earnings Tax

The Earnings Tax was authorized by State statute in 1954 and is imposed on gross income of residents of the City, non-residents working in the City and net profits of businesses within the City. The current rate of 1% has been in effect since 1959. Earnings Taxes are withheld by employers and are generally paid to the City on a quarterly basis. Employers withholding more than $1,500 per month remit their taxes monthly. City residents employed outside the City and having no Earnings Tax withheld are required to file a City tax return and pay the Earnings Tax annually. The City's Earnings Tax is the most significant single source of General Revenue Fund revenues, representing approximately 32% of the total for the Fiscal Year ending June 30, 2014. For more information, see "**GENERAL REVENUE RECEIPTS –Earnings Tax**" herein.

In November of 2010 a citizens group collected sufficient signatures for a state-wide ballot initiative to repeal the Earnings Tax and require voter approval of the Earnings Tax every five years, with the phasing out of the tax over 10 years should it ever fail to win voter approval. On April 5, 2011, St. Louis citizens voted to retain the Earnings Tax by a margin of 87.55% to 12.45%.

The City's General Revenue Fund Earnings Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Earnings Tax
2010	$143,587,445
2011	141,557,643
2012	151,005,918
2013	150,989,576
2014	154,536,949

Source: City Comptroller's Office.

Payroll Taxes

Voters approved a Payroll Tax in 1988. The Payroll Tax is ½ percent of total compensation paid by a business to its employees for work in the City. The City Code exempts certain organizations and institutions from payment of the Payroll Tax, including religious, charitable organizations and institutions, not-for-profit civic, social service or fraternal organizations, not-for-profit hospitals, and not-for-profit educational institutions. The Payroll Tax is administered by the Collector of Revenue and is payable quarterly on the last day of January, April, July and October for the preceding calendar quarter.

The City's General Revenue Fund Payroll Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Payroll Taxes
2010	$32,987,892
2011	33,709,243
2012	34,429,039
2013	35,868,469
2014	35,553,296

Source: City Comptroller's Office.

Franchise Tax

The Franchise Tax of the City is a tax on utilities operating within the City and on certain gross receipts of the Airport. This tax is passed on to the consumers by the utilities. The tax on Laclede Gas Company and Ameren Missouri is 10% on the gross receipts from their commercial customers and 4% on the gross receipts from their residential customers. Telecommunication companies are taxed at 7.5% of the gross receipts with the first $13.5 million of revenue set aside in a special revenue fund to be used for employee retirement debt. Cable franchises are taxed at 5% on the gross revenues. Cable franchise tax revenues are not included in General Revenue Fund, but are included in the Communications Fund for the operation and expenses of the Communications Division of the Department of Public Utilities. Trigen Energy Corp. and the Water Division of the City are taxed at 10% on their gross receipts from all users, and the Airport pays 5% of its gross receipts, all to the General Revenue Fund. Franchise Taxes are collected and paid to the City monthly and/or quarterly.

The City's General Revenue Fund Franchise Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Franchise Tax
2010[1]	$46,158,287
2011	57,391,875
2012	50,126,199
2013	53,390,046
2014	53,016,914

[1]Fluctuation mainly due to reclassification of telecommunication tax to a special revenue fund.
Source: City Comptroller's Office.

Sales and Use Tax

City sales taxes are authorized by the Missouri General Assembly and approved by voters. The current sales tax rate is 8.679%, which includes the State tax rate of 4.225%. The General Revenue Fund portion of the tax rate is 1.375%. The remaining portions of the tax rate are earmarked for transportation, capital improvement, public safety, parks and the School District.

On April 2, 2013, the City's voters approved the addition of three sixteenths of one cent to the tenth of one cent sales tax earmarked for Metropolitan Parks and Recreation District. The three sixteenths of one cent tax collected will be divided and distributed 60% to the Metropolitan Park and Recreation District for the Gateway Arch grounds and other regional park and trail improvements and 40% to the City for park improvements. The additional tax took effect October 1, 2013.

In addition, the City imposes a use tax on all out-of-state purchases by in-state residents that are greater than $2,000. Use tax is earmarked to provide funds for the development and the preservation of affordable and accessible housing, public health care services and building demolition. The current use tax rate is 8.013%. The use tax revenues are revenues that are not deposited into or a part of the General Revenue Fund.

In January 2012, the Missouri Supreme Court decided, in the case of *Street v. Missouri Department of Revenue,* that the State could not impose local sales or use taxes on out-of-state purchases of motor vehicles, trailers and boats. In the decision, the court acknowledged that municipalities did have authority to impose their local use taxes on such purchases. The City does have such a local use tax. In the session, completed May 18, 2012, the Missouri Legislature approved legislation which reinstated cities' abilities to impose sales taxes on out-of-state purchases of these items. In light of the *Street* decision and the aforementioned legislation, the City has not experienced, and does not expect to experience, any interruption in revenues from these sources.

The City's General Revenue Fund Sales Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Sales Tax
2010	$45,530,335
2011	45,999,634
2012	50,366,029
2013	47,920,321
2014	49,606,305

Source: City Comptroller's Office.

Gross Receipts Tax

The City's Gross Receipts Tax is derived from three sources: (1) public garage and parking lots tax; (2) amusement admission tax; and (3) restaurant tax. The City's Gross Receipts Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal year	Gross Receipts Tax
2010	$8,253,393
2011	6,733,077
2012	7,074,721
2013	7,064,567
2014	7,810,667

Source: City Comptroller's Office.

Beginning with Fiscal Year 2007, the City waived the 5% amusement admission tax on St. Louis Cardinals' ticket sales as an incentive to promote economic development by tying economic development to tax relief pursuant to Ordinance 65699.

Beginning with Fiscal Year 2011, amusement admission taxes from events held at the Scottrade Center are pledged to finance further improvements to the Peabody Opera House (formerly, the Kiel Opera House).

Motor Vehicle Sales Tax

The Motor Vehicle Sales Tax is collected by the State in the form of the State sales tax and remitted to the City monthly. The distribution is based on the residence of the purchaser and not the point of purchase.

The City's General Revenue Fund Motor Vehicle Sales Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Motor Vehicle Sales Tax
2010	$2,744,917
2011	2,912,791
2012	2,789,955
2013	2,734,713
2014	2,838,298

Source: City Comptroller's Office.

Real and Personal Property Taxes

Taxes are levied on all real and personal property within the City owned as of January 1 of each year. Tax bills are mailed out in November and payment is due by December 31, after which taxes become delinquent. Residential property is currently assessed at 19% of true value, commercial property is assessed at 32% of true value, and agricultural property is assessed at 12% of true value. Real property is reassessed every two years (in odd-numbered years), as required by State law. The assessed value and estimated actual value for real and personal property in the City for calendar years 2009-2013 are set forth below:

	Real Property[1]		Personal Property			
Assessed Year	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Manufacturers' Inventory[2] Assessed Value**	**Total Assessed Value**
2009	$3,513,720,446	$15,031,996,471	$781,556,645	$2,347,016,952	$254,873,178	$4,550,150,269
2010	3,541,910,681	15,287,702,780	723,738,641	2,173,389,312	221,518,884	4,487,168,206
2011	3,413,832,721	14,707,999,221	705,441,160	2,118,441,922	238,661,210	4,357,935,091
2012	3,418,645,397	14,748,543,351	737,421,603	2,214,479,288	216,901,773	4,372,968,773
2013	3,225,621,568	13,766,572,663	738,539,524	2,217,836,408	253,344,255	4,217,505,347

[1]Source: City Assessor's Office.
[2]Source: City License Collector's Office.

The estimated "Market Value" of real property in the City for calendar years 2009-2013 is set forth below:

Calendar Year	Residential	Commercial	Total Real Property
2009	$ 9,973,218,652	$5,058,777,819	$15,031,996,471
2010	10,385,801,605	4,901,901,175	15,287,702,780
2011	9,944,054,074	4,763,945,147	14,707,999,221
2012	10,006,834,426	4,741,708,925	14,748,543,351
2013	9,074,474,494	4,692,098,169	13,766,572,663

Source: City Assessor's Office.

The property tax collection rates based on the Collector of Revenue's records for the Collector's fiscal year 2009 through 2013 are set forth below:

Calendar Year	Real Estate Tax	Personal Property Tax
2009	88.55%	86.86%
2010	88.15	89.27
2011	90.15	89.63
2012	91.63	88.64
2013	93.00	88.52

Source: Collector of Revenue.

Tax receipts paid in protest are distributed to the City after the normal due date for real property taxes. Consequently, the rate of collection as a percentage of current amounts due is understated. The City's General Revenue Fund Real and Personal Property Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	**Real Property**	**Personal Property**
2010	$41,613,217	$10,197,301
2011	43,247,378	9,547,776
2012	41,730,921	9,526,649
2013	44,102,356	10,427,406
2014	44,434,626	10,996,703

Source: City Comptroller's Office.

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Property tax rates per $100 assessed annual valuation for calendar years 2011-2014 are set forth below:

	Calendar Year			
	2014	**2013**	**2012**	**2011**
City of St. Louis:				
Municipal purposes	0.9833	0.9772	0.9071	0.9002
County purposes	0.3500	0.3500	0.3270	0.3247
Hospital purposes	0.1000	0.1000	0.0933	0.0926
Public health purposes	0.0200	0.0200	0.0187	0.0186
Recreation purposes	0.0200	0.0200	0.0187	0.0186
Interest and public debt	0.1330	0.1420	0.1200	0.1144
Total City of St. Louis	1.6063	1.6092	1.4848	1.4691
Overlapping governments:				
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	4.3711	4.3711	4.4071	4.1743
St. Louis Community College	0.2200	0.2200	0.2200	0.2200
Metropolitan St. Louis Sewer District	0.0879	0.0874	0.0821	0.0818
Sheltered Workshop District	0.1500	0.1500	0.1460	0.1445
St. Louis Public Library	0.5600	0.5600	0.5814	0.5435
Community Mental Health	0.0900	0.0900	0.0876	0.0867
Community Children's Service Fund	0.1900	0.1900	0.1900	0.1900
Metropolitan Zoological Park and Museum District:				
Zoological Sub-district	0.0800	0.0800	0.0769	0.0764
Art Museum Sub-district	0.0800	0.0800	0.0769	0.0764
Museum of Science and Natural History Sub-district	0.0399	0.0399	0.0382	0.0381
Botanical Garden Sub-district	0.0399	0.0399	0.0382	0.0381
Missouri History Museum Sub-district	0.0399	0.0399	0.0382	0.0381
Total overlapping governmental	5.9787	5.9782	6.0126	5.7379
Total City of St. Louis and overlapping governmental	$7.5850	$7.5874	$7.4974	$7.2070

Source: City Assessor's Office.

In addition to the property tax rates shown above, commercial property is subject to the Merchants and Manufacturer's Inventory Replacement Tax of $1.64 per $100 assessed annual valuation. Proceeds of the Merchant and Manufacturer's Inventory Replacement Tax are remitted to the respective taxing districts in the same proportion as the taxing districts receive other property taxes.

Other Taxes

Other taxes collected by the City include the intangible tax, land tax suits, manufacturer's tax, miscellaneous State receipts, commercial property surcharge and the county stock insurance tax. The City's General Revenue Fund other tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Other Taxes
2010	$1,481,725
2011	1,503,507
2012	1,735,884
2013	1,548,481
2014	1,526,215

Source: City Comptroller's Office.

License Fees

License Fees are collected by the City for use, sale or conducting business in the following categories: automobiles, cigarettes, liquor, business, contractors and certain miscellaneous items. A variety of business licenses and inspection fees were replaced with the Graduated Business License Tax and the Payroll Tax in 1988 by voter approval. The Graduated Business License Tax is a flat rate, depending on the number of City employees in the previous calendar year. The tax ranges from $150 for employers with two or fewer employees to $25,000 for employers with greater than 500 employees. The issuing of business licenses and the collection of license fees is administered by the License Collector's Office. The City's General Revenue Fund license fee revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	License Fees
2010	$18,998,005
2011	16,736,004
2012	16,786,837
2013	17,900,828
2014	19,035,290

Source: City Comptroller's Office.

The City License Collector is currently holding approximately $4.6 million in business license fees paid under protest pending the completion of an appeals process prescribed by State law.

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Departmental Receipts

Several City departments generate revenues from fees and charges. Those revenue-producing departments include the Department of Parks, Recreation and Forestry, the Public Safety Department, the Street Department, the Public Utilities Department, the Department of Health and Hospitals, the Recorder of Deeds, the Circuit Court, the Juvenile Detention Center, the Sheriff, the Medical Examiner, the Probate Court and the City Courts. Also included in Departmental Receipts are Intergovernmental Aid, Interest Earned and Miscellaneous Receipts. The City's General Revenue Fund Departmental Receipts revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Departmental Receipts
2010	$48,991,352
2011	60,397,740
2012	58,690,300
2013	63,722,691
2014	60,417,653

Source: City Comptroller's Office.

In Fiscal Year 2011, the City began imposing an $11 monthly fee for residential refuse and recycling collection. The collection fee accounted for $12,840,927 of departmental receipts in Fiscal Year 2014 and $14,166,563 in Fiscal Year 2013.

Operating Transfers

A major source of transferred funds is from other Special Revenue Funds. Other Special Revenue Funds consist of the Tourism Fund and pledge accounts released on lease purchase agreements. Remaining transfers represent funds which by law must first be deposited in a fund other than the General Revenue Fund. After a determination by the Comptroller that such deposits are a surplus, these funds are transferred to the General Revenue Fund in compliance with the City's operating procedures.

The City's Operating Transfers for Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Operating Transfers[1]
2010	$33,255,494
2011	33,093,370
2012	33,409,382
2013	35,708,194
2014	36,510,334

[1]Figures do not include transfers related to certain employment reserves.
Source: City Comptroller's Office.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by voters on November 4, 1980. The amendment (popularly known as the "*Hancock Amendment*") limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and provides that the limit may not be exceeded without voter approval. Provisions are included in the amendment for rolling back tax rates to produce an amount of revenues equal to that of the previous year if the definition of tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any "tax, license or fee." The precise meaning and application of the phrase "tax, license or fee" is unclear, but in recent decisions, the Missouri Supreme Court has opined that it does not apply to traditionally set fees. The limitations imposed by the Hancock Amendment restrict the City's ability to increase many, but not all taxes, licenses and certain fees without obtaining voter approval.

INSURANCE

The City uses a combination of insurance and self-insurance for risk protection. Certain coverage has been obtained for high risk activities or as required by law. Damage to City property, repair or replacement costs, if excessive in nature, would have to be made from the operating budget, or possibly, bond funds. All liability claims not covered by third-party insurance are handled by the City Counselor's Office. The City's attorneys attempt to settle or defend all claims. Each year an appropriation is made to a judgment account, which is segregated and reserved in a nonprofit corporation, Public Facilities Corporation ("*PFPC*"), from which all judgments or settlements are paid. Expenditures for judgments and settlements during the Fiscal Years 2010 through 2014 are set forth below:

Fiscal Year	Expenditures
2010	$1,504,760
2011	1,859,247
2012	1,745,778
2013	2,287,537
2014	2,053,860

Source: City Comptroller's Office.

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

DEBT OF THE CITY

General

The City is authorized to issue general obligation bonds payable from unlimited *ad valorem* taxes upon a two-thirds majority vote of the qualified voters voting on the specific proposition. In August 1988, Missouri voters approved an amendment to the Missouri Constitution that reduced the majority vote required for the incurrence of debt for various public purposes by local government and other political subdivisions from two-thirds to four-sevenths at elections on the general municipal election days or the state primary or general election days. Since the City Charter currently requires a two-thirds vote for the issuance of bonds of the City, voter approval of a Charter amendment would be needed to reduce the majority requirements as authorized by the State constitutional amendment. A proposed Charter amendment was submitted to City voters in August and November 1988, but at each election the proposal received more than a majority of the votes cast, but less than the required 60%. The Missouri Constitution provides that the amount of bonds payable out of tax receipts (which includes bonds payable from the special assessments) will not exceed 10% of the total assessed valuation of the taxable property of the City. The Constitution permits the City to become indebted for an additional 10% of the value of the taxable tangible property for the purpose of acquiring a right-of-way, construction, extending and improving a sanitary or storm sewer system.

The City also is authorized to issue revenue bonds to finance capital improvements to its water system, sewer system and airport facilities. These types of revenue bonds require a two-thirds vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable solely out of the revenue derived from the operation of the facility that is to be financed with the proceeds of such bonds. Revenue bonds do not constitute a pledge of the full faith and credit of the City and are not considered in determining the legal debt margins resulting from the limitations described herein.

Tax Increment Financing Projects

The City has approved many TIF projects. To the extent that the City has issued or will issue TIF revenue bonds to finance projects, with the exceptions of the One City Centre bond issue for which TIF revenues are not expected to be a primary source of debt repayment, such bonds will be paid from taxes generated in the respective tax increment areas and are not anticipated to affect the City's General Revenue Fund. TIF revenues were pledged to supplement repayment in the event surplus operating revenues fall short for the Argyle TIF project, which was financed with parking revenue bonds and cost approximately $3 million. Also, TIF will supplement the revenues available to pay the portion of the Series 2006 Bonds issued to fund the Euclid-Buckingham garage that cost approximately $4.5 million.

Four projects have been financed with Industrial Development Authority TIF Revenue Bonds, namely, Edison Brothers for $5.6 million issued on January 29, 2000, MLK Development for $2.7 million issued on March 18, 2002, Southtown for $6.4 million issued on September 14, 2006, and Loughborough for $18.43 million issued on November 26, 2007. As of December 31, 2014, the outstanding balances on the TIF Revenue Bonds were $1,869,000 for Edison Brothers, $1,490,000 for MLK Development, $2,405,000 for Southtown and $13,500,000 for Loughborough. In addition, the Old Post Office Square TIF project was financed "pay as you go." It will receive TIF revenue based on actual tax increments generated at their projects over the life of their respective redevelopment agreements. The Argyle TIF also has a "pay as you go" component, using funds not needed to cover the parking bond commitment for neighborhood improvements.

In December of 2000, the City provided certain financial assistance in connection with the development and construction of a 165-room all-suites hotel and a 918-room convention headquarters hotel (collectively, the "*Convention Hotel*") located in downtown St. Louis. The Convention Hotel consists of two buildings, one adjacent to and the other across the street from the Convention Center. The total cost of developing and constructing the Convention Hotel was approximately $266 million. The City contributed approximately $50 million. The City's contribution was funded by a Section 108 loan from the Department of Housing and Urban Development, Community Development Block Grant Funds and certain moneys realized by the City from a refinancing of the Convention Center. The City is using TIF revenue and contractual payments in lieu of taxes ("*PILOTS*") payable by the owner of the Convention Hotel to repay the Section 108 loan. The City has also pledged annual Community Development Block Grant funds to secure the Section 108 loan in the event the revenues generated by and received from the owners of the Convention Hotel are insufficient to pay the Section 108 loan. The Convention Hotel is currently owned by the bond holders who hold ownership through foreclosure. The hotel has maintained continuous operation and current TIF revenue and contractual payments have been sufficient to service the debt.

The remaining TIF projects are financed with developer-held TIF revenue notes or third-party notes. All TIF revenue notes are special, limited obligations of the City payable solely from and secured by available TIF revenues. The TIF revenue notes do not constitute a general obligation of the City.

Missouri Downtown and Rural Economic Stimulus

The City approved one Missouri Downtown Economic Stimulus Act ("*MODESA*") project for the Ballpark Village Project. MODESA is similar to TIF with the exception that the State's Development Finance Board must approve a proposed MODESA project. The statutory authorization for MODESA expired in 2013 and no further MODESA projects may be approved without an amendment to the MODESA statute. The Missouri Development Finance Board approved the Ballpark Village Project on September 18, 2012. The Industrial Development Authority issued MODESA bonds for the Ballpark Village project in the amount of $18,550,000 (the *"Ballpark Village Bonds*") to fund the Ballpark Village project on January 30, 2013. In addition to the City's local real property and sales taxes, the Ballpark Village Bonds are expected to be repaid from certain State income withholding and economic activity taxes generated from the Ballpark Village Project and other sales taxes generated from the Ballpark Village Project.

The following table entitled "City of St. Louis, Missouri – Outstanding TIF and MODESA Debt" shows the combined outstanding TIF debt (including Industrial Development Authority TIF Revenue Bonds and TIF revenue notes) and MODESA debt:

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City of St. Louis, Missouri
Outstanding TIF and MODESA Debt

TIF #	Description	Original Issue	Outstanding Balance December 31, 2014
6	Chouteau-Compton	$ 3,600,000	$ 2,340,000
8	Edison Brothers	5,600,000	1,869,000
12	3800 Park	390,000	382,703
13	Gravois Plaza	4,049,000	3,044,000
14	Lafayette Square	3,350,000	2,219,000
17	4200 Laclede	925,400	766,400
18	MLK	2,680,000	1,490,000
19	Tech Electronics	900,000	900,000
20	1505 Missouri	659,540	654,540
21	Grand Center	27,132,940	24,251,940
22	Walter Knoll Florist	1,036,000	979,760
23	Louderman Building	2,444,400	2,157,103
24	920 Olive St.	2,667,732	2,667,732
25	Grace Lofts	1,715,725	1,490,725
26	Paul Brown Building	3,264,200	3,228,200
27	1141-1151 S. 7th Street	1,131,600	743,600
28	Terra Cotta	3,520,000	3,505,000
29	1312 Washington	419,000	242,000
30	Southtown Centre	8,733,998	4,738,998
31	2500 South 18th St.	524,000	510,000
32	Soulard Market Apt.	4,400,000	4,400,000
33	Printers Lofts	4,410,000	4,410,000
34	City Hospital	3,672,000	2,921,000
35	Fashion Square Lofts	4,105,000	3,402,000
36	1601 Washington	3,365,000	3,288,000
37	1619 Washington	1,930,000	1,879,000
38	Highlands at Forest Park	2,412,000	1,718,000
39	Security Building	3,345,000	3,043,000
40	Catlin Townhomes	432,000	309,000
41	Shenandoah Place	254,700	213,699
42	1133 Washington	1,133,500	813,000
43	Maryland Plaza South	4,133,176	4,133,176
44	410 N. Jefferson	1,735,000	1,664,000
45	Barton Street Lofts	390,500	164,000
46	Warehouse of Fixtures	6,348,500	5,785,000
47	Maryland Plaza North	1,061,418	573,242
48	Marquette Building	4,500,000	4,311,000
49	Gaslight Square East	1,770,000	1,289,000
50	1136 Washington	3,525,000	3,255,000
51	Washington East Condo	7,997,521	7,459,521
55	1300 Convention Plaza	941,525	899,000
56	Mississippi Place	863,100	771,000
57	Loughborough Commons	18,430,000	13,500,000
58	5700 Arsenal	1,370,000	733,000
59	Adler Lofts	939,151	758,151
60	Dogtown Walk II	434,500	392,000

TIF #	Description	Original Issue	Outstanding Balance December 31, 2014
61	East Bank	1,456,825	1,456,825
62	2300 Locust	1,544,046	1,503,088
63	Pet Building	3,162,500	3,008,500
65	Moon Brothers Carriage Lofts	1,490,000	1,481,000
67	1635 Washington	2,361,500	1,780,000
68	3949 Lindell	3,027,500	2,888,000
69	Ely Walker Lofts	6,017,600	5,478,000
70	West Town Lofts	2,456,500	2,205,000
71	Southside National Bank Building	1,447,600	1,352,056
72	Packard Lofts	1,329,500	1,116,000
73	Bee Hat Lofts	1,407,329	1,169,000
76	Delmar East Loop	3,000,000	2,721,000
77	6175-81 Delmar	2,140,300	1,772,000
79	Syndicate Trust Building	8,329,200	7,888,766
80	Ludwig Lofts	1,080,000	1,080,000
82	Union Club	1,933,500	1,900,000
83	Park Pacific	20,538,000	19,946,000
84	2200 Gravois	1,040,000	1,000,000
87	4100 Forest Park II	6,116,000	6,046,000
88	Grand/Cozens/Evans	1,650,000	1,499,000
89	Ballpark Lofts	8,122,000	7,588,000
90	GEW Lofts	3,260,000	3,004,000
91	1818 Washington-Tudor	2,451,400	2,179,000
92	Ballpark Village	18,550,000	18,550,000
101	Leather Trade Building	2,885,500	2,885,500
102	City Hospital RPA 3	2,054,500	2,000,000
106	1910 Locust	1,430,000	1,332,000
112	1001 Locust	2,112,500	2,050,000
113	South Carondelet #1	2,550,924	2,461,924
114	South Carondelet #2	146,500	143,500
116	City Hospital RPA #2	4,392,000	4,320,000
118	South Carondelet #4	312,144	305,144
119	Magnolia Thurman	442,900	381,000
121	4900 Manchester	1,370,500	1,269,000
122	3693 Forest Park	1,364,500	1,300,000
123	374 South Grand	4,665,500	4,240,000
124	Midtown Lofts	744,390	605,000
125	REO Lofts	642,890	558,000
128	1225 Washington	6,425,000	6,300,000
129	Laurel	19,875,000	19,261,000
130	Chouteau Crossing	1,946,000	1,930,183
132	Ford Building	943,000	826,000
134	Taylor Carrie	4,078,800	4,029,000
137	Railway Exchange Building	9,318,920	9,268,920
139	1111 Olive	2,396,000	2,392,000
142	1549-1601 S Jefferson RPA1	1,739,000	1,700,000
144	2727 Washington	489,500	489,500
148	St. Louis Innovation RPA 1A	2,930,404	2,930,404
149	St. Louis Innovation RPA 1A(II)	22,000,000	22,000,000
150	St. Louis Innovation RPA 1B	5,121,818	5,121,818
		$ 364,931,615	$328,979,418

Short Term Borrowing

The City first issued Tax and Revenue Anticipation Notes ("*TRANs*") during Fiscal Year 1984 and TRANs have been issued annually since 1984 to bridge timing gaps in revenue collections. The following table sets forth certain information concerning the issuance of TRANs since Fiscal Year 2011:

Fiscal Year	**TRANs Issued During Fiscal Year**	**As a Percent of General Revenue Fund Revenues**[1]
2011	$65,000,000	14.35%
2012	70,000,000	15.29
2013	65,000,000	13.79
2014	65,000,000	13.56
2015	65,000,000	13.42[2]

[1] The percentage is based on cash, rather than modified accrual revenues. Revenue also includes transfers from other funds.
[2] Based on estimated General Revenue Fund revenues.
Source: City Comptroller's Office.

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Outstanding Debt

The following table sets forth the outstanding principal amount of all bonds and other long-term debt, other than TIF and MODESA obligations, issued by the City that are outstanding as of December 31, 2014:

Description	As of December 31, 2014	Year Remaining In Issuance	Footnote #
General Obligation Bonds	$ 26,495,000	12	1
Section 108 Loan Guarantee:			
Convention Center Hotel	$ 23,000,000	6	3
Darst Webbe	8,370,000	6	4
Total Section 108 Loan Guarantee	$ 31,370,000		
MTFC Multimodal Direct Loan	$ 2,037,349	4	6
Capital Lease- Rolling Stock	$ 22,142,173	5	7
Kiel Certificates of Participation	$ 5,455,000	7	1
Obligations with component units:			
CC Hotel Capital Lease	$ 35,290,306	6	1
Recovery Zone Facility Special Obligation Redev Bonds 2010 (One City Centre)	17,340,000	26	1
	$ 52,630,306		
Loan agreement with FPF	$ 5,370,000	29	8
Leasehold revenue improvement and refunding bonds:			
CABS 2005	116,480,000	17	1
Convention Center Capital Improvement Projects Series 2008	21,850,000	24	1
Convention Center Capital Improvement Projects & Infra Series 2009 A&B	43,655,000	24	1
Convention Center Refunding & Capital Improvement Projects Series 2010	111,835,000	24	1
Justice Center Leasehold Revenue Bonds Series 2005	9,725,000	6	1
Justice Center Refunding Series 2011	32,745,000	5	1
Forest Park Revenue 2004	9,070,000	8	1
Carnahan Courthouse Leasehold Revenue Refunding Series 2006A	21,970,000	13	1
Abram Building Series 2007	1,155,605	3.5	1
1520 Market Series 2011	6,714,254	3.5	1
Recreation Sales Tax Series 2007	44,490,000	23	1
Pension Funding Project Series 2007	131,070,000	24	1
Police Capital Projects Series 2007	22,175,000	23	1
Public Safety Sales Tax Pension Funding 2008	10,255,000	6	1
Juvenile Detention 2008	22,575,000	25	1
Total Leasehold revenue improvement and refunding bonds	$ 605,764,859		

[continued on next page]

Joint venture financing agreement:			
Convention & Sports Facility Project and Refunding Bonds Series C 2007 (includes Preservation Payments)	$ 35,620,000	9	1
Enterprise Revenue Bonds:			
Water Revenue Bonds	$ 1,600,050	20	5
Parking Revenue Bonds	67,402,334	24	1,2
Airport Revenue Bonds	726,590,000	20	1
Total Enterprise Revenue Bonds	$ 795,592,384		
Total Debt	$ 1,582,477,070		

1) See Official Statement for the Bonds for more information.
2) Series 2003A & B Parking Revenue Bonds was a private offering & secured only by net revenues of the Cupples Garage.
3) HUD Section 108 Loan Guarantee Assistance Loan debt paid by TIF funds and backed by Community Development Block Grant.
4) HUD Section 108 Loan Guarantee Assistance Loan debt funded by Community Development Block Grant.
5) Agreement with the Missouri Department of Natural Resources funded by cost savings to the General Revenue Fund from project.
6) Agreement w/ Missouri Transportation Finance Corp. funding a portion of a transportation center. Debt paid from Capital Funds.
7) Lease agreements w/ Chase Equipment Leasing Corporation Debt funded by Capital Funds.
8) Subordinate bonds issued to Forest Park Forever, Inc.

Direct and Overlapping Debt

The direct and overlapping general obligation debt of the City as of December 31, 2014, is set forth below (these figures do not include lease agreements):

	General Obligation Bonds Outstanding	Percent Applicable to St. Louis	City's Direct and Overlapping Debt
The City of St. Louis	$ 26,495,000	100%	$ 26,495,000
Transitional School District of the City of St. Louis	315,392,079	100	315,392,079
Total	$ 341,887,079		$ 341,887,079

Source: City Comptroller's Office.

Debt Ratios

The following table sets forth the City's direct and overlapping general obligation debt ratios as of December 31, 2014 (these figures do not include lease agreements):

	Amount	Per Capita[1]	Ratio to Assessed Value
Total Direct Debt	$ 26,495,000	$ 82.98	0.63%
Total Direct and Overlapping Debt	341,887,079	1,070.76	8.10

[1] Based on Population from U.S. Census, 2010 (319,294).
Source: City Comptroller's Office.

Legal Debt Margin

The following table sets forth the City's Legal Debt Margin as of December 31, 2014:

	City Purposes Basic Limit	Streets and Sewers Additional Limit
Assessed Value for Calendar Year 2013	$ 4,217,505,347	$ 4,217,505,347
Authorized Debt Limit 10% of Assessed Value	$ 421,750,535	$ 421,750,535
Less General Obligation Bonds	26,495,000	-
Legal Debt Margin	$ 395,255,535	$ 421,750,535

Source: City Comptroller's Office.

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EMPLOYEES AND EMPLOYEE RELATIONS

The City, as of July 1, 2014, employs approximately 5,000 persons who are paid from the City's General Revenue Fund, approximately 1,700 of whom are employees of the Police Department, including 1,251 police officers and approximately 451 civilian employees.

Under State law, employees of the City, including those of the Police Department, do not have the authority to bargain collectively. The salaries of employees of the Police Department are established by the Police Board; provided that they remain within the limit established by the Hancock Amendment. All public employees have "meet and confer" rights, which means, that they have the right to meet and confer with their employers to discuss salaries, benefits and other similar issues. The City is obliged to discuss these issues in good faith with its employees, although the discussions are not binding. No City employee has the right to strike. The City considers its employee relations to be good.

RETIREMENT SYSTEMS

The City contributes to four defined benefit retirement plans. St. Louis firemen are covered by two of the plans. Benefits accrued until February 1, 2013 are administered by The Firemen's Retirement System of St. Louis ("*FRS*"). Firefighter benefits accruing February 1, 2013 and thereafter are administered by the Firefighters' Retirement Plan ("*FRP*"). The City also contributes to the Police Retirement System of St. Louis (the "*Police System*") which is a single employer plan. The Employees' Retirement System of the City of St. Louis (the "*Employees' System*") is a cost-sharing multiple-employer plan. However, due to the City's participation in the Employees' System being approximately 90% of the total participation of all employers, the disclosures provided for the Employees' System are those for a single-employer plan. Each system is administered by a separate board of trustees, whose members are appointed by City officials, plan participants, and the governor of the State (Police System only). Each System's fiscal year-end is as follows:

System	System Fiscal Year-end
Firemen's	September 30, 2013
Police	September 30, 2013
Employees'	September 30, 2013

a. Firemen's Retirement System of St. Louis and Firefighters' Retirement Plan

1) Description

All current firefighters are members of FRP. FRS and FRP are each required to issue publicly available financial reports that include financial statements and supplementary information may be obtained by writing to the Firemen's Retirement System of St. Louis, 1601 South Broadway, St. Louis, Missouri 63104; and/or the Firefighters' Retirement Plan, 1114 Market Street, Room 900, St. Louis, Missouri 63101.

Both FRS and FRP provide retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service. The monthly allowance varies depending upon several factors, including but not limited to the member's years of service as of February 1, 2013 and age at the time of retirement. Unused sick pay accrued prior to September 20, 2010 may increase the maximum pension benefit.

Both FRS and FRP provide a Deferred Retirement Option Plan ("FDROP"). The FDROP option is available to firemen who have achieved at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the FDROP account of the member, and the member's contribution will be reduced to 1% from the normal 8% or 9%. During participation in the FDROP, the member will not receive credit for City contributions or credit for service. A member may participate in the FDROP only once for any period up to five years. At retirement, the funds in the member's FDROP account plus interest and accrued sick leave, if elected, are available to the member in a lump sum or in installments.

2) Funding Policy

Depending on their length of service, covered members contribute 8% or 9% of their salary to the FRP as required by City ordinance. The City is required to contribute the remaining amounts necessary to fund both FRS and FRP. Members of the two systems are entitled to a lump-sum distribution of all or part of their contributions without interest upon service retirement, depending upon their length of service as of February 1, 2013.

3) Funded Status

The funded status (dollars in thousands) of the FRS as of October 1, 2013, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	$ 459,116	$459,116	$0	100%	$ 34,266	0.0%

The FRP became effective February 1, 2013. The City will make its first required contribution during City Fiscal Year 2015.

The funded status (dollars in thousands) of the FRP as of October 1, 2013, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	$1,505	$59,755	$58,250	2.52%	$34,979	166.5%

4) Annual Pension Cost and Net Pension Asset

The City's original annual pension cost and net pension asset (dollars in thousands) to the FRS for the system's year ended September 30, 2013 are as follows:

Annual required contribution	$	(21,049)
Interest on net pension asset		3,033
Adjustment to annual required contribution		(3,409)
Annual pension cost		(21,425)
Contributions made		20,999
Increase in net pension asset		(426)
Net pension asset, beginning of year		39,772
Net pension asset, end of year	$	39,346

The amounts above were calculated without taking into account the fact that the FRS plan was "frozen" effective February 1, 2013. The amount is being recalculated and will result in a reduced payment obligation for the City for the relevant period. Historical trend information about the City's participation in FRS is presented below to help readers assess the FRS funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

System's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	$21,598	98.0%	$39,346
2012	22,987	94.3	39,772
2011	19,514	118.0	41,079
2010	13,927	128.0	37,521

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry age-frozen liability method
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	3.35%, per year to retirement age
Projected postretirement benefit increases:	
Under age 60:	
20-24 service years	1.5%, per year
25-29 service years	2.25%, per year
30 or more service years	3.0%, per year
Over age 60	3% with a maximum of 25% in increases after age 60

The City recently adopted a series of ordinances that have the effect of freezing and terminating the existing Firemen's Retirement System and establishing a new Firemen's Retirement Plan going forward. Under the new system, benefits would not be changed for firemen with at least 20 years of service. Benefit changes are proposed for non-vested and new firemen. All future disability claims would be under the new plan.

The existing Firemen's Retirement System along with rank and file firemen sued to block implementation of the new plan. In June 2013, the court upheld the validity of the City's ordinances and FRP became effective as of February 1, 2013. FRS is appealing the court's decision.

The City's annual pension cost (dollars in thousands) to the FRP for the plan's year ended September 30, 2013 is as follows:

Annual required contribution	$ (8,902)

Significant actuarial assumptions used in the FRP valuation are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry age-normal cost method
Amortization method	Level percentage of payroll
Remaining amortization period	30 years (closed) from February 1, 2013
Asset valuation method	Market value
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	3.35% to 5.5% varies by, per year to retirement age
Mortality table	RP-2000 combined healthy projected to 2015 using Scale AA
Cost of living adjustment:	For Members hired after February 1, 2013, 3% per year with a maximum of 25% increase

b. Police Retirement System of St. Louis

1) System Description

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

The Police System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service or attaining age 55. The monthly allowance consists of 40% of the two-year average final compensation for the first 20 years of services, plus 2% of such final average compensation for each of the next five years of service, plus 4% of average final compensation for each additional year of service after 25 years up to a maximum of 30 years. The monthly allowance of members who have in excess of 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. Such benefits are established by State statute.

The Police System implemented a Deferred Retirement Option Plan ("DROP") feature during the Police System's fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service, and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to five years, at which point the member may reenter the Police System. At retirement, the funds in the member's DROP account, plus interest are available to the member in a lump sum or in installments.

2) Funding Policy

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

3) Funding Status

The funded status (dollars in thousands) of the Police System as of October 1, 2012, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	$690,731	$879,907	$189,176	78.5%	$70,328	269.0%

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

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset (dollars in thousands) to the Police System for the year ended September 30, 2013 are as follows:

Annual required contribution	$	(32,629)
Interest on net pension asset		198
Adjustment to annual required contribution		(222)
Annual pension cost		(32,653)
Contributions made		32,629
Decrease in net pension asset		(24)
Net pension asset, beginning of year		2,554
Net pension asset, end of year	$	2,530

Historical trend information (dollars in thousands) about the City's participation in the Police System is presented below:

System's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	$32,653	99.9%	$2,530
2012	28,498	99.9	2,554
2011	20,172	99.3	2,578
2010	17,590	99.4	2,713

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarial accrued liabilities)
Asset valuation method	5-year smoothed average of market value
Inflation rate	2.5%, per year
Investment rate of return	7.75%, per year
Projected salary increases	3.0% – 6.5%, varying by age
Projected postretirement benefit increases	2.5% maximum per year, cumulative 30% cap

c. Employees' Retirement System of the City of St. Louis

1) System Description

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

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

The Employees' System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees' System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

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

2) Funding Policy

The Employees' System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.56% effective July 1, 2013, and 14.27% of active member payroll effective July 1, 2012.

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

3) Funded Status

The funded status (dollars in thousands) of the Employees' System for the actuarial valuation as of September 30, 2013 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
September 30, 2013	$685,397	$889,449	$(204,051)	77.06%	$224,623	90.84%

4) Annual Pension Cost and Net Pension Obligation

Contributions to the Employees' System are paid on a bi-weekly basis; therefore the following calculation is an estimate of contributions paid through the City's Fiscal Year end. The City's estimated annual pension cost and net pension obligation (dollars in thousands) to the Employees' System for the year ended June 30, 2013 are as follows:

Annual required contribution	$ (34,997)
Interest on net pension obligation	(3,334)
Adjustment to annual required contribution	3,884
Annual pension cost	(34,427)
Contributions made	30,925
Increase in net pension obligation	(3,502)
Net pension obligation, beginning of year	(43,728)
Net pension obligation, end of year	$ (47,230)

Historical trend information (dollars in thousands) about the City's participation in the Employees' System is presented below.

City's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	$34,427	88.4%	$ (47,230)
2013	31,481	90	(43,728)
2012	29,176	86	(40,611)
2011	28,214	85	(36,461)

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Projected unit credit method
Amortization method	Level dollar open amortization period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.50% to 7.017%
Cost of living adjustments	3.125% simple with a 25% lifetime cap

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.

LITIGATION

In addition to that which is set forth under the heading "LITIGATION" in the Official Statement to which this Appendix B is appended, the City is involved in various claims and lawsuits arising in the ordinary course of business that are covered by insurance or that the City does not believe to be material. As noted above, when no independent insurance coverage exists, payments of settlements and judgments are administered by PFPC, the City's self-insurance plan. The Law Department prepares vouchers for such payments which are submitted to the Comptroller's Office and drawn on PFPC's account.

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APPENDIX C –
INDEPENDENT AUDITOR'S REPORT AND
BASIC FINANCIAL STATEMENTS
OF THE CITY OF ST. LOUIS, MISSOURI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE: KPMG LLP, THE CITY'S INDEPENDENT AUDITOR, HAS NOT BEEN ENGAGED TO PERFORM AND HAS NOT PERFORMED, SINCE THE DATE OF ITS REPORT INCLUDED HEREIN, ANY PROCEDURES ON THE FINANCIAL STATEMENTS ADDRESSED IN THAT REPORT. KPMG LLP ALSO HAS NOT PERFORMED ANY PROCEDURES RELATING TO THIS OFFICIAL STATEMENT.

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of St. Louis, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 55% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 90% and 99% of the assets and revenues, respectively, of the aggregate discretely presented component units. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pension trust funds were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in note 1, effective July 1, 2013, the City of St. Louis, Missouri implemented Government Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our opinion is not modified with respect to this matter.

As discussed in note 2, effective July 1, 2013, the City of St. Louis, Missouri implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 20, the Budgetary Comparison Information on pages 130 through 135, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 136 through 138 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014 on our consideration of the City of St. Louis, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis, Missouri's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 23, 2014

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, 2014. 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.

On September 1, 2013, as documented in Ordinance #69489, the City accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the Board of Police Commissioners for the Metropolitan Police Department of the City of St. Louis, Missouri (SLPD). Thus, beginning with fiscal year 2014, the SLPD is no longer a discretely presented component unit of the City and is now part of the Primary government.

FINANCIAL HIGHLIGHTS (excluding discretely presented component units)

- On a government-wide basis, the City's total assets and deferred outflow of resources exceeded its liabilities for the current fiscal year by $1.1 billion.

- Governmental activities and business-type activities had a net position of ($150) million and $1.3 billion, respectively.

- The cost of services for the City's governmental activities was $770.8 million in fiscal year 2014 (excluding interest and fiscal charges).

- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of $178.5 million. Of this amount, ($21.4) million is unassigned fund balance.

- The unassigned fund balance for the general fund was $2.6 million, or 0.5%, of total general fund expenditures.

- In fiscal year 2014, the City issued $57.0 million in long-term debt to finance projects and refund debt. There was a net decrease of $7.3 million in debt during the current fiscal year.

- Net pension obligations/assets changed by $12.5 million due to the additional net position obligation of the new Fire Fighter's Retirement Plan of $8.9 million, the difference between the actuarial determined pension contributions to the pension funds and the amounts actually contributed and the effects of the SLPD becoming part of the Primary government.

- Development and tax increment financing (TIF) debt increased liabilities in the amount of $10.9 million. There is no related asset for TIF debt, so net increases in TIF debt reduce unrestricted net position by an equal amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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, and net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

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

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

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

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

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

Fund Financial Statements

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

1. *Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

   Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

   The City maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and grants fund, which are considered to be major funds. Individual fund data for each of the non-major governmental funds is provided in the form of additional supplementary information as combining statements.

2. *Proprietary Funds.* Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following two types of proprietary funds:

   - *Enterprise Funds* are used to report information similar to business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for the operations of the Lambert-St. Louis International Airport (Airport), Water Division, and the Parking Division.

   - *Internal Service Funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its mail handling services, for payment of workers' compensation and various other claims, health insurance, and equipment service.

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the general fund and required supplementary information pertaining to the Firemen's Retirement System of St. Louis, the Firefighter's Retirement Plan of the City of St. Louis, the Police Retirement System of St. Louis and the Employees' Retirement System of the City of St. Louis pension trust funds and other post-employment benefits.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position: The City's combined net position for fiscal year 2014 was $1.1 billion, down $0.2 million from fiscal year 2013. Looking at the net position of governmental and business-type activities separately provides additional information.

The City of St. Louis, Missouri
Schedule of Net Position Summary
June 30, 2014 and 2013
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	$ 400.1	377.8	372.6	391.0	772.7	768.8
Capital assets	863.8	850.0	1,855.4	1,875.3	2,719.2	2,725.3
Deferred outflow of resources	4.3	—	23.1	—	27.4	—
Total assets and deferred outflow of resources	1,268.2	1,227.8	2,251.1	2,266.3	3,519.3	3,494.1
Liabilities						
Long-term liabilities	1,267.7	1,054.6	897.4	911.0	2,165.1	1,965.6
Other liabilities	150.4	134.1	62.9	66.8	213.3	200.9
Total liabilities	1,418.1	1,188.7	960.3	977.8	2,378.4	2,166.5
Net position						
Net investment in capital assets	535.0	502.8	1,033.7	1,033.9	1,568.7	1,536.7
Restricted	32.3	30.8	148.2	149.7	180.5	180.5
Unrestricted (deficit)	(717.2)	(494.5)	108.9	104.9	(608.3)	(389.6)
Total net position	$ (149.9)	39.1	1,290.8	1,288.5	1,140.9	1,327.6

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 $1.1 billion at the close of the most recent fiscal year.

The largest portion of the City's net position consists of its net investment in capital assets (for example, infrastructure, land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt 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 2014 and fiscal 2013, respectively, is $178.6 million and $180.5 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position decreased by $209.2 million for the year ended June 30, 2014. Unrestricted governmental activities net position showed a $717.2 million deficit at the end of 2014 as compared with a $494.5 million deficit in 2013. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims and amounts to pay for unused employee vacation and sick days. The City will continue to include these amounts in future year's budgets as they come due.

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

- Section 108 loan agreements, $35.6 million
- Joint venture financing agreement for the expansion of the convention center, $37.8 million
- Obligations with component unit for the convention center hotel, $35.3 million
- Obligations with component units for downtown development, $16.3 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of $300.3 million

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

The City of St. Louis, Missouri
Changes in Net Position
For the Fiscal Years ended June 30, 2014 and 2013
(dollars in millions)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 137.5	131.6	238.4	236.2	375.9	367.8
Operating grants and contributions	57.2	64.8	0.7	0.8	57.9	65.6
Capital grants and contributions	5.6	14.8	16.7	21.6	22.3	36.4
General revenues:						
Taxes	559.2	525.9	—	—	559.2	525.9
Investment income	0.4	0.3	1.8	2.3	2.2	2.6
Total revenues	759.9	737.4	257.6	260.9	1,017.5	998.3
Expenses:						
General government	94.8	73.2	—	—	94.8	73.2
Convention and tourism	5.7	5.5	—	—	5.7	5.5
Parks and recreation	31.8	30.8	—	—	31.8	30.8
Judicial	52.0	52.2	—	—	52.0	52.2
Streets	69.6	68.4	—	—	69.6	68.4
Public safety:						
Fire	86.1	75.5	—	—	86.1	75.5
Police	209.8	166.5	—	—	209.8	166.5
Other	59.3	61.3	—	—	59.3	61.3
Health and welfare	49.6	61.2	—	—	49.6	61.2
Public service	76.9	62.3	—	—	76.9	62.3
Community development	35.2	77.5	—	—	35.2	77.5
Interest and fiscal charges	58.0	57.7	—	—	58.0	57.7
Airport	—	—	175.1	174.0	175.1	174.0
Water Division	—	—	50.2	45.8	50.2	45.8
Parking Division	—	—	14.0	13.6	14.0	13.6
Total expenses	828.8	792.1	239.3	233.4	1,068.1	1,025.5
Excess (deficiency) before extraordinary items and transfers	(68.9)	(54.7)	18.3	27.5	(50.6)	(27.2)
Extraordinary items	—	—	7.6	4.3	7.6	4.3
Transfers	9.4	9.4	(9.4)	(9.5)	—	(0.1)
Change in net position	(59.5)	(45.3)	16.5	22.3	(43.0)	(23.0)
Net position-beginning of year	39.1	84.4	1,288.4	1,266.1	1,327.5	1,350.5
Cumulative effect of change in accounting principles	(129.5)	—	(14.2)	—	(143.7)	—
Net position-beginning of year, adjusted	(90.4)	—	1,274.2	—	1,183.8	—
Net position-end of year	$ (149.9)	39.1	1,290.7	1,288.4	1,140.8	1,327.5

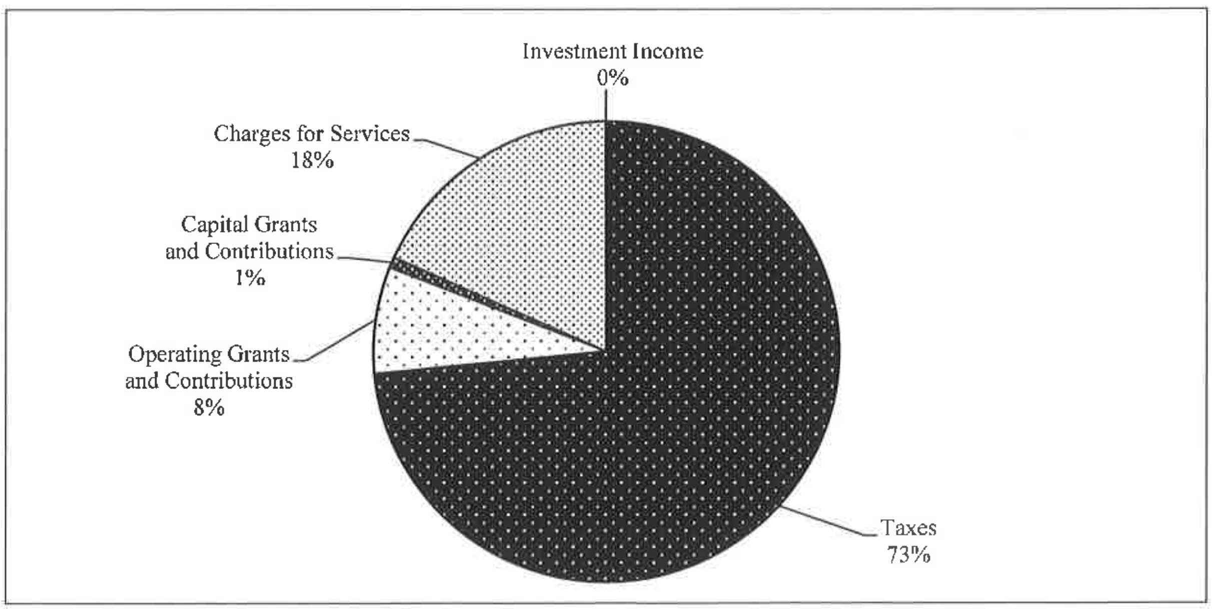
Changes in net position. The City's total revenue on a government-wide basis was $1,017.5 million, an increase of $19.2 million over the previous year. Taxes represent 54.9% of the City's revenue as compared with 52.7% last year. Additionally, 37.0% comes from fees charged for services, as compared to 36% 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 $1,068.1 million, an increase from $1,025.5 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.

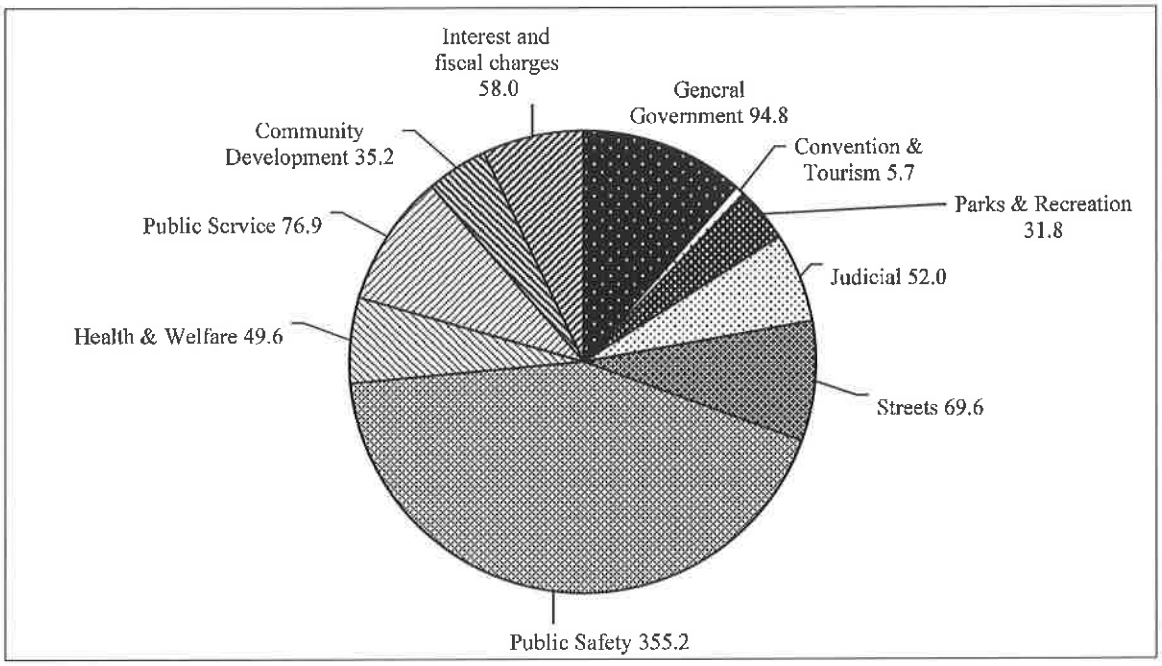
The cumulative effect of change in accounting principle in the government–wide reduced the beginning balance by $143.7 million.

Governmental activities. As a result of this year's operations, the net position of governmental activities decreased by $59.5 million or 66.1% without taking into account the cumulative effect of change in accounting principle. The net position decrease is primarily related to the City's inclusion of the SLPD within the Primary government (see note 2 to the basic financial statements), as well as anticipated level of spending over the expected growth in revenues. Revenues increased by $22.5 million or 3.1%. Total expenses increased by $42.6 million or 4.6%. Police expenses increased by $41.1 million mainly due to the absorption of the OPEB Plan into the police function and expense line and its effect on the financial statements. Community development expenses funded by tax increment financing decreased by $42.3 million due to a reduction in debt issuances in fiscal year 2014.

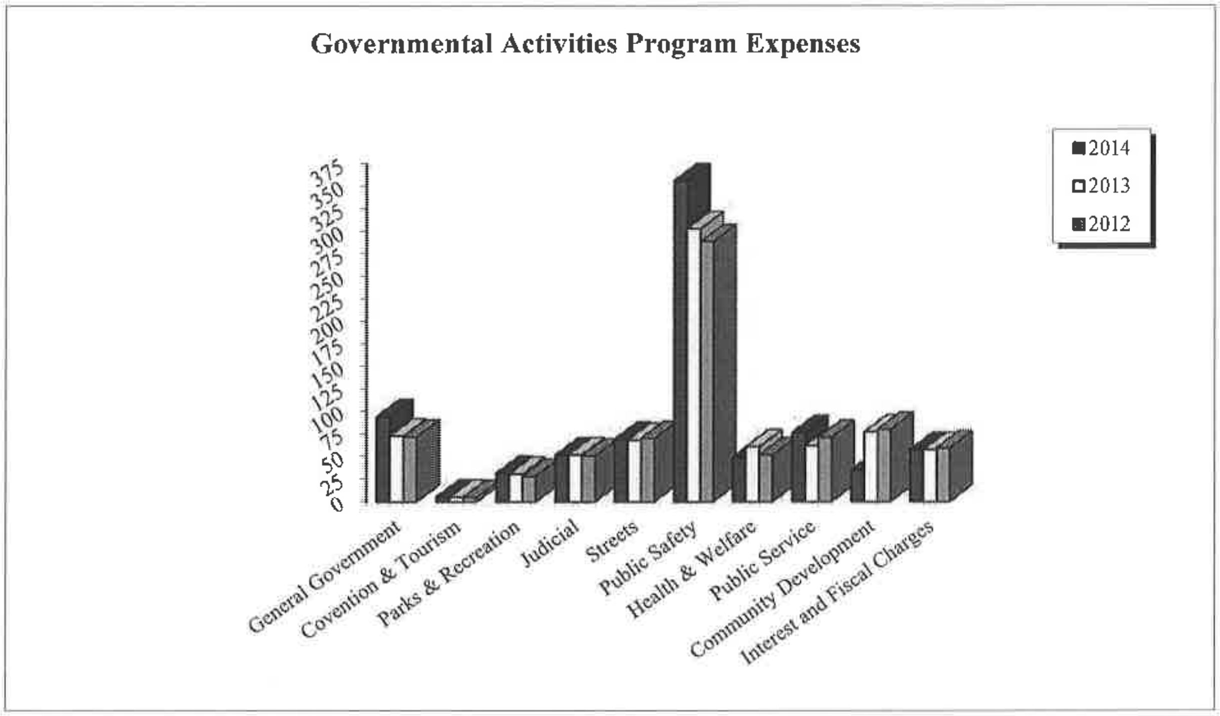
The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2014.



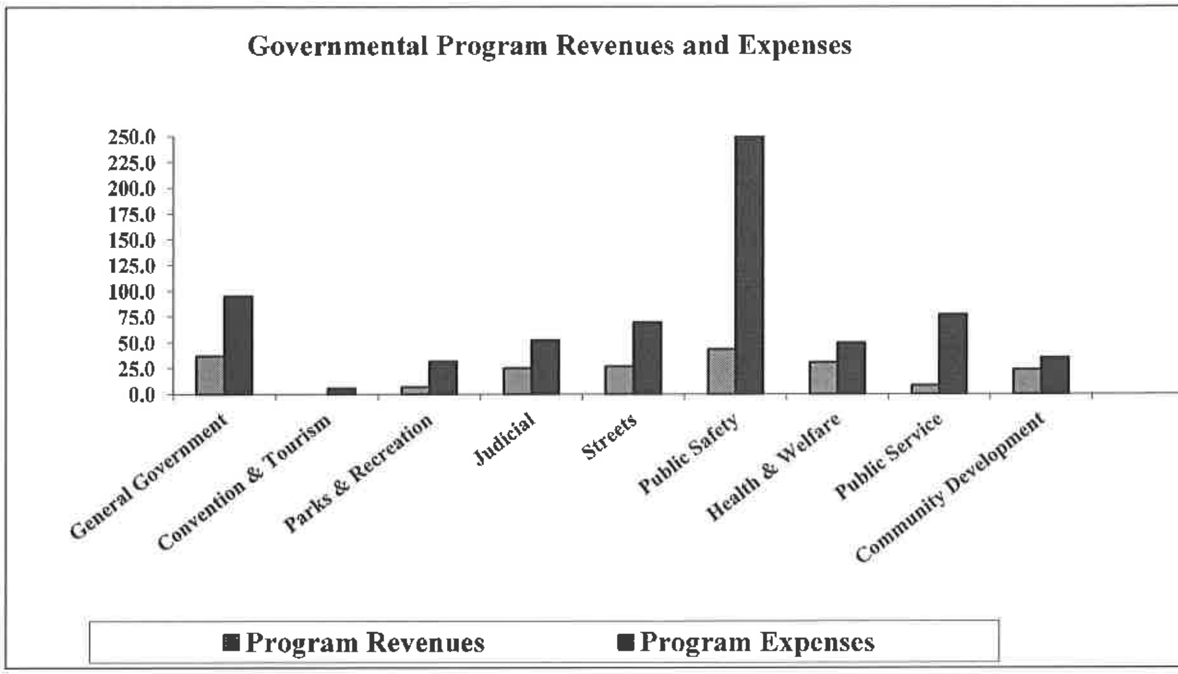
The following chart illustrates the City's governmental activities expenses by program. Total cost of governmental activities was $828.7 million, an increase of $36.7 million or 4.6% over the prior year. As shown, public safety is the largest function in expense (42.9%). The majority of the spending was the result of funding Police of $209.8 million and Fire of $86.1 million.



The following chart is a comparison of expense of governmental activities for fiscal years ended 2014, 2013, and 2012.



The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2014.



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

		Total Cost of Services		Net Costs of Services	
		2014	2013	2014	2013
General government	$	94.8	73.2	59.2	39.3
Convention and tourism		5.7	5.5	5.7	5.5
Parks and recreation		31.8	30.8	25.0	27.5
Judicial		52.0	52.2	27.0	28.8
Streets		69.6	68.4	42.8	41.7
Public Safety:					
Fire		86.1	75.5	74.9	56.6
Police		209.8	166.5	201.1	166.5
Other		59.3	61.3	35.6	37.8
Health and welfare		49.6	61.2	18.8	25.8
Public service		76.9	62.3	68.5	43.2
Community development		35.2	77.5	11.7	50.4
Totals	$	770.8	734.4	570.3	523.1

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was $770.8 million compared with $734.4 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was $559.2 million. The primary difference of $211.6 million comprises charges for services ($137.5 million), operating grants and contributions ($57.2 million), and capital grants and contributions ($5.6 million).

Business-Type activities. Business-type activities reflect an increase in net position of $16.5 million or 1.3%.

Lambert – St. Louis International Airport. The net position of the Airport decreased by $2.2 million or 0.2% after considering the cumulative effect of a change in accounting principle of $13.0 million. The operating income was $4.7 million this year versus operating income of $7.3 million in 2013. Total operating revenues for 2014 was $141.5 million. Of this amount, major sources of operating revenue included aviation revenues (65.4%), concessions (18.0%), parking, net (13.3%), and lease revenue (3.3%). A significant non-operating revenue is passenger facility charges which accounts for $24.1 million.

At June 30, 2014, the capital assets balance was $1,631.7 million. This amount includes buildings and structures (net of accumulated depreciation) of $220.3 million, pavings with $572.3 million, and equipment with $24.0 million, all net of accumulated depreciation. Land is $751.6 million, construction in progress is $60.0 million, and easements is $3.5 million.

At June 30, 2014, the Airport had bonded debt of $798.9 million.

Water Division. The net position of the Water Division increased by $3.7 million or 2.1%. Operating income was $6.2 million this year versus an operating income of $10.1 million in 2013. Total operating revenues for 2014 was $55.8 million. Of this amount, major sources of operating revenue included metered revenue (42.9%) and flat rate revenue (45.1%).

At June 30, 2014, the capital assets balance was $148.7 million. This amount includes buildings and structures (net of accumulated depreciation) with $15.8 million, reservoirs and water mains, lines and accessories with $93.3 million, equipment with $34.3 million, land with $1.2 million, and construction-in-progress with $4.0 million.

At June 30, 2014, the Water Division had bonded debt of $4.8 million.

Parking Division. The net position of the Parking Division increased by $0.93 million or 2.9% after considering the cumulative effect of a change in accounting principle of $1.2 million. Operating income was $5.1 million in fiscal year 2014 and $4.4 million in fiscal year 2013. Total operating revenues for 2014 was $15.8 million. Of this amount, major sources of operating revenue included parking meter revenue (13.2%), parking violations notices revenue (27.6%), and parking facilities revenue (55.2%).

At June 30, 2014, the capital assets balance was $75.1 million. This amount includes buildings and parking garages (net of accumulated depreciation) with $50.9 million, parking meters and lot equipment with $0.8 million, equipment with $0.5 million, and land with $22.9 million.

At June 30, 2014, the Parking Division had bonded debt of $70 million.

The City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2014
(dollars in millions)

		2014	2013	2014 vs. 2013 $ Change	2014 vs. 2013 % Change
Total assets	$	359.7	323.3	36.4	11.3%
Total liabilities		89.5	160.6	(71.1)	-44.3%
Deferred inflow of resources		91.7	—	91.7	—%
Fund balance:					
Restricted		114.7	85.9	28.8	33.5%
Committed		73.6	65.2	8.4	12.9%
Assigned		11.6	10.5	1.1	10.5%
Unassigned		(21.4)	1.1	(22.5)	-2045.5%
Total fund balance		178.5	162.7	15.8	9.7%
Total liabilities, deferred inflow of resources, and fund balance	$	359.7	323.3	36.4	11.3%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows, outflows and balances of current financial resources that are available for spending. At the end of the current fiscal year, the unassigned fund balance of the general fund was $2.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance of $2.6 million represents 0.5% of total general fund expenditures and transfers out of $523.9 million.

The total fund balance in the City's general fund decreased by $18.9 million or 34.6% in the current fiscal year. The City's general fund decreased by $1.2 million or 2.2% in the prior fiscal year. The decrease is mainly due to the cumulative effect of a change in accounting principles and the SLPD becoming part of the Primary government (see note 2).

The total fund balance in the City's capital projects fund increased by $31.4 million or 119.1% in the current fiscal year. The City's capital projects fund decreased by $7.8 million or 22.8% in the prior fiscal year. The increase is related to $42.6 million of bond issuances.

The grants fund received $57.2 million in intergovernmental revenues that funded community development in the amount of $16.9 million, or 29.5%, and health and welfare in the amount of $28.9 million, or 50.5% in the current fiscal year. The grants fund received $66.4 million in intergovernmental revenues that funded community development in the amount of $24.1 million, or 36.3%, and health and welfare in the amount of $32.7 million, or 49.3% in the prior fiscal year. The decrease in intergovernmental revenues was the result of several grants winding down or expiring during fiscal year 2014.

The total fund balance in the City's other governmental funds increased by $658 thousand or 0.8 % in the current fiscal year. The City's other governmental funds increased by $6 thousand or 0.007 % 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 $65.9 million, the Water Division was $27.8 million, and the Parking Division was $15.2 million, as compared with $70.0 million, $28.5 million, and $6.3 million, respectively in 2013. The total increase in net position for the enterprise funds was $2.4 million in the current year a decrease of $20 million from the previous year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Firefighters' Plan, the Police Retirement System, and the Employee's Retirement System. As of the end of the current fiscal year, the net position of the pension funds totaled $1.9 billion, an increase of $169 million from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled $51.6. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, and circuit clerk, and other miscellaneous agency activities.

General Fund Budgetary Highlights

The final budget for the City's general fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments) plus any additional supplemental appropriations that may occur during the fiscal year. The general fund budget includes appropriations for the police, which in prior years, was a discretely presented component unit of the City. As discussed in note 2, as documented in Ordinance #69489, the City accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of SLPD.

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

The original general fund revenue estimate including transfers in, totaled $479.3 million. Actual results for the fiscal year's revenues and transfers in were $476.7 million, which was below the original estimates by $2.6 million.

The original general fund expense budget was $489.5 million including transfers out. This also includes prior year encumbrances and commitments of $11.1 million set aside and reappropriated. Actual expenditures and transfers out totaled $483.1 million. This includes expenditures of $8.3 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2014 budget total $3.4 million. The general fund ended the fiscal year with a budget-basis-operating deficit of $6.4 million. In addition, a transfer out of $0.9 million was made to a 27th Pay Reserve. As of June 30, 2014, the unreserved fund balance of the general fund was $8.2 million on a cash basis.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

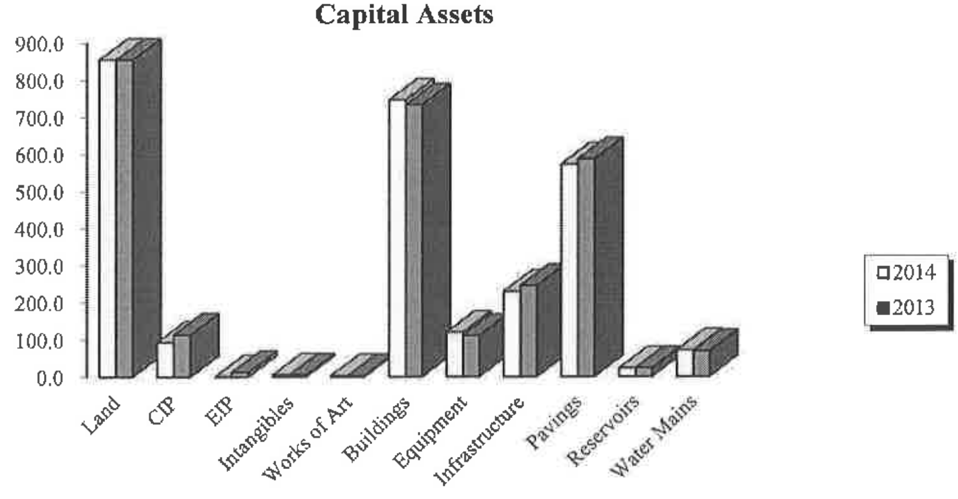
The City had invested $2.7 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems.

Schedule of Changes in Capital Assets
Net of Accumulated Depreciation
(dollars in millions)

		Governmental Activities		Business-type Activities		Total	
		2014	2013*	2014	2013	2014	2013
Land	$	80.2	80.2	775.7	775.7	855.9	855.9
Construction in progress		28.8	22.5	64.0	91.5	92.8	114.0
Equipment in progress		1.0	12.6	—	—	1.0	12.6
Intangibles		1.0	1.1	3.5	3.5	4.5	4.6
Works of art		3.5	3.5	—	—	3.5	3.5
Buildings and improvements		459.5	467.7	287.0	265.6	746.5	733.3
Equipment		59.5	49.7	59.6	61.1	119.1	110.8
Infrastructure		229.2	245.4	—	—	229.2	245.4
Intangibles		1.2	0.7	—	—	1.2	0.7
Pavings		—	—	572.3	586.0	572.3	586.0
Reservoirs		—	—	22.6	23.2	22.6	23.2
Water mains, lines, accessories		—	—	70.7	68.6	70.7	68.6
Total	$	863.9	883.4	1,855.4	1,875.2	2,719.3	2,758.6

*Balances were adjusted for implementation of GASB Statement No. 69 (see notes 2 and 8).

Capital Assets



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 8 in the notes to the basic financial statements.

Long-Term Debt

At the end of fiscal year 2014, the City had outstanding long-term debt obligations for governmental activities in the amount of $965.2 million compared with $972.6 million in fiscal year 2013. Of this amount, $28.1 million are general obligation bonds and $300.3 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled $470.9 million.

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

		Fiscal Year 2014	Fiscal Year 2013*	$ Change	% Change
General obligation bonds payable	$	28.1	35.1	(7.0)	-19.9%
Section 108 Loan Guarantee Assistance Programs		35.6	39.5	(3.9)	-9.9%
Firemen's Retirement EAN Note		3.4	4.4	(1.0)	-22.7%
Loan agreement with FPF		4.6	1.9	2.7	142.1%
Development and tax increment financing bonds and notes payable		300.3	296.1	4.2	1.4%
Loan agreement with Missouri Transportation Finance Corporation		2.0	2.5	(0.5)	-20.0%
Capital lease—rolling stock		24.7	13.7	11.0	80.3%
Certificates of participation		6.1	6.7	(0.6)	-9.0%
Obligations with component units		51.6	53.0	(1.4)	-2.6%
Leasehold revenue improvement and refunding bonds		470.9	477.6	(6.7)	-1.4%
Joint venture financing agreement		37.9	42.1	(4.2)	-10.0%
Total	$	**965.2**	**972.6**	**(7.4)**	**-0.8%**

*Balances were adjusted for implementation of GASB Statement No. 69 (see notes 2 and 14).

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 2014 was $423.3 million. The City's effective legal debt margin as of June 30, 2014 was $402.0 million. For additional information on long-term debt, refer to the note 14 to the basic financial statements.

The City's underlying general obligation credit ratings remained unchanged for fiscal year 2014. The City ratings on uninsured general obligation bonds as of June 30, 2014 were:

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

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

		Fiscal Year 2014	Fiscal Year 2013	$ Change	% Change
Airport	$	798.9	794.6	4.3	0.54%
Water Division		4.8	7.6	(2.8)	-36.84%
Parking Division		70.0	70.5	(0.5)	-0.71%
Total	$	873.7	872.7	1.0	0.11%

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2014 and 2013 were $873.7 million and $872.7 million, respectively. The amount reflects an increase of $1 million, or 0.11%. This amount includes Airport bonds of $798.9 million, Water Division bonds of $4.8 million, and Parking Division bonds of $70 million. For additional information on revenue bonds of the business-type activities, refer to notes 14 and 18 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2015 annual operating budget allocates $1,005.9 million among all budgeted funds, a 2.1% increase over the previous year's budget.
- The fiscal year 2015 general fund budget is $484.4 million compared with $479.3 million in the prior year. This amount reflects an increase of $5.1 million, or 1.1%.
- Total positions for fiscal year 2015 are 6,693, a increase of 10 positions mainly in the public safety division.

Requests for Information

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

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

THE COMMON SEAL OF THE CITY OF ST. LOUIS.

City of St. Louis, Missouri
Statement of Net Position
June 30, 2014
(dollars in thousands)

	Primary Government			Component units	
Assets	**Governmental activities**	**Business-type activities**	**Total**	**SLDC**	**SWMDC**
Cash and cash equivalents	$ 73,399	115,972	189,371	9,247	1,572
Investments	5,330	29,781	35,111	—	—
Receivables, net	170,034	25,061	195,095	15,014	12
Inventories	1,203	4,760	5,963	—	—
Restricted assets	93,932	205,690	299,622	—	—
Internal balances	12,610	(12,610)	—	—	—
Other assets	1,367	3,949	5,316	411	—
Receivable from primary government	—	—	—	702	—
Receivable from component unit	330	—	330	—	—
Net pension asset	41,877	—	41,877	—	—
Property held for development, net	—	—	—	20,463	—
Capital assets, net:					
Nondepreciable	114,426	843,308	957,734	4,914	—
Depreciable	749,411	1,012,146	1,761,557	25,552	6,841
Total assets	1,263,919	2,228,057	3,491,976	76,303	8,425
Deferred outflow of resources	4,286	23,052	27,338	—	—
Total assets and deferred outflow of resources	1,268,205	2,251,109	3,519,314	76,303	8,425
Liabilities					
Accounts payable and accrued liabilities	18,448	29,237	47,685	1,554	69
Accrued salaries and other benefits	18,183	8,188	26,371	—	—
Accrued interest payable	108,326	20,337	128,663	—	—
Unearned revenue	2,850	5,076	7,926	—	—
Other liabilities	1,625	—	1,625	—	—
Payable to component units	1,032	—	1,032	—	—
Payable to other government agencies	7	48	55	—	—
Long-term liabilities:					
Due within one year	119,991	44,165	164,156	19,535	—
Due in more than one year	1,147,671	853,250	2,000,921	27,174	—
Total liabilities	1,418,133	960,301	2,378,434	48,263	69
Net Position					
Net investments in capital assets	534,961	1,033,787	1,568,748	16,940	6,841
Restricted:					
Debt service	—	113,911	113,911	—	—
Capital projects	—	3,340	3,340	—	—
Passenger facility charges	—	30,919	30,919	—	—
Statutory restrictions	32,344	—	32,344	—	—
Unrestricted (deficit)	(717,233)	108,851	(608,382)	11,100	1,515
Total net position	$ (149,928)	1,290,808	1,140,880	28,040	8,356

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Activities
Year ended June 30, 2014
(dollars in thousands)

		Program revenues			Net (expense) revenue and changes in net position				
					Primary government			Component units	
Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	SLDC	SWMDC
Primary government:									
Governmental activities:									
General government	$ 94,791	34,783	768	—	(59,240)	—	(59,240)	—	—
Convention and tourism	5,711	—	—	—	(5,711)	—	(5,711)	—	—
Parks and recreation	31,765	5,979	773	—	(25,013)	—	(25,013)	—	—
Judicial	52,009	23,076	1,914	—	(27,019)	—	(27,019)	—	—
Streets	69,584	26,110	48	630	(42,796)	—	(42,796)	—	—
Public safety:									
Fire	86,085	9,553	1,647	—	(74,885)	—	(74,885)	—	—
Police	209,762	5,260	3,351	—	(201,151)	—	(201,151)	—	—
Other	59,323	20,639	1,609	1,485	(35,590)	—	(35,590)	—	—
Health and welfare	49,602	1,631	29,135	—	(18,836)	—	(18,836)	—	—
Public service	76,863	6,037	4	2,317	(68,505)	—	(68,505)	—	—
Community development	35,238	4,412	17,924	1,196	(11,706)	—	(11,706)	—	—
Interest and fiscal charges	58,009	—	—	—	(58,009)	—	(58,009)	—	—
Total governmental activities	828,742	137,480	57,173	5,628	(628,461)	—	(628,461)	—	—
Business-type activities:									
Airport	175,058	165,927	706	16,318	—	7,893	7,893	—	—
Water Division	50,184	56,647	—	408	—	6,871	6,871	—	—
Parking Division	14,043	15,804	—	—	—	1,761	1,761	—	—
Total business-type activities	239,285	238,378	706	16,726	—	16,525	16,525	—	—
Total primary government	$ 1,068,027	375,858	57,879	22,354	(628,461)	16,525	(611,936)	—	—
Component units:									
SLDC	$ 18,148	9,599	14,351	—	—	—	—	(924)	—
SWMDC	906	150	—	188	—	—	—	—	(568)
Total component units	$ 19,054	9,749	14,351	188	—	—	—	(924)	(568)
General revenues:									
Taxes:									
Property taxes, levied for general purpose					$ 75,136	—	75,136	—	—
Property taxes, levied for debt service					6,661	—	6,661	—	—
Sales taxes					173,018	—	173,018	—	—
Earnings/payroll taxes					202,022	—	202,022	—	—
Gross receipts taxes (includes franchise tax)					97,344	—	97,344	—	—
Miscellaneous taxes					4,977	—	4,977	—	—
Unrestricted investment earnings					364	1,818	2,182	122	1
Extraordinary item - Settlement proceeds					—	4,872	4,872	—	—
Extraordinary item - Natural disaster					—	2,730	2,730	—	—
Transfers					9,431	(9,431)	—	—	—
Total general revenues, extraordinary items, and transfers					568,953	(11)	568,942	122	1
Change in net position					(59,508)	16,514	(42,994)	(802)	(567)
Net position, beginning of year					39,099	1,288,455	1,327,554	28,842	8,923
Cumulative effect of change in accounting principles					(129,519)	(14,161)	(143,680)	—	—
Net position – beginning of year, adjusted					(90,420)	1,274,294	1,183,874	28,842	8,923
Net position – end of year					$ (149,928)	1,290,808	1,140,880	28,040	8,356

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Balance Sheet
Governmental Funds
June 30, 2014
(dollars in thousands)

Assets		Major funds: General fund	Major funds: Capital projects fund	Major funds: Grants fund	Nonmajor funds: Other governmental funds	Total governmental funds
Cash and cash equivalents:	$					
Restricted		3,962	3,414	5,351	5,797	18,524
Unrestricted		29,484	—	—	43,046	72,530
Investments:						
Restricted		12,255	53,776	—	9,377	75,408
Unrestricted		640	1,322	197	3,112	5,271
Receivables, net of allowances:						
Taxes		99,481	4,298	—	46,498	150,277
Licenses and permits		2,526	—	—	231	2,757
Intergovernmental		3,423	1,760	4,491	634	10,308
Charges for services		3,773	33	—	1,900	5,706
Other		559	196	—	231	986
Inventory		1,203	—	—	—	1,203
Prepaid asset		493	—	3	—	496
Due from component units		—	—	—	326	326
Due from other funds		10,774	—	—	5,089	15,863
Total assets	$	168,573	64,799	10,042	116,241	359,655
Liabilities, Deferred Inflow of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$	5,427	5,385	5,319	1,852	17,983
Accrued salaries and other benefits		16,109	135	767	1,172	18,183
Due to component units		—	—	—	979	979
Due to other funds		3,976	1,124	1,440	1,970	8,510
Due to other governmental agencies		7	—	—	—	7
Advance to other funds		39,668	—	—	—	39,668
Unearned revenue		—	—	—	2,488	2,488
Other liabilities		1,678	—	—	—	1,678
Total liabilities		66,865	6,644	7,526	8,461	89,496
Deferred inflow of resources		65,983	353	—	25,360	91,696
Total liabilities and deferred inflow of resources		132,848	6,997	7,526	33,821	181,192
Fund balances (deficit):						
Nonspendable		2,537	—	3	11	2,551
Restricted		16,008	47,489	2,513	46,158	112,168
Committed		8,054	34,338	—	31,198	73,590
Assigned		6,521	—	—	5,053	11,574
Unassigned		2,605	(24,025)	—	—	(21,420)
Total fund balances		35,725	57,802	2,516	82,420	178,463
Total liabilities, deferred inflow of resources, and fund balances	$	168,573	64,799	10,042	116,241	359,655

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, 2014
(dollars in thousands)

Total fund balances—governmental funds—balance sheet	$	178,463
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.		863,792
The City reports a net pension asset on the statement of net position to the extent actual contributions to the City's retirement plans exceed the annual actuarial required contribution. This asset is not reported in the fund financial statements.		41,877
Various taxes related to fiscal year 2014 will be collected beyond the 60-day period used to record revenue in the fund financial statements. Revenue for this amount is recognized in the government-wide financial statements.		13,017
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, 2014 and payable on December 31, 2014 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		78,317
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.		483
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, 2014 are:		
Accrued vacation and sick leave		(51,841)
OPEB Obligation		(148,744)
Net pension obligation		(52,390)
Accrued interest payable		(108,326)
Joint venture financing agreement		(37,844)
Certificates of participation		(6,110)
Obligations with component unit		(51,556)
Capital leases-rolling stock		(24,743)
Leasehold improvement and refunding revenue bonds		(470,889)
Development and TIF bonds and notes payable		(300,321)
General obligation bonds		(28,130)
Section 108 Loan Guarantee Assistance Programs		(35,580)
Fireman's Retirement EAN Note		(3,396)
Other long-term debt		(6,647)
Deferred ouflow of resources		4,286
Unamortized discounts		4,099
Unamortized premiums		(7,745)
Total net position—governmental activities—statement of net position	$	(149,928)

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, 2014
(dollars in thousands)

	Major funds			Nonmajor funds	
	General fund	Capital projects fund	Grants fund	Other governmental funds	Total governmental funds
Revenues:					
Taxes	$ 365,469	22,244	—	169,774	557,487
Licenses and permits	19,279		—	6,725	26,004
Intergovernmental	21,948	5,628	57,173	3,320	88,069
Charges for services, net	32,067	396	—	17,404	49,867
Court fines and forfeitures	10,810	—	—	—	10,810
Investment income	241	129	(1)	(5)	364
Interfund services provided	3,464	—	—	—	3,464
Miscellaneous	8,587	463	—	10,534	19,584
Total revenues	461,865	28,860	57,172	207,752	755,649
Expenditures:					
Current:					
General government	65,926	—	692	18,030	84,648
Convention and tourism	119	—	—	4	123
Parks and recreation	18,777	1,283	672	5,821	26,553
Judicial	46,367	—	1,839	3,285	51,491
Streets	33,524	3,302	49	992	37,867
Public Safety:					
Fire	71,984	—	1,408	869	74,261
Police	150,918	282	2,194	22,695	176,089
Other	49,270	59	1,834	7,573	58,736
Health and welfare	3,229	—	28,906	17,072	49,207
Public services	30,519	6,398	(424)	39,718	76,211
Community development	—	—	16,930	18,308	35,238
Capital outlay	2,717	30,573	2,102	52	35,444
Debt service:					
Principal	21,493	20,011	1,060	21,752	64,316
Interest and fiscal charges	10,884	6,866	153	26,472	44,375
Total expenditures	505,727	68,774	57,415	182,643	814,559
Excess (deficiency) of revenues over expenditures	(43,862)	(39,914)	(243)	25,109	(58,910)
Other financing sources (uses):					
Sale of capital assets	—	207	—	—	207
Issuance of capital lease - rolling stock	—	16,605	—	—	16,605
Issuance of leasehold revenue bonds	—	26,000	—	—	26,000
Issuance of loan agreement	—	3,510	—	—	3,510
Issuance of development and tax increment financing notes	—	—	—	10,852	10,852
Premium on bond issuance	—	1,471	—	—	1,471
Transfers in	38,346	24,943	—	4,832	68,121
Transfers out	(16,680)	(1,873)	(2)	(40,135)	(58,690)
Total other financing (uses) sources, net	21,666	70,863	(2)	(24,451)	68,076
Net change in fund balances	(22,196)	30,949	(245)	658	9,166
Fund balances:					
Fund balance, beginning of year	54,658	26,380	(62)	81,762	162,738
Cumulative effect of change in accounting principles	3,263	473	2,823	—	6,559
Fund balance, beginning of year, adjusted	57,921	26,853	2,761	81,762	169,297
Fund balance, end of year	$ 35,725	57,802	2,516	82,420	178,463

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, 2014
(dollars in thousands)

Net change in fund balances—governmental funds statement of revenues, expenditures, and changes in fund balances	$	9,166
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		35,444
Capital contribution		1,760
Loss on disposal of capital assets		(338)
Depreciation expense		(56,451)
		(19,585)
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		601
Property taxes due in the fiscal year following the fiscal year in which they were assessed		1,243
		1,844
Internal service funds are used by management to charge the cost of risk management and mailroom services to the individual funds. The change in position of internal service funds attributable to governmental activities is reported on the statement of activities.		(944)
The City reports a net pension obligation/asset on the statement of net position to the extent actual contributions to the City's retirement plans fall below/exceed the annual required contribution. This obligation/asset is not reported in the fund financial statements. Fluctuations in net pension obligations/assets are reported in the statement of activities.		(12,944)
The City reports a net other postemployment obligation on the statement of net position to the extent actual contributions to the City's other postemployment plan falls below the annual required contribution. This obligation is not reported in the fund financial statements. The fluctuation in the net pension obligation is reported in the statement of activities.		(28,406)
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		(10,852)
Loan agreement with Forest Park Forever		(3,510)
Capital lease - rolling stock		(16,605)
Leasehold Revenue Bonds		(26,000)
Repayments during the current year:		
Annual principal payments on bonds and notes payable		53,885
Annual principal payments on joint venture financing agreement		4,241
Annual principal payments on capital lease		5,560
Annual principal payments Certificates of Participation		630
		7,349
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		(883)
Accrued interest payable		(13,853)
Unamortized discounts		(202)
Unamortized premiums		(171)
Deferred outflow of resources		(879)
		(15,988)
Change in net position—governmental activities—statement of activities	$	(59,508)

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fund Net Position
Proprietary Funds
June 30, 2014
(dollars in thousands)

	Major funds – Enterprise funds				
Assets	**Lambert – St. Louis International Airport**	**Water Division**	**Parking Division**	**Total Enterprise Funds**	**Internal Service Funds**
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	$ 48,644	3,862	2,241	54,747	—
Unrestricted cash and cash equivalents	66,461	19,962	15,064	101,487	869
Investments:					
Restricted investments	9,713	—	—	9,713	—
Unrestricted investments	—	—	—	—	59
Receivables, net of allowances:					
Intergovernmental	1,487	—	—	1,487	—
Charges for services	7,072	10,927	162	18,161	—
Insurance recovery	2,800	—	—	2,800	—
Passenger facility charges	2,430	—	—	2,430	—
Accrued interest	183	—	—	183	—
Prepaid assets	—	—	—	—	871
Due from component unit	—	—	—	—	4
Due from other funds	—	—	—	—	6,198
Advance from other funds	—	—	—	—	39,668
Inventories	2,579	2,181	—	4,760	—
Other current assets	767	—	20	787	—
Total current assets	142,136	36,932	17,487	196,555	47,669
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	14,026	2,550	—	16,576	—
Unrestricted cash and cash equivalents	—	14,485	—	14,485	—
Investments:					
Restricted investments	114,533	—	10,121	124,654	—
Unrestricted investments	29,781	—	—	29,781	—
Capital assets:					
Property, plant, and equipment	1,663,135	288,699	83,532	2,035,366	127
Less accumulated depreciation	(846,592)	(145,284)	(31,344)	(1,023,220)	(82)
	816,543	143,415	52,188	1,012,146	45
Land, infrastructure and easements	755,112	1,238	22,909	779,259	—
Construction-in-progress	60,032	4,017	—	64,049	—
Capital assets, net	1,631,687	148,670	75,097	1,855,454	45
Intangibles and other assets, net	1,689	998	475	3,162	—
Total noncurrent assets	1,791,716	166,703	85,693	2,044,112	45
Deferred outflow of resources	18,370	—	4,682	23,052	—
Total assets and deferred outflow of resources	1,952,222	203,635	107,862	2,263,719	47,714
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	15,065	5,264	112	20,441	465
Accrued salaries and other benefits	1,977	890	216	3,083	—
Accrued vacation and compensatory time benefits	3,105	1,816	184	5,105	—
Contracts and retainage payable	8,796	—	—	8,796	—
Accrued interest payable	20,152	68	117	20,337	—
Current portion of revenue bonds	37,560	4,019	2,586	44,165	—
Due to other funds	6,460	4,950	1,200	12,610	941
Due to other government agencies	—	—	48	48	—
Claims payable	—	—	—	—	45,825
Unearned revenue and other deposits	1,579	1,860	1,637	5,076	—
Total current liabilities	94,694	18,867	6,100	119,661	47,231
Noncurrent liabilities:					
Revenue bonds payable, net	761,351	741	67,453	829,545	—
Customer deposits	—	1,800	—	1,800	—
Other liabilities	14,289	5,944	1,672	21,905	—
Total noncurrent liabilities	775,640	8,485	69,125	853,250	—
Total liabilities	870,334	27,352	75,225	972,911	47,231
Net Position					
Net investments in capital assets	884,818	143,910	5,059	1,033,787	45
Restricted:					
Debt service	96,937	4,612	12,362	113,911	—
Capital projects	3,340	—	—	3,340	—
Passenger facility charges	30,919	—	—	30,919	—
Unrestricted	65,874	27,761	15,216	108,851	438
Total net position	$ 1,081,888	176,283	32,637	1,290,808	483

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, 2014
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Aviation revenues	$ 92,366	—	—	92,366	—
Concessions	25,538	—	—	25,538	—
Water sales	—	52,496	—	52,496	—
Lease revenue	4,740	—	—	4,740	—
Parking, net	18,885	—	15,153	34,038	—
Charges for services	—	—	—	—	53,296
Intergovernmental revenue	—	—	—	—	—
Miscellaneous	—	3,321	641	3,962	—
Total operating revenues	141,529	55,817	15,794	213,140	53,296
Operating expenses:					
Claims incurred	—	—	—	—	33,183
Premiums	—	—	—	—	1,118
Personnel services	39,226	16,474	5,187	60,887	292
Material and supplies	7,290	7,285	177	14,752	4,862
Purchased power	—	3,050	—	3,050	—
Contractual services	36,380	6,520	1,366	44,266	—
Miscellaneous	71	7,572	1,208	8,851	—
Depreciation	50,269	5,242	2,655	58,166	2
Interfund services used	3,557	3,472	142	7,171	—
Total operating expenses	136,793	49,615	10,735	197,143	39,457
Operating income	4,736	6,202	5,059	15,997	13,839
Nonoperating revenues (expenses):					
Intergovernmental revenue	706	—	—	706	—
Investment income (expense)	1,569	58	191	1,818	—
Interest expense	(38,265)	(502)	(3,308)	(42,075)	—
Passenger facility charges	24,111	—	—	24,111	—
Loss on disposal of capital assets	—	(67)	—	(67)	12
Miscellaneous, net	287	830	10	1,127	—
Total nonoperating revenues (expenses), net	(11,592)	319	(3,107)	(14,380)	12
Income (loss) before transfers, extraordinary items, and capital contributions, net	(6,856)	6,521	1,952	1,617	13,851
Transfers in	—	—	932	932	—
Transfers out	(6,328)	(3,255)	(780)	(10,363)	—
Extraordinary item - settlement proceeds	4,872	—	—	4,872	
Extraordinary item - natural disaster	2,730	—	—	2,730	—
Capital contributions	16,318	408	—	16,726	—
Total transfers, extraordinary items, and capital contributions, net	17,592	(2,847)	152	14,897	—
Change in net position	10,736	3,674	2,104	16,514	13,851
Net position—beginning of year	1,084,135	172,609	31,711	1,288,455	1,427
Cumulative effect of change in accounting principle	(12,983)	—	(1,178)	(14,161)	(14,795)
Net position—beginning of year—as adjusted	1,071,152	172,609	30,533	1,274,294	(13,368)
Net position—end of year	$ 1,081,888	176,283	32,637	1,290,808	483

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2014
(dollars in thousands)

	Major funds – Enterprise funds				
	Lambert – St. Louis International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	$ 142,343	54,106	15,235	211,684	—
Other operating cash receipts	—	—	260	260	—
Payments to suppliers of goods and services	(38,664)	(22,068)	(2,739)	(63,471)	(33,949)
Payments to employees	(39,536)	(16,408)	(5,158)	(61,102)	(292)
Payments for interfund services used	(2,563)	(3,283)	—	(5,846)	31,574
Net cash provided by operating activities	61,580	12,347	7,598	81,525	(2,667)
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(256)	—	(256)	—
Transfers from the State of Missouri	—	—	10	10	
Transfers from other funds	—	—	932	932	—
Transfers to other funds	(6,328)	(3,217)	(780)	(10,325)	—
Net cash provided by (used in) noncapital financing activities	(6,328)	(3,473)	162	(9,639)	—
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	25,319	—	—	25,319	
Receipts from federal financing assistance	15,659		—	15,659	—
Acquisition and construction of capital assets	(42,184)	(6,483)	(50)	(48,717)	—
Insurance recoveries	2,730	—	.	2,730	—
Proceeds from sale of surplus property	287		—	287	—
Proceeds from issuance of bond	—	—	1,500	1,500	—
Principal paid on revenue bond maturities	(30,465)	(3,765)	(2,348)	(36,578)	—
Cash paid for interest	(40,357)		(3,004)	(43,361)	—
Other capital and financing activities	—	1,817	—	1,817	—
Net cash used in capital and related financing activities	(69,011)	(8,431)	(3,902)	(81,344)	—
Cash flows from investing activities:					
Purchase of investments	(321,678)	—	(18,338)	(340,016)	58
Proceeds from sales and maturities of investments	358,624	—	13,091	371,715	—
Interest expense on cash and investments	—	58	—	58	—
Investment income	2,491	—	183	2,674	—
Net cash provided by (used in) investing activities	39,437	58	(5,064)	34,431	58
Net increase (decrease) in cash and cash equivalents	25,678	501	(1,206)	24,973	(2,609)
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	49,555	33,756	10,966	94,277	3,478
Restricted	53,898	6,602	7,545	68,045	—
	103,453	40,358	18,511	162,322	3,478
End of year:					
Unrestricted	66,461	34,447	15,064	115,972	869
Restricted	62,670	6,412	2,241	71,323	—
	$ 129,131	40,859	17,305	187,295	869
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 4,736	6,202	5,058	15,996	13,839
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	50,269	5,243	2,655	58,167	2
Changes in assets and liabilities:					
Receivables, net	304	(998)	(224)	(918)	1,006
Inventories	(334)	51	—	(283)	—
Prepaid assets	—	—	—	—	(821)
Other assets, net	(209)	—	20	(189)	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	5,429	1,080	(370)	6,139	178
Claims payable	—	—	—	—	4,926
Unearned revenue and other deposits	862	(98)	(75)	689	—
Due to/from other funds	1,096	1,002	560	2,658	73
Advance to other funds	—	—	—	—	(21,870)
Customer deposits	—	(54)	—	(54)	—
Other long term liabilities	(573)	(81)	(26)	(680)	—
Total adjustments	56,844	6,145	2,540	65,529	(16,506)
Net cash provided by operating activities	$ 61,580	12,347	7,598	81,525	(2,667)
Supplemental disclosure for noncash activities:					
Unrealized (loss) gain on investments	$ (1,019)	67	38	(914)	—
Stock received for bankruptcy settlement	4,682	—	—	4,682	—

See accompanying notes to basic financial statements.

City of St. Louis, Missouri
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014
(dollars in thousands)

		Pension Trust Funds (as of September 30, 2013*)	Agency Funds
Assets			
Cash and cash equivalents - unrestricted	$	13,402	24,285
Cash and cash equivalents - restricted		—	1,762
Investments - unrestricted		—	245
Pension trust investments:			
Bonds		160,328	—
Domestic bond funds		74,875	—
Stocks		565,150	—
Mortgage-backed securities		16,603	—
Collective investment funds		486,588	—
Real estate equities and investment trust		152,705	—
Investment property		1,184	—
Hedge funds		141,437	—
Money market mutual funds and other short-term investments		63,850	—
Managed master limited partnership		57,234	—
Managed international equity funds		180,024	—
Total investments		1,899,978	—
Securities lending collateral		3,582	—
Receivables, net of allowances:			
Taxes		—	23,805
Contributions		25,514	—
Accrued interest		2,208	—
Due from Firemen's Retirement System		54	—
Other		955	1,522
Capital assets, net		1,087	—
Total assets		1,946,780	51,619
Liabilities			
Accounts payable and accrued liabilities		2,227	3,904
Deposits held for others		963	14,869
Due to Firefighter's Retirement Plan		54	—
Due to other governmental agencies		—	32,846
Securities lending collateral liability		3,582	—
Other liabilities		2,678	—
Total liabilities		9,504	51,619
Deferred inflows of resources			
Payable under forward foreign currency exchange contracts		500	—
Total deferred inflows of resources		500	—
Total liabilities and deferred inflows of resources		10,004	51,619
Net position			
Net position held in trust for pension benefits	$	1,936,776	—

*See notes 11 and 29.
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, 2014
(dollars in thousands)

		Pension Trust Funds (as of September 30, 2013*)
Additions:		
Contributions:		
Members	$	7,104
Employer		88,227
Investment income:		
Interest and dividends		28,779
Net appreciation in fair value of investments		208,479
Investment income		237,258
Less investment expense		(8,354)
Net investment income		228,904
Total additions		324,235
Deductions:		
Benefits		145,364
Refunds of contributions		6,859
Administrative expense		3,397
Total deductions		155,620
Net increase		168,615
Net position held in trust for pension benefits:		
Beginning of year		1,768,161
End of year	$	1,936,776

*See notes 11 and 29.
See accompanying notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of St. Louis, Missouri (the City) is a constitutional charter city not a part of any county, which is organized and exists under and pursuant to the constitution and laws of the State of Missouri (the State). The City's current form of government is provided for in its charter, which first became effective in 1914 and has been subsequently amended by City voters. The City provides a wide range of municipal services as follows: fire, 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.

On September 1, 2013, as documented in Ordinance #69489, the City accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the Board of Police Commissioners for the Metropolitan Police Department of the City of St. Louis, Missouri (SLPD). Thus, beginning with fiscal year 2014, the SLPD is no longer a discretely presented component unit of the City. The impact of Ordinance #69489, constituted a government merger in which no significant consideration was exchanged. Effective July 1, 2013, the City implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* (see note 2).

1) Blended Component Units

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

Public Facilities Protection Corporation (PFPC)

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

St. Louis Municipal Finance Corporation (SLMFC)

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

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

Grand Center Municipal Parking Finance Corporation (MPFC)

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

2) Discretely Presented Component Units

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

St. Louis Development Corporation (SLDC)

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

Solid Waste Management and Development Corporation (SWMDC)

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

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

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

3) Related Organizations

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

4) Joint Venture

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

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

5) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2013, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see note 11).

Government-wide and Fund Financial Statements

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

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

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

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

1) Governmental Fund Types

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

The following are the City's governmental major funds:

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

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

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

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

2) Proprietary Fund Types

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

The following are the City's proprietary fund types:

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

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

In the government-wide and proprietary fund financial statements, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as the following private-sector pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

3) Fiduciary Fund Types

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

Measurement Focus and Basis of Accounting

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

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

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

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

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as city earnings and payroll taxes, sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unearned revenues until the period of the exchange.

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

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

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

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

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

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 2013 was $1.6092 per $100 (in dollars) of assessed valuation of which $1.4672 (in dollars) is for the general fund and $0.142 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

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

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

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

Inventories

Purchase of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. For the enterprise fund type, inventories are recorded at cost using a method that approximates the first-in, first-out method or the moving average cost method, and the expense is recognized when inventories are consumed in operations.

Capital Assets

1) Governmental Activities Capital Assets

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

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 2001 consist of the road network and other infrastructure assets that were acquired or that received substantial improvements subsequent to June 30, 1980 and are reported at estimated historical cost using deflated replacement cost. The 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.

(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. 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) <u>Business-type Activities Capital Assets</u>

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

3) <u>Airport</u>

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

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

(dollars in thousands)

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.

5) Parking Division

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

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

Non-depreciable assets include land and infrastructure.

6) Mailroom

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

(dollars in thousands)

7) Component Unit—SLDC

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

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

8) Component Unit—SWMDC

Capital assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives to the depreciable capital assets. The estimated useful lives of infrastructure is 30 to 40 years.

Long-term Liabilities

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

Passenger Facility Charges (PFCs)

The Airport collects a $4.50 (in dollars) facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an $0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2014 were $2,430. This amount was collected during July and August 2014.

Capital Contributions

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

Capitalization of Interest

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

Bond Premiums, Discounts, and Issuance Costs

In government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts are recorded as a reduction of the debt obligation and bond premiums are recorded as an addition to the debt obligation. Such amounts are amortized using the interest method or bonds-outstanding method over the term of the related revenue bonds. Bond issuance costs were treated the same but have been revised in accordance with GASB No. 65, which states that these costs should be recognized as an outflow of resources and expensed rather than amortized. Fiscal year 2014 has been adjusted to reflect the cumulative effect of this change in accounting principle. The difference between the carrying value of defeased debt and the offsetting new debt has been reclassified as a deferred outflow of resources and is amortized as a component of interest expense over the remaining life of the bonds using the bonds-outstanding method.

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

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, 2014.

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

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

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

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

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

Interfund Transactions

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

1) Transfers

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

2) Interfund Services Provided/Used

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

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

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

Fund Balance Designation

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

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

- Nonspendable: This consists of resources not in spendable form or are legally or contractually required to remain intact.
- Restricted: This consists of amounts that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- Committed: This consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance which can only be modified or rescinded by a subsequent formal action.
- Assigned: This consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned balances are a result of the Board of Estimate and Apportionment approval and authorization of projects or actions prior to July 1, 2014.
- Unassigned: This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned.

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

Net Position

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

1) Net Investment in Capital Assets

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

2) Restricted

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

3) Unrestricted

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

Statement of Cash Flows

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

Use of Estimates

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

Individual Fund Deficit

At June 30, 2014, the licensed gaming program – nonmajor governmental fund has a deficit fund balance of $10. This amount will be offset by future taxes.

Implementation of New Accounting Standards

Effective for fiscal year 2014, the City Adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which intends to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reports. In adopting this standard, the City recognized the cumulative effect of a change in accounting principle in the amounts of ($16,643) and ($14,161), for governmental activities and business-type activities, respectively. Future bond issue costs will be included in interest and fiscal charges when incurred. The City also changed the classification of the difference between the carrying value of defeased debt and the offsetting new debt to a deferred outflow of resources from long-term liabilities. The City also reported deferred inflows of resources for imposed nonexchange revenue transactions since taxes that are levied during the current fiscal year's use is not permitted until the following fiscal year. The Statement also limited the use of the term deferred to deferred outflow of resources and deferred inflow of resources.

Effective for fiscal year 2014, the City adopted GASB Statement No. 66, *Technical Corrections- 2012*, which intends to improve financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Adoption of GASB Statement No. 66 had no effect on the City's financial statements.

Effective for fiscal year 2014, the City implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operation*. See note 2. In adopting this standard, the City recognized the cumulative effect of a change in accounting principle of ($112,876) in the government-wide statement of activities, $6,559 in the governmental funds statement of revenues, expenditures, and changes in fund balances, and ($14,795) in the internal service fund – proprietary funds statement of revenues, expenditures, and changes in fund net position.

Effective for fiscal year 2014, the City adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which intends to improve financial reporting by state and local governments that extend and receive non exchange financial guarantees. Adoption of GASB Statement No. 70 had no effect on the City's financial statements.

In fiscal year 2015, the City will adopt GASB Statement No. 67, *Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25*, which intends to improve financial reporting by state and local governmental pension plans. Also, in fiscal year 2015, the Firemen's System, the Firefighter's Plan, the Police System, and the Employees' System will adopt GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment to GASB Statement No. 27*, which enhances accounting and financial reporting by state and local governments for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City has determined adoption will have a significant impact on its financial statements when implemented.

Reclassifications

Certain 2013 amounts within the accompanying notes have been reclassified to conform with the fiscal year 2014 presentation.

2. GASB STATEMENT NO. 69 AND THE IMPACT ON REPORTING ENTITY

Effective July 1, 2013, the City implemented GASB 69, *Government Combinations and Disposals of Government Operations* (GASB Statement No. 69). Beginning with fiscal year 2014, the SLPD is no longer a discretely presented component unit of the City. The impact of Ordinance #69489, constituted a government merger in which no significant consideration was exchanged. With the implementation of GASB Statement No. 69, the SLPD was absorbed into the Primary Government, and the Primary Government continued to provide police services to the City of St. Louis. The merger date for the purpose of GASB Statement No. 69 implementation was July 1, 2013, even though Ordinance #69489 didn't pass until September 1, 2013. The primary reason for the change was due to cost saving measures.

(dollars in thousands)

The Primary Government recognized the assets and liabilities of SLPD as of July 1, 2013 at the carrying value, except as adjusted. Adjustments to previously reported amounts were made to align the methods of accounting principles between the Primary Government and the SLPD. Additionally, certain transactions between the Primary Government and SLPD have been eliminated. Specifically, all receivables and payables between the Primary Government and SLPD have been eliminated, but the effect of interfund services provided and used were not.

The following Tables I - VIII illustrate how the SLPD was merged into the Primary government. Tables I and II illustrate how activities of the SLPD were split between Primary government activities and funds. Tables III - VIII illustrate Primary government adjusted balances for June 30, 2013.

Table I:

The governmental activities of the SLPD as of June 30, 2013 were allocated between the Primary government – governmental activities and the Primary government – Internal service funds as follows:

Assets	SLPD Statement of Net Position Governmental activities Total*	Portion of SLPD allocated to Primary government Governmental activities	Portion of SLPD allocated to Primary government Internal service funds
Cash and cash equivalents	$ 893	$ 893	$ –
Receivables, net	1,289	1,289	–
Inventories	1,390	1,390	–
Restricted assets	2,850	2,850	–
Other assets	852	852	–
Receivable from primary government	9,902	9,902	–
Capital assets, net:			
Nondepreciable	6,663	6,663	–
Depreciable	26,687	26,687	–
Total assets	50,526	50,526	–
Liabilities			
Accounts payable and accrued liabilities	1,023	1,023	–
Accrued salaries and other benefits	5,717	5,717	–
Unearned revenue	1,475	1,475	–
Payable to primary government	1,844	1,844	–
Long-term liabilities:			
Due within one year	20,451	16,973	3,478
Due in more than one year	147,687	136,370	11,317
Total liabilities	178,197	163,402	14,795
Net Position			
Net investments in capital assets	33,350	33,350	–
Restricted:			
Statutory restrictions	2,857	2,857	–
Unrestricted (deficit)	(163,878)	(149,083)	(14,795)
Total net position	$ (127,671)	$ (112,876)	$ (14,795)

* per audited June 30, 2013 basic financial statements

(dollars in thousands)

Table II:

The SLPD Governmental funds – Other governmental funds – nonmajor fund as of June 30, 2013 was allocated between the Primary government – general fund – major fund and the Primary government – grants fund – major fund as follows:

Assets	SLPD Governmental funds Non-major fund - Other governmental funds*	Portion of SLPD allocated to Primary government General Fund	Portion of SLPD allocated to Primary government Grants Fund
Receivables, net	$ 1,090	$ 323	$ 767
Prepaid asset	7	—	7
Due from Treasurer - City of St. Louis	165	155	10
Due from other funds	1	—	1
Total assets	1,263	478	785
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	39	1	38
Accrued salaries and other benefits	241	139	102
Due to Treasurer - City of St. Louis	948	303	645
Total liabilities	1,228	443	785
Fund balances:			
Nonspendable	7	7	—
Unassigned	28	28	—
Total fund balances	**35**	**35**	—
Total liabilities and fund balances	$ 1,263	$ 478	$ 785

* per audited June 30, 2013 basic financial statements

Note: Activities of the SLPD other governmental funds - non-major fund were split between general fund government-type activities and special revenue fund activities for the purpose of GASB No. 69 implementation.

(dollars in thousands)

Table III:

The Primary government – governmental activities adjusted balances as of June 30, 2013, consisted of the Primary government original June 30, 2013 balances, and a portion of the SLPD governmental activities as presented in Table I, and any adjustments as follows:

	Primary government*	SLPD*		Adjustments***		Primary government Governmental activities, as adjusted
	Statement of Net Position Governmental activities					
Assets			Total	Debit	Credit	Total
Cash and cash equivalents	$ 75,567	$ 893	$ 76,460	$ —	$ —	$ 76,460
Investments	7,961	—	7,961	—	—	7,961
Receivables, net	157,004	1,289	158,293	—	—	158,293
Inventories	—	1,390	1,390	—	—	1,390
Restricted assets	66,465	2,850	69,315	—	—	69,315
Deferred charges	16,643	—	16,643	—	—	16,643
Internal balances	9,908	—	9,908	—	—	9,908
Other assets	50	852	902	—	—	902
Receivable from primary government	—	9,902	9,902	—	9,902	—
Receivable from component unit	1,844	—	1,844	—	—	1,844
Net pension asset	42,327	—	42,327	—	—	42,327
Capital assets, net:						
Nondepreciable	113,236	6,663	119,899	—	—	119,899
Depreciable	736,821	26,687	763,508	—	—	763,508
Total assets	1,227,826	50,526	1,278,352	—	9,902	1,268,450
Liabilities						
Accounts payable and accrued liabilities	14,295	1,023	15,318	—	—	15,318
Accrued salaries and other benefits	10,824	5,717	16,541	—	—	16,541
Accrued interest payable	94,473	—	94,473	—	—	94,473
Unearned revenue	2,603	1,475	4,078	—	—	4,078
Other liabilities	1,249	—	1,249	—	—	1,249
Payable to primary government	—	1,844	1,844	—	—	1,844
Payable to component units	10,653	—	10,653	9,902	—	751
Payable to other government agencies	4	—	4	—	—	4
Long-term liabilities:						
Due within one year	84,963	16,973	101,936	—	—	101,936
Due in more than one year	969,663	136,370	1,106,033	—	—	1,106,033
Total liabilities	1,188,727	163,402	1,352,129	9,902	—	1,342,227
Net Position						
Net investments in capital assets	502,818	33,350	536,168	—	—	536,168
Restricted:						
Statutory restrictions	30,799	2,857	33,656	—	—	33,656
Unrestricted (deficit)	(494,518)	(149,083)	(643,601)	—	—	(643,601)
Total net position	$ 39,099	$ (112,876)	$ (73,777)	$ —	$ —	$ (73,777)

* per audited June 30, 2013 basic financial statements.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

Table IV:

The Primary government – general fund – major fund adjusted balances as of June 30, 2013, consisted of the Primary government original June 30, 2013 balances, all of the SLPD general fund – major fund, and a portion of the SLPD other governmental funds – nonmajor fund as presented in Table II, and any adjustments as follows:

	Major funds		SLPD Non-major fund				Primary government Major fund
	Primary government	SLPD	Other governmental		Adjustments***		General fund, as adjusted
Assets	General fund*	General fund	funds**	Total	Debit	Credit	Total
Cash and cash equivalents	$ 39,455	$ 893	$ —	$ 40,348	$ —	$ —	$ 40,348
Investments	12,254	—	—	12,254	—	—	12,254
Receivables, net	96,028	199	323	96,550	—	—	96,550
Prepaid asset	—	844	—	844	—	—	844
Inventories	—	1,390	—	1,390	—	—	1,390
Due from Treasurer - City of St. Louis	—	9,737	155	9,892	—	9,892	—
Due from component unit	1,844	—	—	1,844	—	1,844	—
Due from other funds	13,518	—	—	13,518	1,634	—	15,152
Total assets	163,099	13,063	478	176,640	1,634	11,736	166,538
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	3,456	956	1	4,413	—	—	4,413
Accrued salaries and other benefits	9,093	5,476	139	14,708	—	—	14,708
Due to component units	8,440	—	—	8,440	8,440	—	—
Due to Treasurer - City of St. Louis	—	896	303	1,199	1,199	—	—
Due to other funds	4,481	1	—	4,482	—	10	4,492
Due to other governmental agencies	4	—	—	4	—	—	4
Advance to other funds	17,771	—	—	17,771	—	—	17,771
Unearned revenue	63,882	1,475	—	65,357	—	—	65,357
Other liabilities	1,314	558	—	1,872	—	—	1,872
Total liabilities	108,441	9,362	443	118,246	9,639	10	108,617
Fund balances:							
Nonspendable	—	2,234	7	2,241	—	—	2,241
Restricted	14,784	—	—	14,784	1,462	1,978	15,300
Committed	8,054	—	—	8,054	—	—	8,054
Assigned	6,043	1,467	—	7,510	989	—	6,521
Unassigned	25,777	—	28	25,805	—	—	25,805
Total fund balances	54,658	3,701	35	58,394	2,451	1,978	57,921
Total liabilities and fund balances	$ 163,099	$ 13,063	$ 478	$ 176,640	$ 12,090	$ 1,988	$ 166,538

* per audited June 30, 2013 basic financial statements.

** Activities of the SLPD other governmental funds - non-major fund were split between general fund government-type activities and special revenue fund activities for the purpose of GASB No. 69 implementation.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

Table V:

The Primary government – Capital projects fund major fund adjusted balance as of June 30, 2013, consisted of the Primary government original June 30, 2013 balances and any adjustments as follows:

	Primary government Major fund Capital projects fund*	Adjustments*** Debit	Adjustments*** Credit	Primary government Capital projects fund - Major fund - as adjusted Total
Assets				
Cash and cash equivalents:	$			
Restricted	12,764	—	—	12,764
Investments:				
Restricted	14,730	—	—	14,730
Unrestricted	1,530	—	—	1,530
Receivables, net of allowances:				
Taxes	3,019	—	—	3,019
Intergovernmental	1,925	—	—	1,925
Charges for services	32	—	—	32
Other	13	—	—	13
Total assets	$ 34,013	—	—	34,013
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 4,011	—	—	4,011
Accrued salaries and other benefits	126	—	—	126
Due to component units	1,462	1,462	—	—
Due to Treasurer - City of St. Louis	—	—	—	—
Due to other funds	1,991	—	989	2,980
Unearned revenue:				
Other revenue	43	—	—	43
Total liabilities	7,633	1,462	989	7,160
Fund balances:				
Restricted	22,027	989	1,462	22,500
Committed	28,939	—	—	28,939
Unassigned	(24,586)	—	—	(24,586)
Total fund balances	26,380	989	1,462	26,853
Total liabilities and fund balances	$ 34,013	2,451	2,451	34,013

* per audited June 30, 2013 basic financial statements.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

Table VI:

The Primary government – grant fund – major fund adjusted balance as of June 30, 2013, consisted of the Primary government – grant fund – major fund original balances, a portion of the SLPD other governmental funds – nonmajor fund as presented in Table II, all of the SLPD asset forfeiture fund – major fund and any adjustments as follows:

Assets	Primary government Major fund - Grant fund*	SLPD Non-major fund - Other governmental fund**	SLPD Major fund - Asset forfeiture fund*	Total	Adjustments*** Debit	Adjustments*** Credit	Primary government Major fund – Grant fund, as adjusted Total
Cash and cash equivalents	$ 2,816	—	2,850	5,666	—	—	5,666
Investments	324	—	—	324	—	—	324
Receivables, net	9,282	767	—	10,049	—	—	10,049
Prepaid asset	—	7	1	8	—	—	8
Inventories	—	—	—	—	—	—	—
Due from Treasurer - City of St. Louis	—	10	—	10	—	10	—
Due from component unit	—	—	—	—	—	—	—
Due from other funds	—	1	—	1	10	—	11
Total assets	12,422	785	2,851	16,058	10	10	16,058
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	5,162	38	28	5,228	—	—	5,228
Accrued salaries and other benefits	626	102	—	728	—	—	728
Due to Treasurer - City of St. Louis	—	645	—	645	644	—	1
Due to other funds	6,696	—	—	6,696	—	644	7,340
Total liabilities	12,484	785	28	13,297	644	644	13,297
Fund balances:							
Nonspendable	—	—	1	1	—	—	1
Restricted	—	—	2,822	2,822	—	—	2,822
Unassigned	(62)	—	—	(62)	—	—	(62)
Total fund balances	(62)	—	2,823	2,761	—	—	2,761
Total liabilities and fund balances	$ 12,422	$ 785	$ 2,851	$ 16,058	$ 644	$ 644	$ 16,058

* per audited June 30, 2013 basic financial statements.

** Activities of the SLPD other governmental funds - nonmajor fund were split between general fund government-type activities and special revenue fund activities for the purpose of GASB No. 69 implementation.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

Table VII:

The Primary government internal service fund - aggregate remaining fund adjusted balance as of June 30, 2013, consisted of the Primary government internal service fund - aggregate remaining fund original balances, a portion of the SLPD government-wide activities as presented in Table I, and any adjustments as follows:

Assets		Primary government Internal service fund - Aggregate remaining fund*	SLPD Government Wide**	Total	Adjustments*** Debit	Adjustments*** Credit	Primary government Internal service fund - Aggregate remaining fund - as adjusted Total
Current assets:							
Cash and cash equivalents:							
Unrestricted cash and cash equivalents	$	3,478	—	3,478	—	—	3,478
Investments:							
Unrestricted investments		117	—	117	—	—	117
Receivables, net of allowances:							
Intergovernmental		1,000	—	1,000	—	—	1,000
Charges for services		10	—	10	—	—	10
Prepaid assets		50	—	50	—	—	50
Due from other funds		5,354	—	5,354	—	—	5,354
Advance from other funds		17,771	—	17,771	—	—	17,771
Total current assets		27,780	—	27,780	—	—	27,780
Noncurrent assets:							
Capital assets:							
Property, plant, and equipment		112	—	112	—	—	112
Less accumulated depreciation		(74)	—	(74)	—	—	(74)
Total noncurrent assets		38	—	38	—	—	38
Total assets		27,818	—	27,818	—	—	27,818
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities		287	—	287	—	—	287
Claims payable		26,104	14,795	40,899	—	—	40,899
Total current liabilities		26,391	14,795	41,186	—	—	41,186
Total liabilities		26,391	14,795	41,186	—	—	41,186
Net Position							
Net investments in capital assets		39	—	39	—	—	39
Unrestricted		1,388	(14,795)	(13,407)	—	—	(13,407)
Total net position	$	1,427	(14,795)	(13,368)	—	—	(13,368)

* per audited June 30, 2013 basic financial statements.

** Activities of the SLPD - government-wide statements were split between government-wide statements and internal service fund activities for the purpose of GASB No. 69 implementation.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

Table VIII:

The Primary government fiduciary fund – agency funds adjusted balance as of June 30, 2013, consisted of the Primary government fiduciary fund – agency funds original balance, all of the SLPD agency fund, and any adjustments as follows:

		Primary government Agency funds*	SLPD Agency funds*	Total	Adjustments*** Debit	Adjustments*** Credit	Primary government Fiduciary fund - Agency funds, as adjusted Total
Assets							
Cash and cash equivalents - unrestricted	$	23,906	1,591	25,497	—	—	25,497
Cash and cash equivalents - restricted		1,729	—	1,729	—	—	1,729
Investments - unrestricted		—	2,350	2,350	—	—	2,350
Receivables, net of allowances:							—
Taxes		21,498	—	21,498	—	—	21,498
Other		1,295	—	1,295	—	—	1,295
Total assets		48,428	3,941	52,369	—	—	52,369
Liabilities							
Accounts payable and accrued liabilities		1,565	—	1,565	—	—	1,565
Deposits held for others		17,569	190	17,759	—	—	17,759
Due to other governmental agencies		29,294	3,751	33,045	—	—	33,045
Total liabilities		48,428	3,941	52,369	—	—	52,369

* per audited June 30, 2013 basic financial statements.

*** Per GASB No. 69 adjustments are made to align methods of accounting and to eliminate certain transactions between the Primary government and SLPD.

(dollars in thousands)

3. DEPOSITS AND INVESTMENTS

a. Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2014:

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

	Cash and Cash and Equivalents	Investments	Restricted Cash	Restricted Investments	Total
Government-wide statement of net position	$ 189,371	35,111	89,847	209,775	524,104
Fiduciary statement of fiduciary net position —agency funds	24,285	245	1,762	—	26,292
Total primary government excluding pension trust funds	213,656	35,356	91,609	209,775	550,396
Fiduciary statement of fiduciary net position —pension trust funds:					
Firemen's System	4,242	470,886	—	—	475,128
Firefighter's Plan	1,505	—	—	—	1,505
Police System	7,367	699,724	—	—	707,091
Employees' System	288	729,368	—	—	729,656
Total pension trust funds	13,402	1,899,978	—	—	1,913,380
Total primary government	$ 227,058	1,935,334	91,609	209,775	2,463,776

1) Primary Government Excluding Pension Trust Funds

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

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

(dollars in thousands)

As of June 30, 2014, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	$	37,772
Federal Home Loan Mortgage Corp.		42,619
Federal Home Loan Bank		99,865
Federal National Mortgage Pool		2,511
United States Treasuries		60,513
Government Backed Trusts		1,048
Commercial Paper		30,354
Money Market Mutual Funds		63,149
Certificates of Deposit		805
Other Cash Deposits		211,760
	$	550,396

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).

Interest Rate Risk

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

(dollars in thousands)

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2014:

		Investment Maturities (in years)			
	Fair Value	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Federal National Mortgage Association	$ 37,772	19,433	18,339	—	—
Federal Home Loan Mortgage Corp.	42,619	31,731	10,888	—	—
Federal Home Loan Bank	99,865	39,301	60,564	—	—
Federal National Mortgage Pool	2,511	2,511	—	—	—
United States Treasuries	60,513	2,616	57,897	—	—
Government Backed Trusts	1,048	1,048	—	—	—
Commercial Paper	30,354	30,354	—	—	—
Money Market Mutual Funds	63,149	63,149	—	—	—
	$ 337,831	190,143	147,688	—	—

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, 2014:

	Fair Value	**AAA**	**A-1+**	**AA+**	**A-1**	**Not Rated**
Federal National Mortgage Association	$ 37,772	—	16,192	21,580	—	—
Federal Home Loan Mortgage Corp.	42,619	—	—	35,296	—	7,323
Federal Home Loan Bank	99,865	—	7,239	92,127	—	499
Federal National Mortgage Pool	2,511	—	—	—	—	2,511
United States Treasuries*	60,513	—	—	—	—	60,513
Government Backed Trusts	1,048	—	—	1,048	—	—
Commercial Paper	30,354	—	9,827	—	20,527	—
Money Market Mutual Funds	63,149	63,149	—	—	—	—
	$ 337,831	63,149	33,258	150,051	20,527	70,846

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

Custodial Credit Risk

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

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

At June 30, 2014, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: $16,767 of Federal National Mortgage Association securities, $5,910 of Federal Home Loan Mortgage Corporation securities, and $36,525 Federal Home Loan Bank securities. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

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.

(dollars in thousands)

At June 30, 2014, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	6.86%
Federal Home Loan Mortgage Corp.	7.74
Federal Home Loan Bank	18.15
Federal National Mortgage Pool	0.46
United States Treasuries	10.99
Government Backed Trusts	0.19
Commercial Paper	5.52
Money Market Mutual Funds	11.47
Certificates of Deposit	0.15
Other Cash Deposits	38.47
	100.00%

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

As of September 30, 2013, the Firemen's System had the following cash deposits and investments:

Common stock	$ 209,251
Collective investment—equity	54,143
Limited partnership units	24,740
Hedge funds—equity	40,889
Collective investment—bonds	64,650
Corporate Bonds	19,268
Real estate investment trust	52,613
Money market funds	5,332
Other cash deposits	4,242
	$ 475,128

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

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

(dollars in thousands)

The following schedule provides a summary of the 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, 2013:

			Investment maturities (in years)			
		Fair value	**Less than 1**	**1-5**	**6-10**	**More than 10**
Collective investment – bonds	$	64,650	711	23,235	32,297	8,407
Corporate bonds		19,268	340	4,098	14,747	83
	$	83,918	1,051	27,333	47,044	8,490

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, 2013:

Credit Rating Level		**Total**	**Collective investment**	**Corporate Bonds**
AAA	$	33,391	33,391	—
AA		4,857	4,857	—
A		11,776	11,776	—
BBB		12,440	12,324	116
BB		6,348	493	5,855
B		11,993	259	11,734
Not Rated		3,113	1,550	1,563
	$	83,918	64,650	19,268

(dollars in thousands)

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen's System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Firemen's System's current level of foreign currency exposure as of September 30, 2013:

	Money market	Equities	Fixed income	Hedge fund	Real estate investment trust	Total
Australian Dollar	$ —	2,168	—	—	—	2,168
British Pound Sterling	—	12,584	—	—	—	12,584
Canadian Dollar	—	1,011	—	—	—	1,011
Danish Krone	—	1,605	—	—	—	1,605
Euro	—	25,285	—	—	—	25,285
Hong Kong Dollar	—	1,805	—	—	—	1,805
Japanese Yen	—	6,971	—	—	—	6,971
Singapore Dollar	—	924	—	—	—	924
South Korean Won	—	1,297	—	—	—	1,297
Swedish Krona	—	902	—	—	—	902
Swiss Franc	—	7,630	—	—	—	7,630
Total foreign currency	—	62,182	—	—	—	62,182
U.S. Dollar	5,332	225,952	83,918	40,889	52,613	408,704
Total	$ 5,332	288,134	83,918	40,889	52,613	470,886

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

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

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.

(dollars in thousands)

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

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

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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2013 are as follows:

Aberdeen Core Plus Fixed Income Portfolio	$	56,755
The Principal US Property Account		52,613
Acadian International Small Cap Fund		27,299
Brandes Investment Trust Emerging Markets Fund		26,843

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession—but not title—of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2013,

(dollars in thousands)

$54,888 in loans were outstanding to borrowers. The Firemen's System earned income of $205 for its participation in the securities lending program for the year ended September 30, 2013.

2) Primary Government—Pension Trust Fund—Firefighter's Plan

As of September 30, 2013, the Firefighter's Plan had the following cash deposits:

Other cash deposits	$	1,505

3) Primary Government—Pension Trust Fund—Police System

As of September 30, 2013, the Police System had the following cash deposits and investments:

Equities:		
Common stock	$	144,234
Collective investment funds		275,080
Real estate securities fund		26,552
Mortgaged-backed securities-government		3,716
Mortgaged-backed securities-non-government		12,887
Fixed income collective investment fund		92,715
Corporate bonds		45,401
Hedge funds		28,173
Government securities		14,600
Short-term notes		3,700
Money market funds		45,626
Investment property		1,184
Partnership interest		5,856
Other cash deposits		7,367
	$	707,091

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

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

(dollars in thousands)

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, 2013:

	Fair Value	Investment maturities (in years) Less than 1	1 – 5	6 – 10	More than 10
Mortgaged-backed securities – government	$ 3,716	1	538	47	3,130
Mortgaged-backed securities – nongovenment	12,887	—	2,423	918	9,546
Collective investment funds	92,715	17,606	43,763	21,695	9,651
Corporate bonds	45,401	2,422	28,879	13,142	958
Government Securities	14,600	—	7,507	7,027	66
Short-term notes	3,700	3,700	—	—	—
	$ 173,019	23,729	83,110	42,829	23,351

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, 2013:

Credit rating level	Total	Government mortgage-backed securities	Nongovernment mortgage-backed securities	Collective investment funds	Corporate bonds	Government securities	Short-term notes
AAA	$ 57,981	3,716	2,476	44,121	845	3,123	3,700
AA	29,995	—	1,203	12,296	6,333	10,163	—
A	71,794	—	4,708	36,298	30,624	164	—
BBB	6,365	—	—	—	6,365	—	—
BB	123	—	123	—	—	—	—
CCC	895	—	895	—	—	—	—
CC	225	—	225	—	—	—	—
Not Rated	5,641	—	3,257	—	1,234	1,150	—
	$ 173,019	3,716	12,887	92,715	45,401	14,600	3,700

(dollars in thousands)

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Police System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Police System's current level of foreign currency exposure as of September 30, 2013:

	Equities	Fixed Income	Money Market	Hedge Funds of Funds	Investment Property and Partnership	Total
Australian Dollar	$ —	497	—	—	—	497
British Pound Sterling	1,746	1,126	—	—	—	2,872
Canadian Dollar	1,775	2,503	—	—	—	4,278
Euro	912	2,614	—	—	—	3,526
Indian Rupee	658	—	—	—	—	658
Israeli Shekel	166	—	—	—	—	166
Japanese Yen	—	286	—	—	—	286
Swiss Franc	1,129	721	—	—	—	1,850
Total foreign currency	6,386	7,747	—	—	—	14,133
U.S. Dollar	439,480	165,272	45,626	28,173	7,040	685,591
Total	$ 445,866	173,019	45,626	28,173	7,040	699,724

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.

(dollars in thousands)

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

Asset class as a percent of total assets

Asset class	Minimum	Target mix	Maximum
Fixed income	25%	28%	31%
Domestic Equities:			
Large Cap	17	21	25
Small Cap	4	5	6
Foreign equities:			
Non-U.S. developing markets	20	26	32
Emerging markets	4	7	10
Non-Directional Hedge Funds of Funds	3	4	5
Real Estate Equities	3	4	5
Private equity	—	4	8
Other	—	1	5

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

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

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

Collective funds:	
Trilogy International Group Trust I	92,639
J.P. Morgan CB Emerging Market Equity Focused Fund	43,255
Wellington Trust Company International Opportunities Fund	87,653
MFB Daily S&P 500 Equity Index Fund	51,533

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession—but not title—of the security to the borrower. Collateral consisting of cash, letter of credit, or government securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. Outstanding loans to borrowers at September 30, 2013 were $54,225. The Police System earned income of $229 for its participation in the securities lending program for the year ended September 30, 2013.

(dollars in thousands)

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

As of September 30, 2013, the Employees' System had the following cash deposits and investments:

Common stocks	$	186,925
Managed international equity funds		180,024
Managed master limited partnerships		51,378
Bonds		81,059
Domestic bond funds		74,875
Real estate funds		73,540
Temporary cash investments		9,192
Managed hedge fund of funds		72,375
Other cash deposits		288
	$	729,656

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.

(dollars in thousands)

Foreign Currency Risk

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

		Short-term	Debt	Total
British Pound	$	31	1,832	1,863
Brazilian Real		16	328	344
Australian Dollar		26	1,235	1,261
Canadian Dollar		14	843	857
Euros		153	7,125	7,278
Japanese Yen		55	3,845	3,900
Total	$	295	15,208	15,503

Credit Risk of Debt Securities

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

Quality rating		
Aaa/U.S. Governments	$	87,375
Aa		11,294
A		20,825
Baa		20,729
Below Baa		17,290
Not Rated		724
Total	$	158,237

All temporary cash investments held by the Employees' Retirement System at September 30, 2013 were unrated.

(dollars in thousands)

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	$ 29,858	5.71 years
Allegiant (PNC)	53,504	5.24 years
SSGA	31,712	5.49 years
Loomis	24,127	5.30 years
Vanguard	19,036	7.97 years
	$ 158,237	

The Employees' System participates in a securities lending program administered by a financial institution. Brokers who borrow the securities provide collateral, usually in the form of cash valued at 102% for domestic securities loaned, resulting in no credit risk for the system. At September 30, 2013, the term to maturity of the securities on loan is matched with the term to maturity of the investment of the cash collateral. These loans can be terminated on demand by either the lender or borrower. The Employees' System cannot pledge or sell non-cash collateral unless the borrower defaults. As of September 30, 2013, the Employees' System has lending arrangements outstanding with a market value for securities lent of $3,503.

(dollars in thousands)

Concentration of Credit Risk

At September 30, 2013, the Employees' System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent five percent or more of total investments to the Employees' System:

Acadian Asset Management		
Emerging Market Fund	$	47,109
CastleArk Management		
U.S. Large Cap Growth Equity		37,531
INTECH Investment Management		
U.S. Large Cap Core Equity		71,649
LSV Asset Management		
U.S. Large Cap Value Equity		37,648
PNC Capital Advisors		
U.S. Broad Market Core Fixed Income		53,504
Principal Global Investors		
Real Estate Group Annuity Contract		73,540
Silchester International Advisors		
International Value Equity Group Trust		70,248
Walter Scott & Partners		
International Growth Equity Group Trust		38,553

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, 2014, 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, 2014, the market value of investments approximated the carrying value of $182.

(dollars in thousands)

4. RECEIVABLES, NET

		Taxes	Intergovern-mental	Charges for Services	Notes and Loans	Insurance Recovery	Other	Total Receivables
Governmental activities:								
General fund	$	99,481	3,423	3,773	—	—	3,085	109,762
Capital projects fund		4,298	1,760	33	—	—	196	6,287
Grants fund		—	4,491	—	—	—	—	4,491
Other governmental funds		46,498	634	1,900	—	—	462	49,494
Total governmental activities	$	150,277	10,308	5,706	—	—	3,743	170,034
Business-type activities:								
Airport	$	—	1,487	7,072	—	2,800	2,613	13,972
Water Division		—	—	10,927	—	—	—	10,927
Parking Division		—	—	162	—	—	—	162
Total business-type activities	$	—	1,487	18,161	—	2,800	2,613	25,061

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

5. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

Governmental activities:		
Taxes receivable—general fund	$	1,202
Taxes receivable—other governmental funds		129
License and permits receivable—general fund		25
Charges for services receivable—general fund		1,960
Charges for services receivable—other governmental funds		86
Business-type activities:		
Charges for services receivable—Airport		95
Charges for services receivable—Water Division		3,361
	$	6,858

6. COMPONENT UNIT—SLDC RECEIVABLES

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

(dollars in thousands)

7. RESTRICTED ASSETS

a. Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2014:

Airport bond fund:		
Debt service account	$	58,357
Debt service reserve account		38,396
Airport renewal and replacement fund		3,500
Passenger facility charge fund		28,488
Airport debt service stabilization fund		38,211
Airport construction fund		17,999
Drug enforcement agency funds		1,965
	$	186,916

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

1) *Unrestricted Airport Operation and Maintenance Fund:* an amount sufficient to pay the estimated operation and maintenance expenses during the next month.

2) *Airport Bond Fund:* for credit to the Debt Service Account, if and to the extent required, so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.

3) *Airport Bond Fund:* for credit to the Debt Service Reserve Account: an amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to pay fully all outstanding bonds.

4) *Arbitrage Rebate Fund*: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.

5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.

6) *Airport Renewal and Replacement Fund:* an amount equal to $57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than $3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall

(dollars in thousands)

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.

b. <u>Water Division</u>

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2014 is as follows:

Bond funds:		
Waterworks bond fund	$	3,862
Water replacement and improvement account		750
Total bond funds		4,612
Customer deposits		1,800
Total restricted cash	$	6,412

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 2011 Water Revenue Refunding Bond Funds

1. To the unrestricted *Waterworks Operations and Maintenance Fund*, an amount sufficient to pay the estimated operation and maintenance expenses during the next month.

2. To the *Waterworks Bond Fund*, an amount at least equal to 1/6 of the amount of interest that will come due on the next interest payment date, plus an amount at least equal to 1/12 of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account shall be used only for the payment of bond principal and interest, as the same shall become due.

3. To the *Water Revenue Debt Service Reserve Account*, a sum equal to the Debt Service Reserve Fund Requirement or a debt service reserve fund policy or a surety bond shall be provided by a Bond Insurer in such amount or a letter of credit shall be provided by a bank acceptable to the City in such amount. All amounts paid and credited to this account shall be used solely to prevent any default in the payment of the principal of and interest on the Bonds.

4. To the *Water Replacement and Improvement Fund*, an amount equal to $25 per month until the account balance aggregates $750. This account shall be used for making replacements, extensions, and improvements to the Waterworks System, and for the purpose of meeting unforeseen contingencies and emergencies arising in the operation of the Waterworks System of the City.

5. The remaining balance in the *Waterworks Revenue Fund* is deposited into the unrestricted Water Contingent Fund. This money shall be used for paying the cost of the operation, maintenance, and repair of the Waterworks System; paying the cost of extending, improving, or making replacements to the Waterworks System; preventing default in, anticipating payments into, or increasing the amounts in the other accounts; paying any gross receipts tax now or hereafter levied by the City; paying the principal or the interest on any subordinate or junior lien bonds; paying any redemption premium due on the bonds; or any other lawful purpose for use by the Waterworks System.

Series 2013 Water Revenue Bond Funds

To the *Waterworks Bond Fund*, an amount at least equal to the calculated ¼ amount of interest that will come due on the next interest payment date, plus an amount at least equal to ¼ 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.

(dollars in thousands)

c. Parking Division

Cash and investments restricted in accordance with bond indentures at June 30, 2014 are as follows:

Series 2013A bonds:		
Debt service account		85
Series 2013A project account		63
Total series 2013A bonds		148
Series 2007 and 2006 bonds:		
Debt service reserve	$	4,892
Debt service		1,307
Repair and replacement		3,580
Net project revenues		125
Parking trust—Parking Division accounts		1,910
Total series 2007 and 2006 bonds		11,814
Series 2003A and 2003B bonds:		
Gross revenues		83
Bond		156
Repair and replacement		21
Operating reserve		100
Redemption		40
Total series 2003A and 2003B bonds		400
Total restricted cash and investments	$	12,362

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

1) *Debt service account* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

2) *Series 2013A project account* – Maintains funds used to fund the debt service account.

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

1) *Debt service reserve* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

2) *Debt service* – Moneys deposited into this account pay principal and accrued and unpaid interest on the respective bonds.

3) *Net project revenues* – Maintains funds used to fund the debt service account.

4) *Argyle TIF revenues* – Argyle TIF revenues are used for the payment of debt service on the Series 2006 Bonds.

5) *Parking trust* – Parking Division accounts—Maintains funds transferred from the respective bond account to be available to pay principal and interest on the respective refunded bonds if other funds are not available.

6) *Repair and replacement* – Provides for the repair and upkeep of parking garages.

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

1) *Gross revenues* – Maintains revenues resulting from the operations of the Cupples Garage and uses these to pay the operating and debt service costs associated with the Cupples Garage.

2) *Bond* – Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B bonds.

3) *Repair and replacement* – Provides for the repair and upkeep of the Cupples Garage.

4) *Operating reserve* – Maintains operating reserve as required by the Bond Indenture.

5) *Redemption* – Maintains funds set aside for the future redemption of the Series 2003A and 2003B bonds.

(dollars in thousands)

8. CAPITAL ASSETS

a. Primary Government

The following is a summary of changes in capital assets—governmental activities for the year ended June 30, 2014:

	Primary government June 30, 2013*	SLPD June 30, 2013*	Primary government Balance as adjusted June 30, 2013**	Additions	Retirements	Transfers	Primary government Balance June 30, 2014
Governmental activities:							
Capital assets not being depreciated:							
Land	$ 78,130	2,074	80,204	49	(8)	—	80,245
Construction in progress	18,543	4,023	22,566	14,685	—	(8,397)	28,854
Equipment in progress	12,577	—	12,577	414	—	(12,175)	816
Works of art	3,467	—	3,467	421	—	(462)	3,426
Intangibles	519	566	1,085	—	—	—	1,085
Total capital assets not being depreciated	113,236	6,663	119,899	15,569	(8)	(21,034)	114,426
Capital assets being depreciated:							
Buildings	584,916	42,412	627,328	5,002	(18)	2,180	634,492
Improvements other than buildings	86,942	—	86,942	2,160	—	395	89,497
Equipment	116,636	33,357	149,993	7,522	(5,640)	12,175	164,050
Infrastructure	630,524	—	630,524	6,669	—	5,822	643,015
Intangibles	275	710	985	297	—	462	1,744
Total capital assets being depreciated	1,419,293	76,479	1,495,772	21,650	(5,658)	21,034	1,532,798
Less accumulated depreciation for:							
Buildings	193,846	21,921	215,767	15,880	(1)	—	231,646
Improvements other than buildings	30,847	—	30,847	1,950	—	—	32,797
Equipment	72,608	27,594	100,202	9,656	(5,327)	—	104,531
Infrastructure (add streets)	385,115	—	385,115	28,716	—	—	413,831
Intangibles	56	277	333	249	—	—	582
Total accumulated depreciation	682,472	49,792	732,264	56,451	(5,328)	—	783,387
Total capital assets being depreciated, net	736,821	26,687	763,508	(34,801)	(330)	21,034	749,411
Governmental activities capital assets, net	$ 850,057	33,350	883,407	(19,232)	(338)	—	863,837

* per audited June 30, 2013 basic financial statements.
** see note 2.

(dollars in thousands)

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

The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2014. Business-type activities for the City include the Airport, Water Division, and Parking Division.

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	$ 775,658	89	—	—	775,747
Construction-in-progress	91,475	31,419	(757)	(58,088)	64,049
Infrastructure	—	6	—	—	6
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	870,639	31,514	(757)	(58,088)	843,308
Capital assets being depreciated:					
Buildings and structures	650,680	8	—	40,413	691,101
Equipment	97,832	3,431	(1,007)	76	100,332
Pavings	990,503	—	—	16,942	1,007,445
Parking meters and lot equipment	7,519	—	—	—	7,519
Reservoirs	34,513	—	—	—	34,513
Boiler plant equipment	661	—	—	—	661
Pumping equipment	10,923	—	—	—	10,923
Purification basins and equipment	43,679	—	—	—	43,679
Water mains, lines, and accessories	126,531	3,098	(139)	657	130,147
Motor vehicle equipment	8,697	1,275	(926)	—	9,046
Total capital assets being depreciated	1,971,538	7,812	(2,072)	58,088	2,035,366
Less accumulated depreciation for:					
Buildings and structures	385,063	19,029	—	—	404,092
Equipment	69,064	4,344	(846)	—	72,562
Pavings	404,461	30,674	—	—	435,135
Parking meters and lot equipment	6,465	300	—	—	6,765
Reservoirs	11,299	665	—	—	11,964
Boiler plant equipment	641	3	—	—	644
Pumping equipment	8,950	233	—	—	9,183
Purification basins and equipment	16,540	928	—	—	17,468
Water mains, lines, and accessories	57,900	1,626	(97)	—	59,429
Motor vehicle equipment	6,515	364	(901)	—	5,978
Total accumulated depreciation	966,898	58,166	(1,844)	—	1,023,220
Total capital assets being depreciated, net	1,004,640	(50,354)	(228)	58,088	1,012,146
Business-type activities capital assets, net	$ 1,875,279	(18,840)	(985)	—	1,855,454

(dollars in thousands)

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

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

Governmental activities:		
General government	$	6,142
Convention and tourism		5,586
Parks and recreation		5,190
Judicial		304
Streets		31,713
Public safety:		
Fire		2,287
Police		3,791
Other		634
Health and welfare		317
Public service		487
Total depreciation expense, governmental activities	$	56,451
Business-type activities:		
Airport	$	50,269
Water Division		5,242
Parking Division		2,655
Total depreciation expense, business-type activities	$	58,166

(dollars in thousands)

b. Component Unit—SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2014:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets not being depreciated:				
Land	$ 4,914	—	—	4,914
Construction in Progress	18,135	1,620	(19,755)	—
Total capital assets not being depreciated	23,049	1,620	(19,755)	4,914
Capital assets being depreciated:				
Leasehold improvements	3,000	19,755	—	22,755
Equipment	713	—	—	713
Parking facilities	19,124	644	(52)	19,716
Total capital assets being depreciated	22,837	20,399	(52)	43,184
Less accumulated depreciation for:				
Leasehold improvements	2,500	700	—	3,200
Equipment	680	16	—	696
Parking facilities	13,407	329	—	13,736
Total accumulated depreciation	16,587	1,045	—	17,632
Total capital assets being depreciated, net	6,250	19,354	(52)	25,552
SLDC capital assets, net	$ 29,299	20,974	(19,807)	30,466

(dollars in thousands)

d. Component Unit—SWMDC

The following represents a summary in SWMDC's capital assets for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets being depreciated:				
Infrastructure	$ 11,772	311	—	12,083
Total capital assets being depreciated	11,772	311	—	12,083
Less accumulated depreciation for:				
Infrastructure	4,854	388	—	5,242
Total accumulated depreciation	4,854	388	—	5,242
SWMDC capital assets, net	$ 6,918	(77)	—	6,841

9. 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 $8,762 has been established on these properties.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	$ 5,426	1	5,427
Capital projects fund	4,245	1,140	5,385
Grants fund	5,319	—	5,319
Other governmental funds	1,852	—	1,852
Internal service	465	—	465
Total governmental activities	$ 17,307	1,141	18,448
Business-type activities:			
Airport	$ 15,065	8,796	23,861
Water Division	5,264	—	5,264
Parking Division	112	—	112
Total business-type activities	$ 20,441	8,796	29,237

(dollars in thousands)

11. RETIREMENT PLANS

The City contributes to the following defined benefit retirement plans: The Firemen's System, the Firefighter's Plan and the Police System, which are single –employer plans. The Employees' System is a cost-sharing multiple-employer plan. However, due to the City's participation in the Employees' System being approximately 90% of the total participation of all employers, the disclosures provided for the Employees' System are those for a single-employer plan.

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

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

System	System fiscal year-end
Firemen's	September 30, 2013
Firefighters'	September 30, 2013
Police	September 30, 2013
Employees'	September 30, 2013

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

1 System Description

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, 2013 financial statements and the October 1, 2013 actuarial valuation. The valuation as of October 1, 2013, reflects the changes attributable to Ordinance #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the Firemen's System is as follows:

- Firemen's System is frozen as of February 1, 2013. That is, benefits paid from Firemen's System will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in Firemen's System are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013, are not members of Firemen's System.
- Vesting and eligibility service earned after February 1, 2013, in the newly established Firefighter's 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 form the newly established Firefighter's 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 Firefighter's Plan.
- Grandfathered members with 20 or more years of service as of February 1, 2013, are eligible to retire with unreduced Firefighter's 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 Firefighter's 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 Firefighter's Plan.
- The overall rates of disability were not changed, but the proportion of ordinary accidental disabilities was changed from 20 percent ordinary and 80 percent accidental to 60 percent ordinary and 40 percent accidental.

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

An agreement between the City and Firemen's System was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to Firemen's System from February 1, 2013, to September 30, 2013. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess Firefighter's Plan City contributions will be transferred from Firemen's System to Firefighter's Plan equal to the Firefighter's 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 may be credited towards the Firemen's System Entry Age Normal Agreement (Fireman's Retirement EAN Note). The valuation as of October 1, 2013, does not consider any transfer or credit of excess Firemen's System contributions discussed above.

(dollars in thousands)

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.

2 Funding Policy

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

3 Funded Status

The funded status of the Firemen's System as of October 1, 2013, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL As A percentage of covered payroll
October 1, 2013	$ 459,116	$ 459,116	$ —	100.0%	$ 34,266	0.0%

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

(dollars in thousands)

4 Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the Firemen's System for the year ended June 30, 2014 are as follows:

Annual required contribution	$	(21,049)
Interest on net pension asset		3,033
Adjustment to annual required contribution		(3,409)
Annual pension cost		(21,425)
Contributions made		20,999
Increase in net pension asset		(426)
Net pension asset, beginning of year		39,772
Net pension asset, end of year	$	39,346

The net pension asset of $39,346 as of June 30, 2014 is reflected as a net pension asset within governmental activities in the government-wide financial statements.

Historical trend information about the City's participation in the Firemen's System is presented below to help readers assess the Firemen's System's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

Fiscal year		Annual pension cost (APC)	Percentage of APC contributed		Net pension asset
2014	$	21,425	98%	$	39,346
2013		22,987	94		39,772
2012		19,514	118		41,079

(dollars in thousands)

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry age-frozen initial liability method
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	None
Projected postretirement benefit increases:	
Under age 60:	
20-24 service years	1.5%, per year
25-29 service years	2.25%, per year
30 or more service years	3.0%, per year
Over age 60	3% with a maximum of 25% in increases after age 60

b. Firefighters' Retirement Plan (Firefighter's Plan)

1) System Description

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

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

Effective February 1, 2013, benefit accruals under the Firemen's System were frozen. The Firefighter's 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 Firefighter's Plan, but benefits attributable to such services are offset by the benefits payable by the Firemen's System. Under the Firefighter's 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 Firefighter's Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

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

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

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

2) Funding Policy

A grandfathered member with at least 20 years of service as of February 1, 2013, contribute 8% of their salary, after-tax. All other members contribute 9% of their salary, pre-tax. The City is required to contribute the remaining amounts necessary to fund Firefighter's 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 Firefighter's Plan made on or after the inception of the Firefighter's 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 Firefighter's 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.

(dollars in thousands)

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. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess Firemen's System City contributions will be transferred from the Firemen's System to the Firefighter's Plan equal to the Firefighter's 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 may be credited towards the Firemen's System Entry Age Normal Agreement (Fireman's Retirement EAN Note).

3) Funded Status

The funded status for the Firefighter's Plan as a whole as of October 1, 2013, the initial actuarial valuation date, is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date	Actuarial value of assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$ 1,505	59,755	(58,250)	2.5%	$ 34,979	166.5%

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

4) Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the Firefighter's Plan for the year ended June 30, 2014 are as follows:

Annual required contribution	$ (8,902)
Annual pension cost	(8,902)
Contributions made	—
Decrease in net pension asset	(8,902)
Net pension asset, beginning of year	—
Net pension asset, end of year	$ (8,902)

The net pension obligation of $8,902 is reflected as a long-term liability within the accompanying basic financial statements.

(dollars in thousands)

Historical trend information about the City's participation in the Firefighter's Plan is presented below.

Fiscal year		Annual pension cost (APC)	Percentage of APC contributed		Net pension obligation
2014	$	8,902	0%	$	8,902

There were no contributions made to the Firefighter's Plan by the City during the fiscal year ended June 30, 2014. The following were some of the significant actuarial assumptions used in the valuation of the Firefighter's Plan:

Valuation date	October 1, 2013
Actuarial cost method	Entry-age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30-year closed period from February 1, 2013
Asset valuation method	Market value
Inflation rate	3.000%
Investment rate of return	7.625%
Projected salary increases	Varies by age, ranging from 3.35% to 5.50%
Cost of living adjustments	For members hired after February 1, 2013, 3% per year with a maximum of 25% in increases

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

1) System Description

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

The Police System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service or attaining age 55. The monthly allowance consists of 40% of the two-year average final compensation for the first 20 years of services, plus 2% of such final average compensation for each of the next five years of service, plus 4% of average final compensation for each additional year of service after 25 years up to a maximum of 30 years. The monthly allowance of members who have in excess of 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. Such benefits are established by the State statute.

The Police System implemented a DROP feature during the Police System's fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to five years, at which point the member may reenter the Police System. At retirement, the funds in the member's DROP account plus interest are available to the member in a lump sum or in installments.

2) Funding Policy

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

3) Funding Status

The funded status of the Police System as of October 1, 2013, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	$ 690,731	879,907	189,176	78.5%	$ 70,328	269.0%

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

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

(dollars in thousands)

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset to the Police System for the year ended June 30, 2014 are as follows:

Annual required contribution	$	(32,629)
Interest on net pension asset		198
Adjustment to annual required contribution		(221)
Annual pension cost		(32,652)
Contributions made		32,629
Decrease in net pension asset		(23)
Net pension asset, beginning of year		2,554
Net pension asset, end of year	$	2,531

The net pension asset of $2,531 is reflected as a net pension asset within governmental activities in the government-wide financial statements.

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

Fiscal year		Annual pension cost (APC)	Percentage of APC contributed		Net pension asset
2014	$	32,652	100%	$	2,531
2013		28,498	100		2,554
2012		20,172	99		2,578

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarial accrued liabilities)
Asset valuation method	5-year smoothed average of market value
Inflation rate	2.5%, per year
Investment rate of return	7.75%, per year
Projected salary increases	3.0% – 6.5%, varying by age
Projected postretirement benefit increases	2.5% maximum per year, cumulative 30% cap

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

1) System Description

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

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

The Employees System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

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

2) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.56% effective July 1, 2013, and 14.27% of active member payroll effective July 1, 2012.

(dollars in thousands)

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

3) Funded Status

The funded status of the Employees System for the actuarial valuation as of October 1, 2013 is as follows:

Actuarial valuation date		Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio		Annual covered payroll	UAAL As A percentage of covered payroll
October 1, 2013	$	685,397	889,449	204,051	77.1%	$	224,623	90.8%

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

4) Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the Employees System for the year ended June 30, 2014 are as follows:

Annual required contribution	$	(34,977)
Interest on net pension obligation		(3,498)
Adjustment to annual required contribution		3,884
Annual pension cost		(34,591)
Contributions made		31,052
Increase in net pension obligation		(3,539)
Net pension obligation, beginning of year		(43,728)
Net pension obligation, end of year	$	(47,267)

(dollars in thousands)

The net pension obligation of $(47,267) is reflected as a long-term liability within the accompanying basic financial statements as follows:

Governmental activities	$	(43,489)
Business-type activities		(3,778)
	$	(47,267)

Historical trend information about the City's participation in the Employees System is presented below.

Fiscal year		Annual pension cost (APC)	Percentage of APC contributed		Net pension obligation
2014	$	34,591	90%	$	(47,267)
2013		31,481	90		(43,728)
2012		29,176	86		(40,611)

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

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar open amortization period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.50% to 7.017%
Cost of living adjustments	3.125% simple with a 25% lifetime cap

e. Component Unit—SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year-ended June 30, 2014 contributions of $292, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2014, SLDC's current covered payroll was $3,241 and total payroll amounted to $3,469. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5-½% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and 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.

(dollars in thousands)

12. OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

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

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

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

The City has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the results of the most recent valuation. At July 1, 2013, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,512
Terminated plan members entitled to, but not yet receiving benefits	81
Active members	1,798
Total plan members	3,391

Funding Policy

Contributions made to the OPEB plan are established and may be amended by the Board of Aldermen. For the year ended June 30, 2014, the City contributed $10,726, which was based upon pay-as-you-go financing requirements.

Annual Other Postemployment Benefit Cost and Net Other Postemployment Benefit Obligation

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

(dollars in thousands)

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

Annual required contribution	$	41,662
Interest on net OPEB obligation		3,610
Adjustment to annual required contribution		(6,140)
Annual OPEB cost		39,132
Contribution made		10,726
Increase in net OPEB obligation		28,406
Net OPEB obligation, beginning of year		120,338
Net OPEB obligation, end of year	$	148,744

Historical trend information about the OPEB Plan is as follows:

Fiscal year		Annual OPEB cost (AOC)	Percentage of AOC contributed		Net OPEB obligation
2014	$	39,132	27.4%	$	148,744
2013		39,297	25.2		120,338
2012		38,333	24.4		90,950

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The July 1, 2013 actuarial valuation stated the actuarial accrual liability for benefits was $490,773, and the actuarial value of assets was $0. The covered payroll (annual payroll of active employees covered by the plan) was $88,828, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 552.5%.

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

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

Actuarial Methods and Assumptions

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

In the July1, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 3% discount rate and an annual healthcare cost trend rate of 8.00% for Pre-Medicare and 7% for Post Medicare initially, reduced by decrements to an ultimate rate of 6% for Pre- Medicare and 5% for Post-Medicare after eight years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a 30-year amortization period.

13. 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.

(dollars in thousands)

14. 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, 2014:

	Primary government June 30, 2013	SLPD June 30, 2013	Balance as adjusted for GASB No. 69*	Additions	Reductions	Balance June 30, 2014	Due within one year
Governmental activities:							
General obligation bonds payable	$ 35,050	—	35,050	—	(6,920)	28,130	3,785
Section 108 Loan Guarantee Assistance Programs	39,530	—	39,530	—	(3,950)	35,580	4,210
Development and Tax increment financing bonds and notes payable	296,122	—	296,122	10,852	(6,653)	300,321	13,088
Loan agreement with MTFC	2,500	—	2,500	—	(463)	2,037	482
Capital lease – rolling stock	13,698	—	13,698	16,605	(5,560)	24,743	5,012
Certificates of participation	6,740	—	6,740	—	(630)	6,110	655
Obligations with component unit	53,015	—	53,015	—	(1,459)	51,556	80
Firemen's Retirement EAN Note	4,372	—	4,372	—	(976)	3,396	1,050
Loan agreement with FPF	1,890	—	1,890	3,510	(790)	4,610	79
Leasehold revenue improvement and refunding bonds	473,403	4,160	477,563	26,000	(32,674)	470,889	37,804
Joint venture financing agreement	42,085	—	42,085	—	(4,241)	37,844	4,410
Unamortized discounts	(4,301)	—	(4,301)	—	202	(4,099)	—
Unamortized premiums	7,574	—	7,574	1,471	(1,300)	7,745	—
Net pension obligation	36,815	3,081	39,896	12,494	—	52,390	—
Net OPEB obligation	—	120,338	120,338	39,132	(10,726)	148,744	11,446
Accrued vacation and sick leave	25,194	25,764	50,958	27,932	(27,049)	51,841	17,694
Claims and judgments payable	26,104	14,795	40,899	25,572	(20,646)	45,825	20,196
Governmental activities long-term liabilities	$ 1,059,791	168,138	1,227,929	163,568	(123,835)	1,267,662	119,991

*See note 2.

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.

(dollars in thousands)

		Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Business-type activities:						
Airport:						
Revenue bonds payable	$	794,615	—	(30,465)	764,150	37,560
Net pension obligation		1,733	—	(26)	1,707	—
Pension funding project		5,254	—	(97)	5,157	103
Other		438	—	(18)	420	—
Accrued vacation, compensatory, and sick time benefits		5,465	3,497	(3,827)	5,135	3,497
Unamortized discounts and premiums		39,604	—	(4,843)	34,761	—
Unearned lease revenues		5,751	—	(281)	5,470	—
Total airport		852,860	3,497	(39,557)	816,800	41,160
Water Division:						
Revenue bonds payable		7,585	940	(3,765)	4,760	4,019
Customer deposits		1,854	—	(54)	1,800	—
Net pension obligation		1,426	2,138	(2,158)	1,406	—
Pension funding project		3,060	—	(61)	2,999	—
Accrued vacation and sick time benefits		3,312	43	—	3,355	1,816
Total water division		17,237	3,121	(6,038)	14,320	5,835
Parking Division:						
Revenue bonds payable		70,527	1,500	(2,348)	69,679	2,586
Net pension obligation		691	—	(26)	665	—
Pension funding project		846	—	(15)	831	—
Other		161	15	—	176	—
Unamortized discounts and premiums, net		387	—	(27)	360	—
Total parking division		72,612	1,515	(2,416)	71,711	2,586
Business-type activities long-term liabilities	$	942,709	8,133	(48,011)	902,831	49,581
Less amounts recorded in:						
Accrued salaries and other benefits					(5,313)	(5,313)
Accounts payable and accrued liabilities					(103)	(103)
				$	897,415	44,165

(dollars in thousands)

b. General Obligation Bonds

Principal and interest requirements are as follows:

		Principal	Interest	Total
Year ending June 30:				
2015	$	3,785	1,301	5,086
2016		3,975	1,118	5,093
2017		4,180	921	5,101
2018		4,380	719	5,099
2019		4,590	516	5,106
2020 – 2024		4,895	1,111	6,006
2025 – 2026		2,325	148	2,473
	$	28,130	5,834	33,964

c. Section 108 Loan Guarantee Assistance Programs

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

		Principal	Interest	Total
Year ending June 30:				
2015	$	4,210	551	4,761
2016		4,460	516	4,976
2017		4,750	467	5,217
2018		5,050	399	5,449
2019		5,360	312	5,672
2020 – 2021		11,750	281	12,031
	$	35,580	2,526	38,106

(dollars in thousands)

d. Development and Tax Increment Financing Bond and Notes Payable

The City issued $4,802 in TIF bonds and notes payable during fiscal year 2014.

During fiscal year 2014, the City issued $6,050 in additional Development Financing Revenue Bonds for the Ballpark Village Development project.

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

	TIF Bonds and Notes		
	Principal	**Interest**	**Total**
Year ending June 30:			
2015	$ 13,088	19,450	32,538
2016	13,929	18,614	32,543
2017	14,825	17,724	32,549
2018	15,764	16,857	32,621
2019	16,781	15,846	32,627
2020 – 2024	97,419	61,702	159,121
2025 – 2029	91,622	29,051	120,673
2030 – 2034	25,098	8,221	33,319
2035– 2039	4,282	4,033	8,315
2040 – 2044	6,009	2,116	8,125
2045	1,504	121	1,625
	$ 300,321	193,735	494,056

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

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

	Principal	**Interest**	**Total**
Year ending June 30:			
2015	$ 482	86	568
2016	502	65	567
2017	523	44	567
2018	530	22	552
	$ 2,037	217	2,254

(dollars in thousands)

f. Capital Lease—Rolling Stock

In August 2013, the City amended the lease agreement resulting in new debt of $16,605.

The following is a schedule of future minimum lease payments as of June 30, 2014.

Year ending June 30:		
2015	$	5,617
2016		5,023
2017		4,572
2018		4,572
2019		4,104
2020		2,750
Total future minimum lease payments		26,638
Amount representing interest		(1,895)
Present value of net minimum lease payments	$	24,743

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, 2014.

Year ending June 30:		
2015	$	894
2016		895
2017		894
2018		910
2019		909
2020 – 2022		2,714
Total future minimum obligation payments		7,216
Amount representing interest		(1,106)
Present value of net minimum obligation payments	$	6,110

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.

(dollars in thousands)

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, 2014.

Year ending June 30:		
2015	$	—
2016		15,295
2017		15,295
2018		15,295
2019		15,295
2020 – 2021		30,590
Total future minimum obligation payments		91,770
Amount representing interest		(56,480)
Present value of net minimum obligation payments	$	35,290

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.

(dollars in thousands)

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, 2014.

Year ending June 30:		
2015	$	936
2016		964
2017		985
2018		1,011
2019		1,031
2020 – 2024		5,562
2025 – 2029		6,369
2030 – 2034		7,363
2035 – 2039		7,993
2040		1,018
Total future minimum obligation payments		33,232
Amount representing interest		(16,966)
Present value of net minimum obligation payments	$	16,266

i. Firemen's Retirement EAN Note

The Firemen's System and the City entered into an Agreement of Understanding if legislation at the state level changing the actuarial method to entry age normal (EAN) did not pass, the City would have the option to issue a note amortizing the unpaid amount to make up the shortfall of the contribution required in fiscal year 2012. The state failed to pass the bill causing the issuance of the note in the amount of $5,278.

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

	Principal	Interest	Total
Year ending June 30:			
2015	1,050	259	1,309
2016	1,130	179	1,309
2017	1,216	93	1,309
	$ 3,396	531	3,927

(dollars in thousands)

j. Loan agreement with Forest Park Forever

During fiscal year 2014, the SLMFC issued $3,510 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

		Principal	Interest	Total
Year ending June 30:				
2015	$	79	211	290
2016		83	207	290
2017		87	203	290
2018		91	199	290
2019		95	195	290
2020-2024		543	907	1,450
2025-2029		680	770	1,450
2030-2034		850	600	1,450
2035-2039		1,063	388	1,451
2040-2043		1,039	121	1,160
	$	4,610	3,801	8,411

15. LEASEHOLD REVENUE IMPROVEMENT AND REFUNDING BONDS

a. Pension Funding Project 2007

The long-term liability for the Employees' System portion of the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2014:

Governmental activities	$	36,520
Business-type activities		9,048
	$	45,568

b. City Parks Bonds

In May 2014, the SLMFC issued $26,000 in City Parks Leasehold Improvement Dedicated Revenue Bonds, Series 2014. The proceeds of the bonds will be used for improvements to City parks and for tree planting and other landscaping in the right of way areas of the City.

(dollars in thousands)

c. Principal and Interest Requirements

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

		Civil Courts			Convention Center	
		Principal	**Interest**		**Principal**	**Interest**
Year ending June 30:						
2015	$	2,690	47	$	16,038	3,771
2016		—	—		—	2,417
2017		—	—		—	2,417
2018		—	—		—	2,417
2019		—	—		—	2,417
2020 – 2024		—	—		25,050	32,915
2025– 2029		—	—		36,004	52,552
2030 – 2034		—	—		25,978	62,575
2035 – 2039		—	—		35,569	55,442
	$	2,690	47		138,639	216,923

		Justice Center			Forest Park	
		Principal	**Interest**		**Principal**	**Interest**
Year ending June 30:						
2015	$	8,615	2,008	$	965	403
2016		9,030	1,587		1,010	360
2017		9,485	1,135		1,050	322
2018		9,920	697		1,100	269
2019		3,630	218		1,155	214
2020-2023		1,790	72		3,790	320
	$	42,470	5,717		9,070	1,888

		Carnahan Courthouse		Abram Building (1520 Market Street)	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2015	$	1,280	904	1,337	254
2016		1,330	853	1,381	209
2017		1,385	800	1,483	162
2018		1,440	744	1,036	118
2018		1,495	687	1,067	88
2019 – 2023		8,430	2,481	2,228	81
2024 – 2027		6,610	597	—	—
	$	21,970	7,066	8,532	912

(dollars in thousands)

	Recreation sales tax		Police Capital Improvement sales tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2015	$ 1,110	2,129	325	983
2016	1,155	2,084	340	970
2017	1,185	2,036	350	958
2018	1,280	1,985	365	944
2019	1,335	1,931	380	930
2020 – 2024	7,645	8,662	3,860	4,283
2025 – 2029	9,660	6,675	5,285	3,262
2030 – 2034	12,220	4,118	6,570	1,974
2035 – 2037	8,900	904	4,700	429
	$ 44,490	30,524	22,175	14,733

	Public safety sales tax Pension funding project 2008		Juvenile detention center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2015	$ 1,825	600	565	984
2016	1,930	494	585	961
2017	2,045	380	610	938
2018	2,165	261	635	913
2019	2,290	134	660	888
2020– 2024	—	—	3,710	4,022
2025 – 2029	—	—	4,570	3,162
2030 – 2034	—	—	5,695	2,039
2035 – 2038	—	—	5,545	638
	$ 10,255	1,869	22,575	14,545

(dollars in thousands)

		Pension funding project		City Parks	
		Principal	Interest	Principal	Interest
Year ending June 30:					
2015	$	2,615	8,520	440	1,167
2016		2,785	8,349	500	1,104
2017		2,970	8,168	515	1,089
2018		3,160	7,975	530	1,074
2019		3,365	7,770	555	1,053
2020 – 2024		20,410	35,270	3,150	4,881
2025 – 2029		27,960	27,718	3,880	4,149
2030– 2034		38,310	17,370	4,725	3,303
2035 – 2039		29,495	3,915	5,890	2,143
2040– 2043		—	—	5,815	607
	$	131,070	125,055	26,000	20,570

16. 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.

At June 30, 2014, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

		Principal	Interest	Preservation payments	Total
Year ending June 30:					
2015	$	3,315	1,590	1,095	6,000
2016		3,490	1,411	1,099	6,000
2017		3,670	1,223	1,107	6,000
2018		3,865	1,025	1,110	6,000
2019		4,070	817	1,113	6,000
2020 – 2022		13,525	1,089	386	15,000
	$	31,935	7,155	5,910	45,000

(dollars in thousands)

17. 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, 2014:

		June 30, 2013	Additions	Reductions	June 30, 2014	Within One Year
Due to other governmental agencies	$	6,674	341	(1,781)	5,234	964
Notes payable		30,256	1,810	(3,488)	28,578	11,710
Other liabilities		7,967	8,617	(3,687)	12,897	6,861
	$	44,897	10,768	(8,956)	46,709	19,535

Maturities on bank and other notes payable are as follows:

		Principal	Interest	Total
Year ending June 30:				
2015	$	11,710	768	12,478
2016		2,668	651	3,319
2017		246	568	814
2018		259	555	814
2019 – 2020		13,694	730	14,424
	$	28,577	3,272	31,849

(dollars in thousands)

18. REVENUE BONDS PAYABLE

a. Airport

Bonds outstanding at June 30, 2014 are summarized as follows:

Bond Series 1997 B, interest rate of 6%, payable in varying amounts through 2015	$	5,910
Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032		263,065
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033		209,180
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028		104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.625%, payable in varying amounts through 2035		107,240
Bond Series 2011AB, interest rate of 5.00%, payable in varying amounts through 2016		13,185
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033		29,375
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019		31,460
		764,150
Less:		
Current maturities		(37,560)
Unamortized discounts and premiums		34,761
		(2,799)
	$	761,351

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

On June 30, 2013, the Airport issued $31,460 in Series 2013 Revenue Refunding Bonds payable in varying amounts from 2014 through 2019 with interest rates ranging from 2.00% to 5.00%. At June 30, 2013, $40,150 of 2003 A Series Revenue Refunding bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements.

The Airport completed the advance refunding to reduce its total debt service payments over the next 5 years by $10,383 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of $3,365.

(dollars in thousands)

Debt-Related Items Presented as Deferred Outflows of Resources

In accordance with GASB 65, the loss on bond defeasance has been recorded as a deferred outflow of resources, net of the accumulated amortization and will be recognized as a component of interest expense using the bonds outstanding method over the life of the new bonds or of the old bonds, whichever is less. The detail of the debt-related item recognized as deferred outflows of resources is presented below.

Debt-Related Deferred Outflow of Resources

Loss on bond defeasance	$	18,370
Deferred outflow of resources	$	18,370

Management is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2014.

As of June 30, 2014, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

		Principal	Interest	Total
Year(s) ending June 30:				
2015	$	37,560	39,457	77,017
2016		39,785	37,565	77,350
2017		38,400	35,551	73,951
2018		40,475	33,475	73,950
2019		42,585	31,283	73,868
2020 – 2024		194,245	126,127	320,372
2025 – 2029		209,930	73,670	283,600
2030 – 2034		151,875	19,616	171,491
2035		9,295	308	9,603
	$	764,150	397,052	1,161,202

In prior years, the Airport advance refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements. At June 30, 2014, $397,750 of these outstanding bonds related to 1992, 1997A and 2001A Series is considered defeased.

(dollars in thousands)

b. Water Division

Water revenue bonds outstanding at June 30, 2014 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2011 Water Revenue Refunding Bonds, 1.50% payable in varying amounts through July 1, 2014	$	3,820
Series 2013 Water Revenue Refunding Bonds, 1.56%, drawdown loan, payable in varying amounts through January 1, 2034		940
Less:		
Current maturities		(4,019)
	$	741

Series 2011 Water Revenue Refunding Bonds

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

Series 2013 Water Revenue Bonds

In November 2013, the Water Division issued $9,500 (not to exceed) in Water Revenue Bonds (Series 2013 Bonds) through the Missouri Department of National Resources Direct Loan Program. This bond issue is a drawdown loan with a fixed interest rate of 1.56% to fund various projects at the water treatment plants and throughout the distribution system. At June 30, 2014, the Water Division has drawn down $940 of the loan.

Debt Service Requirements

Debt service requirements to maturity of the 2011 and 2013 Series Water Revenue Bonds are as follows:

		Principal	Interest	Total
For the year ending June 30:				
2015	$	4,019	44	4,063
2016		404	15	419
2017		337	15	352
	$	4,760	74	4,834

(dollars in thousands)

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

c. Parking Division

Revenue bonds outstanding at June 30, 2014 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2028	$	2,880
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5%, payable in varying amounts through 2038		6,039
Series 2006 revenue bonds interest ranging from 3.75% to 5.14% payable in varying amounts through 2032		47,975
Series 2007 revenue bonds interest ranging from 4.125% to 6.00% payable in varying amounts through 2034		11,285
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022		1,500
		69,679
Less:		
Current portion of revenue bonds payable		(2,586)
Unamortized discount and premium		360
	$	67,453

Debt service requirements of the revenue bonds at June 30, 2014 are as follows:

		Principal	Interest	Total
Year ending June 30:				
2015	$	2,586	3,133	5,719
2016		2,751	3,016	5,767
2017		2,856	2,905	5,761
2018		2,971	2,789	5,760
2019		3,103	2,656	5,759
2020 – 2024		17,416	11,014	28,430
2025 – 2029		19,302	6,940	26,242
2030 – 2034		16,999	2,000	18,999
2035 – 2038		1,695	211	1,906
	$	69,679	34,664	104,343

(dollars in thousands)

Debt-Related Items Presented as Deferred Outflows of Resources

As required by GASB, the Parking Division recognizes certain debt-related items as a deferred outflow of resources. The detail of the debt-related item recognized as deferred outflows of resources is presented below.

Debt-Related Deferred Outflow of Resources

Loss on bond defeasance	$	4,682
Deferred outflow of resources	$	4,682

For the year ended June 30, 2014, the amortization of the loss on bond defeasance totaled $334, which increases interest expense.

19. PLEDGED REVENUES

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

a. Governmental activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2026. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2014, the total principal and interest remaining to be paid on the debt is $33,964. Principal and interest paid was $8,613 for the year ended June 30, 2014, which included $3,201 defeased principal and interest. The pledged net revenue recognized for the year ended June 30, 2014 was $6,816. During fiscal year 2014, the proportion of pledged revenues needed for debt service to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS is to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2033. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. It has also been pledged to pay debt on the Section 108 Loan for the Convention Center Hotel and the 600 Washington obligation with component unit. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2014, the total principal and interest remaining is $555,221. Principal and interest paid was $26,227 for the year ended June 30, 2014.

The pledged net revenue recognized for the year ended June 30, 2014 was $23,213. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 100%.

A $45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a $5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Civil Court and Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Civil Courts building and the Carnahan Courthouse, respectively. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2014, the total principal and interest remaining on these financings is $31,773. Principal and interest paid was $5,012 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $1,301. During fiscal year 2014, 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, 2014, total principal and interest remaining on the debt is $48,187. Principal and interest paid was $10,617 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $6,259. During fiscal year 2014, 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, 2014, total principal and interest remaining on the debt is $19,369. Principal and interest paid was $2,247 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $3,152. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 71.3%.

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, 2014, total principal and interest remaining on the debt is $75,014. Principal and interest paid was $3,237 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $4,473. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 72.4%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2014, total principal and interest remaining on the debt is $36,908. Principal and interest paid was $1,311 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $1,889. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 69.4%.

The 3.5% sales tax imposed on the amount of sales or charges for all rooms paid by the transient guests of hotels and motels is pledged by the City to fund the Convention and Sports Facility Refunding Bonds Series C 2007, whose purpose was to construct a multipurpose convention and indoor sports facility. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2014, total principal and interest remaining on the debt is $45,000. Principal and interest paid was $6,000 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $8,018. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 74.8%.

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. No principal and interest was paid for the year ended June 30, 2014 as the debt was issued in fiscal year 2014. The pledged revenues begin in fiscal year 2015.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2014, total principal and interest outstanding on this portion of the debt is $7,816. The pledged net revenue recognized for the year ended June 30, 2014 related to the collection of PILOTs and EATs was $1,458. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds Series 2006 associated with the Euclid-Buckingham parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2014, total principal and interest outstanding on this portion of the debt is $8,764. The pledged net revenue recognized for the year ended June 30, 2014 related to the collection of PILOTs and EATs was $307. During fiscal year 2014, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2006 and Series 2007 in parity with the Parking Division to make up any shortfall of other committed sources. The term of commitment related to such pledged revenues extend to fiscal year 2038. As of June 30, 2014, total principal and interest remaining on the debt is $44,207. During fiscal year 2014, revenue from the police parking ticket revenues totaled $723. During fiscal year 2014, 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 $764,150 in various long-term debt issuances, as outlined in note 18. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2014, the total principal and interest remaining to be paid on the bonds is $1,161,202. Principal and interest paid was $76,783 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $91,932.

Water

The Water Division has pledged specific revenue streams to secure the repayment of the Series 2011 and Series 2013 Bonds. As of June 30, 2014, the remaining principal and interest requirement is $4,834 payable through January 2017 (fiscal year 2017). The proportion of pledged revenue to revenue collected is estimated at 6.9% at June 30, 2014.

Parking

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2006 and 2007. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2014 the remaining principal and interest requirement is $88,413 payable through fiscal year 2034. Principal and interest paid for the Series 2006 and 2007 Parking Revenue Bonds was $4,771 for the year ended June 30, 2014. The pledged net revenue recognized for the year ended June 30, 2014 was $8,937.

(dollars in thousands)

20. SHORT-TERM DEBT

a. City

The City issued $65,000 of general fund Tax and Revenue Anticipation notes dated July 10, 2013 and redeemed May 30, 2014. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

Short-term debt activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Issued	Redeemed	Balance June 30, 2014
Tax and revenue anticipation notes	$ —	65,000	(65,000)	—
	$ —	65,000	(65,000)	—

21. OPERATING LEASES

a. At June 30, 2014, 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:	
2015	$ 921
2016	763
2017	625
2018	527
2019	220
2020 – 2024	251
2025 – 2029	217
	$ 3,524

Rental and lease expenditures for the fiscal year 2014 totaled $2,711.

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

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

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

(dollars in thousands)

- 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 2014, revenues from signatory air carriers accounted for 54.6% of total Airport operating revenues.

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

The following is a summary of aviation revenue by category and source from signatory and non-signatory air carriers for the year ended June 30, 2014:

		Signatory	Non-signatory	Total
Airfield	$	57,261	11,926	69,187
Terminal and concourses		19,306	2,298	21,604
Hangars and other buildings		513	580	1,093
Cargo buildings		127	355	482
	$	77,207	15,159	92,366

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.

(dollars in thousands)

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

Year(s) ending June 30:		
2015	$	22,949
2016		20,926
2017		20,448
2018		20,246
2019		20,193
2020 – 2024		36,170
2025 – 2029		9,920
2030 – 2034		8,909
2035 – 2038		575
Total minimum future rentals	$	160,336

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $739 for the year ended June 30, 2014.

Unearned lease revenues included in Airport other long-term liabilities in the amount of $5,470 as of June 30, 2014 represent the up front lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under non-cancelable arrangements that expire at various dates through 2018. Expenses for operating leases and service agreements were $66 for the year ended June 30, 2014. Future minimum payments are as follows:

Year ending June 30:		
2015	$	45
2016		37
2017		20
2018		7
2019		1
Total minimum future rentals	$	110

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 agreeements with Community Development Agency (CDA), Affordable Housing Commission (AFC), and Planning and Urban Design Development Agency (PDA) and in effect through June 30, 2031.

(dollars in thousands)

Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA and PDA as of June 30, 2014 are as follows:

Year ending June 30:		
2015	$	336
2016		335
2017		336
2018		335
2019 – 2021		1,006
	$	2,348

Additionally, at June 30, 2014, 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.

22. INTERFUND BALANCES

Individual fund interfund receivable and payable balances as of June 30, 2014 are as follows:

Receivable fund	Payable fund		Amount
General fund	Capital projects fund	$	622
	Special revenue—Grants fund		1,440
	Other governmental nonmajor funds		668
	Internal service funds		941
	Enterprise:		
	Airport		4,600
	Water Division		1,596
	Parking Division		907
			10,774
Other governmental nonmajor funds	General fund		3,289
	Capital projects fund		502
	Other governmental nonmajor funds		1,298
			5,089
Internal service funds	General fund		687
	Other governmental nonmajor funds		4
	Enterprise:		
	Airport		1,860
	Water Division		3,354
	Parking Division		293
			6,198
		$	22,061

(dollars in thousands)

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, 2014.

Advances to/from other funds as of June 30, 2014 are as follows:

Advance from	Advance to		Amount
General fund	Internal Service Fund	$	39,668

23. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following:

		Transfer To				
		General Fund	Capital Projects Fund	Other Govern-mental Funds	Parking Division	Total
	General fund	$ —	14,399	2,281	—	16,680
	Capital Projects fund	130	—	1,743	—	1,873
Transfer	Other Governmental funds	27,853	10,542	808	932	40,135
From	Grants fund	—	2	—	—	2
	Parking	780	—	—	—	780
	Airport	6,328	—	—	—	6,328
	Water Division	3,255	—	—	—	3,255
		$ 38,346	24,943	4,832	932	69,053

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.

24. COMMITMENTS AND CONTINGENCIES

a. Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2014, 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 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, $2,250 is included in the self-insurance claim liability of $45,825 and $4,000 is included as the estimate of reasonably possible within the $11,017. As of July 1, 2013, the City implemented GASB No. 69 (see note 2). Discussions are occurring between the City and the State of Missouri as to who is liable for certain suits that occurred prior to July 1, 2013 and also prior to August 28, 2005.

b. Commitments

At June 30, 2014, the City had outstanding commitments amounting to approximately $10,423, resulting primarily from service agreements.

Additionally, at June 30, 2014, the Airport had outstanding commitments amounting to approximately $28,313 resulting primarily from contracts for construction projects. In addition, the Airport has $24,205 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, but are included in fund balance. As of June 30, 2014 encumbrances of $4,745 were reported in the general fund, $10,867 in the capital projects services fund and $3,846 in the other governmental funds.

d. American Airlines and Southwest Airlines

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

American provided 10% of the Airport's total operating revenues and 18% of total revenues from signatory air carriers for the fiscal year ended June 30, 2014. Accounts receivable at June 30, 2014 contained $544 relating to amounts owed to the Airport by American. This amount includes $191 of unbilled aviation revenues at June 30, 2014.

Southwest provided 28% of the Airport's total operating revenues and 51% of total revenues from signatory air carriers for the fiscal year ended June 30, 2014. Accounts receivable at June 30, 2014 contained $708 relating to amounts owed to the Airport by Southwest. This amount includes $274 of unbilled aviation revenues at June 30, 2014.

e. Asbestos Removal

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

f. Parking Capital Commitments and Subsequent Events

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

g. Component Unit—SLDC

In the normal course of its operations, certain lawsuits and legal action are pending against SLDC. In the opinion of SLDC officials and legal counsel, these items are not expected to have a material effect, individually or in the aggregate, upon the net position or the results of operations of SLDC. In addition, certain properties held for development may be subject to future environmental remediation costs. In the opinion of SLDC officials, these costs would not have a material adverse effect upon the financial position or the results of operations of SLDC.

SLDC has entered into various cooperative agreements with the CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to $2,436 during the year ended June 30, 2014.

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

SLDC was required to create Community Development Entities (CDE) so as to demonstrate its mission of serving low-income residents and its accountability to the low income community. The NMTC program requires the credits to be transferred to the QALICB's by for-profit partnerships or corporations for federal tax purposes. To comply with this provision, SLDC created 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. The entire Round 2, Round 6, and Round 8 allocations have been sub-allocated to projects as of June 30, 2014. Seven of the Round 7 transactions have closed leaving just $13,500 in remaining credits from that allocation. Seven of the Round 9 transactions have closed leaving just $7,000 in remaining credits from that allocation. None of the Round 10 allocation ($30,000) has been sub-allocated yet. The remaining $50,500 in credits either are in underwriting or are committed to high impact projects in the City.

h. Component Units—SLDC

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, 2014.

25. RISK MANAGEMENT

a. Primary Government

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

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of $45,825 at June 30, 2014, relating to these matters is recorded in the self-insurance internal service fund—PFPC. Of total workers' compensation liability, $4,667 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 $372 for the year ended June 30, 2014. 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.

(dollars in thousands)

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 $612 at June 30, 2014 relating to such matters is recorded in the self-insurance internal service fund—health.

Additionally, as of June 30, 2014, 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 $1.

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, 2014 and, for the years ended June 30, 2014 and 2013 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2014 are as follows:

		Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2014	$	40,899	25,572	(20,646)	45,825

Additionally, there is an estimate of general liability claims outstanding of $11,017 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.

26. GRANT LOAN PROGRAMS

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

Any funds received from the repayments of these loans are to be spent by the City in accordance with Community Development Block Grant program regulations. Since repayment of the loans is dependent on the success of projects that involve considerable risk, 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.

27. COMPONENT UNIT—SLDC CONDUIT DEBT

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

(dollars in thousands)

28. FUND BALANCE

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

	General fund	Capital projects fund	Grant funds	Other governmental fund	Total
Nonspendable:					
Health and welfare	$ —	—	—	10	10
Parks and recreation	—	—	—	1	1
Public safety	1,696	—	—	—	1,696
Other	841	—	3	—	844
Total Nonspendable	2,537	—	3	11	2,551
Restricted:					
Redevelopment	—	—	—	17,687	17,687
Streets and bridges	—	2,177	—	44	2,221
Public safety	1,978	5,696	2,513	—	10,187
Parks and recreation	—	30,041	—	1,807	31,848
Convention and tourism	—	3,622	—	—	3,622
Transportation	—	—	—	6,606	6,606
Debt service	14,030	3,947	—	18,308	36,285
Other	—	2,006	—	1,706	3,712
Total Restricted	16,008	47,489	2,513	46,158	112,168
Committed:					
Health and welfare	—	—	—	13,696	13,696
Streets and bridges	—	4,655	—	2,208	6,863
Public safety	—	402	—	7,514	7,916
Parks and recreation	—	8,703	—	2,173	10,876
Convention and tourism	—	—	—	3,949	3,949
Payroll reserve	8,054	—	—	—	8,054
Other	—	20,578	—	1,658	22,236
Total Committed	8,054	34,338	—	31,198	73,590
Assigned:					
Redevelopment	—	—	—	2,432	2,432
Health and welfare	—	—	—	2,084	2,084
Streets and bridges	—	—	—	26	26
Public safety	525	—	—	305	830
Parks and recreation	—	—	—	155	155
Convention and tourism	—	—	—	10	10
Other	5,996	—	—	41	6,037
Total Assigned	6,521	—	—	5,053	11,574
Unassigned	2,605	(24,025)	—	—	(21,420)
Total fund balance	$ 35,725	57,802	2,516	82,420	178,463

29. SUBSEQUENT EVENTS

a. Tax and Revenue Anticipation Notes

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 10, 2014, the City issued $65,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on May 29, 2015 and bear interest at a rate of 2.00% per year.

b. Development and Tax Increment Revenue Notes

Subsequent to June 30, 2014, the City issued development and tax increment revenue notes totaling $30,482 with interest rates ranging from 6.60% to 7.5%.

c. General Obligation Bonds Defeasance

On July 31, 2014, the City defeased $1,635 of General Obligation Bonds Series 2005.

d. Loan Agreement with Forest Park Forever

An additional installment of $1,320 was issued September 30, 2014 of the $30 million Forest Park Taxable Subordinate Leasehold Revenue Improvement Bonds, Series 2013. As of this date, the total borrowed is $6,720 of the $30 million allowed by ordinance.

e. Firemen's Retirement System Contribution

In July 2014, the annual required contribution for the Firemen's System for the year ended September 30, 2013, as determined by the October 1, 2012 actuarial valuation, was recalculated by the Firemen's System actuary, as mutually agreed to by the City and the Firemen's System Plan. The recalculation recognized that all benefit accruals for years of service and salary increases after February 1, 2013 are frozen under the Firemen's System. The calculation further recognized that the Firefighter's Plan would bear the liability for all benefit accruals based upon years of service or salary increases after February 1, 2013. The mutual agreement was that once the recalculation was performed, the Firemen's System would transfer to the Firefighter's Plan $6,883. In July 2014, the Firemen's System transferred $6,883 of cash to the Firefighter's Plan.

f. Firemen's Retirement System Appeal Case

In September 2014, the appeals court affirmed the lower court's decision allowing the City to have two retirement plans for firefighters, Firemen's Retirement System and Firefighter's Retirement Plan. Subsequently, the appeals court denied the Firemen's System request to transfer the case to the Missouri Supreme Court. In October 2014, the Firemen's System made application directly to the Missouri Supreme Court to hear the case. No decision has been made at this time as to whether the court will accept the case.

g. Water Revenue Refunding Bonds

In July and November 2014, the Water Division drew down an additional $411 and $249, respectively, of the Series 2013 Water Revenue Bonds.

h. Property Taxes

The City tax rate levied in November 2014 was $1.6063 per $100 (in dollars) of assessed valuation of which $1.4733 (in dollars) is for the general fund and $0.133 (in dollars) is for the debt service fund.

i. Qualified Energy Conservation Bonds

Subsequent to June 30, 2014, the City approved the issuance of $3,900 of Qualified Energy Conservation Bonds, Series 2014 for the purpose of making low-interest loans for residential energy efficiency projects and public building energy conservation projects.

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APPENDIX D –
SUMMARIES OF LEGAL DOCUMENTS

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS

Definitions of Words and Terms

The following words are defined in the Indenture of Trust, dated as of March 1, 1997, as amended and supplemented, including the Fourth Supplemental Indenture, dated as of March 1, 2015, by and between the St. Louis Municipal Finance Corporation and UMB Bank, N.A., St. Louis, Missouri, as Trustee:

*"**Additional Bonds**"* means any additional Bonds, including refunding bonds, issued by the Corporation pursuant to the Indenture.

"Additional Rentals" means any payments payable by the City pursuant to the section of the Lease Purchase Agreement describing such payments.

*"**Authorized Denominations**"* means Five Thousand Dollars ($5,000) or any integral multiple thereof.

*"**Base Lease**"* means the Base Lease dated as of March 1, 1997 by and between the City and the Corporation, as amended and supplemented by the Supplemental Base Lease dated as of December 15, 1999, the First Supplemental Base Lease dated as of March 30, 2007, the Supplemental Base Lease dated as of December 1, 2009, and the Second Supplemental Base Lease dated as of April 1, 2013, and as may be further amended and supplemented pursuant to the terms thereof, pursuant to which the City has conveyed a leasehold interest in the Property to the Corporation, and the Corporation has leased the Property, together with any improvements thereon, from the City.

*"**Base Lease Rent**"* means the items referred to as such Base Lease.

*"**Base Lease Term**"* means the term of the Base Lease commencing on the Dated Date of the Series 2015 Bonds and ending on the date specified in the Base Lease.

*"**Board of Aldermen**"* means the Board of Aldermen of the City.

*"**Bond**,"* *"**Bonds**"* or *"**Series of Bonds**"* means any bond or bonds, including Additional Bonds, authenticated and delivered under and pursuant to the Indenture.

*"**Bond Counsel**"* means an attorney or firm of attorneys with nationally recognized standing in the field of municipal bond financing approved by the Corporation and the City.

*"**Bond Register**"* means the register and all accompanying records kept by the Bond Registrar evidencing the registration, transfer and exchange of Bonds.

*"**Bond Registrar**"* means the Trustee when acting in such capacity under the Indenture.

"***Bondholder,***" "***Holder,***" or "***Registered Owner***" means the registered owner of any Bond.

*"**Business Day**"* means any day except Saturday, Sunday, a legal holiday, or a day on which banking institutions located in the States of Missouri and/or New York are authorized by law to close.

"*Capital Improvement Sales Tax*" means a one-half cent capital improvements sales tax for the purpose of funding capital improvements, including the operation and maintenance of capital improvements approved by the voters of the City on August 3, 1993, pursuant to Section 94.577 of the Revised Statutes of Missouri, as amended, and Ordinance No. 62885.

*"**City**"* means The City of St. Louis, Missouri, a municipal corporation and political subdivision organized and existing under its Charter, the constitution and laws of the State of Missouri.

*"**City Representative**"* means the person or persons at the time designated to act on behalf of the City in matters not requiring legislative authorization relating to the Base Lease, the Lease Purchase Agreement and the Indenture as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by its Mayor and its Comptroller. For the purpose of investing the Bond proceeds, the authorized City Representative shall be the Treasurer or his or her designee.

*"**Closing Date**"* means the date of delivery of and payment for any Series of Bonds.

"***Code***" means the Internal Revenue Code of 1987, as amended, and the applicable regulations thereunder.

"***Continuing Disclosure Agreement***" means, with respect to the Series 2015 Bonds, the Continuing Disclosure Agreement dated as of March 1, 2015.

*"**Corporation**"* means the St. Louis Municipal Finance Corporation, a corporation organized under the Missouri Nonprofit Corporation Act, as amended, and its successors and assigns and any surviving, resulting or transferee corporation as provided in the Lease Purchase Agreement.

*"**Corporation Representative**"* means the person or persons at the time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Lease Purchase Agreement, the Leasehold Deed of Trust and the Indenture as evidenced by a written certificate furnished to the City and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

*"**Costs of Issuance Fund**"* means the Series 2015 Forest Park Leasehold Revenue Refunding Bonds Costs of Issuance Fund created by the Indenture.

*"**Counsel**"* means an attorney duly admitted to practice law before the highest court of any state and without limitation, may include legal counsel for the City or the Corporation.

"***Credit Provider***" with respect to the Series 2004 Bonds means National Public Finance Guarantee Corporation (formerly MBIA, Inc., as assignee of Financial Guaranty Insurance Corporation

"***Dated Date***" with respect to the Series 2015 Bonds, means the date of delivery of the Series 2015 Bonds.

*"**Debt Service Fund**"* means the Series 2015 Forest Park Leasehold Revenue Refunding Debt Service Account" in the Debt Service Fund created in the Indenture.

*"**Debt Service Reserve Fund**"* means the Debt Service Reserve Fund established under the Original Indenture, including a separate account for each Series of Bonds.

*"**Debt Service Reserve Fund Deposits**"* means with respect to any Series of Bonds the deposits into the Debt Service Reserve Fund, if any, required by the Indenture or any supplemental indenture authorizing such additional bonds.

"***Debt Service Reserve Fund Requirement***" means, as of the date of calculation, and calculated on the basis of all Senior Bonds, the least of (i) the maximum annual debt service on such Senior Bonds Outstanding, (ii) 10% of the stated principal amount of such Senior Bonds (or issue price if such Senior Bonds are sold with more than a de minimus amount of original issue discount or premium) or (iii) 125% of the average annual debt service requirements on such Senior Bonds. The Debt Service Reserve Fund Requirement may be satisfied by Debt Service Reserve Fund Deposits in cash or in partial substitution or in lieu of cash by an insurance policy, letter of credit, line of credit or surety bond or similar liquidity or credit facility guaranteeing payments into the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement which facility shall be issued by an entity that is rated in one of the two highest rating categories (without regard to modifiers) by any rating agency which rates such facility.

"***Dedicated Revenues***" means the following amounts of taxes and revenues which the City intends, subject to annual appropriation to use to pay Rentals and Additional Rentals under the Lease Purchase Agreement, including (a) 10.421% of the Capital Improvements Sales Tax; (b) 24.5% of the Metropolitan Park and Recreation District Capital Improvements Sales Tax; and (c) all Earned Revenues which are dedicated to Forest Park pursuant to Chapter 5.74 of the City Code.

*"**Defeasance Obligations**"* means only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Bonds.

*"**Depository**"* or *"**DTC**"* means Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, as amended, a "banking organization" within the meaning of the New York Banking Law, as amended, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, and its successors and assigns.

"***Earned Revenues***" means certain revenues earned in Forest Park held in the Forest Park Fund, created and existing pursuant to Ordinance No. 51336 and used for capital improvements in Forest Park.

*"**Event of Default**"* means (i) with respect to the Lease Purchase Agreement any Event of Default as defined in the Lease Purchase Agreement, and (ii) with respect to the Indenture any Event of Default as defined in the Indenture.

*"**Event of Non-Appropriation**"* means the failure of the City to appropriate sufficient funds for the payment of Rentals and Additional Rentals for the succeeding Fiscal Year.

*"**Fiscal Year**"* means the fiscal year now or hereafter adopted by the Corporation and, with respect to the City, its fiscal year currently beginning on July 1 of each calendar year.

"***Fourth Supplemental Indenture***" means the Fourth Supplemental Indenture of Trust dated as of March 1, 2015, by and between the Corporation and the Trustee.

"***Fourth Supplemental Lease Purchase Agreement***" means the Fourth Supplemental Lease Purchase Agreement, dated as of March 1, 2015, by and between the Corporation and the City.

"***Forest Park Improvements***" means the Property and the Forest Park Improvements to be acquired, constructed, equipped, renovated, replaced and installed as part of the Project.

"***FPF***" means Forest Park Forever, Inc., a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act, as amended.

*"**Full Replacement Value**"* means the actual replacement cost of any component of the Project, exclusive of land, excavations, footings, foundations and parking lots, but in no event shall such value be less than the principal amount of the Bonds at the time Outstanding.

"***Global Bond Certificates***" means one or more bond certificates of the Corporation, each certificate representing the entire principal amount of the Bonds due on a particular State Maturity, immobilized from general circulation in the Depository.

"***Great Rivers Greenway Tax***" means the one-tenth of one cent sales tax on all retail sales within the City of St. Louis levied for the purpose of funding the creation, operation and maintenance of a metropolitan park and recreation district, authorized pursuant to Sections 67.1700 to 67.1769 of the Revised Statues of Missouri, as amended.

*"**Impositions**"* means those taxes, assessments and other impositions defined in the Lease Purchase Agreement.

"***Indenture***" means the Indenture of Trust dated as of March 1, 1997, between the Corporation and the Trustee, as amended and supplemented by the First Supplemental Indenture of Trust dated as of December 1, 2004, the Second Supplemental Indenture of Trust dated as of March 30, 2007, the Third Supplemental Indenture of Trust, dated as of April 1, 2013 and the Fourth Supplemental Indenture of Trust, and as from time to time further amended and supplemented in accordance with the provisions of the Original Indenture.

"***Interest Payment Date,***" with respect to any Series of Bonds, shall have the meaning specified in the Original Indenture or any Supplemental Indenture authorizing such Series of Bonds. The term "Interest Payment Dates" for the Series 2015 Bonds means February 15 and August 15 of each year as long as any Series 2015 Bonds remain outstanding, commencing on August 15, 2015.

"***Lease Purchase Agreement***" means the Lease Purchase Agreement dated as of March 1, 1997, by and between the Corporation and the City, as amended by that certain Supplemental Lease Purchase Agreement dated as of December 15, 1999, that certain First Supplemental Lease Purchase Agreement dated as of December 1, 2004, that certain Second Supplemental Lease Purchase Agreement dated as of March 30, 2007, that certain Supplemental Lease Purchase Agreement dated as of December 1, 2009, the Third Supplemental Lease Purchase Agreement dated as of April 1, 2013 and the Fourth Supplemental Lease Purchase Agreement dated as of the date hereof, and as from time to time further supplemented or amended in accordance with Article XIV of the Lease Purchase Agreement and Article XII of the Indenture.

*"**Maturity**"* or *"**Maturities**"* means, with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration, acceleration, call for redemption or otherwise.

"***Original Indenture***" means the Indenture of Trust dated as of March 1, 1997, by the between the Corporation and the Trustee.

"***Original Lease***" means the Lease Purchase Agreement dated as of March 1, 1997, by and between the Corporation and the City of St. Louis, Missouri.

*"**Outstanding**"* means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

(a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for canceling;
(b) Bonds which are deemed paid under the Indenture;
(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture; and
(d) Bonds held by or for the account of the Corporation, the City or any person controlling, controlled by or under common control with either of them for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds outstanding under the Indenture.

"***Owner***" means the owner of the Series 2013 Bond.

"Participants" means those financial institutions for whom the Depository effects book entry transfers and pledges of securities deposited with the Depository.

"Paying Agent" means the Trustee and any other bank or trust institution organized under the laws of any state of the United States or any national banking association designated by the Indenture or any Supplemental Indenture as paying agent for any series of Bonds at which the principal of, redemption premium, if any, and interest on such Bonds shall be payable.

*"**Permitted Encumbrances**"* means:

(a) with regard to the Property, such easements, encumbrances and restrictions as are identified in the title company's commitment for title insurance;
(b) any financing statements relating to the Indenture, the Base Lease, the Lease Purchase Agreement or Leasehold Deed of Trust;
(c) Impositions which are not then delinquent, or if then delinquent, are being contested in accordance with the Lease Purchase Agreement;
(d) utility, access and other easements and rights-of-way, restrictions and exceptions, including operating agreements or leases, which will not interfere with or impair the operation of the Property (or, if it is not being operated, the operation for which it was designed or last modified);
(e) any mechanic's, laborer's, material man's, supplier's or vendor's lien or rights in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the Lease Purchase Agreement;
(f) such minor defects and irregularities of title as normally exist with respect to properties similar in character to the Property which the Corporation certifies do not materially adversely affect the value of the Property or impair the Property affected thereby for the purpose for which it was acquired or is held by the Corporation;
(g) zoning laws and similar restrictions which are not violated by the Property;
(h) the Base Lease; and
(i) the Lease Purchase Agreement.

*"**Permitted Investments**"* means any of the following, to the extent permitted by applicable law:

(1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");
(2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal

Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgaged-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority;

(3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured or unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P;

(4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's and "A-1" or better by S&P;

(5) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States: provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P;

(6) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(7) investments in money market funds rated "AAAm" or "AAAm-G" by S&P;

(8) repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's, and "A-1" or "A-" or better by S&P, provided;

  (a) a master repurchase agreement or specific written repurchase agreement governs the transaction;

  (b) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, and such third party is (i) a Federal Reserve Bank; (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which as combined capital, surplus and undivided profits of not less than $50 million; or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee;

  (c) a perfected first security interest under the Uniform Commercial Code, or book-entry procedures prescribed at 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* in such securities is created for the benefit of the Trustee;

  (d) the repurchase agreement has a term of 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(e) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

*"**Principal Payment Date**"* with respect to any Series of Bonds, shall have the meaning specified in the Original Indenture or any Supplemental Indenture authorizing such Series of Bonds. The Principal Payment Dates for the Series 2015 Bonds means February 15 of each year as long as the Series 2015 Bonds remain outstanding, beginning February 15, 2016.

*"**Property**"* means the real property described in Schedule I to the Lease Purchase Agreement together with the City's interest in any buildings, structures, improvements and equipment and other personal property thereon, and situated in the City including all streets and roads adjoining thereto and all easements and rights of way now or hereafter used in connection therewith together with all land lying in the bed of any street or road, open or proposed, in front of or adjoining such site to the center line thereof now or hereafter used in connection with such site.

"***Purchase Agreement***" means, with respect to the Series 2015 Bonds, the Bond Purchase Agreement by and among the Corporation, the City and US Bancorp as representative of the underwriters named therein.

*"**Rebate Fund**"* means the Series 2015 Forest Park Leasehold Revenue Refunding Bonds Rebate Fund established in the Indenture.

*"**Record Date**"* means, with respect to any Interest Payment Date, the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date occurs.

"***Redemption Date***" means March 26, 2015.

*"**Redemption Notice Information**"* means information in a written and dated notice from the Trustee which (i) identifies the Bonds to be redeemed by the name of the issue (including the name of the issuer and any series designation), CUSIP number, if any, Dated Date, interest rate, Stated Maturities and any other descriptive information the Trustee deems desirable to accurately identify the Bonds to be redeemed and, if only a portion of the Bonds will be redeemed, the certificate numbers and the principal amount of the Bonds to be redeemed, (ii) identifies the date on which the notice given and the Redemption Date, (iii) states the price at which the Bonds will be redeemed, (iv) states that interest on the Bonds or the portions of Bonds called for redemption will stop accruing from the Redemption Date if funds sufficient for their redemption and available for that purpose are on deposit with the Trustee on the Redemption Date, (v) states that payment for the Bonds will be made on the Redemption Date at the principal corporate trust office of the Trustee during normal business hours upon the surrender of the Bonds to be redeemed in whole or in part and (vi) identifies by name and telephone number a representative of the Trustee who may be contacted for additional information

*"**Refunding Bonds**"* means bonds issued to refund any Series of Bonds or portion thereof then Outstanding.

"***Rentals***" or "***Rent***" as used in the Indenture, shall include all amounts appropriated by the City and paid to the Trustee pursuant to the Lease Purchase Agreement to be applied to the payment of principal of and interest on the Bonds, which amount shall equal the Dedicated Revenues net of any amounts due as Additional Rentals under the Lease Purchase Agreement plus, subject to annual appropriation, other legally available amounts due under Section 4.1(d)(i) of the Lease Purchase Agreement.

"***Resolution***" with respect to the Series 2015 Bonds, means the Resolution adopted by the Board of Directors of the Corporation authorizing, among other things, the issuance, sale and delivery of Series 2015 Bonds, and the execution of certain documents related thereto in accordance with the Indenture and any amendments or supplements thereto and any resolution providing for the issuance of a Series of Bonds under the Indenture.

"***S&P***" means Standard & Poor's, a division of McGraw-Hill, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency. "S&P" shall mean any other nationally recognized securities rating agency designated by the Corporation with the approval of the City, by notice to the Trustee and the Corporation.

"***Senior Bonds***" means the Series 2015 Bonds and any Bonds issued on a parity therewith.

"***Series***" means all of the Bonds delivered on original issuances in a simultaneous transaction and identified pursuant to the Indenture, or pursuant to a Supplemental Indenture authorizing the issuance of such Bonds as a separate Series, and any Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to the Indenture, regardless of variations in maturity, interest rate, or other provisions.

"***Series 2013 Bonds***" means the Forest Park Taxable Subordinate Leasehold Revenue Improvement Bonds (City of St. Louis, Missouri, Lessee) Series 2013, authorized under the Original Indenture and the Third Supplemental Indenture, which Series 2015 Bonds constitute Bonds under the terms of the Indenture.

"***Series 2015 Bonds***" means the Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee) Series 2015, authorized under the Indenture, which Series 2015 Bonds constitute Bonds under the terms of the Indenture.

"***Series 2015 Costs of Issuance Fund***" means the Series 2015 Costs of Issuance Fund created in the Fourth Supplemental Indenture.

"***Series 2015 Debt Service Account***" means the Series 2015 Debt Service Account created in the Fourth Supplemental Indenture.

"***Series 2015 Debt Service Reserve Account***" means the Series 2015 Debt Service Reserve Account created in the Fourth Supplemental Indenture.

"***Series 2015 Rebate Fund***" means the Series 2015 Rebate Fund created by the Fourth Supplemental Indenture.

"***Series 2015 Ordinance***" means Ordinance No. 69922 of the City enacted on January 16, 2015, which authorized, among other things, the issuance, sale and delivery of the Series 2015 Bonds, in accordance with the Indenture and any amendments or supplements thereto and any other ordinance providing for the issuance of a Series of Bonds under the Indenture.

"***Series Debt Service Reserve Fund***" shall mean any Series Debt Service Reserve Fund (other than the Debt Service Reserve Fund) established by the City pursuant to a Supplemental Indenture in connection with the issuance of any Series of Bonds and that is required to be funded for the purpose of providing additional security for such Series of Bonds and under certain circumstances to provide additional security for such other designated Series of Bonds issued pursuant to the terms of the Indenture and as specified in any Supplemental Indenture.

"State" means the State of Missouri.

"Stated Maturity" means, when used with respect to any Bond, the date specified in the Indenture or in any Supplemental Indenture authorizing Additional Bonds as the fixed date on which the principal of such Bond is due and payable.

"***Subordinate Bonds***" means the Series 2013 Bonds and any Bonds issued on a parity therewith.

"Supplemental Base Lease" means any lease supplemental or amendatory to the Base Lease entered into by the City and the Corporation pursuant to the Base Lease.

"Supplemental Indenture" means any indenture supplemental or mandatory to the Indenture entered into by the Corporation and the Trustee pursuant to the Indenture.

"Supplemental Lease Purchase Agreement" means any lease purchase agreement supplemental or amendatory to the Lease Purchase Agreement entered into by the Corporation and the City pursuant to the Lease Purchase Agreement and the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement executed by the Corporation, the City and the Trustee relating to any Series of Bonds.

"Term" or *"Lease Term"* means the term of the Lease Purchase Agreement beginning as of March 1, 1997, and ending (i) the last day of the then current Fiscal Year of the City during which there occurs an event of Non-Appropriation with respect to the City; (ii) the date on which there occurs an Event of Default with respect to the City under the Lease Purchase Agreement if the Corporation or the trustee elects such remedy pursuant to the Lease Purchase Agreement (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under the Lease Purchase Agreement shall be paid by the City or (iv) upon the discharge of the Indenture as provided in the Indenture.

"***Third Supplemental Indenture***" means the Third Supplemental Indenture dated as of April 1, 2013.

"***Third Supplemental Lease***" means the Third Supplement Lease Purchase Agreement, dated as of April 1, 2013, by and between the Corporation and the City.

"***Trustee***" means UMB Bank, N.A. St. Louis, Missouri, as trustee under the Indenture and any successors or assigns.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of the United States of America or obligations the payment of the principal of and interest of which are fully and unconditionally guaranteed by the United States of America.

"Value" means the value, determined as deemed necessary but not less often than quarterly, of Permitted Investments and/or Defeasance Obligations (together, "investments") which shall be calculated as follows:

(a) as to investments, the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times or other national publication acceptable to the Trustee): the average of the bid and asked prices for such investments so published at or most recently prior to such time of determination;

(b) as to investments, the bid and asked prices of which are not published on a regular basis in The Wall Street Journal (if not there, then in the alternative, The New York Times or other national publication acceptable to the Trustee): the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above the value thereof established by prior agreement between the Corporation and the Trustee.

SUMMARY OF INDENTURE

The following is a summary of certain provisions of the Indenture, pursuant to which the Series 2015 Bonds will be issued. The summary does not purport to be complete or comprehensive, and this summary is qualified in its entirety by reference to the Indenture, copies of which are available from the Corporation.

Trust Estate

In order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and redemption premium, if any, and to secure the performance and observance by the Corporation of the covenants, agreements and conditions herein and in the Bonds contained, the Corporation, subject to the Lease Purchase Agreement, grants, bargains and sells, mortgages, warrants, conveys and confirms and pledges, assigns and grants a security interest in all and singularly the following property ("**Trust Estate**") unto the Trustee and its successors-in-trust and its assigns, for the benefit of the Bondholders:

1. All leases of the Trust Estate, or portions thereof, now or hereafter entered into and all right, title and interest of the Corporation under the Indenture.

2. All right, title and interest of the Corporation (including the right to enforce any of the terms thereof) in, to and under:

(a) the Base Lease,

(b) the Lease Purchase Agreement and all Rentals, and Additional Rentals and certain other revenues, moneys and receipts pursuant to the Lease Purchase Agreement or otherwise available to secure the Bonds, except the amounts described in the Original Lease, the Corporation's and the Trustee's rights to indemnification under the Lease Purchase Agreement,

(c) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the Lease Purchase Agreement, and

(d) any and all real and personal property interests, including but not limited to, equipment of the Corporation acquired by the Corporation in connection with the Project pursuant to the Base Lease and the Lease Purchase Agreement subject to subparagraph (b) hereinabove.

3. All moneys and securities from time to time held by the Trustee under the Indenture, excluding moneys on deposit in the Rebate Fund, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security under the Indenture by the Corporation or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Nature of Obligations. The Bonds and the interest thereon shall be special obligations of the Corporation payable solely out of the Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Purchase Agreement, and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Bondholders, as provided in the Indenture and no incorporator, member, agent, employee, director or officer of the Corporation or the City shall at any time or under any circumstances be individually or personally liable under the Indenture or the Lease Purchase Agreement for anything done or omitted to be done by the Corporation under the Indenture. The Bonds and the interest thereon shall not be a debt of the City or the State and the City and the State shall not be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Additional Bonds. So long as no event has occurred and is continuing which, with the passage of time or otherwise, would become an Event of Default under the Indenture (unless such Additional Bonds are Refunding Bonds or are being issued to cure such event), Additional Bonds may be issued under and equally and ratably secured by the Indenture on a parity with the Series 2015 Bonds and any other outstanding Additional Bonds, at any time and from time to time upon compliance with the conditions provided in this Section, for the purpose of paying the Costs of completing the Project, such cost to be evidenced by a certificate signed by a City Representative and a Corporation Representative. Additional Bonds may also be issued for the purpose of providing funds for refunding all or any part of the Bonds then Outstanding of any Series, including the payment of any redemption premium thereon and interest to accrue to the designated Redemption Date and any expenses in connection with such refunding.

No Additional Bonds without the Consent of the Holders of the Series 2013 Bonds. In no event shall the City issue any Additional Bonds secured by any component of the Trust Estate without the prior written consent of the holders of the Series 2013 Bonds; provided, however, the City may issue Additional Bonds, without the consent of the holders of the Series 2013 Bonds, to refinance the Series 2004 Bonds, including the payment of any redemption premium thereon and interest to accrue to the designated redemption date and any expenses in connection with the refunding of such Bonds, so long as the annual debt service on the Series 2004 Bonds is not increased by such refunding and the final maturity of the Series 2004 Bonds is not extended (which provisio covers the Series 2015 Bonds).

In addition, if the City identifies another source of revenues other than the Dedicated Revenues available to finance improvements to Forest Park, the Corporation may seek consent from the Series 2013 Bondholders to facilitate the issuance of either senior or subordinate Additional Bonds under this Indenture, and FPF has agreed in the Purchase Agreement to consent to any Supplemental Indenture and Supplemental Lease Purchase Agreement so long as it reasonably concludes that such supplements will not reduce the amounts otherwise available for payment of the Series 2013 Bonds.

Creation of Funds. The Indenture provides for the creation and establishment in the custody of the Trustee the following special trust funds to be designated:

1. The "Series 2015 Forest Park Leasehold Revenue Refunding Bonds Costs of Issuance Fund" (the "***Series 2015 Costs of Issuance Fund***"),
2. The "Series 2015 Forest Park Leasehold Revenue Refunding Debt Service Account" in the Debt Service Fund" (the "***Series 2015 Debt Service Account***"), and
3. The "Series 2015 Forest Park Leasehold Revenue Refunding Bonds Debt Service Reserve Account" (the "***Series 2015 Debt Service Reserve Account***").
4. The "Series 2015 Forest Park Leasehold Revenue Refunding Bonds Rebate Fund" (the "***Series 2015 Rebate Fund***.")

Application of Amounts Deposited in Series 2015 Costs of Issuance Fund. Moneys on deposit in the Series 2015 Costs of Issuance Fund shall be paid out from time to time by the Trustee upon submission to the Trustee of Written Requests signed by the City Representative and the Corporation Representative, in an amount equal to the amount of costs and expenses of issuing and securing the Series 2015 Bonds certified in such Written Requests, including, without limitation, printing expenses, rating agency fees, if any, recording and filing fees, trustee's and depository's fees and expenses, fees and expenses of the Corporation, legal fees, and other out-of-pocket expenses incurred or to be incurred by or on behalf of the Corporation or the City in connection with or incident to the issuance, sale and delivery of the Series 2015 Bonds. At such time as the Trustee is advised in writing by the Corporation Representative that such costs and expenses have been paid, and in any case not later than six months from the Dated Date, the Trustee shall transfer any moneys remaining in the Series 2015 Costs of Issuance Fund in the Series 2015 Debt Service Account.

Application of Funds with Respect to the Debt Service Reserve Fund. The Debt Service Reserve Fund Requirement for the Series 2015 Bonds shall initially be satisfied by depositing with the Trustee the sum of $847,351.36, from the Series 2004 Debt Service Reserve Fund, which represents the Debt Service Reserve Requirement for the Series 2015 Bonds.

Except as herein otherwise provided, funds on deposit in the Debt Service Reserve Fund shall be used and applied by the Trustee solely to prevent a default in the event that moneys on deposit in the Debt Service Fund are insufficient to pay the principal of and interest on any Senior Bonds as the same become due. The Trustee may disburse and expend moneys from the Debt Service Reserve Fund whether or not the amount therein equals the Debt Service Reserve Fund Requirement. Moneys on deposit in the Debt Service Reserve Fund may be used (i) to pay Senior Bonds called for redemption or (ii) to purchase Senior Bonds in the open market prior to their Stated Maturity, provided all Senior Bonds at the time Outstanding are called for redemption or purchased and sufficient funds are available therefor. Moneys on deposit in the Debt Service Reserve Fund shall be used to pay and retire the Senior Bonds last becoming due, unless such Bonds and all interest thereon are otherwise paid.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement, no further deposits to said Debt Service Reserve Fund shall be required.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement, investment earnings on funds on deposit in the Debt Service Reserve Fund shall be deposited into the Debt Service Fund. If, however, the sum on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, investment earnings on funds in the Debt Service Reserve Fund shall remain therein and be applied to reducing such deficiency. If, however, the Trustee is ever required to withdraw funds from the Debt Service Reserve Fund to prevent a default as herein provided and the withdrawal of such funds reduces the amount on deposit in the Debt Service Reserve Fund to less than the Debt Service Reserve Fund Requirement for all Series of Senior Bonds, the City shall in accordance with the Lease Purchase Agreement, make up such deficiency by making monthly payments of Additional Rentals, commencing on the first day of the calendar month following the date of such withdrawal and continuing on the first day of each month thereafter, in an amount equal to one-twelfth (1/12) of the maximum amount of such deficiency, until the amount on deposit in the Debt Service Reserve Fund again aggregates a sum equal to the Debt Service Reserve Fund Requirement.

Permitted Investments in the Debt Service Reserve Fund shall be evaluated by the Trustee quarterly on January 15, April 15, July 15 and October 15 of each year and the amount on deposit therein determined accordingly. In the event that on any such date of evaluation the amount on deposit in the Debt Service Reserve Fund shall aggregate an amount less than the Debt Service Reserve Fund Requirement (by reason of such evaluation and not by reason of any withdrawal) the City shall make up such deficiency as Additional Rentals no later than the next evaluation date.

Any Series of Subordinate Bonds shall not be secured by a Debt Serve Reserve Fund unless a separate subordinate debt service reserve fund is established by the Supplemental Indenture authorizing the issuance of such Subordinate Bonds, which will provide additional security only to such Series of Bonds, unless otherwise provided in such Supplemental Indenture.

Notwithstanding the foregoing, the Debt Service Reserve Fund Requirement may be satisfied by any of the following in lieu of or as partial substitution for cash: a debt service reserve insurance policy, 1etter of credit, line of credit guaranty or surety bond or any similar credit or liquidity facility, or any combination thereof which facility shall be issued by an entity that is rated in one of the two highest rating categories (without regard to modifiers) by any rating agency which rates such facility. In the case of the utilization of any cash substitute as provided in this paragraph, any moneys remaining in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement shall be transferred to the Debt Service Fund.

Application of Funds with Respect to the Debt Service Fund. The Trustee shall deposit into the Debt Service Fund (i) all Rentals deposited with the Trustee pursuant to the Lease Purchase Agreement (ii) all interest and other income derived from investments of funds on deposit in the Debt Service Fund, and (iii) all other moneys received by the Trustee which the Trustee is directed to deposit in the Debt Service Fund.

The Trustee shall apply amounts to be deposited to the Debt Service Fund as follows: (i) first into the Series 2004 Debt Service Account of the Debt Service Fund amounts corresponding to the payments of principal of, redemption premium, if any, and interest on the Series 2004 Bonds coming due on the Redemption Date; (ii) second into the Series 2015 Debt Service Account of the Debt Service Fund amounts corresponding to the payments of principal of, redemption premium, if any, and interest on the Series 2015 Bonds coming due on the next Interest Payment Date; (iii) third into the Series 2015 Debt Service Reserve Account, to the extent, if any, that the balance in such Account is less than the Debt Service Reserve Fund Requirement for the Series 2015 Bonds, according to the replenishment provisions set forth in the Indenture; (iv) fourth, into the Series 2013 Debt Service Account of the Debt Service Fund amounts corresponding to the payments of interest on the Series 2013 Bonds coming due on the next Interest Payment Date; (v) fifth, if the Interest Payment Date is August 15, the amount of principal and interest coming due on the Series 2015 Bonds on the subsequent February 15; and (vi) sixth, into the Series 2013 Redemption Account.

Except as otherwise provided in the Indenture, funds on deposit in the Debt Service Fund shall be used and applied solely to pay the principal of, redemption premium, if any, and interest on the Bonds.

Moneys in the Debt Service Fund shall be disbursed by the Trustee based on the amounts on deposit in such fund on each February 10th and August 10th on the dates and for the purposes and in the amounts as follows:

(1) *First*, payments of all interest due and payable on the Series 2015 Bonds, shall be made as set forth in the Indenture on the Redemption Date or the applicable Interest Payment Date;

(2) *Second*, payments of all principal due and payable on the Series 2015 Bonds, shall be made as set forth in the Indenture on the applicable Principal Payment Date;

(3) *Third*, to the extent amounts are on deposit in the 2013 Debt Service Account, the amount necessary to make payments of all interest due and payable on the Series 2013 Bonds shall be made to the Owner of the Series 2013 Bonds on each Interest Payment Date. Any unpaid portion of the interest on the Series 2013 Bonds shall be carried forward to the next Interest Payment Date, with compound interest thereon at the same rate as the then-outstanding Cumulative Outstanding Principal Balance of the Series 2013 Bonds.

(4) *Fourth,* all other remaining money in the Series 2013 Debt Service Account shall annually on each February 15th be deposited in the Series 2013 Redemption Account and distributed in the manner provided the Third Supplemental Indenture.

The Trustee shall notify the City and the Corporation in writing no later than fifteen (15) days prior to an Interest Payment Date of the moneys available in the Debt Service Fund to pay interest on such upcoming Interest Payment Date. Except as provided in the Indenture and except as may be provided in any Supplemental Indenture with respect to using moneys in the Debt Service Fund to purchase Bonds in the open market, moneys in the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds, in the order provided above, as the same mature and become due or upon the redemption thereof prior to maturity.

Whenever the amount in the Debt Service Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before such redemption, the Corporation covenants and agrees, upon request of the City, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the City.

Subject to payment of the amounts currently due on the Series 2015 Bonds, the amount on deposit in the Series 2013 Redemption Account shall be available to redeem the Series 2013 Bonds, pursuant to the Fourth Supplemental Indenture when amounts on deposit therein exceeds $100,000 on any February 15th. Such Series 2013 Bonds shall be redeemed on each February 15 or any date determined by the Corporation after which proper notice of redemption can be given pursuant to the Indenture.

After payment in full of the principal of and interest, if any, on the Bonds (or provision has been made for the payment thereof as provided in the Indenture), and the fees, charges and expenses of the Trustee, the Corporation and any Paying Agent and any other amounts required to be paid under the Indenture, the Lease Purchase Agreement and the Base Lease, all amounts remaining in the Debt Service Fund shall be paid to the Corporation upon the expiration or sooner termination of the Lease Purchase Agreement.

Deposits into the Series 2015 Debt Service Account.

(a) The Trustee shall deposit into the Series 2015 Debt Service Account, as and when received, (i) any Rentals required to be deposited therein pursuant to the Indenture; (ii) all interest and other income derived from investments of Series 2015 Debt Service Account; and (ii) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease Purchase Agreement when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Series 2015 Debt Service Account.

(b) The Trustee shall notify the Corporation in writing, at least 15 days before each date on which a payment is due under the Lease Purchase Agreement, of the amount that is payable by the Corporation pursuant to

All moneys required or expected to be required to be rebated to the United States shall be deposited in the Rebate Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of, or premium, if any, or interest on, any Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of such principal or premium, if any, or interest on such Bonds need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Nonrepresentment of Bonds. In the event any Bond shall not be presented for payment when the principal therein becomes due at its Maturity and if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Corporation to the Bondholder thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, said Bond. If any Bond shall not be presented for payment within five years following the Maturity thereof, the Trustee shall repay to the City the funds theretofore held by it for payment of such Bond without liability for interest thereon, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Bondholder thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Repayment to the City From the Debt Service Fund. After payment in full of the principal of and redemption premium, if any, and interest on, the Bonds (or after provision has been made for the payment thereof as provided in the Indenture), and the fees, charges and expenses of the Trustee and Paying Agents and any other amounts required to be paid under the Indenture, all amounts remaining in the Debt Service Fund shall be paid to the City upon the expiration or sooner termination of the Indenture.

Moneys to be Held in Trust. Except as otherwise specifically provided herein, all moneys deposited with or paid to the Trustee pursuant to the provisions of the Indenture, and all moneys deposited with or paid to any Paying Agent under the Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the Indenture and the Lease Purchase Agreement and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received under the Indenture except such as may be agreed upon.

Investment of Moneys in the Project Fund, the Costs of Issuance Fund, the Debt Service Fund and the Debt Service Reserve Fund. Moneys held in the Project Fund, the Costs of Issuance Fund, the Debt Service Fund and the Debt Service Reserve Fund created hereby or any account or subaccount created by any Supplemental Indenture authorizing any Series of Additional Bonds, if any, shall, pursuant to written direction of the City, signed by the Treasurer or his designee and in accordance with the Tax Compliance Agreement be invested and reinvested by the Trustee in Permitted Investments which mature or are subject to redemption or other liquidation at par by the holder prior to the date such funds will be needed. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Permitted Investments shall be credited to such fund or account or as otherwise provided by the Indenture or a Supplemental Indenture, and any loss resulting from such Permitted Investments shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. If the City fails timely to direct the investment of any moneys held in said funds, the Trustee may, but shall not be required to, invest or reinvest such moneys in Permitted Investments selected by the Trustee in its sole discretion that mature or are subject to redemption by the holder prior to the date such funds will be needed. The Trustee shall transfer excess monies in the Debt Service Reserve Fund to the Debt Service Fund after any quarterly valuation required by the Indenture. Investments purchased with funds on deposit in the Debt Service Reserve Fund shall have a term to maturity of not greater than five years.

Tax Exemption. The Corporation will comply with provisions of the Indenture with respect to the exemption of the interest on Bonds from Federal income taxation.

Rebate. The Trustee shall at the times specified in the Tax Compliance Agreement at the expense of the City, employ an individual or firm having the requisite expertise to make, the calculation(s) required by the Tax Compliance Agreement and the Corporation shall (i) pay to the Trustee for deposit into the Rebate Fund for payment to the United States the amount, if any, required to be rebated by the Tax Compliance Agreement and (ii) invest proceeds of the Bonds only as provided in the Tax Compliance Agreement. Anything in the Indenture to the contrary notwithstanding, the Tax Compliance Agreement may be amended or superseded by a new Tax Compliance Agreement accompanied by an opinion of Bond Counsel addressed to the City, Corporation and the Trustee to the effect that the use of said new Tax Compliance Agreement will not cause the interest on the Bonds to become includable in gross income for Federal income tax purposes of the recipient thereof.

Payment of Principal, Redemption Premium, if any, and Interest. The Corporation will deposit or cause to be deposited in the Debt Service Fund sufficient sums from Rentals and other revenues, moneys and receipts derived by the Corporation pursuant to the Lease Purchase Agreement or other tenancies promptly to meet and pay the principal of, redemption premium, if any, and interest on, the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Enforcement of Rights Under the Lease Purchase Agreement. The Corporation will enforce all of the rights and all of the obligations of the City under the Lease Purchase Agreement to the extent necessary to preserve the Property leased thereunder in good order and repair, and to protect the rights of the Trustee, the Bondholders with respect to the pledge and assignment of the Trust Estate upon the direction of the Trustee. The Trustee as assignee of the Lease Purchase Agreement and holder of the Indenture in its name or in the name of the Corporation may enforce all rights of the Corporation and all obligations of the City under and pursuant to the Lease Purchase Agreement for and on behalf of the Bondholders, whether or not the Corporation is in default under the Indenture.

Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default by the Corporation in the due and punctual payment of any interest on any Bond;

(b) Default by the Corporation in the due and punctual payment of the principal of or redemption premium, if any, on any Bond, whether at the Stated Maturity or other Maturity thereof, or upon proceedings for redemption thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Corporation contained in the Indenture or in the Bonds or in any other document or instrument that secures or otherwise relates to the debt and obligations hereby secured, and the continuance thereof for a period of sixty (60) days after written notice given to the Corporation and the City, by the Trustee or to the Trustee, the City and the Corporation by the Registered Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within said sixty-day period, the Trustee may consent in writing to an extension of such time prior to its expiration, and the Trustee will not unreasonably withhold its consent to such an extension if corrective action is instituted by the Corporation or the City within the sixty-day period and diligently pursued to completion and if such consent, in its sole judgment, does not materially adversely affect the interests of the Bondholders. Upon receipt of notice of any Event of Default under this subparagraph (c), the City shall have the rights specified in the Indenture; or

(d) An Event of Default under the Lease Purchase Agreement.

(e) With respect to the Series 2013 Bonds, (a) the failure of the City to appropriate (and any termination of the Lease Purchase Agreement as a result thereof pursuant to the Third Supplemental Lease) and pay Dedicated Revenues as Rentals and Additional Rentals as provided in the Third Supplemental Lease and to apply the same in accordance with the terms of the Third Supplemental Indenture; or (b) breach of the covenant set forth in the Third Supplemental Lease

Acceleration of Maturity in Event of Default. If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of the Registered Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the Corporation and the City, declare the principal of all Bonds then Outstanding and the interest accrued thereof immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Surrender of Possession of Trust Estate. Rights and Duties of Trustee in Possession. If an Event of Default shall have occurred and be continuing, the Corporation, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Corporation pertaining thereto, and including the rights and the position of the Corporation under the Lease Purchase Agreement and to collect, receive and sequester the Rentals, the Additional Rentals (except the amounts described in the Lease Purchase

Agreement) and other revenues, moneys and receipts derived under the Lease Purchase Agreement, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents and counsel; and (ii) any expenses and charges of the Trustee under the Indenture; and the Trustee shall apply the remainder of the moneys so received in accordance with the Indenture. The collection of such Rentals, the Additional Rentals (except the amounts described in the Lease Purchase Agreement), and other revenues, moneys and receipts, or the application thereof as aforesaid, shall not cure or waive any default or notice of default under the Indenture or invalidate any act done in response to such default or pursuant to notice of default. Whenever all that is due upon the Bonds shall have been paid, the Trustee shall surrender possession of the Trust Estate to the Corporation, its successors or assigns, the same rights, however, to exist upon any subsequent Event of Default.

The City shall give written notice to the Corporation with a copy to the Trustee as early as practicable in each Fiscal Year and in any case no later than three (3) Business Days following the date on which the budget for the next succeeding Fiscal Year is finally approved by the Board of Alderman of the City of either (i) the termination of the Lease Purchase Agreement or (ii) that sufficient funds have been budgeted and appropriated to make all payments of Rentals and a reasonable estimate of Additional Rentals during the next succeeding Fiscal Year. Notice that sufficient funds have been appropriated for the next succeeding Fiscal Year shall be accompanied by evidence satisfactory to the Corporation that sufficient funds have been budgeted and appropriated to make all Rentals and reasonable estimate of Additional Rentals for the Fiscal Year to which such notice pertains. If the Trustee does not receive such notice, the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made by July 1 of each year. If notice of termination has been duly given, all of the City's rights, title, interest and obligations under the Lease Purchase Agreement shall terminate without penalty on the last day of the then current Fiscal Year. Failure of the City to budget and appropriate prior to July 1 of each year funds in the minimum amount equal to the Rentals and a reasonable estimate of Additional Rentals during such Fiscal Year, shall constitute termination of the Lease Purchase Agreement at the end of the Fiscal Year then in effect, and failure to give notice to the Corporation of such termination as heretofore provided shall not affect such automatic termination.

Upon the occurrence and continuance of any Event of Non-Appropriation, the Trustee shall notify the City to vacate the Property immediately (but in no event earlier than the expiration of the then current Fiscal Year for which the City has paid or appropriated monies sufficient to pay all Rentals and Additional Rentals due for such Fiscal Year) and may, subject to the Indenture, without any further demand or notice: (i) terminate the Lease Purchase Agreement, re-enter the Property and eject all parties in possession thereof therefrom and sublease the Property; or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Property.

Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee or of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Exercise of Remedies by the Trustee. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding, and enforce and compel the performance of the duties and obligations of the City as herein set forth or to enforce or realize upon any of the rights, powers, liens or interests granted hereby to the Trustee. Upon the occurrence of an Event of Default, the Trustee may exercise any of the rights and remedies of a secured party under the Missouri Uniform Commercial Code, as amended, or other applicable laws and require the Corporation to assemble any collateral covered hereby and make it available to the Trustee at a place to be designated by the Trustee which is reasonably convenient to both parties.

Exercise of Rights and Powers. If an Event of Default shall have occurred and be continuing, and if requested so to do by the Registered Owners of at least fifty-one percent (51%) in aggregate principal amount of

Bonds then Outstanding and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders; provided however, the Trustee shall not be required or obligated to take any action which it in good faith determines could subject it to personal liability.

Limitation on Exercise of Remedies by Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture unless:

(i) a default has occurred of which the Trustee has been notified as provided in the Indenture or of which by said subsection the Trustee is deemed to have notice;

(ii) such default shall have become an Event of Default;

(iii) the Registered Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in the Indenture; and

(iv) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and provision of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture, it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any Bondholder to payment of the principal of and redemption premium, if any, and interest on any Bond at and after its Maturity or the obligation of the Corporation to pay from funds received pursuant to the Lease Purchase Agreement the principal of, all redemption premium, if any, and interest on each of the Bonds to the respective Registered Owners thereof at the time, place, from the source and in the manner herein and in such Bond expressed.

Right of Bondholders to Direct Proceedings. The Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture, provided, further, that the Trustee may require indemnification as provided in the Indenture, and, provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings directed would subject it to personal liability.

Application of Moneys in Event of Default. Upon an Event of Default, all moneys received by the Trustee pursuant to the Lease Purchase Agreement or pursuant to any right given or action taken under this Article or any other provisions of the Indenture, shall, after payment of (i) the cost and expenses of the proceedings resulting in the collection of such moneys and (ii) the fees, charges, expenses, liabilities, advances and dues incurred or made by the

Trustee, be deposited in the Debt Service Fund and any other debt service fund created for the payment of the Bonds, and all moneys so deposited in the Debt Service Fund or such other debt service fund shall be applied as follows:

(a) If the principal of all the Bonds shall not have become due or shall not have been declared due and payable, all such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due and payable, and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and redemption premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay such amounts in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the persons entitled thereto of unpaid principal of and redemption premium, if any, then due and unpaid on all of the Bonds, without preference or priority of principal or premium of any Bond over principal or premium of any other Bond, ratably, according to the amounts due respectively for principal and redemption premium, if any, to the persons entitled thereto, without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under this Article then, subject to the Indenture, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with subparagraph (a) of this Section.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section, and all fees, expenses and charges of the Trustee have been paid, and all amounts owing the United States Government under Section 148 of the Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the City as provided in the Indenture.

Remedies Cumulative. No remedy conferred by the Indenture upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute.

Delay or Omission Not Waiver. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Effect of Discontinuance of Proceedings. In case the Trustee shall have proceeded to enforce any right under the Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Corporation, the City, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of *the* Trustee shall continue as if no such proceedings had been taken

Waivers of Events of Default. The Trustee shall waive any Event of Default and its consequences and rescind any declaration of maturity of principal upon the written request of the Registered Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Registered Owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds at their Stated Maturity, or (b) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds or overdue installments of interest in respect of which such default shall have occurred, or all arrears of payments of principal when due, as the case may be, and all fees, charges and expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Corporation, the Trustee and the Bondholders shall be restored to their former positions, rights and obligations under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Opportunity of City to Purchase Corporation's Interest in Event of Default and to Cure Defaults.

(a) Upon receipt of notice by the City of an Event of Default pursuant to the Indenture, the Corporation has granted the City an option to purchase the Corporation's interest in the Property under the Lease Purchase Agreement.

(b) Upon receipt of notice by the City of an Event of Default pursuant to the Indenture, the Corporation granted to the City full authority on account of the Corporation to perform any covenant, agreement, or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Corporation, with full power to do any and all things and acts to the same extent that the Corporation could do and perform any such things and acts in order to remedy such default.

Notice to Bondholders if Default Occurs. If an Event of Default occurs of which the Trustee is by the Indenture required to take notice or if notice of default be given as in said subparagraph (h) provided, then the Trustee shall give written notice thereof by first class mail, postage prepaid, to the Holders of all Bonds then Outstanding at their respective addresses appearing on the Bond Register; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond when due, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is not to the detriment of the Bondholders.

Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its Counsel, has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding, provided that the Trustee shall first have been provided such reasonable indemnity as it may require against the fees costs, expenses and liabilities which it may incur in or by reason of such proceeding.

Appointment of Successor Trustee. In case the Trustee shall resign or be removed, or shall otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided that notwithstanding any other provision of the Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor, approved by the City and the Corporation, shall be appointed and provided further that, in case of such vacancy, the Corporation, by an instrument executed and signed by its President or any Vice President and attested by its Secretary or any Assistant Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided. Any such temporary Trustee so appointed by the Corporation shall immediately and without further acts be superseded by the successor Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to this Section shall be a trust company or bank in good standing and qualified to accept such trusts, subject to examination by a Federal or state regulatory authority and having a reported capital and surplus and undivided profits of not less than $75,000,000. If a successor Trustee or temporary trustee has not been appointed within thirty (30) days after the notice required by the Indenture is given the Trustee, the City or the Corporation may petition a court of competent jurisdiction for the appointment of a successor trustee.

Accounting. The Trustee shall provide an annual accounting for each calendar year to the Corporation, and at such Bondholder's expense to any Bondholder requesting the same, which records shall show in reasonable detail all financial transactions relating to the Trust Estate and the balance in any funds created by the Indenture as of the beginning and close of each accounting period.

Supplemental Indentures Not Requiring Consent of Bondholders. Subject to the Indenture, the Corporation, with the approval of the Board of Directors and the Trustee, may from time to time, without the consent of or notice to any of the Bondholders, enter into such Supplemental Indenture or Supplemental Indentures as shall not adversely affect the interests of the Bondholders, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture or to correct or supplement any provision herein which may be inconsistent with any other provision herein;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders, the Trustee or either of them;

(c) To subject to the Indenture additional revenues, properties or collateral;

(d) To issue Additional Bonds;

(f) To make any other change which in the sole determination of the Trustee does not materially adversely affect the Bondholders; in making such determination, the Trustee may rely on the opinion of such Counsel as it may select; and

(g) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the States of the United States of America.

Supplemental Indentures Requiring Consent of Bondholders. The Registered Owners of not less than a majority in aggregate principal amount of Bonds at the time Outstanding shall have the right, from time to time, to consent to and approve the execution by the Corporation and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Corporation and the City for the purpose of modifying, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, that, the consent of all of the Registered Owners of Bonds then Outstanding shall be required for (i) an extension of the maturity of the principal of or an Interest Payment Date on any Bond; (ii) a reduction in the principal amount of any Bond or the rate of interest thereon; (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or (iv) a reduction in aggregate principal amount of Bonds the Registered Owners of which are required to consent to any Supplemental Indenture.

Supplemental Lease Purchase Agreements and Supplemental Base Leases Not Requiring Consent of Bondholders. The Corporation and the Trustee shall, without the consent of or notice to the Bondholders consent to the execution of any Supplemental Lease Purchase Agreement and any Supplemental Base Lease, as may be required (a) by the Lease Purchase Agreement, the Base Lease or the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) in connection with the issuance of Additional Bonds, or (d) in connection with any other change therein which, in the sole determination of the Trustee, does not materially adversely affect the interests of the Trustee or the Bondholders; in making such determination the Trustee may rely on the opinion of such Counsel as it may select.

Supplemental Lease Purchase Agreements and Supplemental Base Leases Requiring Consent of Bondholders. Except for Supplemental Lease Purchase Agreements and Supplemental Base Leases as permitted without consent of Bondholders, neither the Corporation nor the Trustee shall consent to the execution of any Supplemental Lease Purchase Agreement or any Supplemental Base Lease without the mailing of notice and the obtaining of the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in Supplemental Indentures; provided that, the consent of all the Registered Owners of Bonds shall be required for (i) the creation of any lien ranking superior to or on a parity with the lien of the Indenture, unless otherwise permitted, or (ii) a reduction in the aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any Supplemental Lease Purchase Agreement or any Supplemental Base Lease. If at any time the Corporation and the City shall request the consent of the Trustee to any such proposed Supplemental Lease Purchase Agreement or any Supplemental Base Lease, the Trustee shall cause notice of such proposed Supplemental Lease Purchase Agreement or Supplemental Base Lease to be mailed in the same manner as provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Base Lease or Supplemental Lease Purchase Agreement and shall state that copies of the same are on file at the designated trust office of the Trustee for inspection by all Bondholders.

Satisfaction and Discharge of the Indenture. When all Bonds are deemed to be paid as provided in the Indenture, and provision shall also be made for paying all other sums payable under the Indenture, including the fees and expenses of the Trustee and the Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, terminate and be void, and thereupon the Trustee shall cancel, discharge and release the lien of the Indenture and shall execute, acknowledge and deliver to the Corporation such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the lien of the Indenture, and shall assign and deliver to the Corporation any property and revenues at the time subject to the Indenture that may then be in its possession, except amounts in the Debt Service Fund required to be paid to the City, monies in the Rebate Fund required to be paid to the United States and funds or securities invested by the Trustee for the payment of the principal of, and redemption premium, if any, and interest on, the Bonds.

Bonds shall be deemed to be paid within the meaning of the Indenture when payment of the principal of and the applicable redemption premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (a) moneys sufficient to make such payment or (b) Defeasance Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, provided, however, with respect to any deposit referred to in this clause (ii), the Trustee shall have received a verification report of a nationally recognized independent certified public accounting firm as to the adequacy of the escrow to fully pay the Bonds deemed to be paid. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Corporation, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. At such time as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

Notwithstanding any other provision of the Indenture, all moneys or Defeasance Obligations set aside and held in trust pursuant to the Indenture for the payment of Bonds (including redemption premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

Consents and Other Instruments by Bondholders. Any consent, request, direction, approval, objection or other instrument required by the Indenture (other than the assignment of ownership of a Bond) to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of the Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of an officer in any jurisdiction who by law, has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Registered Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

Waiver of Personal Liability, Limit on Corporation's Liability. All liabilities under the Indenture on the part of the Corporation are solely corporate liabilities of the Corporation. To the extent permitted by law, the Trustee hereby releases each and every incorporator, member, agent, employee, director and officer of the Corporation and the City and from any personal or individual liability under the Indenture. No incorporator, member, agent, employee, director or officer of the Corporation and the City shall at any time or under any circumstances be individually or personally liable under the Indenture for anything done or omitted to be done by the Corporation or the City under the Indenture.

The Corporation's monetary liability under the terms of the Indenture shall be limited to amounts available to it under the Lease Purchase Agreement.

Electronic Transmission and Storage. The Trustee and the Corporation agree that the transactions described in the Indenture may be documented. And related documents may be received or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SUMMARY OF CERTAIN PROVISIONS OF THE BASE LEASE

The following is a summary of certain provisions of the Base Lease, dated as of March 1, 1997, by and between the Corporation and the City (the *"Base Lease"*) as amended and supplemented. This summary does not purport to be complete or comprehensive, and this summary is qualified in its entirety by reference to the Base Lease, a copy of which is available from the Corporation.

Lease of Property. The City demises and leases to the Corporation the Property currently under its control and management and the Corporation leases from the City such Property for a Base Lease Term commencing on March 1, 1997, and ending twenty (20) years beyond the final maturity date of the Bonds; provided, however, that if the Bonds have been paid in full at maturity or defeased pursuant to the Indenture, and the City has not been required to surrender possession of the Property due to an Event of Non-Appropriation or an Event of Default under the Lease Purchase Agreement, the Base Lease will terminate upon such payment in full or defeasance.

Assignment, Subleases and Mortgages. The Corporation shall not mortgage or otherwise assign its rights under the Base Lease or sublet the Property without the prior written consent of the City, except in connection with any assignment of its rights as expressly provided for under the Lease Purchase Agreement.

Rent and Other Considerations. As and for rental under the Base Lease (the "**Base Lease Rent**") and in consideration of the leasing of the Property to the Corporation in order to provide funds for a portion of the Costs of the Project, shall:

(a) Issue, sell and cause to be delivered to the purchasers thereof the Series 2015 Bonds in one or more Series in the principal amount, bearing interest, maturing and having the other details as set forth in the Indenture and any Supplemental Indenture; and

(b) Deposit the proceeds of the sale of each Series of Bonds as provided in the Indenture and any Supplemental Indenture.

Termination. The Base Lease shall terminate as specified therein; provided, however, in the event the City pays all Rentals and Additional Rentals provided for in the Lease Purchase Agreement and exercises thereafter the option to purchase the Corporation's interest in the remaining Base Lease Term as provided in the Lease Purchase Agreement, then the Base Lease shall be considered assigned to the City and terminated without demand or further action on the part of the City through merger of the leasehold interest with the fee interest in the real estate, if the City is the owner of the fee interest and elects to terminate the leasehold interest so acquired from the Corporation. The Corporation agrees, upon such assignment and termination of the Base Lease Term, to quit and surrender the Property as it then exists.

If an Event of Default under the Lease Purchase Agreement occurs for any reason, or if the City terminates the Lease Purchase Agreement and fails to purchase the Corporation's interest in the Property as provided in Lease Purchase Agreement, the Corporation shall have the right to possession thereof for the remainder of the Base Lease Term and shall have the right to sublease the same or to sell its interest therein and in the Base Lease upon whatever terms and conditions it deems prudent; provided, that the Property shall always be operated for a lawful purpose. In such event, if the City so requests, the Corporation shall provide the City with adequate public liability insurance covering the Property for the remainder of the Base Lease Term and will furnish the City with evidence thereof. In the event that the Corporation shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the purchase price applicable under the Lease Purchase Agreement at the time of termination or default plus interest thereon at the interest rate per annum borne by the Bonds (which must be an amount sufficient to pay the principal of and all interest on the Bonds, or to provide for the payment thereof as provided in the Indenture, with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Corporation, its assigns or its sublessee.

Default by the Corporation. The City shall not have the right to exclude the Corporation from the Property or to take possession thereof (except pursuant to the Lease Purchase Agreement) or to terminate the Base Lease prior to the termination of the Base Lease Term upon any default by the Corporation under the Base Lease; except that if, upon exercise of the option to purchase the Corporation's interest in the Property under the Lease Purchase Agreement granted to the City in the Lease Purchase Agreement and after the payment of the purchase price specified therein and the other sums payable under the Lease Purchase Agreement, the Corporation fails to convey its interest therein to the City pursuant to said option, then the City shall have the right to terminate the Base Lease, such termination to be effective thirty (30) days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation under the Base Lease, the City may maintain an action, if permitted in equity, for specific performance.

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE PURCHASE AGREEMENT

The following is a summary of certain provisions of the Lease Purchase Agreement, dated as of March 1, 1997, by and between the Corporation and the City (the *"Lease Purchase Agreement"*), as amended and supplemented. This summary does not purport to be complete or comprehensive, and this summary is qualified in its entirety by reference to the Lease Purchase Agreement, a copy of which is available from the Corporation.

Conveyance; Granting of Leasehold.

(a) Simultaneously with the issuance of the Bonds (i) the City and the Corporation entered into the Base Lease.

(b) The Corporation pursuant to the Lease Purchase Agreement rents, leases and sublets the Property currently under its control and management, subject to Permitted Encumbrances, unto the City, and the City rents and leases such Property, subject to Permitted Encumbrances, from the Corporation for the Rentals and Additional Rentals and subject to the terms and conditions set forth in the Lease Purchase Agreement.

(c) The City has taken all necessary steps to provide the Corporation with a valid and binding first lien upon its leasehold interest in the Property and will provide the Corporation with an opinion of Counsel to the City that all necessary action related thereto, including, but not limited to, the timely filing of financing statements, have been taken.

(d) The City agrees to authorize and deliver to the Corporation, upon the Corporation's request, any financing statements, as well as extensions, renewals and amendments thereof, in such form as the Corporation may require to perfect a security interest with respect to said items and with respect to its leasehold interest in the Property. The City shall pay all costs of filing such financing statements as well as any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements which the Corporation or the Trustee may reasonably require.

Term of Lease Purchase Agreement: Termination; Annual Appropriation Required. The Term of the Lease Purchase Agreement shall terminate on the earliest of the occurrence of any of the following events: (i) the last day of the then current Fiscal Year of the City during which there occurs an Event of Non-Appropriation with respect to the City; (ii) there occurs an Event of Default by the City under the Lease Purchase Agreement if the Corporation or the Trustee elects such remedy pursuant to the Lease Purchase Agreement; (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under the Lease Purchase Agreement shall be paid by the City; or (iv) discharge of the Indenture as provided in the Indenture. The expiration or termination of the term of the Lease Purchase Agreement as to the City's right of possession of the Property shall terminate the City's rights of use of the Forest Park Improvements; provided, however, that all other terms of the Lease Purchase Agreement and the Indenture, including the continuation of City's purchase right under the Lease Purchase Agreement and all obligations of the Trustee with respect to the Holders of the Bonds and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged, as provided in the Indenture, except that all obligations of the City to pay any amounts to the Holders and the Trustee under the Lease Purchase Agreement shall thereafter be satisfied only as provided in the Indenture and, with respect to an Event of Non-Appropriation, prior to such expiration or termination as provided in the Lease Purchase Agreement, are payable prior to the termination of the Lease Purchase Agreement. The termination or expiration of the Term of the Lease Purchase Agreement, in and of itself, shall not discharge the lien of the Indenture.

Subject to the following two paragraphs, the payment obligations of the City under the Lease Purchase Agreement shall be absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever and shall be sufficient to provide all funds required for debt service on the Bonds, funding of the Debt Service Reserve Fund, and all other amounts required under the Lease Purchase Agreement, and the Indenture.

Nothing herein shall be construed to require the Board of Aldermen to appropriate any money to pay any Rentals or Additional Rentals (except as heretofore appropriated). If the City fails to pay any portion of the Rentals or Additional Rentals which are due under the Lease Purchase Agreement, the City, upon the request of the Trustee or the Corporation, will immediately quit and vacate the Property, and the Rentals and Additional Rentals (except for payments which have been theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that the City shall not be obligated to pay any Rentals or Additional Rentals to the Corporation under the Lease Purchase Agreement, except as provided in the Lease Purchase Agreement. Should the City fail to pay any portion of the required Rentals and Additional Rentals, the Trustee in accordance with the Indenture may immediately bring legal action to evict the City from the Property. No judgment may be entered against the City for failure to pay any Rentals or Additional Rentals, except to the extent that the City has theretofore incurred liability to pay such Rentals or Additional Rentals through its actual use and occupancy of the Property.

The Rentals and Additional Rentals constitute current expenses of the City, and the City's obligations under the Lease Purchase Agreement are from year to year only and do not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the current Fiscal Year. No provision of the Lease Purchase Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the City or any agency or instrumentality of the City within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease Purchase Agreement nor the issuance of the Bonds directly or indirectly or contingently obligates the City to make any payments under the Lease Purchase Agreement beyond those appropriated for the City's then current Fiscal Year; provided, however, that nothing in the Lease Purchase Agreement shall be construed to limit the rights of the Bondholders or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture.

The City covenants and agrees that the City's Budget Director, or any other officer at any time charged with responsibility of formulating budget proposals, is directed to include in the budget proposals submitted to the Board of Estimate and Apportionment, and to the extent permitted by law, to the Board of Aldermen of the City, in any year during the Lease Term, a request or requests for the Rentals, including the Series 2013 Rentals, and a reasonable estimate of Additional Rentals. Requests for appropriations shall be made in each Fiscal Year so that the City's Rentals and a reasonable estimate of Additional Rentals to be paid during the succeeding Fiscal Year will be available for such purposes. It is the intention of the City that the decision to appropriate the City's Rentals and Additional Rentals to provide financing for the Series 2013 Project pursuant to the Lease Purchase Agreement shall be made solely in accordance with the City's Charter and applicable state law. The City presently expects to, in each Fiscal Year of the City during the Lease Term, appropriate funds for the City to provide financing in an amount sufficient to pay principal of, redemption premium, if any, and interest on the Bonds. The Rentals and reasonably estimated Additional Rentals will be available for such Fiscal Years to be drawn upon to make payments pursuant to the terms of the Lease Purchase Agreement (i) upon such appropriation or (ii) upon failure to appropriate by June 30 (or such future date as the City shall adopt as at the end of its Fiscal Year) pursuant to the Lease Purchase Agreement.

The City shall give written notice to the Corporation with a copy to the Trustee and FPF as early as practicable in each Fiscal Year and in any case no later than three (3) Business Days following the date on which the budget for the next succeeding Fiscal Year is finally approved by the Board of Aldermen of the City of either (i) the termination of the Lease Purchase Agreement or (ii) that sufficient funds have been budgeted and appropriated to make all payments of Rentals and reasonably estimated Additional Rentals during the next succeeding Fiscal Year. Notice that sufficient funds have been appropriated for the next succeeding Fiscal Year shall be accompanied by evidence satisfactory to the Corporation and FPF that sufficient funds have been budgeted and appropriated to make all Rentals for the Fiscal Year to which such notice pertains and to make such payments of reasonably estimated Additional Rentals as shall be required during such Fiscal Year by the terms of the Lease Purchase Agreement. If the Trustee does not receive such notice the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made by July 1 of each year. If notice of termination has been duly given, all of the City's right, title, interest and obligations under the Lease Purchase Agreement shall terminate without penalty on the last day of the then current Fiscal Year. Failure of the City to budget and appropriate prior to July 1 of each year funds in the minimum amount equal to the Rentals and a reasonable estimate of Additional Rentals during such Fiscal Year, shall constitute termination of this Lease Purchase Agreement at the end of the Fiscal Year then in effect, and failure to give notice to the Corporation of such termination as heretofore provided shall not affect such automatic termination.

The City intends, subject to the provisions above with respect to the failure of the City to budget or appropriate funds to pay Rentals and a reasonable estimate of Additional Rentals, to continue the Lease Term and to pay the Rentals and Additional Rentals under the Lease Purchase Agreement. The City reasonably believes that legally available fund in an amount sufficient to pay all Rentals and Additional Rentals during the Lease Term can be obtained and in addition to using its bona fide best efforts to accomplish the same shall exhaust all available administrative reviews and appeals, if any, in the event such portion of the budget request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to continue the Lease Term is to be made in accordance with the City's normal procedures for such decisions.

Rentals. The City, subject to annual appropriation, agrees to pay the amounts required by the Lease Purchase Agreement as follows:

(a) With respect to amounts collected from and after January 1, 2013, from the sources described in (i) and (ii) below, and from and after July 1, 2013, with respect to Earned Revenues as described in (iii) below, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance the Indenture, the City shall pay, subject to annual appropriation, to the Trustee, as assignee of the Corporation, in funds which will be immediately available to the Trustee not less than fifteen (15) days before any Interest Payment Date, as Rentals and Additional Rentals in respect of the Project in the amounts required by the Lease Purchase Agreement as amended by the Fourth Supplemental Lease as follows:

(A) 10.421% of the Capital Improvements Sales Tax;

(B) 24.5% of the Great Rivers Greenway Tax; and

(C) All Earned Revenues which are dedicated to Forest Park pursuant to Chapter 5.74 of the City Code (collectively, the "***Dedicated Revenues***");

provided, however, that the amount so transferred shall in no event be less than the amounts which correspond to the payments in respect of the principal of, premium, if any, and interest on the Bonds whenever and in whatever manner the same shall become due, whether at Stated Maturity, upon redemption or acceleration or otherwise, and further provided that the City shall be permitted to withhold a maximum aggregate total of $600,000 per fiscal year of taxes and/or revenues from the sources listed in clauses (A), (B) and/or (C) above in City fiscal years 2013, 2014 and 2015 from July 1, 2013 through June 30, 2015, for payments made by the City toward electric and natural gas utilities provided to facilities within all non-subleased areas of Forest Park. All such utility payments made by the City pursuant to the foregoing clauses shall be based on actual utility costs and invoices reported by the City and utility companies, copies of which shall be provided to FPF on the date of payment of the applicable utility bill by the City or as soon as practicable thereafter.

(b) The City covenants and agrees, to the extent permitted by law, and subject to the annual appropriation limitations contained herein, that so long as any Bonds remain Outstanding it will not reduce the percentage or allocation of the Dedicated Revenues currently allocated to the payment of the Series 2013 Rentals as set forth in this Section. A breach of such covenant shall constitute an Event of Default under the Indenture and the Lease Purchase Agreement.

(c) The City covenants and agrees that it will pay Rentals and Additional Rentals at such times and in such amounts as to assure that no default in the payment of principal of, premium, if any, or interest on the Bonds shall at any time occur or to pay costs listed as Additional Rentals in the Original Lease and to pay all amounts under the Lease Purchase Agreement. Interest payments on the Series 2013 Bonds and principal redemptions of the Series 2013 Bonds shall be used by FPF for maintenance of Forest Park.

(d) (i) If the balance in the Series 2015 Debt Service Account of Debt Service Fund (not subject to the lien of the Trustee under the Indenture) is less than the sum then required to be on deposit therein in order to pay the principal of, premium, if any, and interest then payable on the Series 2015 Bonds in accordance with the provisions of the Lease Purchase Agreement, the City shall, subject to annual appropriation, pay as Rentals from other legally available funds any amount necessary to make up such shortfall.

(ii) If the balance in the Series 2013 Debt Service Account of the Debt Service Fund is less than the net amount of Dedicated Revenues received by the City after the payment of debt service on the Series 2015 Bonds and payment of any Additional Rentals, the City will, to the extent such Dedicated Revenues have been appropriated for such purpose, forthwith pay as Rentals any such deficiency to the Trustee for deposit in the Debt Service Fund in immediately available funds.

It is further provided that any amount at any time held by the Trustee in the Debt Service Fund (not subject to the lien of the Trustee under the Indenture) for the payment of the principal of, premium, if any, and interest on the Bonds shall, at the election of the City, be credited against the Rentals next required to be paid by the City, to the extent such amount is in excess of the amount required for payment of (i) any Bonds theretofore matured or called for redemption plus (ii) past due interest, in all cases where such Bonds or interest checks have not been presented for payment; and provided, further, that if the amount held by the Trustee in the Debt Service Fund (not subject to the lien of the Trustee under the Indenture) shall be sufficient to pay at the times required the principal of, premium, if any, and interest on all of the Bonds then remaining unpaid, the City shall not be obligated to pay Rentals.

(e) If installments of principal drawn on Series 2013 Bonds and all interest accruing thereon have been paid to the Bondholders, the City shall not be required to make additional Rental payments with respect to the Series 2013 Bonds unless and until additional installments are drawn pursuant to the terms of the Third Supplemental Indenture. Any amounts of Dedicated Revenues not required to be transferred to the Trustee pursuant to this Section (e) may be used by the City for any purpose permitted by law.

Additional Rentals. The City shall pay or cause to be paid, subject to annual appropriation, as Additional Rentals:

(a) To the Trustee amounts equal to the amounts to be paid to the Trustee pursuant to the Indenture;

(b) All Impositions (as defined in the Lease Purchase Agreement);

(c) All amounts required under the “Net Lease” provisions of the Lease Purchase Agreement;

(d) All fees and costs incident to the payment of the principal of and interest on the Bonds as the same become due and payable, including all fees, costs and expenses in connection with the call, redemption and payment of all Outstanding Bonds together with the premium, if any, in connection with the call for redemption of Outstanding Bonds, which premium should be deposited in the Debt Service Fund;

(e) The payments, if any, which the City shall be required under the Lease Purchase Agreement to deposit into the Debt Service Reserve Fund pursuant to the procedure set forth in the Indenture;

(f) All reasonable expenses and advances incurred or made in connection with the enforcement of any rights under the Lease Purchase Agreement or the Indenture by the Corporation or the Trustee and any reasonable expenses incurred by the Corporation to enable it to comply with the provisions of the Base Lease, the Lease Purchase Agreement, or the Indenture;

(g) All reasonable fees and expenses of a credit provider, if any, for the provision of any Credit Enhancement including any reimbursements and any amounts owing under any credit agreement;

(h) All reasonable and necessary fees and expenses the Corporation incurred in connection with the Bonds or the establishment and maintenance of the Corporation's status as a Missouri nonprofit corporation or a qualified 501(c)(3) corporation; and

(i) All amounts required to be rebated to the United States as provided in the Indenture and the costs related to the calculation of such amount.

Rentals and Additional Rentals, etc., Payable without Abatement or Set-Off; City Obligations, Assignments of Rentals and Certain Additional Rentals. Subject to the provisions of the Lease Purchase Agreement, the City covenants and agrees with and for the express benefit of the Corporation and the Holders from time to time of the Bonds Outstanding that all payments of Rentals and Additional Rentals shall be made by the City on or before the date the same become due, and the City shall perform all of its other obligations, covenants and agreements under the Lease Purchase Agreement (including the obligation to pay Rentals and Additional Rentals) without notice or demand, and without abatement, offset, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether any portion of the Project shall have been started or completed and shall be sufficient to provide all funds required for debt service on the Bonds, funding of the Debt Service Reserve Fund and all other amounts required under the Indenture.

The obligation of the City to pay Rentals and Additional Rentals is subject to the annual appropriation provisions of the Lease Purchase Agreement and does not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City for any purpose whatsoever or in contravention of any applicable constitutional, statutory or charter limitation or requirement, but in each Fiscal Year shall be payable solely from the amounts, if any, appropriated therefor out of the income and revenue provided for such year plus any unencumbered balances from previous years.

Prepayment of Rentals. The City may at any time prepay all or any part of the Rentals provided for under the Lease Purchase Agreement to the extent provided in the Indenture for redemption of the Bonds.

Construction of the Series 2013 Project. The Forest Park Steering Committee may petition the Board of Public Service for other capital improvements, in addition to those listed in the Third Supplemental Indenture, to be funded from the proceeds of the Series 2013 Bonds. The Board of Public Service, if in agreement and in receipt of an opinion of Bond Counsel to the effect that financing the costs of such additional capital improvement(s) will not have adverse income tax consequences on the Series 2015 Bonds, may approve the funding of such additional capital projects.

Impositions. The City shall, subject to the provisions of concerning annual appropriations, during the Lease Term, bear, pay and discharge, before the delinquency thereof, as Additional Rentals, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Property or the Corporation's or the City's interest in the Property or the income therefrom or Rentals and other amounts payable under the Lease Purchase Agreement, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Bonds or encumber the City's title to the Property.

Liability Insurance; Indemnification. The City shall, under the City's customary insurance practice (which may include self-insurance subject to availability of appropriation therefor) or otherwise, take such measures as may be necessary to insure against liability for injuries to or disability or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Property or any part thereof during the term of the Lease Purchase Agreement. Such policy or policies shall name the Trustee as an additional insured. The net proceeds of all such self-insurance or other insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid. It is understood that this insurance covers any and all liability of the City and its officers, employees and agents. The City agrees to indemnify the Corporation and the Trustee for any loss, damage or expense incurred, paid or suffered by them as a result of any suit or claim of a nature covered by such insurance, to the full extent permitted by State law.

Property Insurance. The City shall, under the City's customary insurance practices (which may include self-insurance subject to availability of appropriation therefor) or otherwise, take such measures as may be necessary or appropriate in accordance with sound business practices to insure the Property to the extent insurable against loss included in all risk insurance policies then in use in the State. Any such insurance may be subject to reasonable deductibles and shall name the Trustee as an additional insured. Any self-insurance program shall be established and maintained in accordance with the City's customary insurance practices. Unless the City shall self-insure the Property to the extent permitted herein, the City shall furnish annually to the Corporation and the Trustee a certificate of insurance evidencing compliance with the provisions of the Lease Purchase Agreement.

Except as provided in the next sentence, for so long as the Series 2015 Bonds remain Outstanding, the City agrees to provide the insurance coverage required by the Lease Purchase Agreement through the purchase of an insurance policy issued by a third party insurance company. If the City opts to self-insure the Leased Property at some future date, the City shall obtain annual certification from an independent consultant or professional risk manager that adequate reserve levels are being appropriated and maintained and provide such certification to the Trustee upon request.

Assignment, Subleasing and Licensing by the City. The Lease Purchase Agreement may not be assigned by the City without the written consent of the Corporation. However, the Forest Park Improvements may be subleased by the City, in whole or in part, subject, however, to each of the following conditions:

(a) The Lease Purchase Agreement and the obligation of the City to pay Rentals and Additional Rentals under the Lease Purchase Agreement and to perform all of the terms, covenants and conditions of the Lease Purchase Agreement and of any other security document to which it shall be a party shall remain obligations of the City and any assignee, transferee or sublessee of the City shall have assumed in writing and have agreed to keep and perform all of the terms of the Lease Purchase Agreement on the part of the City to be kept and performed and shall be jointly and severally liable with the City for the performance thereof, and shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State, and in the opinion of Counsel addressed to the Corporation and the Trustee, such assignment, transfer or sublease shall not legally impair in any respect the obligations of the City for the payment of all Rentals nor for the full performance of all of the terms, covenants and conditions of the Lease Purchase Agreement or of any other security document to which the City is a part, nor impair or limit in any respect the obligations of any obligor under any other security documents. A copy of such assumption agreement and opinion of Counsel shall be delivered to the Corporation and the Trustee as soon as possible.

(b) The City shall within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Corporation, the Credit Provider, if any, and the Trustee a true and complete copy of such sublease.

(c) No sublease by the City shall cause the Property or any portion thereof being subleased to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of Missouri and the Charter of the City.

The City may grant licenses to use all or any portion of the Property in the normal course of business without the consent of the Corporation.

Maintenance, Repairs and Modifications. The City shall, at its own expense, maintain, preserve and keep the Property in good repair and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Property in such condition. The Corporation shall have no responsibility for any of these repairs, replacements or improvements. In addition, the City shall, at its own expense, have the right to make additions, modifications and improvements to the Property or any part thereof. Such additions, modifications and improvements shall not in any way damage the Property nor cause it to be used for purposes other than those authorized under the provisions of municipal, State and Federal law; and the Property upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to the Lease Purchase Agreement may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against any part of the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City; provided, that, if any such lien is established and the City shall first notify the Corporation and the Trustee of the City's intention to do so, the City may in good faith contest any lien filed or established against the Property and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Corporation shall deliver to the City and the Trustee an opinion of Counsel to the effect that, by nonpayment of any such item the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Corporation with full security against any such loss or forfeiture, in form satisfactory to the Corporation.

Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property or any part thereof (except for Permitted Encumbrances), other than the respective rights of the Corporation and the City as provided herein and in the Base Lease. The City shall have the right in its own name or in the Corporation's name to contest the validity or amount of any lien which the City is required to discharge and may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Corporation or the Trustee shall deliver to the City an opinion of Counsel to the effect that, by nonpayment of any such items the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture in which event the City shall promptly discharge such lien. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Corporation or the Trustee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

City's Option to Purchase Corporation's Interest or to Cure Defaults.

(a) The City shall have the option to purchase the Corporation's leasehold interest in the Property and to terminate the Base Lease and the Lease Purchase Agreement at any time during the Base Lease Term (subject to the requirements of the following provisions of this subparagraph (a)) upon payment of the principal of, interest and redemption premium, if any, on the Bonds or providing funds for the Corporation to make provision for their payment pursuant to the Indenture and the payment of all Additional Rentals. Except as otherwise provided in the Lease Purchase Agreement, the City shall give at least sixty (60) days written notice to the Corporation and to the Trustee of its intent to exercise the option and so terminate the Lease Purchase Agreement. Payment of the final Rentals and Additional Rentals shall constitute exercise of the option granted under the Lease Purchase Agreement without further action by the City.

(b) If the City receives notice of an Event of Default pursuant to the Indenture, the City shall also have the option to purchase the Corporation's leasehold interest in the Property under the Base Lease and to terminate the Lease Purchase Agreement upon payment of the Bonds then Outstanding plus accrued interest to such date of default or providing funds for the Corporation to make provision for their payment pursuant to the Indenture and the payment of all Additional Rentals. The City shall give notice of its intent to exercise the option provided for by this subparagraph (b) by giving notice thereof to the Corporation and the Trustee not later than 90 days after receipt of written notice of any such Event of Default. The City shall make the payment provided for in this subparagraph (b) not later than 90 days after it has given such notice of its intent to exercise this option to the Corporation and the Trustee.

(c) Upon receipt of notice by the City of an Event of Default other than a payment default, the Corporation hereby grants the City full authority, on account of the Corporation, to perform any covenant, agreement or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Corporation, with full power to do any and all things and acts to the same extent that the Corporation could do and perform any such things and acts in order to remedy such default.

Damage, Destruction and Condemnation. Unless the City shall have exercised its option to purchase the Corporation's interest under the Base Lease and terminate the Lease Purchase Agreement, if (i) all the Property is destroyed or are damaged by fire or other casualty or (ii) title to or the temporary use of the Property or the interest of the City or the Corporation in the Property shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall, subject to the provisions of the following paragraph, cause the net proceeds of any insurance or condemnation award to be paid over to the Trustee for deposit into the Project Fund and applied to the prompt repair, restoration, modification or improvement of the Property by the City free of liens other than Permitted Encumbrances. Any balance of the net proceeds remaining after such work has been completed for the Property shall, unless all of the Project has been completed, remain in the Project Fund and at the completion of the Project, such funds shall be applied as provided in the Indenture. If the Project has been completed, any net proceeds remaining after such work has been completed prior to the deposit of net proceeds shall be transferred to the Debt Service Fund and applied to the redemption of Bonds as provided in the Indenture.

If the City determines that the repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City, then, in lieu of making such repair, restoration, modification or improvement, the City shall make provision for the redemption of Outstanding Bonds in an amount equal to the net proceeds of any such insurance or condemnation award rounded to the nearest Authorized Denomination. Any such net proceeds shall be applied by the City to the payment of the Outstanding Bonds called for redemption and the fees and expenses of the Corporation and the Trustee, together with, if all Bonds are being redeemed, all other amounts due under the Indenture and under the Lease Purchase Agreement, and all amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Compliance Agreement.

Event of Non-Appropriation. If an Event of Non-Appropriation shall occur and be continuing, upon receipt of the certificate from a City Representative pursuant to the Lease Purchase Agreement which states that the City has not appropriated the funds required to be appropriated by the City, or upon receipt of other notice of the occurrence of any Event of Non-Appropriation with respect to the City, the Trustee shall immediately notify the Corporation of such occurrence.

If an Event of Non-Appropriation shall occur, the City shall not be obligated to make payment of the Rentals or Additional Rentals provided for in the Lease Purchase Agreement beyond the last day of the Fiscal Year during which such Event of Non-Appropriation occurs, except for the City's obligation to make payments which are payable prior to the termination of the Lease Purchase Agreement; provided, however, that the City shall continue to be liable for the amounts payable during such time when the City continues to occupy the Property. The Trustee shall, upon the occurrence of an Event of Non-Appropriation, have all rights and remedies granted to it under the Indenture and as a secured creditor under Missouri law, as trustee for the benefit of Holders of the Bonds, and shall be further entitled to all monies then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Trustee upon the termination of the Lease Purchase Agreement as to the City's possessory interest under the Lease Purchase Agreement by reason of an Event of Non-Appropriation as provided in the Lease Purchase Agreement shall be held by the Trustee under the Indenture for the benefit of the holders of the Bonds as set forth in the Indenture until the Bonds are paid in full.

This provision shall be applicable with respect to any Event of Non-Appropriation with respect to the Series 2013 Rentals, provided, however that the interests of FPF shall be subordinate to the rights of the Bondholders with respect to the Series 2015 Bonds, provided, further that in no event shall the Trustee terminate the City's possessory interest under the Lease Purchase Agreement in connection with an Event of Non-Appropriation with respect to the Series 2013 Bonds (unless there has been an Event of Non-Appropriation with respect to the Series 2015 Bonds or other Event of Default pursuant to which the Trustee is terminating the City's possessory interest for the benefit of the Bondholders of the Series 2015 Bonds).

Non-Substitution Covenant. The City covenants and agrees that, to the extent permitted by law, if an Event of Default occurs with respect to the City, the City will not construct, own or operate any park facilities not in existence at the time such Event of Default occurs during the sixty (60) day period subsequent to such Event of Default. The provisions of this paragraph shall survive the termination of the Lease Purchase Agreement as a result of an Event of Default and shall remain in effect and be binding upon the City.

Covenant with Respect to Sales Tax Allocation. The City further covenants and agrees, to the extent permitted by law, that so long as any Bonds remain Outstanding, it will not reduce the percentage of capital improvements sales tax currently allocated to the Major Park Account of the Forest Park Subaccount of the Capital Improvements Sales Tax Trust Fund to the extent that the amount allocated for deposit to Forest Park Subaccount in any Fiscal Year are less than the maximum annual Rentals for deposit with the Trustee, plus estimated Additional Rentals required to be paid by the City pursuant to the Lease Purchase Agreement in any Fiscal Year.

Termination of Lease Term. The Lease Term shall terminate as to the City, including the City's right to possession of the Property pursuant to the Lease Purchase Agreement, upon the earliest of the occurrence of any of the following events: (i) the last day of the then current Fiscal Year of the City during which there occurs an Event of Non-Appropriation with respect to the City; (ii) there occurs an Event of Default by the City under the Lease Purchase Agreement if the Corporation or the Trustee elects such remedy; (iii) the date upon which all Rentals and Additional Rentals, as the case may be, required under the Lease Purchase Agreement shall be paid by the City; or (iv) discharge of the Indenture as provided in the Indenture.

Events of Default Defined. The following shall be "Events of Default" under the Lease Purchase Agreement:

(a) Failure by the City to pay any Rentals or Additional Rentals in the amounts and at the times specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a) of this Section, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation or the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected and if such consent, in its sole judgment, does not materially adversely affect the interests of the Bondholders.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings whether voluntary or involuntary instituted under the provisions of the Federal bankruptcy laws, as amended, or under any similar acts which may hereafter be enacted.

(d) Failure by the City to vacate the Property by the expiration of the current Fiscal Year during which an Event of Non-Appropriation occurs.

The provisions of this Section are subject to the following limitations: if by reason of force majeure the City is unable in whole or in part to carry out its obligations under the Lease Purchase Agreement, other than its obligation to pay Rentals or Additional Rentals with respect thereto, the City shall not be deemed in default under the continuance of such inability, provided notice thereof is given to the Corporation and the Trustee. The term “force majeure” as used herein shall mean, without limitation, the following acts of God: strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State of Missouri or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the City unfavorable to the City.

With respect to the Series 2013 Bonds, the following events shall be “Events of Default” under the Lease Purchase Agreement (as modified by the Third Supplemental Lease) and shall be in addition to and not limit the Events of Default set forth above:

(a) An Event of Non-Appropriation with respect to the Rentals;

(b) Failure by the City to pay any Rentals in the amounts and at the times specified herein.

(c) Any Event of Default by the City under the Indenture (as modified by the Third Supplemental Indenture).

(d) Any default by the City continuing beyond the expiration of applicable notice and cure periods under the Maintenance Cooperation Agreement, as supplemented, by and between the City and FPF.

Remedies on Default. Whenever any Event of Default referred to in the Lease Purchase Agreement shall have happened and be continuing, the Corporation or the Trustee, shall have the right, at its option and without any further demand or notice, to take any one or more of the following remedial steps:

(a) By written notice to the City declare all Rentals and Additional Rentals for the Fiscal Year in which the Event of Default occurred to be immediately due and payable, and such Rentals and Additional Rentals shall thereupon become immediately due and payable; or

(b) With or without terminating the Lease Purchase Agreement, take possession of the Property, in which event the City shall vacate the Property and take all actions necessary to authorize, execute and deliver to the Corporation all documents necessary to vest in the Corporation for the remainder of the Lease Term, all of the City’s interest in and to the Property, sell the Corporation’s (or its assignee’s) interest in the Base Lease or lease the Property and collect the rentals therefor, for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion with the City remaining liable, subject to the provisions concerning annual appropriations, for the difference between (i) the Rentals and Additional Rentals payable by the City under the Lease Purchase Agreement during the Lease Term and (ii) the net proceeds or any purchase price, rents or other amounts paid by the new purchaser, lessee or sublessee of the Property, and, provided further, that, in such event, if the Corporation shall receive a payment for sale of its interest or total sub-rentals for sublease that are, after payment of the Corporation's expenses in connection therewith, in excess of the purchase price applicable under the Lease Purchase Agreement at the time of default plus interest thereon at the interest rate per annum borne by the Bonds, then such excess shall be paid to the City either by the Corporation, its assigns, or by its sublessee; or

(c) Take whatever action at law or in equity that may appear necessary or desirable to collect the Rentals and Additional Rentals then due and thereafter to become due during the Lease Term or enforce performance and observance of any obligation, agreement or covenant of the City under the Lease Purchase Agreement; or

(d) Upon the occurrence and continuance of any Event of Non-Appropriation, the Trustee, subject to the provisions of the Indenture, may give notice to the City to vacate the Property immediately (but in no event earlier than the expiration of the then current Fiscal Year for which the Lessee has paid or appropriated monies sufficient to pay all Rentals and Additional Rentals due for such Fiscal Year) and may, without any further demand or notice, (i) terminate the Lease Purchase Agreement, re-enter the Property and eject all parties in possession thereof therefrom, and sublease the Property or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Property.

Remedies Regarding City Defaults. Upon the occurrence of an Event of Default by the City pursuant to the Lease Purchase Agreement or the Base Lease, resulting in an Event of Default pursuant to the Indenture, the City shall have the exclusive right to purchase from the Corporation the leasehold interest in the Property, or any part thereof for a period of 90 days from the date of such default for the amount of the principal of the Bonds then Outstanding plus accrued interest to such date of default together with such amounts then due as Additional Rentals. Notwithstanding the foregoing, the Corporation and the Trustee may also exercise the remedies set forth in the Lease Purchase Agreement. Notwithstanding anything herein to the contrary, the Trustee shall be entitled to sublease the Property, or any part thereof to any entity, public or private, for such period as is necessary for the Trustee to obtain sufficient monies to pay in full the principal of, redemption, premium, if any, and interest on the Bonds, and the obligations of the Trustee with respect to the Bondholders and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Indenture.

No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Lease Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation or the Trustee to exercise any remedy reserved to it in the Lease Purchase Agreement, it shall not be necessary to give any notice, other than such notice as may be required in the Lease Purchase Agreement or by law.

No Additional Waiver Implied by One Waiver. In the event any agreement contained in the Lease Purchase Agreement shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Lease Purchase Agreement.

Amendments. Except as otherwise provided in the Lease Purchase Agreement or in the Indenture, subsequent to the issuance of Bonds and prior to all of the Bonds being paid in accordance with the Indenture and provision being made for the payment of all sums payable under the Indenture in accordance with the Indenture, the

Lease Purchase Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, given in accordance with the provisions of the Indenture.

Net Lease. The parties hereto agree (i) that the Lease Purchase Agreement is intended to be a net lease, (ii) that the payments of Rentals and Additional Rentals are designed to provide the Corporation and the Trustee funds adequate in amount to pay all principal of and interest and any redemption premiums accruing on the Bonds as the same become due and payable, and for the purposes set forth in the Lease Purchase Agreement, (iii) that to the extent that the payments of Rentals and Additional Rentals are not sufficient to provide the Corporation and the Trustee with funds sufficient for the purposes aforesaid, the City, subject to the provisions concerning annual appropriations, shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rentals, such further sums of money, in cash, as may from time to time be required for such purposes, and (iv) that if, after all of the Bonds are deemed to be paid in accordance with the Indenture and provision has been made for payment of all other sums payable under the Indenture, the Trustee or the Corporation holds unexpended funds received in accordance with the terms of the Lease Purchase Agreement, such unexpended funds shall, after payment therefrom of all sums then due and owing by the City under the terms of the Lease Purchase Agreement, and except as otherwise provided in the Lease Purchase Agreement and the Indenture, become the absolute property of and be paid over forthwith to the City.

Merger, Consolidation, Transfer of Assets, etc. It is the intention of the parties that the Base Lease and the Lease Purchase Agreement will not be deemed merged with the effect that the specific grant of property interests, payment terms or any other terms of the Lease Purchase Agreement or the Base Lease are unenforceable or in any way mitigated in force and effect.

As long as any of the Bonds remain Outstanding and unpaid, or until provision for the payment thereof has been made as provided in the Indenture, the Corporation will maintain its corporate existence and will not dissolve or otherwise dispose of all or a major portion of its assets without the approval of the City and the Trustee. The Corporation will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, except that the Corporation may, without violating the foregoing, consolidate with or merge into another nonprofit corporation organized under the laws of the State or permit one or more other such corporations to consolidate with or merge into it, if the following requirements are complied with and there has been delivered to the City and to the Trustee sufficient evidence showing that there has been such compliance:

(a) The surviving or resulting corporation, as the case may be, has expressly assumed in writing all of the obligations, covenants and agreements of the Corporation contained in the Bonds, the Base Lease, the Lease Purchase Agreement, the Indenture, and any other instruments of security given by the Corporation to secure any of its obligations;

(b) The Corporation has obtained an opinion of Counsel addressed to the City and the Trustee that the lien created by the Indenture will not be adversely affected thereby;

(c) The Corporation has obtained an opinion of Bond Counsel addressed to the City and the Trustee that the corporate action referred to does not cause interest on any Bonds that were issued as tax-exempt Bonds then Outstanding to become includable in gross income for purposes of Federal or Missouri income tax purposes; and

(d) As a result of the transaction, the surviving or resulting corporation is not in default under the Lease Purchase Agreement, the Base Lease, the Indenture, the Bonds or any other instrument of security securing the obligations of the Corporation.

Maintenance of Tax Exemption. Neither the City nor the Corporation shall take any action or fail to take any action which would cause the interest on the Bonds to be includable in gross income for Federal or Missouri income tax purposes. The Corporation further covenants that, so long as the Bonds remain Outstanding, it will, to the best of its ability, maintain its status as an organization exempt from taxation.

Covenants of the City with Respect to Transfers. As long as any of the Bonds remain Outstanding and unpaid or provision for the payment of the same made in accordance with the provisions of the Indenture, the City will not convey or transfer any interest in the Property or any part thereof other than to the Corporation.

APPENDIX E –
FORM OF CO-BOND COUNSEL OPINION

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March [__], 2015

St. Louis Municipal Finance Corporation
St. Louis, Missouri

U.S. Bancorp Investments, Inc., as Representative of the Underwriters
New York, New York

The City of St. Louis, Missouri
St. Louis, Missouri

UMB Bank, N.A., as Trustee
St. Louis, Missouri

Re: $7,790,000 St. Louis Municipal Finance Corporation Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015

Ladies and Gentlemen,

We have acted as Co-Bond Counsel in connection with the issuance by St. Louis Municipal Finance Corporation (the *"Corporation"*) of the above-referenced bonds (the *"Series 2015 Bonds"*) pursuant to a resolution adopted by the Corporation on February 12, 2015 (the *"Resolution"*) and Ordinance No. 69922 adopted by the Board of Aldermen of the City of St. Louis, Missouri on January 16, 2015, and approved by the Mayor of the City of St. Louis, Missouri, on January 20, 2015 (the *"Ordinance"*). In such capacity, we have examined such law and such certified proceedings and other documents and materials as we deem necessary to enable us to render this opinion, including the following documents:

(a) Resolution;

(b) Ordinance;

(c) Indenture of Trust dated as of March 1, 1997 (the *"Original Indenture"*) by and between the Corporation and UMB Bank of St. Louis, N.A., now known as UMB Bank, N.A., as Trustee (the *"Trustee"*), as amended and supplemented by the First Supplemental Indenture of Trust dated as of December 1, 2004 (the *"First Supplemental Indenture"*), the Second Supplemental Indenture of Trust dated as of March 30, 2007 (the *"Second Supplemental Indenture"*), the Third Supplemental Indenture of Trust dated as of April 1, 2013 (the *"Third Supplemental Indenture"*), and the Fourth Supplemental Indenture of Trust dated as of March 1, 2015 (the *"Fourth Supplemental Indenture"* which, together with the Original Indenture, the First Supplemental Indenture, the Second

Supplemental Indenture, and the Third Supplemental Indenture is referred to herein as the *"Indenture"*);

(d) Base Lease dated as of March 1, 1997 (the *"Original Base Lease"*) by and between The City of St. Louis, Missouri (the *"City"*) and the Corporation, as amended and supplemented by the Supplemental Base Lease dated as of December 15, 1999 (the *"1999 Supplemental Base Lease"*), the First Supplemental Base Lease dated as of March 30, 2007 (the *"First Supplemental Base Lease"*), the Supplemental Base Lease dated as of December 1, 2009 (the *"2009 Supplemental Base Lease"*), and the Second Supplemental Base Lease dated as of April 1, 2013 (the *"Second Supplemental Base Lease"* which, together with the Original Base Lease, the 1999 Supplemental Base Lease, the First Supplemental Base Lease, and the 2009 Supplemental Base Lease, is referred to herein as the *"Base Lease"*);

(e) Lease Purchase Agreement dated as of March 1, 1997 (the *"Original Lease Purchase Agreement"*) by and between the Corporation and the City, as amended and supplemented by the Supplemental Lease Purchase Agreement dated as of December 15, 1999 (the *"1999 Supplemental Lease Purchase Agreement"*), the First Supplemental Lease Purchase Agreement dated as of December 1, 2004 (the *"First Supplemental Lease Purchase Agreement"*), the Second Supplemental Lease Purchase Agreement dated as of March 30, 2007 (the *"Second Supplemental Lease Purchase Agreement"*), the Supplemental Lease Purchase Agreement dated as of December 1, 2009 (the *"2009 Supplemental Lease Purchase Agreement"*), the Third Supplemental Lease Purchase Agreement dated as of April 1, 2013 (the *"Third Supplemental Lease Purchase Agreement"*), and the Fourth Supplemental Lease Purchase Agreement dated as of March 1, 2015 (the *"Fourth Supplemental Lease Purchase Agreement"* which, together with the Original Lease Purchase Agreement, the 1999 Supplemental Lease Purchase Agreement, the First Supplemental Lease Purchase Agreement, the Second Supplemental Lease Purchase Agreement, the 2009 Supplemental Lease Purchase Agreement, and the Third Supplemental Lease Purchase Agreement, is referred to herein as the *"Lease Purchase Agreement"*);

(f) Purchase Agreement dated February 24, 2015, by and among the Corporation, the City, and U.S. Bancorp Investments, Inc., as Representative of the Underwriters, as defined therein (the *"Purchase Agreement"*);

(g) Tax Compliance Agreement dated as of March 1, 2015, by and among the City, the Corporation, and the Trustee (the *"Tax Compliance Agreement"*);

(h) Continuing Disclosure Agreement dated as of March 1, 2015, by and between the City and UMB Bank, N.A., as Dissemination Agent (the *"Disclosure Agreement"*); and

(i) Official Statement dated February 24, 2015, of the Corporation and the City (the *"Official Statement"*).

In making our examination of documents, we have assumed that the parties to such documents, other than the Corporation, had the power to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action and execution and delivery of such documents and that the documents above are valid and binding as to the parties, other than the Corporation. We have assumed the genuineness of all signatures on all documents examined by us, the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as copies. In giving this opinion, we have relied upon such certificates with respect to the accuracy of factual matters contained therein which were not independently established.

As to questions of fact material to this opinion, we have relied upon representations of the Corporation and the City contained in the Resolution and the Ordinance, respectively, the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. We note that various issues with respect to the City and the Corporation in connection with the Series 2015 Bonds are addressed in the opinions of the City Counselor. Except as otherwise stated herein, we express no opinion with respect to those issues. In addition, we express no opinion as to the title to or the description of the property subject to the Indenture, the Lease Purchase Agreement, the Base Lease, or any other documents delivered in connection therewith.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that, under existing law:

1. The Series 2015 Bonds (a) have been duly authorized, executed, and delivered by the Corporation, and duly authenticated by the Trustee, (b) are valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and entitled to the benefits of the Indenture, and (c) evidence proportionate interests in the right to receive Rentals (as defined in the Lease Purchase Agreement) from the City under the Lease Purchase Agreement. Neither the Lease Purchase Agreement nor the Series 2015 Bonds constitutes an indebtedness of the Corporation, the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, and neither the full faith and credit nor the taxing power, if any, of the Corporation or the City is pledged to the payment of the Rentals, Additional Rentals, or any other payments under the Lease Purchase Agreement or to the payment of the Series 2015 Bonds.

2. The interest on the Series 2015 Bonds (including any original issue discount properly allocable to the owners thereof) is excluded from gross income for federal and Missouri income tax purposes. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2015 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. In addition to the foregoing exceptions, the opinions set forth in this paragraph are subject to the condition that each of the parties to the Tax Compliance Agreement complies with all requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), that must be satisfied subsequent to the issuance of the Series 2015 Bonds in order that interest thereon (including any original issue discount properly allocable to the owners thereof) be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. Each of the parties to the Tax Compliance Agreement has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause interest on the Series 2015 Bonds (including any original issue discount properly allocable to the owners thereof) to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2015 Bonds. We express no opinion as to whether interest on the Series 2015 Bonds (including any original issue discount properly allocable to the owners thereof) is exempt from the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended. The Series 2015 Bonds have not been designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

Except as stated in paragraphs 1 and 2 above, we express no opinion regarding any other federal or state tax consequences with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2015 Bonds.

It is to be understood that the rights of the owners of the Series 2015 Bonds and the enforceability of the Series 2015 Bonds, the Ordinance, the Resolution, the Base Lease, the Lease Purchase Agreement, the Indenture, the Purchase

Agreement, the Tax Compliance Agreement and the Disclosure Agreement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws relating to or affecting creditors' rights and by equitable principles, whether considered at law or in equity.

Except as set forth in our supplemental opinion of even date herewith, we have not been engaged or undertaken to review the accuracy, adequacy or completeness of any offering material relating to the Series 2015 Bonds, and we express no opinion relating thereto. This opinion is delivered to you for your use only and may not be used or relied upon by any third party for any purpose whatsoever without our prior written approval in each instance.

The opinions expressed herein are limited to the federal law of the United States and general corporate laws of the State of Missouri.

The opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms and provisions and facts as of such date. By rendering this opinion, we do not undertake, and hereby disclaim any obligation, to update this opinion letter after such date or to advise you of any changes in law or fact stated or assumed herein which may occur or come to our attention after the date hereof.

This opinion is furnished only to you and is solely for your benefit in connection with the transactions described herein. Without our prior written consent, this opinion may not be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by, or assigned to, any other person for any purpose, including any other person that seeks to assert your rights in respect of this opinion.

Very truly yours,

APPENDIX F –
DTC INFORMATION

General. The Series 2015 Bonds are available in book-entry only form. Purchasers of the Series 2015 Bonds will not receive certificates representing their interests in the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by The Depository Trust Company "DTC"), New York, New York.

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The Corporation takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time. DTC will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2015 Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**"DTCC"**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond (**"Beneficial Owner"**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Payments of the principal of, premium, if any, and interest on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC (or its nominee), the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time Payment of the principal of , premium, if any, and interest on the Series 2015 Bonds to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bonds are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2015 Bonds will be printed, registered in the name of DTC's partnership nominee, Cede & Co. (or such other name as may be requested by an authorized representative of DTC), and delivered to DTC (or a successor securities depository), to be held by it as securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Series 2015 Bonds from DTC (or such successor securities depository), Series 2015 Bonds may be delivered to Beneficial Owners in the manner described herein under the caption **"Transfer and Exchange."**

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2015 Bonds, but neither the failure to print such numbers on any Series 2015 Bonds, nor any error in the printing of such numbers, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of any pay for any Bonds.

THE CORPORATION, THE CITY, THE UNDERWRITERS, AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (II) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS: (III) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

DURING THE PERIOD THAT THE NOMINEE IS THE REGISTERED OWNER OF THE SERIES 2015 BONDS, ANY REFERENCES IN THIS OFFICIAL STATEMENT TO NOTICES THAT ARE TO BE GIVEN TO OWNERS BY THE TRUSTEE WILL BE GIVEN ONLY TO CEDE & CO., OR SUCH OTHER NOMINEE AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC. DTC WILL BE EXPECTED TO FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICE TO THE DIRECT PARTICIPANTS BY ITS USUAL PROCEDURES SO THAT SUCH PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE INDIRECT PARTICIPANTS AND TO THE BENEFICIAL OWNERS. THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ASSURE THAT ANY SUCH NOTICE IS FORWARDED BY DTC TO THE DIRECT PARTICIPANTS OR BY THE DIRECT PARTICIPANTS TO THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS. ANY FAILURE BY DTC TO ADVISE ANY DIRECT PARTICIPANT, OR ANY FAILURE BY ANY DIRECT PARTICIPANT TO NOTIFY ANY INDIRECT PARTICIPANT, OR ANY FAILURE BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY SUCH NOTICE AND ITS CONTENT OR EFFECT SHALL NOT AFFECT THE VALIDITY OF ANY ACTION PREMISED ON SUCH NOTICE.

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APPENDIX G –
FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated as of March 1, 2015

between

THE CITY OF ST. LOUIS, MISSOURI

and

UMB BANK, N.A.,
as Dissemination Agent

$7,790,000

FOREST PARK LEASEHOLD REVENUE REFUNDING BONDS
(City of St. Louis, Missouri, Lessee), Series 2015

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of March 1, 2015 (this *"Continuing Disclosure Agreement"*), is executed and delivered by The City of St. Louis, Missouri (the *"City"*) and UMB Bank, N.A., as dissemination agent (the *"Dissemination Agent"*).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the St. Louis Municipal Finance Corporation (the *"Corporation"*) of $7,790,000 Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015 (the *"Bonds"*), pursuant to a Fourth Supplemental Indenture of Trust dated as of March 1, 2015 (the "*Fourth Supplemental Indenture*") supplementing the Indenture of Trust dated as of March 1, 1997 (the "*Original Indenture,*" as amended and supplemented from time to time, including by the Fourth Supplemental Indenture, the "*Indenture*"), by and between the Corporation and UMB Bank, N.A., as trustee (the *"Trustee"*).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (all as defined below). The City has determined that the City is the only "obligated person" with responsibility for continuing disclosure within the meaning of the Rule. The City acknowledges that no other party has undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in the Recitals or this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Beneficial Owner" means any registered owner of any Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Comptroller, on behalf of the City, or her successors or designees, or such other person as the City shall designate in writing to the Dissemination Agent from time to time.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org, or such other location as may be designated in the future by the MSRB pursuant to the Rule.

"Listed Events" means any of the events listed in Section 4(A) of this Continuing Disclosure Agreement, and includes any Material Listed Events.

"Material Listed Events" means such of the events listed in Section 4(A) of this Continuing Disclosure Agreement which requires a determination of materiality and which the City has advised the Dissemination Agent are material under applicable federal securities law.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with the Rule.

"National Repository" means any nationally recognized municipal securities information repository for purposes of the Rule. Currently, the sole National Repository within the meaning of the Rule is the MSRB through EMMA and filings shall be submitted solely at its website, http://emma.msrb.org.

"Official Statement" means the Official Statement dated February __, 2015, relating to the issuance and sale of the Bonds.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" means each National Repository and each State Repository, if any.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

"State" means the State of Missouri.

"State Repository" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

Unless the context clearly indicates otherwise, words used in the singular include the plural and words used in the plural include the singular.

Section 2. Provision of Annual Reports.

A. The City shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days (if the 210^{th} day is not a Business Day, then the next succeeding Business Day) after the end of the City's Fiscal Year (presently June 30) commencing with the report for the Fiscal Year ending June 30, 2015, provide to each Repository an Annual Report which is consistent with the requirements of Section 3 of this Continuing Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents, and may cross-reference other information as provided in Section 3 of this Continuing Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement.

B. Not later than fifteen (15) Business Days prior to the date specified in Subsection A above for providing the Annual Report to the Repositories, the City shall either provide the Annual

Report, in PDF format, word-searchable, to the Dissemination Agent with instructions to file the Annual Report as specified in Subsection A above or provide a written certification to the Dissemination Agent and the Trustee (if not the Dissemination Agent) that the City has provided the Annual Report to the Repositories.

C. If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date specified in Subsection A above, the Dissemination Agent shall send a notice to each Repository in substantially the form of **Exhibit A** hereto.

D. The Dissemination Agent shall:

1. determine each year prior to the date for providing the Annual Report to the Repositories the name and address of each National Repository and the State Repository, if any;

2. unless the City has certified in writing that the City has provided the Annual Report to the Repositories, promptly following receipt of the Annual Report and the instructions required by Subsection B above, provide the Annual Report to the Repositories and file a report with the City and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided or that the City has certified that it filed the Annual Report; and

3. unless the City has provided the Annual Report as provided above, notify the City in each year not later than ninety (90) days and again not later than thirty (30) days prior to the date for providing the Annual Report to the Repositories, of the date on which its Annual Report must be provided to the Dissemination Agent or the Repositories.

Section 3. Content of Annual Reports.

The City's Annual Report will contain or incorporate by reference the following:

(A) Audited financial statements of the City for the prior Fiscal Year, in a format similar to the financial statements contained in the Official Statement, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board ("GASB") and all statements and interpretations issued by the Financial Accounting Standards Board which are not in conflict with the statements issued by GASB, provided, however, that the City may from time to time, in order to comply with federal or State legal requirements, modify the basis upon which such financial statements are provided. Notice of any such modification shall be provided to the MSRB and shall include a reference to the applicable law or requirement describing such accounting basis. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Continuing Disclosure Agreement, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the Annual Report for the prior Fiscal Year, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(B) Financial information and operating data of the City updated for the prior Fiscal Year in substantially the scope and form contained in Appendix B to the Official Statement under the captioned headings:

(a) "ECONOMIC AND DEMOGRAPHIC DATA – Population Statistics," "– Tourism," "– Employment," "– Major Taxpayers," "– Building and Construction Data," "– Development," "– Sports Related Economic Development," "– City Parks and the Metropolitan Zoological Park and Museum District," and "– Development," and

(b) "GENERAL REVENUE RECEIPTS – Sales and Use Tax," and

(C) Certain statistical and operating data of the City updated for the prior Fiscal Year in substantially the scope and form contained in the Official Statement in the table under the section captioned "SECURITY FOR THE SERIES 2015 BONDS – Rentals – History of Dedicated Revenue Collections."

Any or all of the items listed in 3(A), (B) and (C) above may be included by specific reference to other documents, including official statements of issues with respect to which the City is an "obligated person," which have been filed with each of the Repositories, the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB and clearly identified as such by the City.

Section 4. Reporting of Listed Events.

A. Pursuant to the provisions of this Section, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to rights of Bondholders, if material;
4. Bond calls, if material, and tender offers;
5. defeasance;
6. rating changes;
7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;

10. substitution of credit or liquidity providers, or their failure to perform;

11. release, substitution or sale of property securing repayment of the Bonds, if material;

12. bankruptcy, insolvency, receivership or similar event of the City;

13. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

B. The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, contact the City, inform the Disclosure Representative of the event, and, if such Listed Event requires a determination of materiality, request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Subsection F below. For the purpose of this Continuing Disclosure Agreement, "actual knowledge" of the Listed Events shall mean knowledge by an officer of the Dissemination Agent with responsibility for matters related to this Continuing Disclosure Agreement.

C. Whenever the City obtains knowledge of the occurrence of a Listed Event requiring a determination of materiality, as set forth in Subsection A above, because of a notice from the Dissemination Agent pursuant to Subsection B above or otherwise, the City shall as soon as possible determine if such event is a Material Listed Event.

D. If knowledge of the occurrence of a Listed Event requiring a determination of materiality would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing that it is a Material Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence of the Material Listed Event pursuant to Subsection F below.

E. If in response to a request under Subsection B above, the City determines that the Listed Event requiring a determination of materiality is not a Material Listed Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to Subsection F below.

F. The Dissemination Agent shall file a notice of all Listed Events within the timeframe set forth in Subsection A above with the National Repository and each State Repository, if any, with a copy to the City.

Section 5. EMMA. The Dissemination Agent shall use EMMA for the submission of Annual Reports and Listed Events for so long as EMMA is recognized, authorized or approved by the SEC. Submission of an Annual Report or a Listed Event by the Dissemination Agent to EMMA shall be deemed to satisfy the Dissemination Agent's obligations under this Continuing Disclosure Agreement with respect to that Annual Report or Listed Event.

Section 6. Termination of Reporting Obligations. The City's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If the City's obligations under this Continuing Disclosure Agreement are assumed in full by another entity, such entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn, retroactively repealed, or having been found by a court of competent jurisdiction to be invalid in a non-appealable action; or (ii) receipt by the Dissemination Agent, the Trustee (if the Dissemination Agent is not the Trustee), and the City of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

A. If the amendment or waiver relates to the provisions of Sections 2A, 3 or 4A of this Continuing Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, rule or regulation or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

B. The undertaking, as amended or taking into account such waiver, should, in the opinion of counsel to the Participating Underwriters, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment or waiver, in the written Opinion of Co-Bond Counsel for the Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Default.

In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, upon receipt of satisfactory indemnity and at the request of any Participating Underwriter or the Bondholders or Beneficial Owner of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Bondholder or Beneficial Owner of at least 25% aggregate principal amount of the Bonds may, take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture or with respect to the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent at the time acting hereunder may at any time resign by giving not less than sixty (60) days' written notice to the City specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Dissemination Agent shall have been appointed by the City. If no successor Dissemination Agent has been appointed within sixty (60) days of the notice, the Dissemination may petition a court of competent jurisdiction to have a successor Dissemination Agent appointed.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by applicable law, the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorney's fees and expenses) of defending against any claim of liability as it relates to the City, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the City to the Dissemination Agent for filing or the City's failure to submit a complete Annual Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the City or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the City.

The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The ordinary fees, charges, and expenses of the

Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid as provided in the Indenture.

Section 11. Notices. Any notices or communications between the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the City:	The City of St. Louis, Missouri City Hall West 1520 Market Street, Room 3005 St. Louis, Missouri 63103 Attention: Ivy Neyland-Pinkston, Deputy Comptroller for Finance and Development Telephone: (314) 657-3431 Facsimile: (314) 588-0550
With a copy to:	The City of St. Louis, Missouri City Hall, Room 314 1200 Market Street St. Louis, Missouri 63103 Attention: City Counselor Telephone: (314) 622-4078 Facsimile: (314) 622-4956
To the Dissemination Agent:	UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attention: Corporate Trust Department Telephone: (314) 612-8480 Facsimile: (314) 612-8499

Any person may, by written notice to the other persons listed above, designate a different address, telephone number(s) or facsimile number(s) to which subsequent notices or communications should be sent.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriters, and the Bondholders and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Governing Law; Venue. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. Any action under this Continuing Disclosure Agreement shall be filed in the 22nd Judicial Circuit of the State of Missouri (City of St. Louis) or in the United States District Court for the Eastern District of Missouri.

Section 15. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 16. Captions. The captions or headings in this Continuing Disclosure Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Continuing Disclosure Agreement.

Section 17. Electronic Means. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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IN WITNESS WHEREOF, The City of St. Louis, Missouri, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf and its corporate seal to be hereunto affixed and attested by its duly elected officials and/or authorized officers, all as of the day and year first above written.

[SEAL] THE CITY OF ST. LOUIS, MISSOURI

By:___________________________________
Francis G. Slay, Mayor

By:___________________________________
Darlene Green, Comptroller

[SEAL] ATTEST

By:___________________________________
Parrie L. May, Register

APPROVED AS TO FORM:

By:___________________________________
Winston Calvert, City Counselor

[Continuing Disclosure Agreement]

IN WITNESS WHEREOF, UMB Bank, N.A., as Dissemination Agent, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf by one of its duly authorized officers as of the day first above written.

UMB BANK, N.A., as Dissemination Agent

By:__________________________________

Brian P. Krippner, Senior Vice President

[Continuing Disclosure Agreement]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	St. Louis Municipal Finance Corporation
Name of Obligor:	The City of St. Louis, Missouri (the "*City*")
Name of Bond Issue:	$7,790,000 Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015
Date of Issuance:	March 4, 2015

NOTICE IS HEREBY GIVEN that the City has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of March 1, 2015, between the City and UMB Bank, N.A., as Dissemination Agent. The City has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by the following date: ____________________.

Dated: ______________ ___, ____

UMB Bank, N.A., as Dissemination Agent
on behalf of The City of St. Louis, Missouri

cc: The City of St. Louis, Missouri

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ST. LOUIS MUNICIPAL FINANCE CORPORATION • Forest Park Leasehold Revenue Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2015

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