NEW ISSUE
BOOK-ENTRY ONLY

INSURED RATINGS:
S&P: AA (stable outlook)
Moody's: A2 (stable outlook)
Kroll: AA+ (stable outlook)
UNDERLYING RATING:
S&P: A (negative outlook)
(See "RATINGS" herein)

In the opinion of Co-Bond Counsel, under existing law and assuming, among other matters, continuing compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), compliance with the tax covenants described herein and the accuracy of certain representations and certifications described herein, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes under the Code and is exempt from income taxes imposed by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended. Interest on the Series 2020 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Co-Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2020 Bonds. See "TAX MATTERS" herein regarding certain other tax considerations.

$99,790,000
ST. LOUIS MUNICIPAL FINANCE CORPORATION
LEASEHOLD REVENUE BONDS, SERIES 2020
(CONVENTION CENTER EXPANSION AND IMPROVEMENT PROJECTS)

Dated: Date of Delivery **Due: October 1, as shown on the inside cover**

The Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects) (the "*Series 2020 Bonds*") are being issued by the St. Louis Municipal Finance Corporation (the "*Issuer*"), a nonprofit corporation organized and existing under the laws of the State of Missouri (the "*State*"). The Series 2020 Bonds will be issued under and secured by the Eleventh Supplemental and Restated Indenture of Trust dated as of October 1, 2020 (as amended from time to time, the "*Indenture*"), by and between the Issuer and UMB Bank, N.A., as trustee (the "*Trustee*"). The proceeds of the Series 2020 Bonds will be used to provide funds to (i) pay the costs of the Series 2020 Project (as described herein), (ii) pay capitalized interest on the Series 2020 Bonds, (iii) purchase a Reserve Policy (as defined herein) and credit enhancement for the Series 2020 Bonds, and (iv) pay the costs of issuance in connection with the issuance and sale of the Series 2020 Bonds.

The Series 2020 Bonds shall be special obligations of the Issuer payable solely out of the Rentals and certain Additional Rentals (all as herein described) received pursuant to the Tenth Supplemental and Restated Lease Purchase Agreement dated as of October 1, 2020 (the "*Lease Purchase Agreement*"), between the Issuer and The City of St. Louis, Missouri (the "*City*" or "*St. Louis*"), and are secured by a pledge and assignment of the Trust Estate (as herein described) to the Trustee pursuant to the Indenture. No incorporator, member, agent, employee, director, or officer of the Issuer 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 Issuer thereunder.

THE SERIES 2020 BONDS SHALL NOT BE A DEBT OF THE CITY OR THE STATE AND NEITHER THE CITY NOR THE STATE SHALL BE LIABLE THEREON, AND THE SERIES 2020 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THE CITY'S PAYMENT OF RENTALS AND ADDITIONAL RENTALS PURSUANT TO THE LEASE PURCHASE AGREEMENT IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY. IF THE CITY FAILS TO BUDGET AND APPROPRIATE FUNDS FOR RENTALS AND ADDITIONAL RENTALS IN ANY FISCAL YEAR, THE LEASE PURCHASE AGREEMENT WILL TERMINATE AT THE END OF THE FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED AND THE CITY WILL BE REQUIRED TO VACATE THE CERVANTES CONVENTION CENTER PROPERTY (DEFINED HEREIN), WHICH IS A PART OF THE SECURITY FOR THE SERIES 2020 BONDS. THE ISSUER HAS NO TAXING POWER. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" HEREIN.

The Series 2020 Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of The Depository Trust Company ("*DTC*"), New York, New York, as Registered Owner and nominee for DTC. Purchases of the Series 2020 Bonds will be made in book-entry form only. Each Maturity of the Series 2020 Bonds shall be issued in the denomination of $5,000 or any integral multiple thereof ("*Authorized Denominations*"). Purchasers will not receive certificates representing their interests in the Series 2020 Bonds purchased. So long as Cede & Co. is the Registered Owner of the Series 2020 Bonds, references herein to the Bondholders or Registered Owners shall mean Cede & Co. and shall not mean the Beneficial Owners (as herein defined) of the Series 2020 Bonds. Principal of the Series 2020 Bonds will be payable as set forth on the following page. Interest on the Series 2020 Bonds is payable each April 1 and October 1 commencing April 1, 2021. Payments of principal of, premium, if any, and interest on the Series 2020 Bonds will be made by the Trustee to Cede & Co., for disbursement to the DTC Direct Participants (as herein defined) for subsequent disbursement to the Indirect Participants (as herein defined) and Beneficial Owners of the Series 2020 Bonds. The Series 2020 Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to Maturity as more fully described herein.

This cover page contains information for reference only. It is not a complete summary of the Series 2020 Bonds. Investors must read the entire Official Statement, including the cover page, the inside cover page, and Appendices hereto, to obtain information essential to making an informed investment decision. Capitalized terms used and not defined herein are defined under the section "**DEFINITIONS OF WORDS AND TERMS**" set forth in **APPENDIX C** to this Official Statement.

See the inside cover page for maturities, principal amounts, yields, and CUSIP numbers of the Series 2020 Bonds.

The scheduled payment of principal of and interest on the Series 2020 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2020 Bonds by **ASSURED GUARANTY MUNICIPAL CORP**.

ASSURED GUARANTY®
MUNICIPAL

The Series 2020 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriters, subject to prior placement, withdrawal, or modification of the offer without notice, and subject to the approval of the validity of the Series 2020 Bonds by Dentons US LLP and Saulsberry & Associates, LLC, Co-Bond Counsel, and certain other conditions referred to herein. Certain legal matters will be passed upon for the Issuer and the City by the Office of the City Counselor. Certain legal matters will be passed upon for the City by Hardwick Law Firm, LLC, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel Rouse Frets White Goss Gentile Rhodes, P.C. and White Coleman & Associates, LLC. It is expected that the Series 2020 Bonds will be available for delivery to DTC, in New York, New York on or about October 29, 2020.

Siebert Williams Shank & Co., LLC **Stern Brothers**

Baird **Loop Capital Markets** **UBS**

The date of this Official Statement is October 14, 2020.

$99,790,000
ST. LOUIS MUNICIPAL FINANCE CORPORATION LEASEHOLD REVENUE BONDS
SERIES 2020
(CONVENTION CENTER EXPANSION AND IMPROVEMENT PROJECTS)

$14,315,000 5.00% Term Bond Due October 1, 2040; Yield 2.660%; Price 120.286*; CUSIP: 79165TUB5[1]

$42,715,000 5.00% Term Bond Due October 1, 2045; Yield 2.880%; Price 118.181*; CUSIP: 79165TUC3[1]

$42,760,000 5.00% Term Bond Due October 1, 2049; Yield 2.970%; Price 117.332*; CUSIP: 79165TUD1[1]

*Priced to the first optional redemption date of October 1, 2030.

THE CITY OF ST. LOUIS, MISSOURI ELECTED OFFICIALS

Lyda Krewson, Mayor
Darlene Green, Comptroller
Lewis E. Reed, President of the Board of Aldermen
Tishaura O. Jones, Treasurer

BOARD OF ALDERMEN

Sharon Tyus – Ward 1	Sarah Martin – Ward 11	Cara Spencer – Ward 20
Lisa Middlebrook – Ward 2	Vicky Grass – Ward 12	John Collins-Muhammad – Ward 21
Brandon Bosley – Ward 3	Beth Murphy – Ward 13	Jeffrey L. Boyd – Ward 22
Dwinderlin Evans – Ward 4	Carol Howard – Ward 14	Joseph Vaccaro – Ward 23
Tammika Hubbard – Ward 5	Megan E. Green – Ward 15	Bret Narayan – Ward 24
Christine Ingrassia – Ward 6	Tom Oldenburg – Ward 16	Shane Cohn – Ward 25
John J. Coatar – Ward 7	Joseph D. Roddy – Ward 17	Shameem Clark Hubbard – Ward 26
Annie Rice – Ward 8	Jesse Todd – Ward 18	Pam Boyd – Ward 27
Dan Guenther – Ward 9	Marlene E. Davis – Ward 19	Heather Navarro – Ward 28
Joseph Vollmer – Ward 10		

ST. LOUIS MUNICIPAL FINANCE CORPORATION

BOARD OF DIRECTORS

Tom Shepard, President
LaTaunia D. Kenner, Vice President
Todd Waelterman, Vice President
Michael A. Garvin, Secretary
Paul Payne, Treasurer

OTHER CITY REPRESENTATIVES

LaTaunia D. Kenner, Deputy Comptroller for Finance and Development
Denise Peeples, Accounting Coordinator
Kelley Anderson, Esq., Special Assistant to the Comptroller
Ryan Coleman, Fiscal Officer II
Michael A. Garvin, City Counselor

BOARD OF ESTIMATE AND APPORTIONMENT

Lyda Krewson, Mayor
Darlene Green, Comptroller
Lewis E. Reed, President of the Board of Aldermen

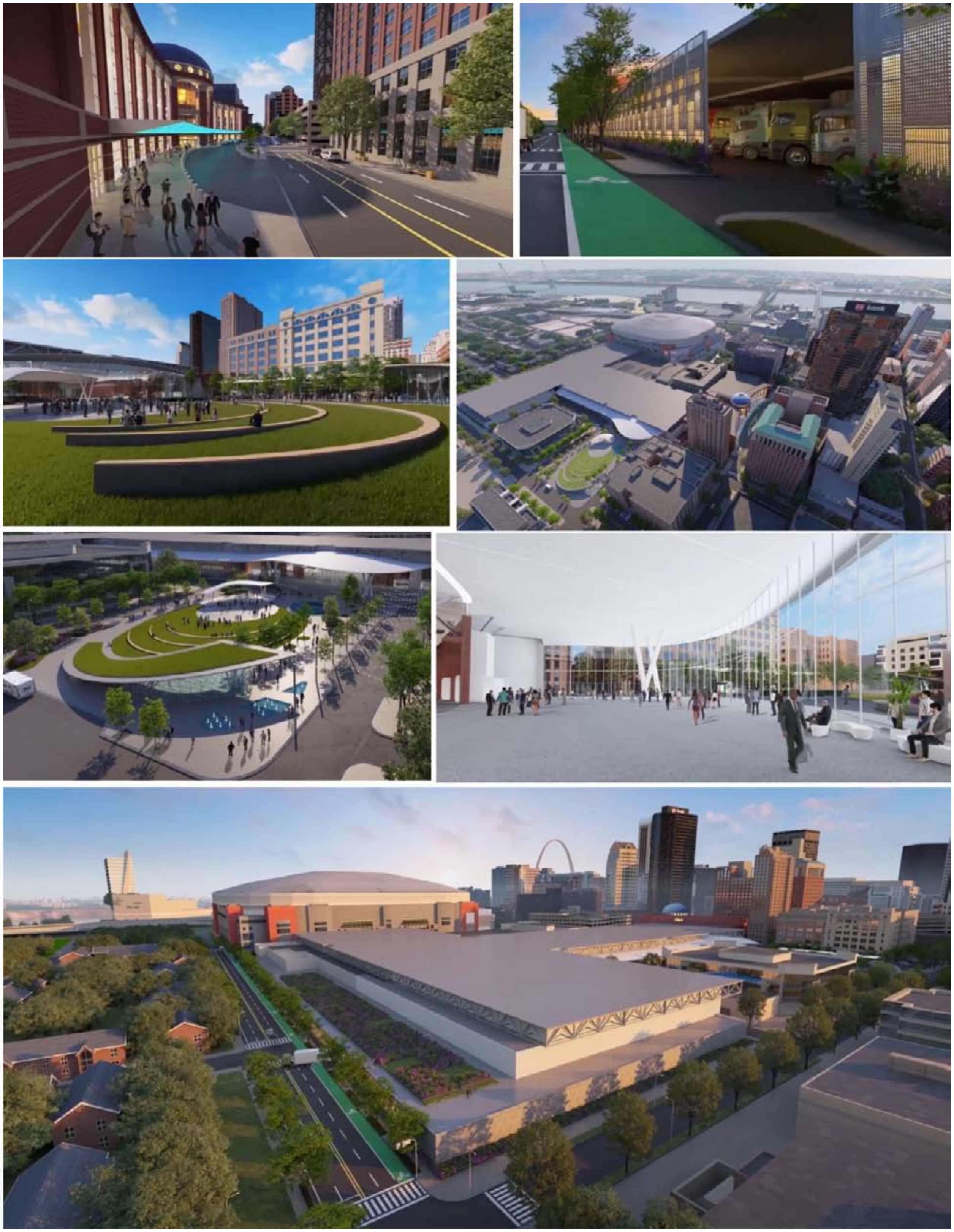
MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Philadelphia, Pennsylvania

TREASURER'S MUNICIPAL ADVISOR

Comer Capital Group
Jackson, Mississippi

CERVANTES CONVENTION CENTER



This Official Statement is provided in connection with the initial offering and sale of the Series 2020 Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the Issuer or the City and other sources which are believed to be reliable. References in this Official Statement to statutes, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the Series 2020 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

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 a 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.*

No dealer, broker, salesperson, or other person has been authorized by the Issuer, the City, or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should 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 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. 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 Issuer or the City since the date hereof (or since the date of any information included herein that is dated other than the date hereof).

The Series 2020 Bonds have not been registered with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, (the "*Securities Act*") and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon the exemption contained in such acts. The registration or qualification of the Series 2020 Bonds in accordance with applicable provisions of securities laws of any states in which the Series 2020 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 2020 Bonds or the accuracy or completeness of this Official Statement. **In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document.** Any representation to the contrary may be a criminal offense.

Assured Guaranty Municipal Corp. ("*AGM*") makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**" and "**APPENDIX H - Specimen Municipal Bond Insurance Policy.**"

In connection with this offering, the Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Series 2020 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act and reflect the Issuer's or the City's current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "may," "expect," "anticipate," "estimate," "project," "budget," "intend," "continue," or other similar words.

Important factors that could cause the City's actual results and financial condition included in this Official Statement to differ materially from those indicated in the forward-looking statements include, among others, certain factors related to the COVID-19 (defined herein) pandemic. See "**INTRODUCTION – Impacts of COVID-19**" and "**IMPACT OF COVID-19 ON CITY AND CERVANTES CONVENTION CENTER**" herein.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to (i) those relating to the possible invalidity of the underlying assumptions and estimates, (ii) possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances, and (iii) conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately. For these reasons, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Undue reliance should not be placed on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Issuer and the City on the date hereof, and the Issuer and the City assume no obligation to update any such forward-looking statements if or when its expectations or events, conditions, or circumstances on which such statements are based occur or fail to occur, other than as indicated under the caption **"CONTINUING DISCLOSURE"** and in **"APPENDIX G -- Form of Continuing Disclosure Agreement."**

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12. The City and the Issuer take no responsibility for any information contained on such websites unrelated to the statements made in this Official Statement or for revisions to information on such websites occurring after the date of this Official Statement. City and Corporation employees or officers may from time to time make statements or post information to such websites that are constitutionally protected political speech. Such statements are not intended to constitute communication to the investor community concerning the securities or the financial condition of the City or the Issuer. The City and Corporation each disseminates and discloses certain information, including material updates to their respective bond disclosures, through EMMA (as defined herein). None of the websites in this Official Statement is intended to act as a substitute for the disclosure of the information regarding the City and the Issuer posted on EMMA, nor do these websites necessarily include all of the information regarding the City and the Issuer currently disclosed on EMMA.

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OFFICIAL STATEMENT

Relating to

$99,790,000
ST. LOUIS MUNICIPAL FINANCE CORPORATION
LEASEHOLD REVENUE BONDS,
SERIES 2020
(CONVENTION CENTER EXPANSION AND IMPROVEMENT PROJECTS)

INTRODUCTION

The information in this section is furnished solely to provide limited introductory information regarding the terms of the St. Louis Municipal Finance Corporation's Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects) (the "Series 2020 Bonds") and does not purport to be comprehensive. Such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the cover page, inside cover page, and the Appendices hereto. The order and placement of materials in this Official Statement, including the information on the cover page, inside cover page, and the Appendices, are not to be deemed to be a determination of relevance, materiality, or relative importance, and this Official Statement, including the cover page, inside cover page, and Appendices, must be considered in its entirety. Capitalized terms used and not defined herein are defined under the section ***"DEFINITIONS OF WORDS AND TERMS"*** *set forth in* ***APPENDIX C*** *to this Official Statement.*

The Issuer

The Series 2020 Bonds are being issued by the St. Louis Municipal Finance Corporation, a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act, Chapter 355 of the Revised Statutes of Missouri, as amended (the *"Issuer"*). The Issuer was organized in 1991 to lessen the burden of the government of The City of St. Louis, Missouri (the *"City"* or *"St. Louis"*) by financing or acquiring and leasing to the City real property and improvements thereon and personal property for use by or on behalf of the City and to address certain other governmental needs of the City. In furtherance of these purposes, the Issuer may borrow money, invest money, disburse funds, and issue bonds. Neither the members of the Board of Directors of the Issuer (the *"Board of Directors"*) nor any person executing the Series 2020 Bonds is personally liable on the Series 2020 Bonds by reason of the issuance thereof. The Series 2020 Bonds will not constitute a debt, liability, or obligation of the City or the State of Missouri (the *"State"*). See **"THE ISSUER"** herein.

Authorization for the Series 2020 Bonds

The Series 2020 Bonds are being issued under the authority of the constitution and laws of the State, a resolution of the Issuer, adopted by the Board of Directors on August 24, 2020 (the *"Resolution"*), and Ordinance No. 70883 of the City, adopted by the Board of Aldermen on December 14, 2018, and approved by the Mayor on December 26, 2018 (the *"Ordinance"*), and are being issued under and secured by the Eleventh Supplemental and Restated Indenture of Trust, dated as of October 1, 2020 (as amended from time to time, the *"Indenture"*), by and between the Issuer and UMB Bank, N.A., as trustee (the *"Trustee"*). The Series 2020 Bonds, and any bond or bonds, including any Additional Bonds (as defined in the Indenture), that may be authenticated and delivered under the Indenture are referred to herein from time to time as *"Bond"* or *"Bonds."*

Purposes of the Series 2020 Bonds

The proceeds of the Series 2020 Bonds will be used to provide funds to (i) pay the costs of the Series 2020 Project (as described herein), (ii) pay capitalized interest on the Series 2020 Bonds, (iii) purchase a Reserve Policy (as defined herein) and credit enhancement for the Series 2020 Bonds, and (iv) pay the costs of issuance in connection with the issuance and sale of the Series 2020 Bonds. See **"PLAN OF FINANCE"** herein.

Security and Sources of Payment for the Series 2020 Bonds

The Series 2020 Bonds shall be special obligations of the Issuer payable solely out of the Rentals and certain Additional Rentals received pursuant to the Tenth Supplemental and Restated Lease Purchase Agreement dated as of October 1, 2020, between the Issuer and the City (as amended from time to time, the *"Lease Purchase Agreement"*), and are secured by a pledge and assignment of the Trust Estate (as defined herein) to the Trustee pursuant to the Indenture. The City is obligated under the Lease Purchase Agreement to make payments, subject to annual appropriation, of Rentals and Additional Rentals from the City's General Fund in an amount sufficient to pay the principal of and interest on the Series 2020 Bonds and certain other amounts as provided therein. The Series 2020 Bonds are further secured by a Tenth Supplemental and Restated First Deed of Trust, Security Agreement and Assignment (the *"Deed of Trust"*), the lien of which encumbers the Issuer's interest in the Cervantes Convention Center Property (the "Cervantes Convention Center Property") and a debt service reserve account established under the Indenture in connection with the issuance of the Series 2020 Bonds (the "*Series 2020 Reserve Account*"). For additional information on the security and sources of payment for the Series 2020 Bonds, see also **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS"** and **"ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"** herein.

Bond Insurance

The scheduled payment of principal of and interest on the Series 2020 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2020 Bonds by Assured Guaranty Municipal Corp. ("*AGM*"). **See "BOND INSURANCE"** herein,

The Cervantes Convention Center

The Cervantes Convention Center (as further described in the Indenture, the *"Cervantes Convention Center"*) is located in downtown St. Louis at Washington Avenue, between 7th and 9th Streets, and is the largest convention facility in the St. Louis metropolitan region and the only convention facility in the region capable of competing for national and regional conventions and trade shows. The Cervantes Convention Center is part of the America's Center convention complex (*"America's Center*"), which also includes the adjacent Dome at America's Center (the "*Dome*"). America's Center is managed and operated by the St. Louis Convention and Visitors Commission, d/b/a Explore St. Louis ("*CVC*") pursuant to two operating leases, one for the Cervantes Convention Center (the "*CCC Operating Lease*") and one for the Dome (the "*Dome Operating Lease*"). The CCC Operating Lease is expected to be extended through 2061 prior to or concurrently with the issuance of the Series 2020 Bonds. Security for the Series 2020 Bonds does not include the Dome and the Dome Operating Lease will not be addressed in connection with the Series 2020 Bonds. The CVC actively promotes the St. Louis region and America's Center. See **"THE CERVANTES CONVENTION CENTER"** herein.

Definitions and Summaries of Certain Legal Documents

Capitalized terms used and not defined herein are defined in **"DEFINITIONS OF WORDS AND TERMS"** included in **APPENDIX C** to this Official Statement. Summaries of the Indenture, the Lease

Purchase Agreement, the Deed of Trust and the Financing Agreement (as hereinafter defined) and certain other documents and matters are set forth in **"APPENDIX D – Summaries of Legal Documents"** to this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture, the Lease Purchase Agreement, the Deed of Trust, the Tax Compliance Agreement, the Continuing Disclosure Agreement and the Financing Agreement and any other documents are qualified in their entirety by reference to such documents. Copies or the definitive form, as applicable, of such documents may be reviewed prior to delivery of the Series 2020 Bonds at the offices of the City's Comptroller, Room 212, City Hall, 1200 Market Street, St. Louis, Missouri 63103, and following delivery of the Series 2020 Bonds at the office of the Trustee, UMB Bank, N.A., 2 South Broadway, Suite 600, St. Louis, Missouri 63102, Attention: Corporate Trust Department, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of any cost of complying with such request.

Continuing Disclosure

The City and UMB Bank, N.A., St. Louis, Missouri, as Dissemination Agent (the "*Dissemination Agent*"), will enter into a Continuing Disclosure Agreement dated as of October 1, 2020 (the "*Continuing Disclosure Agreement*") substantially in the form attached hereto as **"APPENDIX G – Form of Continuing Disclosure Agreement,"** pursuant to which the City will covenant for the benefit of bondholders and beneficial owners ("*Beneficial Owners*") of the Series 2020 Bonds to provide audited financial statements of the City and certain statistical and operating data relating to the City and to provide notices of the occurrence of certain enumerated events. Such audited financial statements, statistical and operating data and notices of events will be filed by or on behalf of the City in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "*Rule*"). See **"CONTINUING DISCLOSURE"** herein and "**APPENDIX G – Form of Continuing Disclosure Agreement."**

Impacts of COVID-19

The City's current and future economy, operations and finances have been and are expected to continue to be materially adversely impacted by the strain of coronavirus called COVID-19 ("***COVID-19***"). Accordingly, any historical financial information described in this Official Statement, including in **"Appendix A - Information Regarding The City of St. Louis, Missouri"** and **"APPENDIX B – Comprehensive Annual Financial Report of The City of St. Louis, Missouri for Fiscal Year Ended June 30, 2019"** hereto, which predate the outbreak of COVID-19 or do not include information regarding its impact, should be considered in light of the negative impact of COVID-19. These impacts involve many developing and unknown outcomes. In addition, projected or estimated financial information included in this Official Statement constitutes "forward-looking statements" as described on page (ii) of this Official Statement, and certain factors could cause such financial results and conditions to differ materially from those indicated in the forward-looking statements, such as: (1) public health crises, epidemics and pandemics such as the COVID-19 pandemic, (2) the extent of the impact of COVID-19, including the duration, spread, severity and any recurrence of COVID-19, the duration and scope of related federal, state and local government orders and restrictions, the impact on the City's employees, residents, and businesses and the extent of the impact of COVID-19 on the City's revenues, and (3) local, regional, national and international economic conditions that have deteriorated as a result of COVID-19, including the risks of a recession. See "**IMPACT OF COVID-19 ON CITY AND CERVANTES CONVENTION CENTER**," "**ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION – Impact of COVID-19 on Revenues,**" "**THE CERVANTES CONVENTION CENTER − Impacts of Outbreak of COVID-19 on Conventions and Tourism**" and "**BONDHOLDERS' RISKS − The Coronavirus and Other Health-Related Risks**" herein.

THE ISSUER

Board of Directors/Officers

The property and day-to-day affairs of the Issuer are governed and managed by its Board of Directors. The Board of Directors is comprised of five (5) persons who serve by virtue of their respective offices within the City's government for so long as they hold such offices 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 of the City or designee.
5) The Budget Director of the City or designee.

The officers of the Issuer 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 shall be determined from time to time by the Board of Directors. The current officers of the Issuer are set forth below.

Name	Office
Tom Shepard	President
LaTaunia D. Kenner	Vice President
Todd Waelterman	Vice President
Michael A. Garvin	Secretary
Paul Payne	Treasurer

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

The Issuer neither has nor assumes any responsibility as to the accuracy or completeness of any information contained herein which has been furnished by others, including information under the headings **"THE CITY," "THE CERVANTES CONVENTION CENTER,"** and **APPENDICES A and B** furnished by the City.

Outstanding Indebtedness

The Issuer has several other series of Bonds outstanding secured by the Indenture, the Lease Purchase Agreement, and the Deed of Trust. See **"THE SERIES 2020 BONDS - Security for the Series 2020 Bonds"** and **"TOTAL INDEBTEDNESS OUTSTANDING UNDER THE INDENTURE."**

In addition, the Issuer has outstanding bonds and notes secured by instruments separate and apart from the Indenture, the Lease Purchase Agreement, and the Deed of Trust. The owners of such bonds and notes have no claims on the assets, funds, or revenues of the Issuer securing the Bonds issued pursuant to the Indenture. The Owners of the Series 2020 Bonds will have no claim on assets, funds, or revenues of the Issuer securing such other bonds and notes.

With respect to additional indebtedness of the Issuer, the Issuer 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 Issuer 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 Bonds, including the Series 2020 Bonds.

THE CITY

The City is located on the Mississippi River, the eastern boundary of the State of Missouri, just below its confluence with the Missouri River. The City occupies approximately 61.7 square miles of land, and its area has remained constant since 1876. According to the U.S. Census Bureau, the City had a population of approximately 300,576 people in 2019.

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'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 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.

Certain information relating to the City is set forth in **"APPENDIX A - Information Regarding the City of St. Louis, Missouri."** The City's fiscal year is a twelve (12) month period beginning on July 1 and ending on the following June 30 (*"Fiscal Year"*). The basic audited financial statements of the City for the Fiscal Year ended June 30, 2019, are set forth in **"APPENDIX B – Comprehensive Annual Financial Report of The City of St. Louis, Missouri for the Fiscal Year Ended June 30, 2019."** Payments made by the City under the Lease Purchase Agreement will be made, to the extent appropriated annually, by the City from its General Fund (as identified in **APPENDIX A** hereto).

The financial and operating data contained herein and in the appendices hereto, including Appendix B, are as of the dates and for the periods indicated. To the extent any such periods were prior to the COVID-19 outbreak such information has not been updated or adjusted to reflect any potential impact of the COVID-19 outbreak on the City's general economic and financial condition.

PLAN OF FINANCE

Overview

The City and St. Louis, Missouri County (the "County") pursuant to the Financing Agreement (as herein defined) and the Ordinance, as it relates to the City, and County Ordinance No. 27,727 (2020), as it relates to the County, have agreed to jointly fund the cost of the Project (as herein defined) in order to increase the competitiveness of the Cervantes Convention Center, thus retaining and increasing convention-related tax revenues.

The Land Clearance for Redevelopment Authority of the City of St. Louis, the Regional Convention and Visitors Commission, the City, the Issuer and the County have entered into an Intergovernmental Cooperation and Financing Agreement (the "*Financing Agreement*"), pursuant to which the signatory entities have agreed to cooperate in the implementation of a plan to repair, improve, expand, renovate, furnish and equip the Cervantes Convention Center (the "*Convention Center Expansion*").

Pursuant to the Ordinance, the City has committed, subject to annual appropriation, to utilize the financial resources currently used to satisfy: (1) its $6.0 million per year payment obligations in connection with bonds previously issued by the Regional Convention and Sports Complex Authority to fund construction of the Dome (the "*Dome Bonds*"), which include approximately $5.0 million per year for debt service payments and $1.0 million per year to fund maintenance on the Dome, and (2) its $17.7 million per year payment commitment in connection with the payment of debt service with respect to bonds previously issued under the Indenture to finance improvements to the Cervantes Convention Center (the "*Existing*

Convention Center Bonds"), once the existing Dome Bonds and Existing Convention Center Bonds are no longer Outstanding, for the payment of debt service on the Series 2020 Bonds. The City's Dome Bond payment obligations related to the payment of debt service are fully extinguished in Fiscal Year 2022; the Dome Bond payment obligations related to the funding of maintenance on the Dome are fully extinguished in Fiscal Year 2024. The City's Existing Convention Center Bond payment obligations are fully extinguished in Fiscal Year 2039. Interest on the Series 2020 Bonds will be capitalized until the City's Dome Bond payment obligations related to debt service are extinguished in Fiscal Year 2022. See **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS."**

The Project

The project is a major redesign and modernization of the 43-year-old Cervantes Convention Center (the "*Project*") to enhance the Cervantes Convention Center's and America's Center's competitiveness with convention facilities in other parts of the Midwest. The total cost of the Project is expected to be $210,000,000, which will be funded equally by the City and the County. The proceeds of the Series 2020 Bonds will be used to pay the portion of the City's costs of the Project including land acquisition and the City's share of capital improvements (the "*Series 2020 Project*.") The Cervantes Convention Center is part of the America's Center, which also includes the Dome. The Project involves the first major improvement to the Cervantes Convention Center since 1993. The Project will expand the Cervantes Convention Center to the west of the existing facility. A portion of the proceeds of the Series 2020 Bonds will be used to pay the costs of acquiring the necessary property for the expansion as well as a portion of the demolition and site preparation work on the acquired property.

Planned improvements included in the Project address amenities and deficiencies that existing and potential customers of the Cervantes Convention Center have identified in a series of interviews, surveys and focus groups. The anticipated improvements are expected to enhance the Cervantes Convention Center's ability to attract new convention and meeting business as well as to retain existing business, generating new convention-related tax revenues and preserving existing revenues.

Architectural renderings included in this document partially illustrate the proposed improvements. The Project includes adding exhibit hall space to the Cervantes Convention Center so that the combined new and existing exhibit space is linear, more functional and easier to program. In addition, the Project will convert a portion of the existing exhibit space to a new ground-level ballroom with a new ground-level separate entrance as well as enhanced support facilities for the ballroom. The new entrance to the ballroom will be located adjacent to a new outdoor plaza that will also provide flexible outdoor gathering space. The Project will also expand and modernize the facility's loading docks along the north edge of the property, providing a more efficient covered loading layout and adding additional docks. The Project will also include improvements and upgrades to the existing Cervantes Convention Center as well as the purchase and installation of furnishings, fixtures and equipment for both the existing facility and the expansion property. See "**CERVANTES CONVENTION CENTER**" herein.

Under the Financing Agreement, the City (through the Issuer's issuance of the Series 2020 Bonds) and the County through the issuance of bonds and the use of other available funds of the County, have agreed to bear, at the conclusion of the Project, an equal share of the costs of the Project.

Use of Proceeds

The proceeds of the Series 2020 Bonds will be used to provide funds to (i) pay the costs of the Series 2020 Project (as described herein), (ii) pay capitalized interest on the Series 2020 Bonds, (iii) purchase a Reserve Policy (as defined herein) and credit enhancement for the Series 2020 Bonds, and (iv) pay the costs of issuance in connection with the issuance and sale of the Series 2020 Bonds.

CERVANTES CONVENTION CENTER COMBINED DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Outstanding Parity Bonds (as defined herein) and the Subordinate Bonds (as defined herein) issued under the Indenture following the issuance of the Series 2020 Bonds. All amounts shown are rounded to the nearest dollar and sums may not total due to rounding.

	Parity Bonds						Subordinate Bonds			
Fiscal Year Ending June 30	Series 2005A Bonds	Series 2009A Bonds	Series 2010A Bonds	Series 2015 Bonds	Series 2020 Bonds*	All Parity Bonds	Series 2005B Bonds	Series 2017 Junior Lien Bonds	All Subordinate Bonds	Aggregate Debt Service
2021	-	-	-	$1,130,200	-	$ 1,130,200	-	$ 1,245,738	$ 1,245,738	$ 2,375,938
2022	$3,395,000	$4,290,000	-	4,858,450	$ 2,494,750	15,038,200	$3,880,000	1,247,038	5,127,038	20,165,238
2023	5,625,000	1,795,000	-	2,499,825	4,989,500	14,909,325	6,505,000	1,248,138	7,753,138	22,662,463
2024	5,625,000	1,785,000	-	2,513,950	4,989,500	14,913,450	6,500,000	1,249,038	7,749,038	22,662,488
2025	5,630,000	1,795,000	-	2,498,450	4,989,500	14,912,950	6,505,000	1,249,738	7,754,738	22,667,688
2026	5,630,000	1,785,000	-	2,498,450	4,989,500	14,902,950	6,510,000	1,245,338	7,755,338	22,658,288
2027	5,630,000	1,795,000	-	2,495,250	4,989,500	14,909,750	6,505,000	1,245,263	7,750,263	22,660,013
2028	5,630,000	1,800,000	-	2,485,525	4,989,500	14,905,025	6,510,000	1,249,263	7,759,263	22,664,288
2029	5,625,000	1,775,000	-	2,520,150	4,989,500	14,909,650	6,505,000	1,249,188	7,754,188	22,663,838
2030	5,630,000	1,800,000	-	2,492,525	4,989,500	14,912,025	6,505,000	1,245,288	7,750,288	22,662,313
2031	5,630,000	1,780,000	-	2,511,250	4,989,500	14,910,750	6,505,000	1,246,313	7,751,313	22,662,063
2032	-	-	$16,460,000	-	4,989,500	21,449,500	-	1,247,013	1,247,013	22,696,513
2033	-	-	16,460,000	-	4,989,500	21,449,500	-	1,247,381	1,247,381	22,696,881
2034	-	-	16,460,000	-	4,989,500	21,449,500	-	1,247,400	1,247,400	22,696,900
2035	-	-	16,460,000	-	4,989,500	21,449,500	-	1,247,063	1,247,063	22,696,563
2036	-	-	16,460,000	-	4,989,500	21,449,500	-	1,246,550	1,246,550	22,696,050
2037	-	-	16,460,000	-	4,989,500	21,449,500	-	1,245,863	1,245,863	22,695,363
2038	-	-	13,075,000	-	4,989,500	18,064,500	-	7,105,613	7,105,613	25,170,113
2039	-	-	-	-	4,989,500	4,989,500	-	17,696,625	17,696,625	22,686,125
2040	-	-	-	-	11,795,000	11,795,000	-	-	-	11,795,000
2041	-	-	-	-	11,792,125	11,792,125	-	-	-	11,792,125
2042	-	-	-	-	11,791,000	11,791,000	-	-	-	11,791,000
2043	-	-	-	-	11,790,625	11,790,625	-	-	-	11,790,625
2044	-	-	-	-	11,790,000	11,790,000	-	-	-	11,790,000
2045	-	-	-	-	11,793,000	11,793,000	-	-	-	11,793,000
2046	-	-	-	-	11,793,500	11,793,500	-	-	-	11,793,500
2047	-	-	-	-	11,790,500	11,790,500	-	-	-	11,790,500
2048	-	-	-	-	11,792,750	11,792,750	-	-	-	11,792,750
2049	-	-	-	-	11,793,875	11,793,875	-	-	-	11,793,875
2050	-	-	-	-	11,792,625	11,792,625	-	-	-	11,792,625
Totals	**$54,050,000**	**$20,400,000**	**$111,835,000**	**$28,504,025**	**$217,031,250**	**$431,820,275**	**$62,430,000**	**$46,003,851**	**$108,433,851**	**$540,254,126**

* Debt service is net of capitalized interest.

ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the proceeds of the Series 2020 Bonds:

Sources of Funds:	**Amount**
Par Amount of Series 2020 Bonds	$99,790,000.00
Net Original Issue Premium	18,081,118.25
TOTAL SOURCES	$117,871,118.25
Uses of Funds:	
Deposit to Series 2020 Project Account	$109,025,000.00
Deposit to Capitalized Interest Subaccount	4,601,427.78
Deposit to Series 2020 Costs of Issuance Account*	4,244,690.47
TOTAL USES	$117,871,118.25

*Costs of issuance include Underwriters' discount, premiums for bond insurance and a reserve policy, fees of the Trustee, the Municipal Advisor, the Treasurer's Municipal Advisor, legal, administrative, and other miscellaneous fees and expenses.

THE SERIES 2020 BONDS

General

The Series 2020 Bonds are being issued pursuant to the Indenture. The Series 2020 Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co. or other such name as may be requested by an authorized representative of The Depository Trust Company (*"DTC"*), New York, New York, as Registered Owner and nominee for DTC. No Beneficial Owners will receive certificates representing their respective interest in the Series 2020 Bonds, except in the event the Issuer issues replacement bonds. Ownership and subsequent transfers of ownership will be reflected by book-entry on the records of DTC and the Participants.

Each Maturity of Series 2020 Bonds shall be issued in Authorized Denominations. The Series 2020 Bonds bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on April 1 and October 1 in each year, beginning April 1, 2021. Payments shall be applied first to interest due and the remainder to principal.

It is anticipated that CUSIP identification numbers will be printed on the Series 2020 Bonds, but neither the failure to print such numbers on any Series 2020 Bonds, nor any error in the printing of such numbers, shall constitute cause for a failure or refusal by the purchaser of the Series 2020 Bonds to accept delivery of and pay for any Series 2020 Bonds.

Security for the Series 2020 Bonds

As security for the payment of the principal of and redemption premium, if any, on the Series 2020 Bonds, the Issuer 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 2020 Bonds and for the benefit and security of all present and future Owners of any other Bonds, as provided in the Lease Purchase Agreement, all of its right, title, and interest in and to the Lease Purchase Agreement (except for the Issuer's rights to certain payments of costs and expenses and to indemnity) and all Rentals and certain Additional Rentals derived by the Issuer under and pursuant to the Lease Purchase Agreement (except for the rights of the Issuer to receive moneys for its own accounts under the Lease Purchase Agreement).

The Series 2020 Bonds are secured by the Trust Estate (as defined herein) and moneys and securities from time to time held by the Trustee under the terms of the Indenture, including, moneys on deposit in the Series 2020 Reserve Account within the Bond Reserve Fund.

The Series 2020 Bonds are also secured by a deed of trust and security interest in the Cervantes Convention Center Property pursuant to the Deed of Trust. The Parity Bonds (as defined herein), the Series 2005B Bonds, and the Series 2017 Bonds are also secured and entitled to the protection given by the Deed of Trust.

When payment is made on the Bonds pursuant to an extraordinary optional redemption or upon an Event of Default, the Indenture provides that payment of certain series of Bonds is subordinate to other series of Bonds. Upon the occurrence of either of such events, (i) payment of the Series 2005A Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2020 Bonds and any Additional Bonds issued under the Indenture with a right of payment equal to such Bonds (all such Bonds collectively referred to herein as the "*Parity Bonds*"), shall be made before payment of the Series 2005B Bonds, the Series 2017 Bonds and any Additional Bonds issued under the Indenture which are subordinate in payment to the Parity Bonds, (ii) no Series 2005B Bond may be paid unless provision for payment of all Parity Bonds has been made pursuant to the Indenture, and (iii) no Series 2017 Bond may be paid unless provision for payment of all Parity Bonds and all Series 2005B Bonds has been made pursuant to the Indenture. All Bonds which are not Parity Bonds are referred to herein as "*Subordinate Bonds*." See **"Extraordinary Optional Redemption"** and **"Cross Default; Acceleration"** under the heading **"THE SERIES 2020 BONDS"** and **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS"** herein.

THE SERIES 2020 BONDS SHALL NOT BE A DEBT OF THE CITY OR THE STATE AND NEITHER THE CITY NOR THE STATE SHALL BE LIABLE THEREON, AND THE SERIES 2020 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THE CITY'S PAYMENT OF RENTALS AND ADDITIONAL RENTALS PURSUANT TO THE LEASE PURCHASE AGREEMENT IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY. IF THE CITY FAILS TO BUDGET AND APPROPRIATE FUNDS FOR RENTALS AND ADDITIONAL RENTALS IN ANY FISCAL YEAR, THE LEASE PURCHASE AGREEMENT WILL TERMINATE AT THE END OF THE FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED AND THE CITY WILL BE REQUIRED TO VACATE THE CERVANTES CONVENTION CENTER PROPERTY, WHICH IS A PART OF THE SECURITY FOR THE SERIES 2020 BONDS. THE ISSUER HAS NO TAXING POWER. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" HEREIN.

Optional Redemption

The Series 2020 Bonds maturing on and after October 1, 2040 are subject to optional redemption and payment prior to their Stated Maturity at the election of the Issuer upon the direction and instruction of the City, as a whole or in part, on October 1, 2030, and at any time thereafter, at the redemption price of 100% of the principal thereof, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption of Series 2020 Bonds

The Series 2020 Bonds maturing on October 1, 2040, October 1, 2045, and October 1, 2049, are subject to mandatory redemption prior to maturity in part by lot on October 1 in the years and in the principal amounts set forth below from sinking fund installments, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Term Bond Maturing October 1, 2040

Mandatory Redemption Date	Mandatory Redemption Principal Amount
October 1, 2039	$6,980,000
October 1, 2040*	7,335,000

* Final Maturity

Term Bond Maturing October 1, 2045

Mandatory Redemption Date	Mandatory Redemption Principal Amount
October 1, 2041	$7,710,000
October 1, 2042	8,105,000
October 1, 2043	8,520,000
October 1, 2044	8,960,000
October 1, 2045*	9,420,000

* Final Maturity

Term Bond Maturing October 1, 2049

Mandatory Redemption Date	Mandatory Redemption Principal Amount
October 1, 2046	$ 9,900,000
October 1, 2047	10,410,000
October 1. 2048	10,945,000
October 1, 2049*	11,505,000

* Final Maturity

Extraordinary Optional Redemption

The Bonds are subject to extraordinary optional redemption and payment prior to their Stated Maturities by the Issuer, upon instructions from the City, on any date (except as provided in the Indenture), upon the occurrence of any of the following conditions or events, provided all of the Bonds so redeemed are redeemed and paid according to their terms:

(1) if title to, or the use of, substantially all of the Cervantes Convention Center Property is condemned by any authority having power of eminent domain;

(2) if the Issuer's interest in substantially all of the Cervantes Convention Center Property is found to be deficient or nonexistent to the extent that the Cervantes Convention Center Property is untenantable or the efficient utilization thereof by the City is impaired;

(3) if substantially all of the Cervantes Convention Center Property is damaged or destroyed by fire or other casualty; or

(4) if as a result of changes in the constitution of the State or legislative or administrative action by the State, or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease Purchase Agreement becomes void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens, or excessive liabilities are imposed on the City or the Issuer.

The Series 2020 Bonds redeemed in connection with the occurrence of any of the conditions or events described above will be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date without premium.

Selection of Series 2020 Bonds to be Redeemed

In the event less than all of the Series 2020 Bonds of a particular Maturity are to be redeemed, such Series 2020 Bonds shall be redeemed in such order of Maturity as directed by the Issuer (upon the direction of the City), the Trustee shall select the Series 2020 Bonds to be redeemed by lot or such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Outstanding Series 2020 Bonds of such denomination as provided in the Indenture. Series 2020 Bonds shall be redeemed only in Authorized Denominations on the date of such redemption. The Series 2020 Bonds of less than a full Maturity are to be selected by the Trustee in $5,000 units in such equitable manner as the Trustee may determine.

Notice and Effect of Call for Redemption

If and when any of the Series 2020 Bonds are called for redemption and payment prior to their respective Stated Maturities, the Trustee shall give written notice of said redemption and payment by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Redemption Date to each Holder of Series 2020 Bonds to be redeemed, at the address appearing on the Bond Register. All notices of redemption shall include information regarding (a) the Redemption Date; (b) the redemption price; (c) if less than all of the Outstanding Series 2020 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2020 Bonds to be redeemed; (d) that on the Redemption Date the redemption prices will become due and payable upon such Series 2020 Bonds, and that interest thereon shall cease to accrue from and after said date; and (e) the place where such Series 2020 Bonds are to be surrendered for payment of the redemption price, which shall be the principal corporate trust office of the Trustee as Paying Agent. The failure of the Holder of any Series 2020 Bond to be so redeemed to receive written notice mailed as provided in the Indenture shall not affect or invalidate the redemption of such Series 2020 Bonds. The Bond Registrar is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Series 2020 Bond to be redeemed.

Prior to any date fixed for redemption, there shall be deposited with the Trustee funds sufficient or United States Government Obligations, maturing as to principal and interest at such times and in such amounts as to provide funds sufficient, to pay the principal of the Series 2020 Bonds to be called for redemption and accrued interest thereon. However, the requirements for such deposit need not be met to the extent such redemption is to be made with the proceeds of Additional Bonds to be issued to refund all or a portion of the Series 2020 Bonds to be redeemed. Any extraordinary optional redemptions shall be made only from and/or to the extent of the funds or United States Government Obligations so deposited with the Trustee. Upon the happening of the above described conditions, including the deposit of such funds or United States Government Obligations and the giving of notice as described in the previous paragraph, such Series 2020 Bonds or the portions thereof thus called for redemption shall cease to bear interest on their Redemption Date, shall no longer be entitled to the protection, benefit, or security of the Indenture and shall not be deemed to be Outstanding under the Indenture.

Registration, Transfer, and Exchange

Pursuant to the Indenture, the Trustee has been appointed Bond Registrar for the purpose of registering and transferring Series 2020 Bonds and as such shall keep the Bond Register as provided in the Indenture. All of the Series 2020 Bonds and all transfers and all exchanges thereof shall be fully registered as to principal and interest in the Bond Register. Subject to any restrictions relating to global bond certificates in the event Series 2020 Bonds are issued in book-entry only form, Series 2020 Bonds may be transferred in the Bond Register only upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Series 2020 Bond, a new Series 2020 Bond or Series 2020 Bonds, registered in the name of the transferee, of any Authorized Denomination, in an aggregate principal amount equal to the principal amount of such Series 2020 Bond, of the same Series and Stated Maturity, and bearing interest at the same rate. Bonds, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as is satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and Stated Maturity, of any Authorized Denomination, and bearing interest at the same rate.

In all cases in which Series 2020 Bonds are exchanged or transferred, the Issuer shall execute, and the Trustee shall authenticate and deliver at the earliest practicable time Series 2020 Bonds in accordance with the Indenture. All Series 2020 Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. No service charge shall be made to any Bondholder for registration, transfer, or exchange of Series 2020 Bonds, but the Issuer or the Trustee may make a charge for every such exchange or transfer of Series 2020 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such transfer or exchange is completed.

Neither the Issuer nor the Trustee shall be required (i) to issue, transfer, or exchange any Series 2020 Bond during a period beginning at the opening of business 15 days preceding the date of mailing a notice of redemption for Series 2020 Bonds selected for redemption and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Series 2020 Bond so selected for redemption in whole or in part.

Book-Entry Only System

Upon initial issuance, ownership interests in the Series 2020 Bonds will be available to purchasers only through a book-entry system (the *"Book-Entry System"*) maintained by DTC, New York, New York, which will act as securities depository for the Series 2020 Bonds. The Series 2020 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. Initially, one fully-registered certificate will be issued for each Maturity of the Series 2020 Bonds, in the aggregate principal amount of each Maturity of the Series 2020 Bonds, and will be deposited with DTC. See **"APPENDIX E – Book-**

Entry System" of this Official Statement for a description of DTC and its Book-Entry-Only System. The information in **"APPENDIX E – Book-Entry System"** will not apply to any Series 2020 Bonds issued in certificate form due to the discontinuance of the Book-Entry System.

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 or the Lease Purchase Agreement (unless such Additional Bonds are Refunding Bonds or are being issued to cure such event), and so long as the Bond Reserve Fund is fully funded at the Bond Reserve Fund Requirement (including with respect to such Additional Bonds) upon the issuance of such Additional Bonds, Additional Bonds may be issued under and equally and ratably secured by the Indenture on a parity with the Outstanding Parity Bonds or the Issuer may issue other obligations specifically subordinate and junior to the Parity Bonds and to any other series of Subordinate Bonds, at any time and from time to time with the prior written consent of any Credit Facility Provider, and upon compliance with the conditions provided in the Indenture for the purpose of providing funds:

(i) to pay the cost of completing certain Cervantes Convention Center Projects, as further described in the Indenture;

(ii) to pay all or any part of the cost of the acquisition, purchase, construction, installation, or equipping of additions to or expansions of or remodeling or modification or rehabilitation of the Cervantes Convention Center Property and to pay the costs of acquisition and installation of additional equipment and the costs of acquisition of additional rolling stock related to the Cervantes Convention Center Property; and

(iii) for refunding all or any part of the Outstanding Parity Bonds or Additional Bonds issued for the purpose of refunding the Parity Bonds, 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.

Except as provided in the Indenture, the Issuer shall not otherwise issue any obligations on a parity with the Parity Bonds secured by the Indenture, but the Issuer may, with prior written consent of each applicable Credit Facility Provider, if there shall be in effect a Credit Facility, issue other obligations specifically subordinate and junior to the Parity Bonds.

Events of Default

An Event of Default under the Indenture includes, among other things, a default by the Issuer in the due and punctual payment of the principal of and interest on any Bond or an Event of Default under the Lease Purchase Agreement resulting from the City's failure to pay any Rentals or Additional Rentals in the amounts and at the times due.

Under the Lease Purchase Agreement, an Event of Default includes, but is not limited to, a failure by the City to pay any Rentals or Additional Rentals in the amounts and at the times due or a failure by the City to immediately vacate the Cervantes Convention Center Property upon request pursuant to the Lease Purchase Agreement after an Event of Non-Appropriation occurs. See **"CITY'S BUDGET AND APPROPRIATIONS – Effect of Non-Appropriation"** herein. Events of Default under the Indenture or the Lease Purchase Agreement and related remedies thereunder are described in **"APPENDIX D – SUMMARIES OF LEGAL DOCUMENTS – The Indenture"** and **"APPENDIX D – SUMMARIES OF LEGAL DOCUMENTS – The Lease Purchase Agreement."**

Cross Default; Acceleration

A default with respect to any of the Parity Bonds may result in a default with respect to all other Bonds issued under the Indenture. A default with respect to the Series 2005B Bonds, or the Series 2017 Bonds, which are subordinate to the Parity Bonds, may also result in a default with respect to the Parity Bonds and all other Bonds issued under the Indenture.

Subject to the rights of each Credit Facility Provider for the Series 2005 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Insured Series 2015 Bonds, the Insured Series 2017 Bonds, and the Series 2020 Bonds, as provided in the Indenture, if an Event of Default has occurred and is continuing, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding is required to declare the principal of all Bonds and the interest accrued thereon (or Accreted Value) immediately due and payable. In such event, the Trustee shall immediately draw on any applicable Credit Facility for the Series 2005 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Insured Series 2015, the Insured Series 2017 Bonds, and the Series 2020 Bonds, in an amount equal to the principal of and accrued interest (or Accreted Value) on the date established by the Trustee for acceleration. See **"BONDHOLDERS' RISKS - Cross Default"** herein.

In the event of an acceleration as described above, (i) any Credit Facility Provider may, as long as any Credit Facility is in effect and the Credit Facility Provider associated with such Credit Facility is in compliance with its payment obligation thereunder, or (ii) the Trustee (a) may, with the prior written consent of such Credit Facility Provider, and (b) shall upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding shall, direct the mortgage trustee to foreclose the lien on the Cervantes Convention Center Property created and vested by the Deed of Trust. The Trustee shall receive the proceeds of such foreclosure sale and shall pay the same in accordance with the provisions of the Indenture. Notwithstanding any provisions to the contrary contained in the Indenture, upon the occurrence of an Event of Default, (i) no Series 2005B Bond may be redeemed unless provision for payment of all Parity Bonds has been made pursuant to the Indenture, and (ii) no Series 2017 Bond may be redeemed unless provision for payment of all Parity Bonds and all Series 2005B Bonds has been made pursuant to the Indenture. See **"APPENDIX D - SUMMARIES OF LEGAL DOCUMENTS - THE INDENTURE"** herein.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be payable from and secured by a pledge under the Indenture of the Rentals and Additional Rentals to be made by the City, subject to annual appropriation, pursuant to the Lease Purchase Agreement. The Series 2020 Bonds also have a security interest in the Cervantes Convention Center Property pursuant to the Deed of Trust. In addition, payment of the Series 2020 Bonds is secured by a pledge of the Trust Estate (as defined below), the Series 2020 Reserve Account and any other funds and accounts established under the Indenture with respect to the Series 2020 Bonds.

A security interest is provided under the Indenture to the Trustee for the benefit of the holders of all Bonds comprised of the following (collectively referred to herein as the "*Trust Estate*"): (i) all leases of any property or portions thereof included in the Trust Estate, and all right, title, and interest of the Issuer thereunder; (ii) all right, title, and interest of the Issuer (including the right to enforce any of the terms thereof) in, to, and under: (a) the Purchase Agreement (as defined in the Indenture), (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 for the rights of the Issuer to receive certain payments thereunder and the Issuer's rights to notification and 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, the Convention Center Equipment (as defined in the Indenture), of the Issuer acquired by the Issuer in connection with the Cervantes Convention Center Property pursuant to the Lease Purchase Agreement or the Deed of Trust (subject to the limitations described in subparagraph (b) above) and (iv) 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, by delivery or by writing of any kind, conveyed, pledged, assigned, or transferred as and for additional security under the Indenture by the Issuer, the Authority, or by anyone on either of their behalf, or with either of their written consent, to the Trustee. See **"THE SERIES 2020 BONDS – Security for the Series 2020 Bonds"** and **"APPENDIX D - Summaries of Certain Legal Documents"** herein.

THE CITY'S PAYMENT OBLIGATION FOR RENTALS AND ADDITIONAL RENTALS PURSUANT TO THE LEASE PURCHASE AGREEMENT IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY. IF THE CITY FAILS TO BUDGET AND APPROPRIATE FUNDS FOR RENTALS AND ADDITIONAL RENTALS IN ANY FISCAL YEAR, THE LEASE PURCHASE AGREEMENT WILL TERMINATE AT THE END OF THE FISCAL YEAR FOR WHICH FUNDS HAVE BEEN APPROPRIATED AND THE CITY WILL BE REQUIRED TO VACATE THE CERVANTES CONVENTION CENTER PROPERTY, WHICH IS A PART OF THE SECURITY FOR THE SERIES 2020 BONDS. THE ISSUER HAS NO TAXING POWER.

THE SERIES 2020 BONDS AND THE INTEREST THEREON ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF RENTALS AND ADDITIONAL RENTALS. THE SERIES 2020 BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE CITY, THE ISSUER OR THE STATE AND NONE OF THE CITY, THE ISSUER OR THE STATE SHALL BE LIABLE THEREON, AND THE SERIES 2020 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NO INCORPORATOR, MEMBER, AGENT, EMPLOYEE, DIRECTOR OR OFFICER OF THE ISSUER OR THE CITY SHALL AT ANY TIME OR UNDER ANY CIRCUMSTANCES BE INDIVIDUALLY OR PERSONALLY LIABLE UNDER THE INDENTURE OR THE LEASE FOR ANYTHING DONE OR OMITTED TO BE DONE BY THE ISSUER THEREUNDER.

The Lease Purchase Agreement

The Issuer owns the Cervantes Convention Center Property which it leases to the City under a Lease Purchase Agreement originally entered into as of June 15, 1993, and subsequently amended and restated from time to time, including most recently by the Tenth Supplemental and Restated Lease Purchase Agreement to be executed in connection with the issuance of the Series 2020 Bonds.

The Lease Purchase Agreement will terminate on the earliest of the occurrence of any of the following events: (i) an Event of Non-Appropriation with respect to the City; (ii) an Event of Default with respect to the City under the Lease Purchase Agreement if the Issuer or the Trustee has elected, either subject to the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or at the prior written direction of such Credit Facility Provider, such remedies as are provided in the Lease Purchase Agreement, or (iii) discharge of the Indenture as provided therein and provision by the City for the payment of Additional Rentals, if any. See **"Covenant to Budget"** below. The Issuer's right, title, and interest in the Lease Purchase Agreement (except for certain indemnification rights and other rights to receive payments) has been assigned to the Trustee for the benefit of the Owners of the Bonds.

Pursuant to the Lease Purchase Agreement, the City has agreed, subject to annual appropriation, to make 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 (said amounts being referred to herein as the "*Rentals*") and of such other amounts at such times as set forth in the Lease Purchase Agreement (said amounts being referred to herein as the "*Additional Rental*s") and other revenues payable under the Lease Purchase Agreement to the Issuer (except for certain indemnification rights and other rights of the Issuer to receive payments as provided in the Lease Purchase Agreement). The Rentals and Additional Rentals received from the City have been assigned by the Issuer to the Trustee for the benefit of the Bondholders. For so long as the Series 2020 Bonds are Outstanding, the City is required to pay, as Rentals, subject to annual appropriation, to the Trustee, as assignee of the Issuer, amounts corresponding to payments of principal of, premium, if any, and interest on the Series 2020 Bonds. The City covenants, subject to annual appropriation, that it will pay the Rentals at such times and in such amounts as to assure that no default in the payment of principal of, premium, if any, and interest on the Series 2020 Bonds will occur. Additional Rentals include, among other things, payments, if required, sufficient to maintain the Series 2020 Reserve Account, if required.

If at the time any payment is due and the balance in the Bond Fund (not subject to the lien of the Trustee for fees and expenses) is less than the sum required to be on deposit in such Fund in order to pay the principal of, premium, if any, and interest then payable on the Series 2020 Bonds in accordance with the provisions of the Lease Purchase Agreement, the City is required forthwith to pay as Rentals any such deficiency to the Trustee for deposit in the Bond Fund in immediately available funds, and such payment will constitute Rentals and any Additional Rentals under the Lease Purchase Agreement. Any amount at any time held by the Trustee in the Bond Fund (not subject to the lien of the Trustee for fees and expenses) for the payment of the principal of, premium, if any, and interest on the Series 2020 Bonds will, 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 the principal of, premium, if any, and interest on (i) any Series 2020 Bonds theretofore matured or called for redemption plus (ii) past due interest, in all cases where such Series 2020 Bonds or interest checks have not been presented for payment; and provided, further, that if the amount held by the Trustee in the Bond Fund (not subject to the lien of the Trustee for fees and expenses) is sufficient to pay at the times required the principal of, premium, if any, and interest on all of the Series 2020 Bonds then remaining unpaid, the City will not be obligated to pay Rentals and certain Additional Rentals.

The Lease Purchase Agreement provides that the City will give notice to the Issuer and the Trustee as early as practicable and in any case no later than three (3) Business Days following the date on which the budget for any Fiscal Year of the City is finally approved by the Board of Aldermen of the City of either (i) notice of the termination of the Lease Purchase Agreement or (ii) confirmation that sufficient funds have been budgeted and appropriated to make all payments of Rentals and Additional Rentals for such Fiscal Year. Notice that sufficient funds have been appropriated for such Fiscal Year shall be accompanied by evidence satisfactory to the Issuer that sufficient funds have been budgeted and appropriated to make payments of all Rentals for the Fiscal Year to which such notice pertains and to make such payments of Additional Rentals as shall be required for such Fiscal Year by the terms of the Lease Purchase Agreement. (See **"CITY'S BUDGET AND APPROPRIATIONS - Budget Process"** herein.)

Covenant to Budget

The City covenants and agrees in the Lease Purchase Agreement 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, in any year during the Lease Purchase Agreement term, a request or requests for the Rentals and a reasonable estimate of Additional Rentals. Requests for appropriations are to 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 Cervantes Convention Center Property 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 currently expects, in each Fiscal Year during the Lease Purchase Agreement term, to appropriate funds for the City to pay Rentals in an amount sufficient to pay principal of, redemption premium, if any, and interest, on the Bonds.

Subject to the following provisions described in this paragraph, the payment obligations of the City under the Lease Purchase Agreement are absolute and unconditional and shall be sufficient to provide all funds required for debt service on the Bonds, for payments due under any Credit Facility, and for all other amounts required under the Indenture. However, nothing in the Lease Purchase Agreement, shall be construed to require the Board of Aldermen to appropriate any money to pay any Rentals or Additional Rentals.

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 Deed of Trust

To secure the payment of the principal of, premium, if any, and interest on the Series 2020 Bonds and other Bonds, the Issuer has granted a deed of trust on and a security interest in the Cervantes Convention Center Property pursuant to the Tenth Supplemental and Restated First Deed of Trust, Security Agreement and Assignment (the *"Deed of Trust"*) to a deed of trust trustee named therein for the benefit of the Trustee.

In the Deed of Trust, the Issuer covenants to pay certain taxes and assessments on the Cervantes Convention Center Property, and to maintain the Cervantes Convention Center Property in good condition and repair, free from liens and encumbrances and insured as provided in the Deed of Trust.

Series 2020 Reserve Account - Reserve Policy

Pursuant to the Indenture, upon the issuance and delivery of the Series 2020 Bonds, the Series 2020 Reserve Account Requirement will be satisfied by the issuance by AGM of its Municipal Bond Debt Service Reserve Insurance Policy (the *"Reserve Policy"*). The amount available under the Reserve Policy is $9,578,822.99.

The amount available under the Reserve Policy shall be automatically reduced by any payment made under the Reserve Policy. Upon repayment of any draws under the Reserve Policy, the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

TOTAL INDEBTEDNESS OUTSTANDING UNDER THE INDENTURE

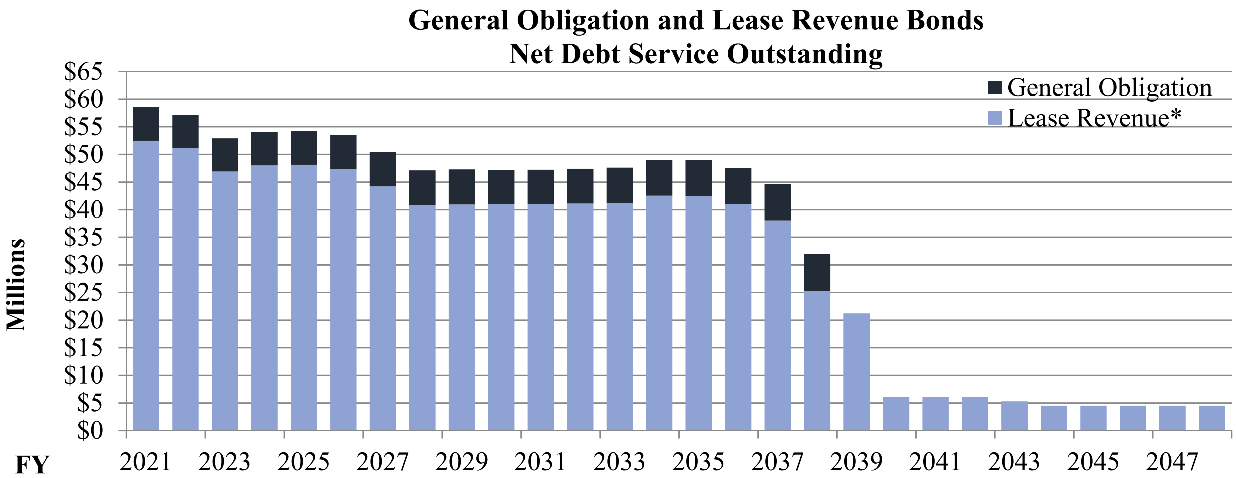
The following table shows the total indebtedness outstanding under the Indenture as of September 1, 2020:

PARITY BONDS:	Original Principal Amount	Principal Amount Outstanding or Accreted Value at Maturity	Final Maturity Date
Current Interest Bonds			
Leasehold Revenue Bonds, Series 2015 (Convention Center Refunding and Improvement Projects) (the "Series 2015 Bonds")	$23,905,000	$23,005,000	July 15, 2030
Compound Interest Bonds			
Compound Interest Leasehold Revenue Bonds, Series 2005A (Convention Center Refunding and Improvement Projects) (the "Series 2005A Bonds")	20,882,005	54,050,000	July 15, 2030
Compound Interest Leasehold Revenue Bonds, Series 2009A (Convention Center Capital Improvement Projects) (the "Series 2009A Bonds")	7,761,922	20,400,000	July 15, 2030
Compound Interest Leasehold Revenue Bonds, Series 2010A (Convention Center Capital Improvement Projects) (the "Series 2010A Bonds")	24,736,396	111,835,000	July 15, 2037
TOTAL PARITY BONDS	$77,285,323	$209,290,000	
JUNIOR LIEN AND SUBORDINATE BONDS:			
Current Interest Bonds			
Junior Lien Leasehold Revenue Bonds, Series 2017 (Convention Center Refunding and Improvement Projects) (the "Series 2017 Bonds")	25,735,000	25,560,000	October 1, 2038
Compound Interest Bonds			
Compound Interest Junior Lien Leasehold Revenue Bonds, Series 2005B (Refunding and Capital Improvement Projects) (the "Series 2005B Bonds" and, together with the Series 2005A Bonds, the "Series 2005 Bonds")	24,115,886	62,430,000	July 15, 2030
TOTAL JUNIOR LIEN BONDS	49,850,886	87,990,000	
TOTAL ALL BONDS	$127,136,209	$297,280,000	

The Series 2005A Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2020 Bonds, and any Additional Bonds issued under the Indenture that are on a parity with the payment of these Bonds upon an extraordinary optional redemption or the occurrence of an Event of Default are referred to herein as "*Parity Bonds*" and all other series of Bonds are referred to herein as "*Subordinate Bonds.*" See **"THE SERIES 2020 BONDS - Security for the Series 2020 Bonds"** herein.

OUTSTANDING GENERAL OBLIGATION AND LEASE REVENUE OBLIGATIONS OF THE CITY

As of September 30, 2020, the City has outstanding $77,550,000 of general obligation debt with a final maturity date in Fiscal Year 2038. As of September 30, 2020, the City is an obligated person on $626,318,507 of outstanding leasehold revenue bond debt payable, subject to annual appropriation, with a final maturity date in Fiscal Year 2048, from rental payments on facilities financed by the leases. The chart below illustrates the City's cumulative debt service payments on these obligations.



**Debt service on the Lease Revenue bonds is net of capitalized interest and the debt service reserve funds released when bonds mature, if any.*

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2020 Bonds, Assured Guaranty Municipal Corp. ("*AGM*") will issue its Municipal Bond Insurance Policy for the Series 2020 Bonds (the "*Policy|*"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("*AGL*"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM. AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("*Kroll*") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("*Moody's*"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, Kroll announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that Kroll may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At June 30, 2020:

- The policyholders' surplus of AGM was approximately $2,667 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("*MAC*") (as described below) were approximately $1,018 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc ("*AGE UK*") and Assured Guaranty (Europe) SA ("*AGE SA*"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "*SEC*") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);

(ii) (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2020 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp**." or included in a document incorporated by reference herein (collectively, the "*AGM Information")* shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**".

IMPACT OF COVID-19 ON CITY AND CERVANTES CONVENTION CENTER

The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the City and the Cervantes Convention Center, their operations and financial condition. The City is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be financial and operating data requiring annual updates under the Continuing Disclosure Agreement. See "CONTINUING DISCLOSURE" herein.

Introduction

The information in this section provides a summary of certain actions taken by the City, the CVC and the State in response to the COVID-19 pandemic. The ultimate economic and fiscal impacts of COVID-19 cannot be reasonably estimated at the current time. The actions taken in responding to COVID-19, the speed of the recovery process and planning for the future may be instructive. The City has established a page on its website where it posts updated information on COVID-19; however, such information is not incorporated by reference into this Official Statement. Some of the information in this section constitutes "forward-looking statements" and should be read in conjunction with, and is subject to, the cautionary statements set forth on page (ii) of this Official Statement.

Background

On January 30, 2020, the World Health Organization ("*WHO*") declared the COVID-19 outbreak a "public health emergency of international concern." On January 31, 2020, the United States Department of Health and Human Services declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. Since the executive order by the President of the United States preventing entry into the United States by certain foreign nationals, there has been a focus on containing the disease by prohibiting non-essential travel and limiting person-to-person contact.

On March 11, 2020, the WHO declared the COVID-19 outbreak a global pandemic and on March 13, 2020, the President of the United States declared a national state of emergency. On March 21, 2020, the Missouri Department of Health and Senior Services ordered statewide social distancing, requiring every person in the State to avoid social gatherings of more than ten persons. The Governor of the State issued a statewide "Stay Home Missouri" order, effective April 6, 2020, as well as other Executive Orders declaring a state of emergency, closing public and charter schools in the State for the remainder of the academic year, and postponing elections. Additionally, the City issued a number of emergency orders commencing on March 13, 2020, including its own "Stay at Home" order, providing for social distancing, limitations on social gatherings, cessation of activities for all businesses not considered "essential" and requiring that residents remain at home unless engaging in certain "essential activities.

On April 28, 2020, the Governor of the State introduced a plan for a phased reopening of the State's economy. Beginning May 4, 2020, certain "non-essential" workers began returning to business and social activities. The State's recovery action plan recommends avoiding socializing in groups that do not readily allow for appropriate social distancing (such as receptions, trade shows, etc.). The orders of the Governor of the State established the minimum requirements applicable statewide. Local health authorities, like the City's, are authorized to impose more restrictive public health requirements for businesses or individuals. The City's Stay at Home order was lifted effective May 18, 2020, but certain limitations, restrictions, and recommendations to maintain social distancing practices, wear masks and avoid large crowds remain applicable. It is unclear at this time when the City's restrictions will be entirely lifted. For additional information on orders impacting convention facilities, see **"THE CERVANTES CONVENTION CENTER - Impacts of Outbreak of COVID-19 on Conventions and Tourism"** below.

The COVID-19 pandemic and resulting restrictions have severely disrupted, and continue to disrupt, the economies of the City, the State, the United States and other countries, causing a severe reduction in several business sectors, increased unemployment and significantly reduced domestic and international travel. Business failures, worker furloughs and layoffs, and consumer and business bankruptcies are also occurring and are expected to continue in the near future and beyond.

Convention centers and meeting venues in the United States, including the Cervantes Convention Center, have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19. The outbreak has also adversely affected domestic and international travel and travel-related industries, which directly impacts convention and meeting planning, attendance and activity, as well as tourism related tax revenue. The significant impacts of COVID-19 on the hospitality industries, including hotel, food and beverage and air travel, have materially impacted recent collections of hotel and restaurant taxes which the City expects to use, in addition to General Fund revenues, as sources of appropriation for the Series 2020 Bonds. Currently, the CVC is permitted to operate the Cervantes Convention Center and Dome at 50% of its otherwise permitted occupancy and in accordance with specific operating plans that incorporate COVID-19 protections. In addition, hotels are permitted to operate but in accordance with COVID-19 guidelines.

As the COVID-19 outbreak continues, State and local government agencies, including the City, may announce new actions or changes to existing orders. It is possible that the restrictions imposed by the Governor and the Mayor pursuant to the executive orders may be extended in duration, expanded in scope or both, or that additional restrictions may be imposed by the federal government in response to the COVID-19 pandemic. The City does not know when such restrictions will be fully lifted, and if lifted, whether such restrictions will be rolled back or reinstated. In addition, spikes in the infection rate have caused the City to reimpose or modify certain restrictions more strictly. The City cannot quantify the negative financial impact that any restrictions imposed on the local, State, or federal level may have on the operations and financial conditions of the City and CVC or the Hotel Tax (defined herein) and Restaurant Gross Receipts Tax (defined herein) collections in the future. See "**ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"** herein**.**

Summary of the CVC's Responses to COVID-19

As a result of the outbreak and spread of COVID-19, the CVC has experienced the cancellation of events at the Cervantes Convention Center and a reduction in the amount of CVC Hotel Tax (defined herein) collections due to a decrease in hotel occupancy within the local community. Because of COVID-19, the Cervantes Convention Center has temporarily cut back its operations, which cutbacks include the temporary furlough and lay-off of workers. However, since June 8, 2020, the America's Center has been operating under specific health department guidelines, and the CVC's staff has avoided total suspension of operations at the Cervantes Convention Center by creatively booking repeat and new events which can take place without violating COVID-19 restrictions, notably filming of the American Ninja Warriors season-long television production using the Cervantes Convention Center's exhibit halls and the Dome at America's Center. In addition, as of the date of this Official Statement, other than XFL games, only seven non-annual events have been definitively cancelled without rebooking later dates and new events replaced two of those cancelled events, for a net loss of five events. See **"BONDHOLDER'S RISKS"** herein.

In addition to the temporary furloughs and layoffs noted above, the CVC has taken the following specific actions in response to the COVID-19 pandemic and the various health orders issued by the City, the State and the federal government:

- Instituting pay reductions for all employees not temporarily furloughed or laid off.
- Renegotiating service contracts.
- Reducing energy consumption.
- Postponing maintenance and capital projects that can safely be deferred.

- Reducing occupancy of CVC-managed facilities in keeping with applicable health orders.

- Implementing a number of sanitation-related changes to facility operations. See **"THE CERVANTES CONVENTION CENTER - Impacts of Outbreak of COVID-19 on Conventions and Tourism"** below.

Because it is not known how long the COVID-19 pandemic will continue, the CVC is continually adjusting its financial plans to reflect the current status of the pandemic and the measures the CVC has taken or will take to address applicable health orders.

It should be noted that the revenues and financial position of the CVC have no direct impact on the sources of revenue available to make payments on the Series 2020 Bonds, except to the extent that the CVC's marketing efforts generate taxable activities for the City. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS**" herein.

Anticipated City Revenue Implications

The City anticipates that the restrictions implemented by federal, State and local government agencies, including the City (and any future restrictions that may be imposed) to combat the COVID-19 outbreak, as well as changes in consumer behaviors caused by the outbreak, will result in the decline of earnings tax, sales and use tax, payroll tax, Hotel Tax (defined below) and Restaurant Gross Receipts Tax (defined below) convention and tourism tax revenues in the fiscal year ending June 30, 2020, and beyond, compared to the fiscal year that ended June 30, 2019, due to the cessation of activities for all businesses not considered "essential" and the decline of leisure/entertainment activities resulting from individuals being required to remain at home (except to perform "essential activities") pursuant to the City's "Stay at Home" order. Even after all governmental restrictions have been lifted, it is unknown whether City residents and visitors to the City will resume non-essential activities at the same levels as existed prior to the COVID-19 outbreak. It is also difficult to predict the willingness of businesses located in the City to retain existing employees and/or hire new employees and make other investments at pre-COVID-19 levels.

The duration, severity and degree of the impact of COVID-19 is extremely difficult to predict at this time due to the dynamic nature of the outbreak. The City believes that it may be some time before it is able to determine the full impact that the various events surrounding COVID-19 will have on its economy, budget and financial condition.

Budget Considerations Related to COVID-19

The information in this section constitutes "Forward-Looking Statements" and should be read in conjunction with, and is subject to, the cautionary statements set forth in this Official Statement. While, in addition to General Fund revenue, the City anticipates annually appropriating from the Hotel Tax (defined herein) and Restaurant Gross Receipts Taxes (defined herein) (See **"ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"**), the following discussion of the fiscal impact of the COVID-19 pandemic is provided to illustrate how the City's General Fund have been impacted for the Fiscal Year ending June 30, 2020 (unaudited) and the current Fiscal Year 2021 Annual Operating Plan.

On an unaudited, cash basis, the City's General Fund revenues fell short of original budget estimates by $11.1 million for the Fiscal Year ending June 30, 2020. Although revenues had been on a pace to exceed estimates through the fiscal third quarter of Fiscal Year 2020, a significant drop off in revenue in the fiscal fourth quarter due to the effects of the COVID-19 pandemic, led to revenues falling a net 4% compared to the prior Fiscal Year. Particularly impacted were hotel and restaurant taxes as well as related sales taxes. A portion of the City's Earnings Tax receipts were also deferred into the next Fiscal Year following a 90-day deferral edict issued by the Internal Revenue Service with regard to filing of federal income tax. The City took steps to mitigate the pending loss in revenues including holding open vacant positions and curtailing discretionary expenditures where possible.

Total General Fund expenditures on an unaudited, cash basis, came in below appropriations by approximately $12.7 million with the end of Fiscal Year 2020 result being a small operating balance of approximately $1.6 million. The uncertainties regarding the economic fallout of the COVID-19 pandemic had a significant impact on the Fiscal Year 2021 Annual Operating Plan. General Fund revenues are projected at $481.7 million or 5.3% below the reduced receipt total in Fiscal Year 2020 and 9.0% below the Fiscal Year 2020 third quarter pre-COVID-19 estimates. The Fiscal Year 2021 General Fund Budget (the "Fiscal Year 2021 Budget") projects significant declines in Earnings Taxes, Sales Taxes and Payroll Taxes, particularly in the hospitality/leisure and cultural/sports business categories, with gradual revenue increases throughout Fiscal Year 2021 after a steep drop off in the fourth quarter of Fiscal Year 2020. Most major revenues are expected to remain below pre-COVID-19 levels throughout Fiscal Year 2021.

The 2021 Annual Operating Plan includes budget cuts and revenue reallocations in order to provide a balanced budget. The unreserved General Fund balance was not used to balance the 2021 budget. Given the uncertainty regarding revenues and assumptions behind the COVID-19 pandemic's longer-term effects on the local economy, the budget planning effort also included alternative worse case revenue scenarios and efforts to identify additional expense cutting actions should the revenue outlook worsen. While the budget makes an effort to maintain core City services, more discretionary programs and some capital expenditure items have been deferred. It is not possible at present to project with any reasonable degree of certainty the impact of COVID-19 on the City's Fiscal Year 2021 Budget, and the City is prepared to modify its Fiscal Year 2021 Budget as events develop.

As to proposed expenditures, police and public safety continue to represent approximately 55% of the Fiscal Year 2021 Budget. With approximately $158.3 million in operating and pension costs, the police department represents approximately 33% of the Fiscal Year 2021 Budget and is the largest component of the public safety function. The remaining public safety allocation from the General Fund provides for fire protection, pre-trial inmate housing, emergency medical services and various permitting, inspection and neighborhood stabilization activities. The Fiscal Year 2021 Budget also funds the majority of parks and recreation operations at $19.4 million, streets, traffic and refuse collection at $40.4 million, and general government and finance operations at $37.3 million. Because the City functions as both a city and a county, the Fiscal Year 2021 Budget includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions in the amount of $56.0 million. Debt service payments for projects funded through lease arrangements are included in the Fiscal Year 2021 Budget in the amount of $22.0 million. Major lease debt payments in Fiscal Year 2021 consist primarily of the annual lease payments on the Cervantes Convention Center and the Dome as other lease agreements are proposed to be funded through special fund revenue appropriations. The remainder of the Fiscal Year 2021 Budget may be categorized as providing for the payment of public engineering services, maintenance and operation of public buildings and fleet services. See **APPENDIX A – "INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI -- FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund."**

The City has received $35.6 million under the Coronavirus Aid, Relief, and Economic Security Act and approximately $23.2 million from other sources, including reimbursements from the Federal Emergency Management Agency. The City anticipates that federal funds will cover direct COVID-19 related expenses incurred by the City, including the cost of personal protective equipment and overtime pay for City employees.

ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION

The City has various sources of revenue that are accounted for in the City's General Fund, the Trust Fund (described below), and other funds, including an earnings tax, ad valorem property taxes, sales and use taxes, gross receipts taxes, license fees, real property taxes, and other revenue sources (see **APPENDIX A** and **APPENDIX B** herein). It is anticipated that the monies required to pay the Rentals and Additional Rentals payable by the City under the Lease Purchase Agreement will be derived principally from the General Fund, upon the expiration of the City's obligation to pay $6 million per year related to the Dome Bonds, and from available revenues from the Hotel Tax and the Restaurant Gross Receipts Taxes upon the expiration of the City's obligation related to the Existing Convention Center Bonds. Any additional sums required to pay Rentals and Additional Rentals are expected to be made from additional available amounts in the City's General Fund. All amounts required for such payments are subject to annual appropriation. This section describes the Hotel Tax and Restaurant Gross Receipts Taxes. See **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS – Covenant to Budget" and "CITY'S BUDGET AND APPROPRIATIONS."**

Hotel Tax

Section 67.657(8) RSMo., as amended, authorizes the City to levy a tax, not to exceed three and one-half percent (3-1/2%), on the amount of sales or charges for all sleeping rooms paid by the transient guests of hotels and motels situated within and doing business within the City, subject to approval by a majority of voters at an election to approve the imposition of such tax. On April 6, 1993, the voters of the City approved the tax (the *"Hotel Tax"*). All funds collected, minus an allowance for costs of collection, are deposited into a special trust fund known as the "City Convention and Sports Facility Trust Fund" (the *"Trust Fund"*).

The following table shows collections, net of collection fees and tax increment redevelopment allocations for each of the Fiscal Years shown. The information in the table below is included for illustrative purposes only. None of the Issuer, the City, the CVC or the Underwriters makes any representation regarding future collections of the Hotel Tax and there can be no assurance that such levels of collection of the Hotel Tax will be maintained in the future.

HOTEL TAX REVENUE*

Fiscal Year	Amount	Percentage Change
2009	$6,513,276	15.97%
2010	6,255,445	-3.96
2011	6,416,598	2.58
2012	7,364,587	14.77
2013	7,542,083	2.41
2014	8,018,089	6.31
2015	8,438,083	5.24
2016	8,834,810	4.70
2017	9,101,589	3.02
2018	8,984,741	-1.30
2019	9,509,055	5.83
2020	8,840,080	-7.04

*Unaudited, net of collection fees and tax increment development allocations
Source: City Comptroller's Office

Restrictions on Application of Hotel Tax Revenues

All funds deposited into the Trust Fund shall, subject to annual appropriation, be disbursed by the City only for *first,* the payment of debt service, lease payments, or other expenses related to the Cervantes Convention Center; *second,* the payment of the City's share of any rent, fees, or charges payable pursuant to any lease with respect to facilities that the Regional Convention and Sports Complex Authority is authorized to construct, own, operate, improve, or develop (such as the Dome); and *third,* the payment of the remainder, if any, annually to the CVC if it is then providing management and operation services for a facility of the Regional Convention and Sports Complex Authority as to which facility the State, the City, and the County are lessees or sublessees. **THE HOTEL TAX REVENUES ARE NOT PLEDGED AS SECURITY FOR THE SERIES 2020 BONDS AND THE EXPENDITURE OF THE HOTEL TAX REVENUES IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY.** Hotel Tax revenues are limited to the uses described above. However, all expenditures of the Trust Fund are subject to annual appropriation by the St. Louis Board of Aldermen. Pursuant to the Ordinance, the City has agreed that during each Fiscal Year or portion thereof in which the Series 2020 Bonds remain Outstanding, the City shall not use Hotel Tax revenues in the then-current Fiscal Year for any purpose other than making payments of Rentals and Additional Rentals with respect to the Parity Bonds during such Fiscal Year unless such payments of Rentals and Additional Rentals have been provided for. **THE HOTEL TAX REVENUES ARE NOT PLEDGED AS SECURITY FOR THE SERIES 2020 BONDS AND THE EXPENDITURE OF THE HOTEL TAX REVENUES IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY.**

Restaurant Gross Receipts Taxes

Under an ordinance adopted in 1972, the City imposed a one percent (1%) license tax based on the gross receipts due from or paid by patrons of all restaurants and itinerant restaurants doing business within the City, excluding gross receipts from the sale of any alcoholic beverage. By ordinance adopted in 1987, the City imposed an additional gross receipts tax on such receipts of one-half of one percent (1/2%). Together, such one percent tax and one-half of one percent tax are referred to herein as the *"Restaurant Gross Receipts Taxes."*

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The following table shows collections, net of collection fees and tax increment redevelopment allocations, of the Restaurant Gross Receipts Tax for each of the Fiscal Years shown. The information in the table below is included for illustrative purposes only. None of the Issuer, the City, the CVC or the Underwriters makes any representation regarding future collections of the Restaurant Gross Receipts Tax and there can be no assurance that such levels of collection of the Restaurant Gross Receipts Tax will be maintained in the future.

RESTAURANT GROSS RECEIPTS TAX*

Fiscal Year	1% Rate	1/2 of 1% Rate	Total Amount
2009	$4,627,517	$2,313,759	$6,941,276
2010	4,443,730	2,221,865	6,665,596
2011	4,616,023	2,308,012	6,924,035
2012	5,056,860	2,528,430	7,585,290
2013	5,270,301	2,635,150	7,905,451
2014	5,409,160	2,704,580	8,113,741
2015	5,956,023	2,978,012	8,934,035
2016	5,927,688	3,067,199	8,994,887
2017	5,883,011	2,941,506	8,824,517
2018	5,943,613	2,971,807	8,915,421
2019	6,247,747	3,264,291	9,512,037
2020	6,056,727	3,216,437	9,273,164

*Unaudited, net of collection fees and tax increment development allocations
Source: City Comptroller's Office

Restrictions on Application of Restaurant Gross Receipts Taxes

Revenues derived from the one percent (1%) portion of the Restaurant Gross Receipts Tax are required to be deposited into the City's Convention and Tourism Fund (the *"C&T Fund")* and are used, subject to appropriation, to support various tourism activities. These tourism activities are supervised by the Convention and Tourism Bureau composed of the City's Mayor, and Comptroller, and the President of the Board of Aldermen. For the Fiscal Year ending June 30, 2020, $6,265,000 was appropriated from the C&T Fund for various tourism related activities. For the Fiscal Year ending June 30, 2019, $5,795,000 was appropriated from the C&T Fund for various tourism related activities. The balance is available, subject to appropriation, to pay the amounts payable by the City under the Lease Purchase Agreement. The one-half of one percent (1/2%) portion of the Restaurant Gross Receipts Tax is not limited to paying for tourism activities. **THE RESTAURANT GROSS RECEIPTS TAX REVENUES ARE NOT PLEDGED AS SECURITY FOR THE SERIES 2020 BONDS AND THE EXPENDITURE OF THE RESTAURANT GROSS RECEIPTS TAX REVENUES IS SUBJECT TO ANNUAL APPROPRIATION BY THE CITY.** Pursuant to the Ordinance, the City has agreed that, during each Fiscal Year or portion thereof in which the Series 2020 Bonds remain Outstanding, the City will not use the one percent (1%) portion of the Restaurant Gross Receipts Tax revenues in the then-current Fiscal Year for any purpose other than making payments of Rentals and Additional Rentals with respect to the Parity Bonds during such Fiscal Year unless such payments of Rentals and Additional Rentals have been provided for otherwise.

Collection

Hotel Tax. The Hotel Tax is remitted monthly directly to the City's License Collector pursuant to rules and regulations promulgated by the Board of Aldermen. The tax collections, less an amount which may be retained for costs of collection, are then remitted to the City and deposited in the Trust Fund not later than thirty days following the end of each month.

Restaurant Gross Receipts Taxes. Every restaurant that operates in the City is required to file a Gross Receipts Taxes Report (the *"Gross Receipts Taxes Report"*) with the City's License Collector for each calendar quarter. The Gross Receipts Tax Report sets forth the total gross receipts for such restaurant exclusive of sales tax collected from customers, the amount of tax-exempt sales and alcoholic beverage sales, which are not subject to this tax, and, after subtracting the $2,500 exemption provided by the applicable ordinance, net taxable receipts. By the last day of the month following the end of each quarter, the Gross Receipts Taxes Report must be filed, and any Restaurant Gross Receipts Taxes calculated at the combined rate of one and one-half percent (1-1/2%) of net taxable receipts must be paid. Failure to file such report and pay any Restaurant Gross Receipts Taxes when due results in the imposition of a penalty which may eventually equal forty-five percent (45%) of the amount due.

Changes in Economic and Demographic Conditions

The City's Hotel Tax and Restaurant Gross Receipts Tax have historically been sensitive to changes in local, regional and national economic conditions and commercial activity. Certain other factors, including a decline or change in the demographics in the City or the State's population, the occurrence of a natural or man-made disaster, a pandemic or health epidemic or reductions in the level of commercial and industrial activity in the City or the State, could reduce the number and value of taxable transactions and thus reduce the amount of Hotel Tax and Restaurant Gross Receipts Tax revenues. It is not possible to predict whether or to what extent any such changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur, and what impact any such changes would have on revenues available to the City. See "**BONDHOLDER'S RISKS -- The Coronavirus and Other Health-Related Risks"** herein.

Impact of COVID-19 on Revenues

The City anticipates that the restrictions implemented by federal, state and local government agencies (and future restrictions that may be imposed) to combat the COV1D-19 outbreak, as well as changes in consumer behaviors caused by the outbreak, will result in the decline of Hotel Tax and Restaurant Gross Receipts Tax in Fiscal Year ending June 30, 2021, and beyond. Even after all governmental restrictions have been lifted, it is unclear whether the City's residents and visitors to the City will be willing to resume non-essential activities at the same levels as existed prior to the COVID-19 outbreak. Despite any decline in Hotel Tax and Gross Receipts Tax receipts, the City may elect to make up amount required for Lease Purchase Agreement Rental payments from any available General Fund revenues.

CITY'S BUDGET AND APPROPRIATIONS

Introduction

In the Lease Purchase Agreement, the City has covenanted to include in the budget proposals submitted annually to the Board of Estimate and Apportionment, and to the extent permitted by law, to the Board of Aldermen of the City, a request or requests for the Rentals and a reasonable estimate of Additional Rentals. The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or for the payment of principal and premium, if any and interest on City debt or for meeting any ordinance obligations. The City is committed to achieving a balanced budget for each Fiscal Year. In that context, representatives of the City have indicated that it has historically been the City's practice to appropriate funds for debt service on its outstanding obligations prior to making appropriations for other purposes.

Budget Process

Each Fiscal Year, the Board of Estimate and Apportionment of the City 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. The Board of Estimate and Apportionment is made up of the Mayor, the Comptroller, and the President of the Board of Aldermen of the City.

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 Fiscal Year, is approved by the Board of Estimate and Apportionment and submitted to the Board of Aldermen.

The Board of Estimate and Apportionment must submit its proposed budget to the Board of Aldermen at least 60 days prior to July 1, the first day of the City's Fiscal Year. The budget bill is traditionally 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. Pursuant to the City Charter, the City is required to adopt a balanced budget no later than the beginning of each Fiscal Year.

The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or for the payment of principal and premium, if any and 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. The budget is funded from various revenue sources, including real property taxes. For Fiscal Year 2018, real property taxes produced approximately 9.49% of the City's General Fund revenue for Fiscal Year 2019, real property taxes produced approximately 9.22% of the City's General Fund revenue; and for Fiscal Year 2020 (unaudited) real property taxes produced approximately 9.89% of the City's General Fund revenue. 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. Increasing the level of existing taxes or imposing new taxes requires voter approval in accordance with the Missouri Constitution. See **"GENERAL REVENUE RECEIPTS -- The Hancock Amendment"** set forth in **APPENDIX A** hereto.

In the event the Board of Estimate and Apportionment does not timely submit its proposed budget or real property tax rates to the Board of Aldermen, 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 real property tax rate by the beginning of any Fiscal Year, the proposed budget or real property tax rates recommended by the Board of Estimate and Apportionment, or, in the absence of such proposed budget or real property tax rates, the proposed budget submitted 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 and premium, if any, and 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 is not lawfully applicable. The Board of Estimate and Apportionment may, from time to time, appropriate any accruing, unappropriated City revenue, and 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 for 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.

Appropriation

THE CITY IS NOT AND MAY NOT BE LEGALLY OBLIGATED TO APPROPRIATE FUNDS TO PAY RENTALS OR ADDITIONAL RENTALS UNDER THE LEASE PURCHASE AGREEMENT AND NONE OF THE REVENUES FROM THE HOTEL TAX OR THE RESTAURANT GROSS RECEIPTS TAX ARE PLEDGED OR OTHERWISE COMMITTED TO PAY DEBT SERVICE ON THE SERIES 2020 BONDS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein. The City's tax collections may be expended only by appropriations by the Board of Aldermen. It is anticipated that the Board of Aldermen will appropriate in each Fiscal Year, from the City's tax revenues and other funds legally available for such purpose, the amounts required to pay all Rentals and Additional Rentals required by the Lease Purchase Agreement. Pursuant to the Ordinance, the City has agreed that during each Fiscal Year or portion thereof in which Parity Bonds remain Outstanding (as defined in the Indenture), the City will not use any revenues from the Hotel Tax or the balance of the one-percent (1%) portion of the Restaurant Gross Receipts Taxes in the then-current Fiscal Year for any purpose other than making payments of Rentals and Additional Rentals with respect to the Parity Bonds during such Fiscal Year unless such payments of Rentals and Additional Rentals with respect to Parity Bonds, if any, have been otherwise provided for. The Hotel Tax revenues are required by law (subject to annual appropriation) to be applied to the payment of debt service and other expenses of the Cervantes Convention Center Property before they may be used for any other purpose (see **"ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"** herein). The revenues from the one percent (1%) Restaurant Gross Receipts Tax are also limited as described above (see **"ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"** herein). The use of Hotel Tax revenues and the balance of the one-percent (1%) portion of the Restaurant Gross Receipts Taxes are not restricted if there are no Parity Bonds Outstanding in the then-current Fiscal Year or if payment of Rentals and Additional Rentals with respect to Parity Bonds has been otherwise provided for. There are no limitations on the use of the additional one-half of one percent (1/2%) restaurant gross receipts tax. If funds derived from these tax sources are insufficient to pay debt service on the Series 2020 Bonds, the deficiency may be made up from other revenues deposited into the City's General Fund.

Effect of Non-Appropriation

In the event that the Board of Aldermen does not budget and appropriate, on or before June 30 (or such future date the City shall adopt as the end of its Fiscal Year) of each year, specifically with respect to the Lease Purchase Agreement, moneys sufficient to pay all Rentals and the reasonably estimated Additional Rentals coming due for the next succeeding Fiscal Year, an Event of Non-Appropriation shall be deemed to have occurred.

Notwithstanding the preceding paragraph, no Event of Non-Appropriation shall be deemed to have occurred under the Lease Purchase Agreement if, during the Fiscal Year subsequent to the month in which an event described in the preceding paragraph occurs, Rentals and Additional Rentals are timely paid pursuant to the terms of the Lease Purchase Agreement, and further provided that on or before the last day of such Fiscal Year the Board of Aldermen shall budget and appropriate, specifically with respect to the Lease Purchase Agreement, moneys sufficient to pay all Rentals and Additional Rentals (or reasonable estimates thereof as to those Additional Rentals which have not been paid) coming due for such Fiscal Year. If an Event of Non-Appropriation occurs and is continuing, upon receipt of a certificate from a representative of the City which states that the City has not appropriated 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 Issuer of such occurrence.

IF AN EVENT OF NON-APPROPRIATION OCCURS, THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE RENTALS OR ADDITIONAL RENTALS PROVIDED FOR IN THE LEASE PURCHASE AGREEMENT THAT ACCRUE BEYOND THE LAST DAY OF THE FISCAL YEAR FOR WHICH RENTALS AND ADDITIONAL RENTALS WERE APPROPRIATED, EXCEPT FOR THE CITY'S OBLIGATION TO MAKE PAYMENTS THAT ARE PAYABLE PRIOR TO THE TERMINATION OF THE LEASE PURCHASE AGREEMENT; *PROVIDED, HOWEVER*, THAT THE CITY SHALL CONTINUE TO BE LIABLE FOR THE AMOUNTS ACCRUED DURING SUCH PERIOD IN WHICH THE CITY CONTINUES TO OCCUPY THE CERVANTES CONVENTION CENTER 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 THE CREDIT FACILITY PROVIDER, AND SHALL BE FURTHER ENTITLED TO ALL MONIES THEN ON HAND IN ALL FUNDS AND ACCOUNTS CREATED UNDER THE INDENTURE, EXCLUDING MONEYS ON DEPOSIT IN THE REBATE FUND. ALL PROPERTY, FUNDS AND RIGHTS ACQUIRED BY THE TRUSTEE UPON THE TERMINATION OF THE LEASE PURCHASE AGREEMENT AS TO THE CITY'S POSSESSORY INTEREST THEREUNDER BY REASON OF AN EVENT OF NON-APPROPRIATION AS PROVIDED PURSUANT TO THE TERMS OF 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.

If the City fails to pay any portion of the Rentals or Additional Rentals that are due under the Lease Purchase Agreement, the City, upon the request of the Trustee, the Issuer, or the Authority, shall immediately quit and vacate the Cervantes Convention Center Property and the Rentals and Additional Rentals (except for payments which have been theretofore appropriated and are then available for such purpose) shall thereupon cease, and the Trustee, in accordance with the Indenture, may immediately bring legal action to evict the City from the Cervantes Convention Center 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 Cervantes Convention Center Property.

Whenever an Event of Default under the Lease Purchase Agreement shall have occurred and be continuing, the Issuer or the Trustee shall have the right, at its option and subject to prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and without any further demand or notice, to take any one or more of the following remedial steps: (i) declare all Rentals and Additional Rentals for the Fiscal Year in which such failure occurred to be immediately due and payable, (ii) give the City written notice of its intention to terminate the Lease Purchase Agreement, and if all such failures have not then been cured, on the date so specified in such notice, the City's rights to possession of the Cervantes Convention Center Property shall cease, the Lease

Purchase Agreement shall be terminated, and the Issuer or the Trustee may reenter and take possession of the Cervantes Convention Center Property, (iii) without terminating the Lease Purchase Agreement, relet the Cervantes Convention Center Property, or parts thereof, for such term or terms and at such rental and upon such other provisions and conditions as the Issuer or the Trustee may deem advisable, (iv) terminate the City's right of possession under the Lease Purchase Agreement as to any one or more items of the Convention Center Equipment and cause the City, at the City's expense, to return any and all such items of the Convention Center Equipment to the Issuer or the Trustee, and to store, maintain, surrender, and deliver possession of such items of the Convention Center Equipment to the Issuer or the Trustee, and (v) 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.

The City covenants and agrees in the Lease Purchase Agreement 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, 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 Cervantes Convention Center Property 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 currently expects, in each Fiscal Year of the City during the Lease Purchase Agreement term, to appropriate funds for the City to pay Rentals in an amount sufficient to pay principal of, redemption premium, if any, and interest, on the Bonds.

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 CERVANTES CONVENTION CENTER

General

The Cervantes Convention Center is owned by the Issuer and leased to the City pursuant to the Lease Purchase Agreement. It is located in downtown St. Louis and is the largest convention facility in the St. Louis metropolitan region and the only convention facility in the region capable of competing for national and regional conventions and trade shows.

In order to enhance the competitiveness of the Cervantes Convention Center, the City undertook a major expansion and renovation program in 1993 and constructed the Dome in 1995. (The Dome is not subject to the Lease Purchase Agreement.). The existing Cervantes Convention Center Property 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, the adjoining Dome contains 162,000 square feet of contiguous exhibit space as well as 29 meeting rooms. Below is an architect's rendering of the Cervantes Convention Center with the expansion contemplated by this financing and improvements financed by the City and the County pursuant to the Financing Agreement. The Dome is not part of the Cervantes Convention Center and the lien on the Cervantes Convention Center referenced herein does not encumber the Dome.

Management and Operations

Together with the Dome, the Cervantes Convention Center is operated by the CVC as part of the 2,700,000 square foot America's Center. The CVC is an outgrowth of the City's St. Louis Tourism Bureau, founded in 1909 by a group of local business leaders after the success of the 1904 World's Fair, and the St. Louis County Office of Tourism. In 1984, those entities were combined by an act of the State legislature to form the CVC as a regional commission of the State. Section 67.601 of the Revised Statutes of Missouri, as amended, established the CVC to promote conventions, tourism, and business development in the greater St. Louis area. The statute establishes a Board of Commissioners for policy formulation and budgetary oversight. The Board of Commissioners consists of eleven (11) members. Five (5) Commissioners are appointed by the Mayor of the City and five (5) Commissioners are appointed by the County Executive of the County, a political subdivision adjoining the City. The CVC Commission's chairperson is appointed by the Governor of the State as the eleventh Commissioner. The CVC is the primary sales and marketing organization responsible for marketing the Cervantes Convention Center and the St. Louis metropolitan area as a convention, meeting, and leisure travel destination. Section 67.619 RSMo., part of the legislation establishing the CVC, also provided for a CVC-imposed hotel/motel gross receipts tax (the "CVC Hotel Tax") to fund the CVC and the Regional Arts Commission. The CVC Hotel Tax is separate and distinct from the Hotel Tax imposed by the City.

The CVC uses its CVC-imposed hotel/motel gross receipts tax proceeds as well as revenues directly generated by the America's Center and State funding, when available, to market and operate the America's Center. The CVC subleases the Cervantes Convention Center Property from the City pursuant to the CCC Operating Lease. Concurrently with the issuance of the Series 2020 Bonds, the CCC Operating Lease will be extended through 2061. Pursuant to the CCC Operating Lease, the City has agreed, subject to annual appropriation, to pay $2.0 million each Fiscal Year of the City (adjusted annually for inflation subsequent to the issuance of the Series 2020 Bonds) to the CVC for annual maintenance payments for the Cervantes Convention Center, until the final maturity of Outstanding Bonds issued under the Indenture or as otherwise provided in the CCC Operating Lease.

Revenues from the CVC's operation of the Cervantes Convention Center and the Dome are typically exceeded by the expenses related to such operations. The CVC hotel/motel tax is CVC's primary source of revenue to offset such deficits and maintain a healthy fund balance. Due to the COVID-19 pandemic and the related temporary loss of events at the Cervantes Convention Center, the CVC's gross revenues from Cervantes Convention Center and Dome operations and the CVC hotel/motel tax revenue were both significantly reduced in Fiscal Year 2020. However, the measures that CVC has temporarily taken to reduce expenses have balanced out such revenue reductions to the extent that CVC has ended its 2020 fiscal year with a more positive fund balance than originally expected—$6.3 million vs. the originally projected $4.3 million.

As of June 8, 2020, the CVC was permitted to reopen the Cervantes Convention Center and the Dome for business with reduced occupancy limits and specific COVID-19 protections. Between June 8 and September 24, two large events and numerous other meetings have been held in the Cervantes Convention Center and the Dome. Many Cervantes Convention Center customers with contracted events originally scheduled during the pandemic have committed to holding their events at a later date and, other than XFL games, only seven non-annual events have been definitively cancelled and new events replaced two of those cancelled events, for a net loss of five events.. Month-by-month cancellations and rebookings are illustrated in the chart below. Three of the rebooked events are rebooked for calendar year 2021; one rebooked event is shown in the "Largest Calendar Year 2021 Conventions and Group Events" chart below. None of the rebooked events are scheduled to be held in calendar year 2020.

CERVANTES CONVENTION CENTER AND DOME

COVID-19 RELATED CANCELLATIONS AND REBOOKINGS

JANUARY – AUGUST, 2020

	January 2020	**February 2020**	**March 2020**	**April 2020**	**May 2020**	**June 2020**	**July 2020**	**August 2020**	**8 Month TOTAL**
Events cancelled	0	0	5	4	3	3	4	0	19
Events rebooked and held for future dates	0	0	0	(1)	(2)	(3)	(2)	0	(8)
New events booked and already held	0	0	0	0	0	0	(2)	0	(2)
Net loss of events*	**0**	**0**	**5**	**3**	**1**	**0**	**0**	**0**	**9**

* March net loss includes three (3) XFL games and one (1) XFL playoff game that were cancelled. In April, the league filed for bankruptcy protection. When those XFL four (4) cancellations are subtracted from the cancellations shown above and the two (2) new bookings are included, net cancellations equal five (5).

The hotel/motel room bookings that generate the CVC hotel/motel tax significantly decreased in March and April of 2020, however, bookings have increased month by month since April, as illustrated in the chart below.

PERCENTAGE OF TOTAL ST. LOUIS REGION HOTEL ROOMS OCCUPIED

JANUARY – AUGUST, 2020

	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020
Occupancy %	49.6%	57.1%	35.9%	20.5%	27.0%	35.5%	39.7%	39.8%

In addition to its overall marketing functions, the CVC is responsible for managing and marketing, pursuant to the CCC Operating Lease and the Dome Operating Lease, the America's Center. Pursuant to the CCC Operating Lease, the CVC also serves as facility manager for the Cervantes Convention Center. By serving as both marketer and facility manager, the CVC achieves a competitive benefit for the America's Center. Convention planners and site selection decision-makers traditionally prefer to negotiate with and purchase the meeting product – the Cervantes Convention Center and/or the Dome – directly from the service provider and facility manager.

Private revenue from partner dues and corporate sponsorships also support the CVC's efforts to increase convention business and tourism in metropolitan St. Louis.

The following table shows the number of nights for which hotel and motel rooms were booked through the CVC since 2009. The reduction in 2020 room nights is attributable to the loss of room nights between the inception of the pandemic in March 2020 and the June 30, 2020 close of the CVC's fiscal year. The March – June time period typically accounts for the bulk of booked room nights.

Fiscal Year Ending June 30	Booked Room Nights Number of Rooms	Percentage Change
2009	380,959	-31.2%
2010	508,098	33.4
2011	372,422	26.7
2012	484,272	30.0
2013	524,528	8.3
2014	596,565	13.7
2015	552,904	-7.3
2016	492,778	-10.9
2017	578,092	17.3
2018	640,563	10.8
2019	544,418	-15.0
2020	259,255	-52.4

The CVC actively promotes St. Louis as an attractive location for organizations holding large conventions, which organizations need to make their arrangements well in advance of such conventions. As of September 24, 2020, committed CVC bookings for the Cervantes Convention Center and the Dome have resulted in committed hotel/motel room bookings for fiscal years 2021 through 2024, as shown in the chart below. While some bookings are made years in advance, others are made closer to the event date. The number of event bookings will impact the number of committed room nights. The chart below does not include committed room nights for CVC-booked events that do not utilize the Cervantes Convention Center and/or the Dome—including those events would increase the numbers of committed room nights.

COMMITTED ROOM NIGHTS FROM EVENTS
IN CERVANTES CONVENTION CENTER AND THE DOME

Calendar Year	No. of Events	Committed Room Nights
2019	54	304,000
2020	18*	43,343*
2021	34	232,232
2022	21	163,917
2023	18	198,867
Total	127	899,016

Source: St. Louis Convention and Visitors Commission

* Prior to COVID-19, the number of scheduled events for calendar year 2020 was 56, representing 276,723 room nights. The figures above represent actual figures after COVID-19 cancellations and reschedulings.

Service Area

The service area of the America's Center is determined by the type of event to be held at the America's Center. The CVC defines the current service area of the America's Center for conferences and consumer trade shows as the entire nation. Additionally, the ballroom and the St. Louis Executive Conference Center are considered ideal sites for local corporate, civic, and social events, including meetings and banquets.

Competition from Other Facilities

Based on a comprehensive analysis of St. Louis' competitiveness among second-tier destinations and some first-tier cities, the CVC has determined that twenty cities are St. Louis' primary competitors in the meetings/convention and tradeshow markets. The City believes that not all of these cities can compete with St. Louis in all market segments because the location of the Dome adjacent to the Cervantes Convention Center and CVC's joint operation of the Dome in conjunction with the Cervantes Convention Center Property as The America's Center Convention Complex offers a competitive advantage when bidding for major religious and sports-related events. The twenty competing cities are Atlanta, Baltimore, Charlotte, Cincinnati, Columbus, Dallas, Denver, Detroit, Houston, Indianapolis, Kansas City, Louisville, Memphis, Minneapolis, Nashville, New Orleans, Philadelphia, Pittsburgh, Salt Lake City, and San Antonio.

Historical Utilization of the Cervantes Convention Center and Convention Center Hotel

St. Louis' Cervantes Convention Center was one of the pioneers of modern convention facilities in the United States, opening before the big boom in the meetings industry that occurred in the mid-1980s. The history of the building's expansion began when many large associations and organizations found their meeting needs growing both in the number of attendees they attracted and in the amount of exhibition space they required. With each expansion, there has been a significant jump in Cervantes Convention Center and America's Center business with increases in both the number of major conventions and the corresponding hotel room nights used.

America's Center, like similar facilities in the Midwest, currently draws conventions, trade shows, and assemblies from across the United States. The Midwest region typically has been successful in the convention and trade show market primarily due to the area's concentration of manufacturing and distribution facilities, population centers, and central location.

The following table illustrates the number of actual consumed hotel rooms due to CVC activity in fiscal years 2009 through 2020.

CVC CONSUMED BUSINESS OVERVIEW

	Groups 2000+	Room Nights	Groups 1000-1999	Room Nights	Groups 500-999	Room Nights	Groups 0-499	Room Nights	Total Groups	Total Room Nights
2009 Actual	14	177,860	18	96,055	24	54,655	303	162,925	449	491,495
2010 Actual	16	186,950	16	80,519	29	66,817	419	164,380	480	498,666
2011 Actual	12	148,248	19	82,828	25	50,949	397	149,987	453	432,012
2012 Actual	15	203,850	13	64,225	29	71,839	347	125,987	404	465,931
2013 Actual	15	210,476	15	73,555	19	43,083	321	115,479	370	442,593
2014 Actual	14	174,795	12	66,072	25	60,857	342	123,687	393	425,411
2015 Actual	15	207,260	13	68,858	23	56,355	398	130,842	449	463,315
2016 Actual	15	239,190	15	57,730	25	61,040	362	113,944	417	471,904
2017 Actual	20	260,811	18	78,548	25	54,091	353	122,667	416	516,117
2018 Actual	14	157,333	13	75,571	28	71,049	318	127,258	373	431,211
2019 Actual	17	234,365	12	53,956	25	52,740	286	127,581	340	468,642
2020 Actual	27	198,536	25	34,361	25	17,735	121	18,624	198	269,258

Source: St. Louis Convention and Visitors Commission

The largest events which are currently booked to be held at the Cervantes Convention Center in 2021 in terms of expected attendance are listed in the chart below. None of the events listed below had been cancelled as of September 24, 2020. Room configurations can be modified to accommodate each of these bookings if any COVID-19 restrictions remain in place. COVID-19 may, however, affect the attendance at certain of these bookings. See **"Impacts of Outbreak of COVID-19 on Conventions and Tourism"** below.

CONVENTION AND VISITORS COMMISSION – CERVANTES CONVENTION CENTER ACTIVITY
LARGEST CALENDAR YEAR 2021 CONVENTIONS AND GROUP EVENTS*
Ranked by Projected Total Room Nights

Organization	Projected Total Room Nights	Peak Room Nights	Projected Attendance	Dates of Event
InterVarsity Christian Fellowship/USA	29,583	5,700	20,000	12/27 – 12/31
Association for Computing Machinery	28,400	5,600	11,000	11/8 – 11/20
Confidential Group	16,675	4,000	16,000	7/14 – 7/17`
The American Contract Bridge League	12,336	1,200	5,800	3/10 – 3/31
Church of God in Christ	11,986	2,200	10,000	5/31 – 6/4
Capitol Sports – MEQ	10,260	3,700	15,000	03/26 – 03/28
Capitol Sports – Presidents Weekend	10,070	3,500	10,000	02/13 – 02/15
Sweet Adelines International	10,020	1,850	8,000	10/11 – 10/16
Younique LLC	9,397	2,370	10,000	07/27 – 07/31
USA Gymnastics	9,337	1,636	15,000	06/20 – 06/28
TransWorld Trade Shows, LLC	9,280	2,250	8,000	03/4 – 03/7
American Public Works Association	8,750	2,000	3,500	08/29 – 08/31
Capitol Sports – Dennis LaFata Tournament	8,420	2,800	6,000	02/5 – 2/7
Pre-Paid Legal Services, Inc dba LegalShield	7,193	2,000	8,000	04/15 – 04/18
American Gear Manufacturers Association	6,130	1,555	8,000	9/8 – 9/18
The Wesleyan Church	5,987	1,022	1,500	06/6 – 06/9
Leadership Team Development	5,550	2,700	16,000	10/1 – 10/3
Gateway Dirt Nationals	5,085	2,000	10,000	12/2 – 12/4
Presbyterian Church (USA)	5,032	1,092	1,800	08/5- 8/8
Confidential Group	4,705	1,225	7,000	10/20 – 10/23

*as of September 24, 2020
Source: St. Louis Convention and Visitors Commission

See "BONDHOLDERS' RISKS - The Coronavirus and Other Health-Related Risks" for a discussion of the impacts of the COVID-19 virus.

Impacts of Outbreak of COVID-19 on Conventions and Tourism

In connection with the outbreak of COVID-19, on March 13, 2020 the Mayor of the City, through the City's Health Commissioner, issued a ban on all meetings in excess of 1,000 persons for 30 days. Further orders imposed greater restrictions. Beginning on May 11, 2020, a number of restrictions have been relaxed as part of a phased reopening.

Current requirements include social distancing from any non-related person and face masks for all individuals age 9 and over in public closed spaces, on public transportation and outdoors when the ability to comply with social distancing is unpredictable. Vulnerable individuals are also encouraged to stay at home as much as possible and social gatherings are limited to 10 people. Businesses are guided to practice social distancing, to use barriers and markers to foster social distancing compliance, to provide personal protective equipment and make sanitizer available for workers, and to screen workers for disease. Large venues, including the Cervantes Convention Center and the Dome, were permitted to reopen beginning on June 8, 2020, in accordance with specific large venue guidelines and venue-specific operating plans. In cooperation with leading hotel operators, the Health Department also issued specific guidance for the operation of hotels and motels. Bar, restaurant and nightclub capacity is limited to 50% of otherwise permitted occupancy and such businesses must close at 11 p.m.. Large venue facilities are limited to 50% of otherwise permitted capacity. As a result, the Cervantes Convention Center and the Dome are now permitted to operate but at 50% of otherwise permitted occupancy and in accordance with specific operating plans that incorporate COVID-19 protections.

CVC staff members have been working with clients and organizations affected by the Mayor's and Health Commissioner's orders to notify them as new developments occur and to discuss options for scheduling or rescheduling their events. Many clients immediately affected by the orders indicated a strong desire to find new dates to host their meetings. Some groups are more sensitive to date availability and were forced to cancel. CVC's success in communicating with its customers is reflected in the status of venue rebookings. As of September 24, 2020, other than XFL games, only seven of the non-annual events scheduled to be held at Cervantes Convention Center in Fiscal Year 2020 were forced to cancel without rebooking and new events replaced two of those cancelled events, for a net loss of five events. CVC staff members continue to communicate with all clients to keep them updated as to the latest COVID-19 information regarding St. Louis.

In addition to communicating with CVC clients about their events, CVC has taken actions at the Cervantes Convention Center to minimize the potential spread of COVID-19. CVC has deployed a special team to sanitize all touch points located throughout the facility. All public entrance exterior doors in the Cervantes Convention Center will be converted to sliding doors in the near future to help reduce the spread of COVID-19. All other door handles, fixtures, faucets, handrails, light switches, elevator buttons, chairs, counters, and escalator handrails have been sanitized. Additional sanitizing agents have been incorporated into kitchen cleaning, floor care, and restroom cleaning. CVC has also shut down HVAC systems wherever possible.

CVC has observed a growing demand by its clients and the organizations they support bringing convention activity back online. Several groups whose events were cancelled in other cities without acceptable alternate dates have contacted CVC to inquire about the Cervantes Convention Center's availability. Conventions provide a critical economic benefit to the St. Louis metropolitan area and throughout the nation. The ultimate impact of the COVID-19 outbreak on convention business and tourism at the Cervantes Convention Center is unknown at this time.

BONDHOLDERS' RISKS

General

The Series 2020 Bonds involve certain risks, and the discussion below should be reviewed in evaluating these risks. The Series 2020 Bonds may not be suitable investments for all persons, and prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2020 Bonds and should confer with their own legal and financial advisors. The following discussion of risk factors is not intended to be exhaustive.

The Series 2020 Bonds are special obligations of the Issuer, payable solely out of the Rentals and certain Additional Rentals received pursuant to the Lease Purchase Agreement. The Issuer has no taxing power. The Series 2020 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City nor the State is liable thereon.

No representation or assurance can be given that the City will collect tax revenues in amounts sufficient to make such Rental Payments under the Lease. A general decline in economic activity may adversely impact collection of various taxes received by the City, resulting in a reduction in General Fund revenues. See **APPENDIX A - INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI − FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS - General Fund"** hereto. The collection of tax revenues by the City is dependent upon, among other things, government regulations, the capabilities of the management of the City, and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

In addition, 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. See **"APPENDIX A - INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI − GENERAL REVENUE RECEIPTS – The Hancock Amendment**" hereto.

Lease Purchase Agreement 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, 2020. The Rentals and Additional Rentals for the Fiscal Year ending June 30, 2020, are included in the City's budget for that Fiscal Year. Neither the Rentals nor Additional Rentals under the Lease Purchase Agreement nor any payments on the Series 2020 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 Fiscal 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 Cervantes Convention Center Property by the City.

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 2020 Bonds is dependent upon certain factors which are beyond the control of the City, including (i) the continuing need for facilities such as the Cervantes Convention Center, (ii) the demographic conditions within the City, and (iii) the ability of the City to generate sufficient funds from the Cervantes Convention Center, 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.

Realization of the Full Value of the Cervantes Convention Center

In the event that the City at any time elects not to renew the Lease Purchase Agreement, the Trustee may or shall, at the prior written direction of such Credit Facility Provider, give notice to the City to vacate the Cervantes Convention Center 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 shall, without any further demand or notice, (i) terminate the Lease Purchase Agreement, re-enter the Cervantes Convention Center Property, eject all parties in possession thereof therefrom, and sublease the Cervantes Convention Center Property or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Cervantes Convention Center Property.

If an Event of Default has occurred and if the Maturity of the Bonds shall have been accelerated, (i) any Credit Facility Provider may, as long as any Credit Facility is in effect and the Credit Facility Provider associated with such Credit Facility is in compliance with its payment obligation thereunder, or (ii) the Trustee (a) may, with the prior written consent of such Credit Facility Provider, and (b) shall, upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, direct the mortgage trustee to foreclose the lien on the Cervantes Convention Center Property created and vested by the Deed of Trust. Because the Cervantes Convention Center Property would not easily be used for purposes other than a convention center, it is uncertain that the Cervantes Convention Center Property could be sold or subleased for an amount sufficient to redeem the Bonds in full if the Trustee was required to foreclose on or sublease such property.

The moneys derived from any such sublease or sale of the Cervantes Convention Center Property, following a foreclosure, along with other moneys then held by the Trustee under provisions of the Indenture (with certain exceptions as provided in the Lease Purchase Agreement and the Indenture) are required to be used to redeem the Parity Bonds, any Additional Parity Bonds, the Series 2005B Bonds, and the Series 2017 Bonds and any additional Subordinate Bonds, to the extent moneys are available. No assurance can be given that such moneys would be adequate to redeem the Series 2020 Bonds.

The Coronavirus and Other Health-Related Risks

An international, national or localized outbreak (an "*Outbreak*") of a highly contagious or epidemic disease, such as the novel strain of coronavirus called COVID-19 or other highly contagious or epidemic disease, may have a material impact on an investment in the Series 2020 Bonds. An Outbreak may result in reductions in the City's revenues and increased costs associated with mitigating the health emergency. The current spread of COVID-19 is altering the behavior of businesses, individuals and governmental bodies in a manner that has caused severe disruptions to the local, State and national economies. These disruptions have adversely affected the City's revenues, and such revenue reductions have been and are expected to continue to be material. Developments regarding COVID-19 continue to occur on a daily basis and the City cannot predict the extent to which a prolonged COVID-19 Outbreak will have on the City's ability to generate tax revenues sufficient to support general operations and its payments on obligations, including the Series 2020 Bonds, or the extent to which the COVID-19 Outbreak will cause the City to incur increased mitigation expenses.

While the COVID-19 Outbreak persists as a public health emergency, or as other health epidemic conditions arise and persist, events at the Cervantes Convention Center may be cancelled or postponed and related commercial activity and tax collections may be reduced. Cancellations and postponements could also occur as a result of event and travel restrictions imposed by federal, state or local governmental authorities, voluntary decisions to withdraw by event sponsors and planners, and voluntary decisions to forego travel by expected event attendees. The City and the CVC can give no assurance that there will not be future cancellations or postponements, nor is it possible for the City and the CVC to predict whether or to what extent COVID-19 or any other pandemic, epidemic or other health-related conditions will affect the CVC or the City's operations, commercial activity, tax collections or the anticipated revenues to the City.

Additional Bonds

Additional Bonds may be issued for the purposes and subject to the conditions described under the heading **"THE SERIES 2020 BONDS – Additional Bonds"** herein. Such Additional Bonds will also be secured by the Cervantes Convention Center Property encumbered by the Deed of Trust and could reduce the amount of money received from the sublease or sale of such property that could be available to pay the Series 2020 Bonds.

Cross Default

Both Parity Bonds and Subordinate Bonds are Outstanding under the Indenture. A default with respect to any series of Parity Bonds or Subordinate Bonds may result in a default with respect to all other series of Bonds, including the Series 2020 Bonds. Such a default could lead to the early Maturity or redemption of all the Bonds, including the Series 2020 Bonds. See **"THE SERIES 2020 BONDS – Cross Default; Acceleration"** herein.

All Bonds currently Outstanding under the Indenture except certain Maturities of the Series 2015 Bonds and the Series 2020 Bonds are insured by a Credit Facility issued by a Credit Facility Provider. Upon the occurrence of an Event of Default under the Indenture, and as long as a Credit Facility is in effect with respect to any Series of Bonds issued under the Indenture and the Credit Facility Provider is not in default in its payment obligations under such Credit Facility, any Credit Facility Provider may direct the Trustee to declare all Bonds then Outstanding under the Indenture, including the Series 2020 Bonds, to be immediately due and payable and shall be entitled to control and direct the enforcement of all rights and remedies or, alternatively, may waive such default, even though such action may not be desired by, or in the best interests of, the Holders of the Series 2020 Bonds. If no Bonds Outstanding under the Indenture were secured by a Credit Facility, the right to declare the Bonds immediately due and payable upon the occurrence of an Event of Default would be exercisable by the Holders of 25% of the Outstanding Bonds.

Potential Environmental Risks

There are potential risks relating to environmental liability associated with the ownership of, leasing, or secured lending with respect to, any property. If hazardous substances are found to be located on property, the owners or secured lenders of such property may be held liable for costs and other liabilities relating to such hazardous substances on a strict liability basis. In the event of foreclosure, repossession, sublease, purchase, or participation in the management of the Cervantes Convention Center Property by the Trustee or the Bondholders, the Trustee and/or the Bondholders may be held liable for costs and other liabilities relating to hazardous substances, if any, on the site of the Cervantes Convention Center Property on a strict liability basis and such costs might exceed the value of such property.

Cyber-Security Risks

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cyber-security threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other digital networks and systems. The City places a high level of importance on cyber-security and operational safeguards. Numerous protections and controls are in place to avoid, detect, counteract, and minimize security risks to physical property, information, computer systems, and other assets. Although no assurances can be given by the City that such measures will ensure mitigation against all cyber-security threats and attacks, these safeguards help to reduce the risk of damage or loss by stopping, deterring, or slowing down a cyber-security threat. In addition, the City has instituted cyber-security awareness testing for many departments and user-awareness training for employees. This training reduces the footprint of specific email and 'phishing' attacks that use non-traditional threat vectors.

Even with the implemented protections and threat mitigation solutions, cyber-security incidents can still result from unintentional events, or from deliberate attacks by unauthorized entities or individuals for the purpose of misappropriating assets or information or causing operational disruption and damage. Cyber-security breaches could damage the City's information technology and cause material disruption to the City's operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. In addition, cyber-security breaches could expose the City to material litigation and other legal risks which could cause the City to incur materials costs related to any legal proceedings.

No assurance can be given, however, that the City's efforts to manage cyber-threats and attacks will be successful or that any such attack will not materially impair the operations or finances of the City.

Climate Change and Natural Disasters

St. Louis is at risk for a broad range of natural, weather-related disasters, including without limitation, drought, tornadoes and flooding. With rising global temperatures, climate change may significantly increase the occurrence of natural hazards and extreme weather events in the City and throughout the United States. The future frequency and impact of these events on the City is impossible to predict, but could result in liability claims against the City or otherwise adversely impact the City's ability to collect *ad valorem* taxes or other taxes which would be applied to the payment of debt service on the Series 2020 Bonds. Loss of private property which may or may not be rebuilt after any such events could impact the tax base of the City resulting in the collection of smaller than anticipated amounts to pay debt service on the Series 2020 Bonds. In 2018, The City of St. Louis Office of Sustainability, in conjunction with other City agencies, released its Climate Vulnerability Assessment report outlining the impact certain climate-related changes are having, and could have, on the City. The City will continue to study and monitor climate change in order to mitigate its impact and prepare the City going forward.

Risks and Security Associated with the Convention and Tourism Industry

A significant portion of the economic activity in the City is dependent upon the convention and tourism industry. The generation of tax revenues from these industries is affected by a number of factors, many of which are beyond the control of the City. The City's convention and tourism industries could be adversely affected by changes in the economy, travel costs, civil unrest, outbreak of war or escalations of hostilities abroad, competition, safety considerations, seasonality, changes in travel patterns, world health concerns, and re-location of professional sports teams. See also **"Sports Related Economic Development"** under the caption **"ECONOMIC AND DEMOGRAPHIC DATA"** in **APPENDIX A**.

An outbreak of a disease or similar public health threat that affects travel demand or travel behavior, or travel restrictions or reductions in the demand for convention and tourism activities, caused by an outbreak of disease or similar public health threat in the future, could have a material adverse impact on the convention and tourism industry and result in substantial reductions in and/or cancellations or bookings.

Factors such as those described above potentially impact occupancy rates of overnight accommodations, consumption of food and beverages and sales of tickets to events. Fluctuations in these factors may adversely affect the amount and timing of funds and revenues available for appropriation by the City which are anticipated to be used to make the required payments under the Lease Purchase Agreement. See **"ANTICIPATED SOURCES OF CITY REVENUES FOR APPROPRIATION"** herein.

No Restrictions on Use of Property After Default Under Lease Purchase Agreement

If an Event of Default occurs for any reason under the Lease Purchase Agreement or if the City terminates the Lease Purchase Agreement and fails to purchase the Issuer's interest in the Cervantes

Convention Center Property, the Issuer has the right to possession of the Cervantes Convention Center Property for the remainder of the Term of the Lease Purchase Agreement and may sublease the Cervantes Convention Center Property or sell its interest in the Lease Purchase Agreement or the Cervantes Convention Center Property upon whatever terms and conditions it deems prudent. If the Issuer assigns or sells its interest in the Cervantes Convention Center Property under these circumstances, no assurances can be given that interest on the Series 2020 Bonds would continue to be exempt from federal or State income taxation. See **"TAX MATTERS"** herein.

Certain Matters Relating to Enforceability

Remedies provided for in the Lease Purchase Agreement, the Deed of Trust, 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 Lease Purchase Agreement, the Deed of Trust, and the Indenture could prove both expensive and time consuming.

Moreover, the remedies available upon a default under the Indenture, the Lease Purchase Agreement, or the Deed of Trust will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code and State laws concerning the use of assets of certain organizations, the remedies specified in the Indenture, the Lease Purchase Agreement, and the Deed of Trust may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Series 2020 Bonds will be expressly subject to the qualification that the enforceability of the Indenture, the Lease Purchase Agreement and the Deed of Trust and other legal documents is limited by bankruptcy, reorganization, insolvency, moratorium, and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

FINANCIAL STATEMENTS

The basic audited financial statements of the City and the related report of the City's independent certified public accountants for the Fiscal Year ended June 30, 2019, are included in **"APPENDIX B – "Comprehensive Annual Financial Report of The City of St. Louis, Missouri for Fiscal Year Ended June 30, 2019"** hereto. KPMG LLP, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included in **"APPENDIX B – "Comprehensive Annual Financial Report of The City of St. Louis, Missouri for Fiscal Year Ended June 30, 2019"** hereto, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

RATINGS

S&P, Moody's and Kroll (together, the "*Rating Agencies*") have assigned ratings of "AA" (stable outlook), "A2" (stable outlook) and "AA+" (stable outlook), respectively, to the Series 2020 Bonds, with the understanding that, concurrently with the delivery of the Series 2020 Bonds, the Policy will be issued by AGM. In addition, S&P has assigned an underlying rating of "A" (negative outlook) to the Series 2020 Bonds.

Such ratings reflect only the view of such organizations and any desired explanation of the significance of the ratings should be obtained from the respective Rating Agencies. No application has been made to any other rating agency in order to obtain additional ratings on the Series 2020 Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that a rating will continue for any given period of time or will not be revised downward or withdrawn entirely by a 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 2020 Bonds.

The City has furnished the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement.

LITIGATION

There is not now pending or, to the knowledge of the Issuer or the City, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the issuance, execution, and delivery of the Series 2020 Bonds, the preparation, execution, and delivery of this Official Statement or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the knowledge of the Issuer, threatened, in any manner challenging or threatening the powers of the Issuer, restraining or enjoining the issuance or delivery of the Series 2020 Bonds or questioning or affecting the validity of the Series 2020 Bonds or the proceedings and authority under which they are to be issued.

Except as disclosed in this Official Statement, there is no litigation, proceeding, or investigation pending or, to the knowledge of the City, threatened against the City or its officers or property, except litigation, proceedings, or investigations being defended by or on behalf of the City in which the probable ultimate recoveries and the ultimate costs and expenses of defense, in the opinion of the City Counselor, will not have a material adverse effect on the operations or condition, financial or otherwise, of the City. No litigation, investigation, or proceeding is now pending or, to the knowledge of the City, threatened against the City which would in any manner challenge or adversely affect the corporate existence or powers of the City to enter into and carry out the transactions described in or contemplated by, the execution, delivery, validity, or performance by the City of the Lease Purchase Agreement. See also **"APPENDIX A - INFORMATION REGARDING THE CITY OF ST. LOUIS - LITIGATION**.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance, and sale of the Series 2020 Bonds and with regard to the tax-exempt status of the Series 2020 Bonds are subject to the approving legal opinions of Dentons US LLP and Saulsberry & Associates, LLC, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2020 Bonds. The expected form of the opinion of Co-Bond Counsel is attached as **APPENDIX F** hereto. Certain legal matters will be passed upon for the Issuer and for the City by the Office of the City Counselor. Certain legal matters will be passed upon for the City by Hardwick Law Firm, LLC, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Rouse Frets White Goss Gentile Rhodes, P.C. and White Coleman & Associates, LLC.

Bond Counsel has not assisted in the preparation of this Official Statement except those portions of this Official Statement under the captions **"THE SERIES 2020 BONDS"** (excluding information concerning DTC and the Book-Entry System), **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS," "APPROVAL OF LEGAL PROCEEDINGS," "TAX MATTERS,"** and **APPENDICES C, D,** and **F** to this Official Statement and, therefore, express no opinion as to the sufficiency or accuracy of any other material or information, including financial and statistical information, included herein.

TAX MATTERS

The following discussion is a summary of the respective opinions of Dentons US LLP and Saulsberry & Associates, LLC, Co-Bond Counsel, of the material federal and State of Missouri income tax consequences of holding the Series 2020 Bonds. This summary is based on existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations under the Code, and current administrative rulings and court decisions, 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 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 purchase the Series 2020 Bonds in the secondary market.

Upon the issuance of the Series 2020 Bonds, Co-Bond Counsel, will provide opinions, expected to be in the proposed forms set forth in **APPENDIX F** hereto, to the effect that, under existing law, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinion of Co-Bond Counsel with respect to the Series 2020 Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Issuer, the City, and the Trustee with certain representations and covenants relating to certain requirements of the Code. The Code establishes certain requirements that must be met at, and subsequent to, the issuance of the Series 2020 Bonds in order that interest on the Series 2020 Bonds be and remain excludable from gross income of the owners thereof for federal income tax purposes. Failure to comply with the continuing requirements of the Code may cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Series 2020 Bonds, the Issuer, the City, and the Trustee will make certain covenants, representations, and certifications designed to ensure compliance with such requirements of the Code. In addition, the Issuer has covenanted in the Indenture and the Issuer and the City have covenanted in the Lease Purchase Agreement to comply with the applicable requirements of the Code in order to maintain the exclusion of interest on the Series 2020 Bonds from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those representations and certifications.

Original Issue Premium

The initial public offering prices of certain maturities of the Series 2020 Bonds (the *"OIP Bonds"*) may be more than their stated principal amounts. For federal income tax purposes, premium is the excess of the issue price of a Series 2020 Bond over its stated redemption price at maturity. An owner who purchases an OIP Bond must amortize such premium using a constant yield method over the remaining term of such OIP Bond, based on the holder's yield to maturity. As bond premium is amortized, the holder's tax basis in such OIP Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the OIP Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on an OIP Bond. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and its effect upon basis, and the state and local tax consequences of owning or disposing of such OIP Bonds.

Other Federal Tax Matters

Ownership of the Series 2020 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions, and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2020 Bonds.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described under the caption **"TAX MATTERS."** Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2020 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

State Taxes

Co-Bond Counsel is of the opinion that, under existing law, interest on the Series 2020 Bonds is exempt from income taxes imposed by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended. Bond Counsel expresses no opinion as to whether the interest on the Series 2020 Bonds is exempt from the taxes imposed by the State of Missouri on financial institutions under Chapter 148 of the Revised Statutes of Missouri, as amended.

General

The opinion of Co-Bond Counsel is rendered as of its date and Co-Bond Counsel assumes no obligation to update or supplement opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

Federal, state or local legislation, administrative pronouncements, or court decisions may affect the tax- exempt status of interest on the Series 2020 Bonds, gain from the sale or other disposition of the Series 2020 Bonds, the market value of the Series 2020 Bonds, or the marketability of the Series 2020 Bonds, or otherwise prevent the owners of the Series 2020 Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon for federal and State of Missouri income tax purposes. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Series 2020 Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Series 2020 Bonds or the market price for, or marketability of, the Series 2020 Bonds. No assurance can be given with respect to the impact of future legislation on the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should consult their own tax and financial advisors regarding such matters.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of a Series 2020 Bond. Prospective owners of the Series 2020 Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Series 2020 Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Philadelphia, Pennsylvania (the *"Municipal Advisor"*), has been retained to render certain professional services to the City. The Municipal Advisor has provided advice on the plan of finance and structure of the Series 2020 Bonds and has assisted in the preparation of this Official Statement. The information set forth herein has been obtained from the Issuer, the City, the CVC, and other sources which are believed to be reliable. The Municipal Advisor has not independently verified the factual information contained in this Official Statement, but has relied on the information supplied by the Issuer, the City, the CVC and other sources who have certified that such information contains no material misstatement of information.

TREASURER'S MUNICIPAL ADVISOR

Comer Capital Group, LLC, Jackson, Mississippi ("*CCG*") serves as municipal advisor to the Treasurer of the City. CCG assisted in the planning and allocation of certain accounts authorized by the Ordinance and the Indenture. CCG Asset Management, LLC ("*CCGAM*"), an affiliate of CCG, serves as an investment advisor to the City and will provide advice related to the investment of proceeds of the Series 2020 Bonds and funds invested in connection therewith. Neither CCG nor CCGAM has participated in the preparation, drafting, or review of this Official Statement.

UNDERWRITING

Siebert Williams Shank & Co., LLC (*"Siebert"*), and the other underwriters listed on the cover of this Official Statement (collectively, the *"Underwriters"*) have agreed to purchase the Series 2020 Bonds from the Issuer at a purchase price of $117,167,961.36 which represents the principal amount of the Series 2020 Bonds of $99,790,000 plus net original issue premium of $18,081,118.25 and less the Underwriters' discount of $703,156.89, pursuant to a Bond Purchase Agreement among the Issuer, the City, and Siebert, as representative of the Underwriters (the *"Bond Purchase Agreement"*). The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2020 Bonds if any are purchased.

The Series 2020 Bonds are being purchased by the Underwriters from the Issuer for resale in the normal course of the Underwriters' business activities. The Underwriters reserve the right to offer any of the Series 2020 Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriters determine.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses. A Siebert affiliate ("*Affiliate*"), which is a registered investment advisor, has three sub-advisory agreements with PFM Asset Management LLC, which is an investment advisor affiliate of PFM Financial Advisors LLC. The sub-advisory agreements do not relate to the Issuer or the City. Affiliate's business is separate from Siebert's business and the employees of Siebert who cover Issuer are not involved in the activities of Affiliate.

Stern Brothers & Co., an Underwriter of the Series 2020 Bonds, has entered into agreements (the "*Stern Brothers Agreement*") with 280 Securities LLC ("*280 Securities*") and BNY Mellon Capital Markets, LLC ("*BNYMCM*") for the distribution of certain municipal securities offerings at the original issue price. Pursuant to each Stern Brothers Agreement, Stern Brothers & Co. may sell the Series 2020 Bonds to each of 280 Securities and BNYMCM and will share a portion of its selling concession compensation with each, if applicable.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities, and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the

Issuer. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color, or trading ideas, and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

TRUSTEE

UMB Bank, N.A. is serving as Trustee with respect to the trusts imposed upon it by the Indenture.

CONTINUING DISCLOSURE

The form of the Continuing Disclosure Agreement entered into by and between the City and the Trustee, as Dissemination Agent, is included as ***APPENDIX G****. All references herein to the Continuing Disclosure Agreement are qualified in their entirety by reference to such document. The Continuing Disclosure Agreement is available for inspection at the offices of the City.*

Continuing Disclosure Agreement

In accordance with the requirements of the Rule, the City will enter into the Continuing Disclosure Agreement substantially in the form attached 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 2020 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 2020 Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2020 Bonds, an executed copy of the Continuing Disclosure Agreement.

Compliance by the City with Prior Continuing Disclosure Obligations

The following disclosure is being provided by the City for the purpose of assisting the Underwriters in complying with the Rule:

The City has previously entered into continuing disclosure undertakings as an "obligated person" under the Rule (the "*Undertakings*"). In the previous five years, in certain instances, the City failed to comply with certain provisions of such Undertakings, including: (i) untimely filing of certain developer and special district annual and semi-annual financial information; (ii) untimely filing or incomplete cross references by CUSIP numbers to the City's annual financial information, including certain statistical and operating data; (iii) not filing certain statistical and operating data in the proper format and/or filing it in a format that could be considered incomplete; (iv) the failure to file, or timely file, or link to all relevant CUSIPS, certain notices relating to rating changes to the City's outstanding bonds, a surety provider or to a bond insurer insuring obligations previously issued by the City; and (v) for Fiscal Year 2015, the annual financial information was late for Undertakings with a filing requirement of 180 days after the end of the City's Fiscal Year, and certain statistical and operating data relating to the Airport, though timely filed, was subsequently substituted with revised data.

Certain of the City's Undertakings require the filing of calendar year information and information related to the City's retirement systems that is not available at the time audited financial statements and other operating and statistical data are required to be filed. As such, the City is unable to file such information until after its due date. The City, however, routinely files such information on EMMA as soon as it becomes available. Additionally, certain information related to certain top taxpayers, while in substantial compliance with the Undertakings, no longer identifies the individual companies by name but classifies such taxpayers by industry.

Other than as stated herein, the City is in compliance in all material respects with its Undertakings for the prior five-year period through the date of this Official Statement. The City has adopted policies and procedures to assist the City in complying with its obligations under the Undertakings.

The Corporation

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

CERTAIN RELATIONSHIPS

Dentons US LLP and Saulsberry & Associates, LLC are serving as Co-Bond Counsel with respect to the issuance of the Series 2020 Bonds, and also represent certain of the Underwriters from time to time on other transactions or matters. Rouse Frets White Goss Gentile Rhodes, P.C. and White Coleman & Associates, LLC, are serving as Co-Underwriters' Counsel with respect to the issuance of the Series 2020 Bonds and also represent the City and certain of the Underwriters from time to time on other transactions or matters.

Hardwick Law Firm, LLC is serving as Disclosure Counsel with respect to the issuance of the Series 2020 Bonds, and also represents the City and certain of the Underwriters from time to time on other transactions or matters.

Affiliates of certain of the Underwriters and of the Trustee have other business relationships with and/or are lenders to the Corporation. Each of the Underwriters and its respective affiliates together comprise a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and its respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Corporation for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve instruments and obligations of the Corporation.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between or among the Issuer, the City, and the purchasers or Holders of any of the Series 2020 Bonds. Any statement made in this Official Statement involving matters of opinion herein are subject to change without notice and 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 City, or its agencies and authorities or the Issuer since the date hereof.

This Official Statement, its execution, and its delivery to and distribution by the Underwriters to prospective purchasers of the Series 2020 Bonds, have been approved and authorized by the Issuer and the City.

ST. LOUIS MUNICIPAL FINANCE CORPORATION

By: /s/ Tom Shepard
President

THE CITY OF ST. LOUIS, MISSOURI

By: /s/ Lyda Krewson
Mayor

By: /s/ Darlene Green
Comptroller

APPENDIX A

INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

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THE FINANCIAL AND OPERATING DATA CONTAINED IN THIS APPENDIX A IS THE LATEST INFORMATION AVAILABLE TO THE CITY AND, WHERE INDICATED, CONTAINS UNAUDITED FINANCIAL INFORMATION. UNLESS OTHERWISE INDICATED, SUCH FINANCIAL AND OPERATING DATA IS AS OF THE DATES AND FOR THE PERIODS INDICATED. ACCORDINGLY, CERTAIN INFORMATION MAY NOT BE INDICATIVE OF THE CURRENT FINANCIAL OR FUTURE PROSPECTS OF THE CITY. SEE "INTRODUCTION – IMPACTS OF COVID-19," "IMPACT OF COVID-19 ON CITY AND CERVANTES CONVENTION CENTER," "ANTICIPATED SOURCES OF CITY REVENUES AVAILABLE FOR APPROPRIATION – IMPACT OF COVID-19 ON REVENUES," "THE CERVANTES CONVENTION CENTER – IMPACTS OF OUTBREAK OF COVID-19 ON CONVENTIONS AND TOURISM," "BONDHOLDERS' RISKS – THE CORONAVIRUS AND OTHER HEALTH REALTED RISKS" IN THE FOREPART OF THIS OFFICIAL STATEMENT.

THE CITY CONTINUES TO MONITOR THE IMPACT OF THE COVID-19 PANDEMIC AND IS WORKING WITH FEDERAL, STATE AND LOCAL AGENCIES TO ADDRESS AND MINIMIZE ITS CONTINUED IMPACT ON THE CITY. WHILE THE FULL IMPACT OF THE PANDEMIC ON THE CITY CANNOT BE QUANTIFIED AT THIS TIME, THE OUTBREAK OF COVID-19 HAS HAD, AND WILL CONTINUE TO HAVE, AN ADVERSE EFFECT ON THE CITY'S OPERATIONS AND FINANCIAL CONDITION, AND THE EFFECT HAS BEEN AND WILL CONTINUE TO BE MATERIAL.

THE COVID-19 PANDEMIC HAS MATERIALLY ADVERSELY IMPACTED THE FINANCIAL CONDITION OF THE CITY. FOR A DISCUSSION OF THE FISCAL YEAR 2021 BUDGET, THE ASSUMPTIONS UPON WHICH THESE FIGURES ARE BASED AND STRATEGIES DEVELOPED AND BEING DEVELOPED TO ADDRESS THE IMPACT OF COVID-19 ON THE CITY AND THE CERVANTES CONVENTION CENTER. SEE "IMPACT OF COVID-19 ON CITY AND CERVANTES CONVENTION CENTER – SUMMARY OF THE CVC'S RESPONSES TO COVID-19, " - ANTICIPATED CITY REVENUE IMPLICATIONS," AND " – BUDGET CONSIDERATIONS RELATED TO COVID-19," "ANTICIPATED SOURCES OF CITY REVENUES AVAILABLE FOR APPROPRIATION – IMPACT OF COVID-19 ON REVENUES," AND "CITY'S BUDGET AND APPROPRIATIONS" IN THE FOREPART OF THIS OFFICIAL STATEMENT. SEE ALSO "BONDHOLDERS' RISKS – THE CORONAVIRUS AND OTHER HEALTH REALTED RISKS" IN THE FOREPART OF THIS OFFICIAL STATEMENT.

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APPENDIX A

INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

The information contained in this Appendix A (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.

The City's fiscal year is currently July 1 to June 30 (the *"Fiscal Year"*).

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 61.7 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 "*City 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 (as defined herein) riverfront.

Government

The City's system of government is provided for in the City 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, officials and departments of the City under the Mayor's 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 the City's 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. Terms are staggered, with elections held bi-annually. The President of the Board of Aldermen is elected at large to serve a four-year term. Pursuant to an amendment to the City Charter, approved by the voters of the City in 2012, the number of Aldermen will be reduced to 14 beginning in 2022 after the completion of the 2020 Census.

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, City Treasurer, Collector of Revenue, License Collector, Circuit Attorney and Recorder of Deeds 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 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 business and residential customers in the City, as well as to customers in St. Louis and St. Charles counties. The Water Division receives no financial support from the City's general fund (the "*General Fund*") or other non-Water Division funds. The City's waterworks system consists of two water treatment plants, three reservoirs and approximately 1,300 miles of distribution piping. While the system is capable of processing 360 million gallons per day, current average daily processing is approximately 120 million gallons. Storage capacity of the reservoir system is 128.6 million gallons. The Water Division serves approximately 79,696 residential customers and approximately 12,689 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 based on the number of rooms, water closets, bathtubs or showers and front footage. For more than 115 years of testing, the Water Division has complied with all water quality regulations.

Airport

St. Louis Lambert International Airport (formerly, Lambert-St. Louis International Airport) (the *"Airport"*) is located outside the corporate limits of the City in St. Louis County (the "*County*"). The Airport is owned by the City and operated by the St. Louis Airport Authority (the "*Airport Authority*"). The Airport Authority was created in 1968 by ordinance of the Board of Aldermen and consists of the St. Louis Airport Commission (the "*Airport Commission*"), the Airport's Chief Executive Officer (the "*Airport Director*") and other managers and personnel of the Airport. The Airport Commission is responsible for the planning, development, management and operation of the Airport. For Fiscal Year 2021, the Airport has 474 budgeted full-time employee positions and an additional 62 City firefighter personnel assigned to the Airport. The Airport is an enterprise fund of the City. The Airport receives no financial support from the City's General Fund or other non-Airport funds. See also **"ECONOMIC AND DEMOGRAPHIC DATA –Transportation – Airport"** herein.

Parking Division

The parking division of the City (the *"Parking Division"*) operates the municipal parking facilities in the City and functions as a self-supporting enterprise fund of the City. Costs of operation, capital improvements and other costs relative to such municipal parking facilities are paid by revenues generated by the Parking Division.

Fire Protection

The Fire Department of the City of St. Louis (the *"Fire Department"*) provides fire protection and emergency medical services throughout the corporate limits of the City and at the Airport. Fire services in the City are provided from 30 fire stations with approximately 586 full-time firefighters. An estimated 62 full-time firefighters serve the Airport. In addition to the firefighters, the Fire Department employs approximately 191 emergency medical services and civilian employees. The Fiscal Year 2020 General Fund expenditures for the Fire Department were approximately $68.4 million (unaudited) which included approximately $6.0 million (unaudited) in pension costs. See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS - Pension Reform**" and "**RETIREMENT SYSTEMS**" herein.

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 State approved a ballot measure that enabled the City to assume control of the Police Department. The Board of Aldermen passed Ordinance No. 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. In Fiscal Year 2020, the Police Department was budgeted for approximately 1,395 police officers, including 55 recruits. The Fiscal Year 2020 General Fund expenditures for the Police Department were approximately $163.6 million (unaudited) which included approximately $29.8 million (unaudited) in pension costs. See "**FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS - Pension Reform**" and "**RETIREMENT SYSTEMS**" herein.

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 the City and the County "to establish a metropolitan district for functional administration of services common to the area included therein." 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. The City is not responsible for the debt, obligations or expenses of MSD.

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 of the County.

MSD operates the fourth largest wastewater treatment system in the United States of America (the *"United States"*). MSD's service area encompasses approximately 520 square miles including all 66 square miles of the City and 454 square miles (approximately 87%) 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 approximately 1.3 million people.

Metro

The Bi-State Development Agency of the Missouri-Illinois Metropolitan District d/b/a Metro ("*Metro*" or "*Bi-State Development Agency*"), was established by an interstate compact between the states of Missouri and Illinois approved by an Act of Congress in 1950. While Metro has broad powers including 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. A ten member Board of Commissioners sets policy and direction for Metro. All Metro Commissioners are residents of the area served by Metro; five Missouri Commissioners are chosen by the State and five Illinois Commissioners are chosen by the State of Illinois in the manner and for the terms fixed by each states' respective legislatures**.** Metro operates 26.9 million 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. In 1993 Metro began operating a light rail transit service, known as Metrolink, which currently extends for 46 miles. The largest component of the transit system, however, remains bus service.

The predominant sources of revenue for Metro include appropriation of sales taxes approved by the voters of 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 majority of two separate quarter-cent sales taxes and a half-cent sales tax collected by the City have historically been appropriated to Metro. During Fiscal Year 2020, such sales tax subsidy appropriated to Metro totaled approximately $20.4 million.

On April 4, 2017, the voters in the City approved Proposition 1, a half-cent sales tax increase to create, among other purposes, a North/South Metrolink line in the City. See also **"GENERAL REVENUE RECEIPTS – Sales and Use Tax."**

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 and business districts. SLDC's approximately 63 staff members work in several divisions, including executive, real estate, port development, 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 St. Louis Local Development Company (*"LDC"*); The Industrial Development Authority of the City of St. Louis, Missouri (the

"*Industrial Development Authority*" or *"IDA"*); the Port Authority of the City of St. Louis (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.

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 to the City and the County by, in part, administering a variety of loans working in conjunction with the LDC and the federal Economic Development Administration.

St. Louis Convention and Visitors Commission

The St. Louis Convention and Visitors Commission d/b/a/ Explore St. Louis (*"CVC"*) is an outgrowth of the City's St. Louis Tourism Bureau, founded in 1909 by a group of local business leaders after the success of the 1904 World's Fair, and the St. Louis County Office of Tourism. In 1984, those entities were combined by an act of the State legislature to form CVC as a regional commission of the State. The legislation also provided for a hotel/motel gross receipts tax to fund the CVC and the Regional Arts Commission. The CVC is the official destination marketing organization responsible for promoting the City and the County as convention and meeting sites and as leisure travel destinations. The CVC's eleven-member Board of Commissioners is headed by a chair appointed by the Governor of the State. Five board members are appointed by the Mayor of the City and five are appointed by the County Executive of the County. The CVC uses its hotel/motel gross receipts tax proceeds as well as revenues directly generated by America's Center (defined below) and State funding, when available, to market and operate America's Center.

In addition to its overall marketing functions, the CVC is also responsible for managing and marketing, pursuant to operating leases, the region's two primary convention facilities known as the "America's Center." America's Center consists of the Cervantes Convention Center (the *"Cervantes Convention Center"*) formerly owned by the City and now owned by a City-affiliated nonprofit corporation and leased to the City pursuant to a lease purchase agreement, and the Dome at America's Center (the *"Dome"*), constructed and owned by the Regional Convention and Sports Complex Authority (discussed below). See **"DEBT OF THE CITY"** herein.

For additional information relating to the Cervantes Convention Center and proposed improvements thereto, see **"INTRODUCTION – The Cervantes Convention Center," "PLAN OF FINANCE – The Project"** and **"THE CERVANTES CONVENTION CENTER"** in the forepart of this Official Statement.

Regional Convention and Sports Complex Authority

The Regional Convention and Sports Complex Authority (the "*RSA*"), 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 RSA is considered a joint venture of the City, the County and the State, as the RSA is subject to the joint control of the City, the County and the State.

The three governments entered into a contractual agreement with the RSA to sponsor the issuance of bonds to pay for the construction of the Dome at America's Center, to repay the bonds through rental payments to the RSA, subject to annual appropriation, and to make annual preservation payments for facility maintenance and renovations, all of which create an ongoing financial responsibility for the City, the County and the State. The Dome as originally constructed was intended as a home for a National Football League (*"NFL"*) team as well as an expansion of the region's convention and meeting capacity and a venue for large concerts and other entertainment events. With the departure of the former St. Louis Rams to Los Angeles, California in 2016, the Dome is no longer home to a NFL team. Bonds issued to pay for the Dome's construction will be fully paid in 2020-21; the City, County and State obligation to make preservation payments continues through February 1, 2024. See **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER"** and **"THE CERVANTES CONVENTION CENTER"** in the forepart of this Official Statement. See also **"ECONOMIC AND DEMOGRAPHIC DATA-Sports Related Economic Development"** herein.

Education

The public school systems within the City are currently operated under the administration and control of a seven-member, elected Board of Education of the City of St. Louis (the "*School District*") and The Community College District of St. Louis and St. Louis County, Missouri (the "*Community College District*"). The School District provides elementary and secondary education within the City; the Community College District provides post-secondary, primarily vocational, education within the City and the County. Each district has a separate governing body, a separate budget and separate administrative structures. The School District and the Community College District are each empowered to levy taxes within their jurisdictions sufficient to finance the operations of each respective system. The School District encompasses approximately 61.7 square miles of land 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 according to the Bureau of the Census. The School District is one of the largest public school systems in the State, and operates 74 schools, including 44 elementary, 9 middle, 13 high and 8 special or alternative schools, all with an average daily attendance of approximately 20,279 students in grades pre-kindergarten through grade 12. 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 (*"SAB"*) was appointed to act as the temporary governing body of the School District. On October 16, 2012, the State Board of Education voted to change the School District's accreditation status to provisionally accredited. In February 2016, the State Board of Education authorized the SAB to continue leading the School District for an additional three years. On January 10, 2017, the State Board of Education voted to change the School District's accreditation status from provisionally accredited to accredited, effective immediately thereafter, thus fully restoring the School District's accreditation. On April 6, 2019, the State Board of Education voted to return control of the School District to the Board of Education of the City which became effective July 1, 2019. The City is not responsible for the debt, obligations, or expenses of the School District.

Under State law, public charter schools may operate in the City. 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 the 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 2020, approximately $117.8 million of State aid for the School District was identified for charter schools and the amount identified for charter schools in Fiscal Year 2021 is expected to be approximately $115.0 million. There is currently pending in federal court a proceeding wherein a plaintiff's class is seeking to reclaim from the State, for the benefit of School District students covered by the plaintiff's class, a portion of certain City sales tax revenue that is claimed to have been improperly reallocated from the School District to the City's charter schools and to preclude any reallocation of that sales tax revenue in the future.

Solid Waste Management and Development Corporation

The Solid Waste Management and Development Corporation (the "*SWMDC*") owns a system of underground pressurized steam transport pipes in the downtown St. Louis area commonly known as the "steam loop." The steam loop serves City Hall and other municipal buildings, and is the only non-private source of steam in Downtown (defined below). The steam loop is leased to a steam-generating private operator unrelated to the City pursuant to a 20-year service agreement effective August 7, 2017. 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 of the City (the *"Street Department"*). Separate financial statements are not prepared for SWMDC.

Library

The St. Louis Public Library (the "*Library*") is located in the City. 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, programming and promotion of library services to the community.

Currently, the system consists of 15 neighborhood locations and the Central Library, located Downtown (defined below), with more than 4.0 million items in its collection, approximately 86,000 cardholders, approximately 400 full-time staff, and approximately 2.3 million visitors annually.

ECONOMIC AND DEMOGRAPHIC DATA

Population Statistics

The approximately 62 square-mile City is the center of the St. Louis Metropolitan Statistical Area (the "*Metropolitan Area*") consisting of the City, 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 and a portion of the City of Sullivan located in Crawford County, Missouri.

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

Year	City of St. Louis	Metropolitan Area
1980	452,801	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.

The U.S. Census Bureau, Population Estimates Program estimated the City's population as 300,576 in 2019.

Industry and Commerce

The Metropolitan Area and the City have continued their transition from a predominantly heavy manufacturing-based economy to one based on focused industry clusters. The industry clusters include: plant and life sciences, information technology, advanced manufacturing, financial services, and transportation and distribution.

The Metropolitan Area is a major business center with the headquarters location of such companies as Energizer Holdings, Express Scripts, Emerson Electric, Reinsurance Group of America, Centene, Graybar Electric, Caleres Inc., Enterprise Rent-A-Car, Edward Jones, and Apex Oil. The City itself hosts such notable companies as Peabody Energy, Millipore Sigma, 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 the Washington University School of Medicine, a portion of Washington University's main campus and St. Louis University's main, law and medical school campuses, and for health care with BJC HealthCare, all being headquartered in the City.

Tourism

The City Downtown's core is comprised of two City neighborhoods, familiarly known as "Downtown" and "Downtown West," and encompasses approximately 2.15 square miles. Downtown has more than 7,392 hotel rooms within a mile of the Cervantes Convention Center and additional hotel rooms are currently in various planning stages Downtown. The St. Louis hotel industry provides accommodations at such premier hotel brands as the Marriott, Four Seasons, Hilton, Embassy Suites, Drury, Holiday Inn, Live! By Loews, and Hyatt as well as at newly developed boutique hotels, most of which are located in the City. In total, St. Louis offers more than 39,000 hotel rooms in the Metropolitan Area, with a first-class transportation system to easily connect meeting attendees with their destinations. See **"ANTICIPATED SOURCES OF CITY REVENUES AVAILABLE FOR APPROPRIATION"** in the forepart of this Official Statement.

The City Museum opened for visitors in 1997 and has, historically, attracted more than 700,000 guests annually. The venue is a multi-story playhouse designed to host conventions and meetings.

Opened in 2014, the Ballpark Village entertainment complex has several special event spaces and the Cardinals Hall of Fame Museum. The entire venue can host an event for up to 10,000 guests. Smaller events can be booked at several venues. The approximately $270 million Ballpark Village Phase II project was completed in 2020. See **"ECONOMIC AND DEMOGRAPHIC DATA – Sports Related Economic Development"** below.

The National Blues Museum opened in April 2016. It features innovative, interactive and technological exhibits. The 23,000-square foot facility includes multifunctional space for performances and events to accommodate from 15 to 450 guests. The museum provides blues musical education, programming and opportunities to create blues music in a mixing booth.

The opening of the new North Gateway and Gateway Arch park, which is part of the $380 million CityArchRiver project designed to transform the national park surrounding the Gateway Arch, occurred in April 2017. The completely renovated park, including Kiener Plaza and the new area that replaces a parking garage, offer safe green spaces for pedestrians walking to the historic monument on the riverfront to downtown hotels and the America's Center convention complex. See **"ECONOMIC AND DEMOGRAPHIC DATA – City Parks, Metropolitan Zoological Park and Museum District and Great Rivers Greenway District"** below.

Transportation

Airport

The Airport is the busiest commercial airport in Missouri and the primary commercial airport for the Metropolitan Area. The Airport has 4 all-weather runways, 2 terminals, and is configured for up to 86 gates. Eleven signatory airlines currently serve the Airport. Total enplanements at the Airport for calendar year 2019 were approximately 7.9 million, representing an increase of 1.6% from the prior year. Of the total calendar year 2019 enplanements, approximately 74.0% were originating passengers and approximately 23.0% were connecting passengers.

The Airport served more than 11.5 million passengers in Fiscal Year 2020 compared to 15.8 million in Fiscal Year 2019. Southwest Airlines accounted for 62% of enplaned passengers in Fiscal Year 2020, the largest share held by a single airline. American Airlines and Delta Airlines accounted for a 16% share and an 10% share, respectively, of enplaned passengers during the same time period.

In June 2020, Southwest announced that, beginning in November 2020, they will operate two new non-stop flights to Indianapolis, Indiana. American Airlines will be initiating weekly non-stop service to Cancun MX from December 19, 2020 through April 3, 2021.

The Airport is a large cargo operation offering access to the City's substantial multi-modal (highway, rail, and waterway) assets. In 2019, the Airport handled more than 158 million pounds of cargo (mail and freight), representing a 6.7% increase over 2018.

See "INTRODUCTION – Impact of COVID-19" and **"IMPACT OF COVID-19 ON THE CITY AND THE CONVENTION CENTER – Background"** in forepart of this Official Statement.

Multimodal Transportation

The regional Port of Metropolitan St. Louis, as defined by the U.S. Army Corps of Engineers (the "*Army Corps*"), ranks as the second largest inland port in the United States handling more than 37 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 Port Authority completed a $19.8 million dock rebuild in 2013 to expand the capacity and versatility of the City's Municipal River Terminal (*"MRT"*) on the north riverfront (the *"EDA Project"*). The 2,000 foot dock can handle increased tonnages of bulk commodities and possibly international shipping containers. Such capacity does not currently exist anywhere on the 12,000-mile U.S. Inland Waterway. The Port Authority has a long term operating lease for the MRT with SCF Lewis and Clark Terminals LLC (*"SCF"*), a national company with local roots and international shipping connections.

Several projects are underway that will significantly expand the area's shipping options, including, but not limited to, the Terminal Railroad Association's expenditure of approximately $270 million to enlarge and strengthen the Merchants Bridge, to be concluded early in 2023, the rebuilt bridge will double rail capacity across it and relieve rail congestion on both sides of the river and the $10 million rail upgrade of the MRT that will enable unit trains to serve the MRT and the bi-state area.

In addition to being located at the heart of the Inland Waterway Gateway (St. Louis), St. Louis has the third largest U.S. rail hub, connected to regional short lines and five Class 1 railroads, including BNSF Railway, Canadian National, CSX, 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.

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. The Metropolitan Area's major industries include aviation, biotechnology, chemicals, electrical utilities, food and beverage manufacturing, refining, research, telecommunications and transportation. See **"ECONOMIC AND DEMOGRAPHIC DATA - Employment Rates"** below and **"IMPACT OF COVID-19 ON THE CITY AND THE CONVENTION CENTER – Background"** in the forepart of this Official Statement.

Job growth in the City has been concentrated in the service sector. The following table reflects the City's average employment by industry group through calendar year 2019, the most recent available data:

City Employment by Industry Group
(Total Non-Farm)

Industry Group	Employees	Percentage
Services - Education & Health	64,203	29.6%
Services - Professional & Business	36,937	17.0
Government	28,886	13.3
Leisure & Hospitality	25,554	11.8
Manufacturing	17,632	8.1
Trade, Transportation & Utilities	16,316	7.5
Finance Activities	16,048	7.4
Services - Other	6,436	3.0
Information	4,916	2.3
Total	216,928	100.0%

Source: U.S. Bureau of Labor Statistics (*"BLS"*), Quarterly Census of Employment and Wages (Annual Averages)

Employment Rates

The following table shows employment rates for residents of the City, the State and the U.S. for the month of August 2020 and for calendar years 2016 – 2019:

	August 2020	Average 2019	Average 2018	Average 2017	Average 2016
Labor Force	156,388[1]	153,066	153,678	155,752	161,050
Number Employed	138,769[1]	147,111	147,800	148,881	152,364
% City Unemployed	11.30[1]	3.90	3.80	4.40	5.40
% State Unemployed	7.10[1]	3.30	3.20	3.80	4.60
% U.S. Unemployed	8.50	3.70	3.90	4.40	4.90

[1] Preliminary
Source: MERIC/BLS
The above rates are not seasonally adjusted.

See **"IMPACT OF COVID-19 ON THE CITY AND THE CONVENTION CENTER – Background"** in the forepart of this Official Statement.

Major Taxpayers

In Fiscal Year 2020, taxes totaled approximately $281.2 million, consisting of earnings, payroll, and property taxes that were collected and combined in the City's General Fund. No one company contributed more than 6.9% of the total taxes collected. The top twenty taxpayers contributed approximately $135 million. See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "**- Budget Considerations"** in the forepart of this Official Statement.

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 2015 through 2019 (the most recent available data):

Calendar Year	Value of Housing New	Value of Housing Rehabilitation	Industrial or Other Non-Housing	Total Value of Construction	Total Permits Issued
2015	$146,490,956	$ 69,678,982	$479,533,852	$695,703,790	5,021
2016	84,816,641	79,587,859	376,089,688	540,494,188	4,217
2017	79,631,305	94,268,172	527,378,586	701,278,063	4,646
2018	82,872,353	112,364,814	757,464,428	952,701,595	4,574
2019	50,487,367	86,726,882	473,630,034	610,844,283	4,698

Source: City Building Division.

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

The City Parks and Recreation Department (the *"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 landscaped medians, strips and triangles comprising some 250 additional acres. The Department's Facility Services Section (the "*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, and 75 playgrounds. In addition, the Section maintains water and sewer lines, removes graffiti, and services fountains and irrigation systems within the City's parks and other landscaped areas.

The largest park in St. Louis, Forest Park, is located at the western edge of the City and includes 1,293 acres. It is the home to most of the region's major cultural institutions — the Zoo, the Art Museum, the History Museum, the Science Center and the Municipal Theater Association of St. Louis d/b/a The Muny. It also serves as a sports center for golf, tennis, baseball, bicycling, boating, fishing, handball, ice skating, roller blading, jogging, rugby and more. Historically, the City Parks Department has estimated that Forest Park draws more than 12 million visitors per year. A public-private partnership, Forest Park Forever, has assumed significant responsibility for improving and maintaining Forest Park.

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. The District was created by 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, 2019 was $85.7 million, up from $80.5 million the prior fiscal year. This revenue, minus the administrative expenses, was made available to the sub-districts based on their respective tax levies.

On April 2, 2013, voters in the City and the County approved Proposition P: the Safe and Accessible Arch and Public Parks initiative (*"Proposition P"*), a 3/16th of 1 cent sales tax. Known as CityArchRiver, the approximately $380 million project reconnected the Mississippi River to Downtown St. Louis. The project was funded with (i) approximately $90 million in Proposition P bond proceeds; (ii) approximately $69 million in public funds from federal, State and local sources such as a USDOT TIGER grant, MoDOT funds, and other federal grants and funding from the Great Rivers Greenway District

(“*GRG*”); and (iii) approximately $221 million in private funding from gifts, grants and donations. In addition, an endowment was started with private donations to maintain the improvements.

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 (*“St. Charles County”*). GRG is funded by a 1/10th of 1 cent sales tax imposed in the City, the County and St. Charles County. GRG receives 60% of the Proposition P sales tax and the City and the County receive the remaining 40%. The goal of GRG is to spearhead the development of an interconnected system of greenways, parks and trails that will encircle the Metropolitan Area, enhancing the quality of life for residents and visitors. Eventually, the system is expected to 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.

Development

The SLDC*,* working together with the Comptroller’s Office, the Mayor’s Office, and the Board of Aldermen, administers the City’s Tax Increment Financing (*“TIF”*) program 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, develop plans for the revitalization of various areas of the City.

The National Geospatial-Intelligence Agency *(“NGA”)* has begun the construction of the Next NGA West Campus (*“N2W”*) located at the intersection of north Jefferson Avenue and Cass Avenue and will replace the current facilities located at South 2nd Street in the City. The NGA and its forerunner agencies have operated in the City since 1952. The new N2W facility is anticipated to include 800,000 square feet of office space, a visitor control center, central utility plant, structured parking, and a remote inspection facility that will accommodate approximately 3,150 government and contractor personnel. Construction of the $1.75 billion project is expected to be completed in 2025.

Approximately $6.4 billion in development has been completed Downtown since 1999. Most recently, an approximately $60.0 million upgrade and expansion of the St. Louis Union Station Hotel along with an approximately $127.0 million entertainment complex south of the hotel which includes an aquarium, a 200 foot high observation wheel, a mini golf course, a carousel, a rope course and three restaurants. Also completed is the $270.0 million Phase 2 of Ballpark Village as outlined below. Other recently completed Downtown projects include: the approximately $60.0 million Monogram Building that includes 168 apartments and a grocery store; the approximately $60.0 million, 130 room, Hotel St. Louis, including 16 apartments; the approximately $148.8 million completion of phases 1 and 2 of the upgrade to the Enterprise Center; the approximately $30 million renovation of the Soldiers Memorial museum and archive; the approximately $54.3 million, 144 room, Last Hotel; the approximately $26.4 million new Fairfield Inn hotel; the approximately $12.0 million, 88 room, Hotel Indigo; the approximately $8.5 million, 52 unit, Peper Lofts in Laclede’s Landing; the approximately $25.0 million, 88 unit, Locust St. apartments; the approximately $6.5 million, 52,000 square foot, Mendenhall Office building and the upgrades to an office building near Union Station to allow Build-A-Bear Workshop to move approximately 200 employees into downtown.

Additional Downtown projects planned or underway include: the approximately $54.3 million adaptive reuse of a YMCA building into a 125 room 21c Museum Hotel; the renovation of the Majestic Hotel into a La Meridien hotel; the renovation of the Shell building into 203 room Hilton Hotel at the cost of approximately $43 million, the construction of a new Moxy hotel with 154 rooms at cost of approximately $18 million, the $20.0 million rehab for the Hupp Apartments on Locust Street and the rehab of the MacDonald building on Washington Ave. also for apartments at the cost of $15.7 million.

The T-REX (Regional Entrepreneurial Exchange) is home to approximately 60 ever-changing start-up information technology related ventures. T-REX has also attracted two business acceleration programs, Capital Innovators and Arch Grants, which provide seed capital along with intensive professional service resources to launch companies. Together, these two accelerator programs provide assistance to at least 40 start-ups per year at the Downtown location. Nearby investors have acquired the Post-Dispatch Building which is being renovated to be largely occupied by Square, Inc. with some 1,200 employees, at a cost of approximately $70 million.

In the Central Corridor west of Downtown, the development of the $55.5 million Jefferson Connector located at Jefferson Avenue and Locust Street continues; underway are 45 residential units in the renovated Beaumont Building, a 250-space parking garage and the Box Yard, a retail center consisting of shipping containers. This project will help knit Downtown to Automobile Row, a concentration of firms and apartments near the Midtown Arts District. In addition, the former Missouri Theater Building has been renovated for approximately $65.0 million and includes 25,000 square feet of office space and the 146 room boutique, Angad Arts Hotel. Additionally, St. Louis University has partnered with SSM Health and construction of an approximately $550 million hospital is now completed. Also, a new Iron Hill mixed use multi-phase project is planned with 850,000 square feet of buildings on 14 acres at an approximate cost of $334.5 million. Two major commercial projects are under construction west of St. Louis University including the Foundry, an approximately $340 million project that will include two office buildings totaling 130,000 square feet, a 450 space parking garage, a 48,000 square foot food hall and related retail and a movie theater and an entertainment building and the renovation of the Armory, an approximately $82.8 million, 262,000 square foot project with office and residential space. Across from the Foundry a new 153 room $32.0 million Element Hotel is nearing completion, and near the new St. Louis University hospital, the $40.0 million Steelcote Crossing residential complex is underway.

To the west of these projects is the St. Louis Innovation District (*"CORTEX"*). First approved in 2013, CORTEX is located just east of the Barnes/Jewish/Christian Hospital *("BJC Hospital"*) complex and Washington University Medical School. Nine projects have been completed including the BJC office building, the 4220 office building, the Shriners Hospital, the Cortex Commons Linear Park, the Metro Link transit station, a tech/lab building including Innovation Hall, an IKEA store, renovation of the Crescent Building for lab space, the construction of a 677 space parking garage and an approximately $25.0 million, 129 room ALoft hotel. Expansion of the parking garage, a new approximately $113.0 million office building and an approximately $616.0 million 11-story, 609,000 square foot neuroscience center at Washington University are underway.

BJC Hospital has completed the approximately $1 billion first phase of its rebuilding project and is now beginning the second phase at a cost of approximately $1 billion. To the north of BJC Hospital and CORTEX many projects have been completed including: Citizen Park, an approximately $65 million, 218 unit apartment building, including 10,000 square feet of ground floor retail; an approximately $31 million, 60 unit mixed-use building with first floor retail; an approximately $19 million, 54 unit condominium building including first floor retail space; and an approximately $25 million, 157 unit apartment building. Other projects underway include: an approximately $131 million, 29 story, 305 unit apartment building; an approximately $40 million, 192 room hotel and a new 200 unit $43.5 million apartment building at 4545 Laclede Ave.

West of the Central West End and Forest Park, the eastern section of the main campus of Washington University (known as the Frost Campus) has undergone major expansion with seven new buildings and underground parking. Near the campus in the Delmar Loop a 50,000 square foot office building costing $26.0 million has recently been completed with a CVS Drug Store on the first floor and, on DeBaliviere Avenue, the 290 unit Pearl at DeBaliviere mixed-use project costing approximately $91.0 million is underway as well as the six story, 150 unit 310 DeBaliviere apartment building costing $35.7 million and the 149 unit $34.0 million Chelsia Apartments at 5539 Pershing Ave.

A number of affordable housing projects have recently been completed or are underway in the north part of the City. They include St. Ferdinand Homes, a 43 unit new construction project totaling approximately $7.1 million; Nathaniel Rivers Place, 32 new units of housing totaling approximately $6.9 million; Hyde Park South Apartments and Hyde Park Scattered Sites totaling approximately $24.4 million; Finney Place, 40 new homes at the cost of approximately $10.8; North Sarah Phase 3 at the cost of approximately $11.7 million; and the approximately $9.9 million 54 unit Vandeventer Place senior living complex.

Other recently completed northside projects include a new approximately $3.5 million Save-A-Lot grocery store at Page and Union and the approximately $4.5 million renovation of the Clark School at 1020 Union Boulevard into 45 market rate apartments. Underway is the $67.0 Delmar Divine mixed-use project, the Doorways housing and headquarters complex at a cost of $22.5 million and the Webster School senior apartments totaling $11.4 million.

Numerous projects are planned or underway in neighborhoods to the south including, but not limited to, the approximately $100.0 million, mixed-use project along Chouteau Avenue in the Lafayette Square neighborhood, the approximately $50.0 million project in the Hill neighborhood consisting of 200 apartment units and 60 single family homes and the SoHo apartments in the Soulard neighborhood costing approximately $79.0 million.

New projects completed in the Grove neighborhood south of CORTEX include: the approximately $30.0 million rehabilitated Woodward Lofts consisting of 160 apartments; a $38.0 million project consisting of approximately 100 new market rate and affordable townhouses; and the first phase of Chroma costing approximately $64.0 million including 270 apartments and 20,000 square feet of retail. The second phase of Chroma including an approximately $11.0 million 55-unit apartment complex is currently underway. Also underway in the neighborhood is the Unify Grove housing project costing $38.0 million and the Swan Taylor apartments costing approximately $57.0 million.

The City continues its effort to make City living and neighborhoods more walkable and desirable. The City also continues to focus on manufacturing and cultivating sectors where the region has great strength, such as life science, information technology and financial services.

Sports Related Economic Development

The City is home to two major professional sports teams, the St. Louis Blues hockey team (the *"Blues"*) and the St. Louis Cardinals baseball team (the *"Cardinals"*). The teams have contributed to the economy of the Metropolitan Area with ticket sales, dollars spent at concessions and on merchandise, and money spent at local restaurants and hotels. The teams also generate positive national media attention for the City.

Historically, the Cardinals have attracted more than three million fans Downtown, with approximately one million coming from outside the State and ninety percent from outside the City. The St. Louis Regional Chamber estimated that the economic impact of the 2019 Cardinals' regular season on the region was approximately $303.3 million with an estimated $158.5 million of direct impact and $144.8 million of indirect economic activity. The economic impact of Major League Baseball's truncated 2020 regular season without attendance by fans due to the COVID-19 pandemic cannot be quantified at this time.

The Ballpark Village Development Corporation is a joint venture between the Cardinals and the Cordish Companies based in Baltimore, Maryland. 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 north of Busch Stadium. The $100 million first phase of Ballpark Village ("*Ballpark Village Phase I*") included 100,000 square feet of retail space, a Cardinals Nation venue comprised of a Cardinals Hall of Fame and Museum, a two-story Cardinals Nation restaurant, a roof-top deck, restaurants and retail shops. The restaurants and shops are centered around a public event space known as FOX Sports Midwest Live, which holds concerts and other live entertainment events. Completed in 2020, the $270 million second phase of Ballpark Village ("*Ballpark Village Phase II*"), includes a 29-story building with approximately 292 apartments, 500 parking spaces, 11,000 square feet of retail space, a 9-story office and hotel building with 216 hotel rooms, 400 parking spaces, 120,000 square feet of office space and a 3-story event pavilion. The City has discussed future phases for Ballpark Village with the principals of the Ballpark Village Development Corporation.

In June 2017, Kiel Center Partners, LP began development of a multi-phased renovation and rehabilitation plan for the Enterprise Center, formerly the Scottrade Center, that is designed to improve the concourse and common area appearances and make building systems, technology and infrastructure improvements. The multi-phase project was completed in 2019 at a cost of approximately $148.1 million.

The City is also a venue for major 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 2018 SEC Basketball Tournament was played at Enterprise Center from March 7–11, 2018. The City was the site of the 2020 National Hockey League All-Star Game held in January 2020. The Professional Golfers Association ("*PGA*") held the 2018 PGA Championship at Bellerive Country Club located in the County August 2018.

On August 20, 2019, the Major League Soccer ("*MLS*") Board of Governors announced approval of the City as the league's 28^{th} franchise, with the team to begin league play in the 2023 season. A new open-air stadium with a 22,500-seat capacity, and the ability to expand to 25,000 seats, including practice fields and team headquarters is under construction on nearly 35 acres in Downtown West with a construction value estimated at $461 million.

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. The following 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 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 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).

Proprietary Funds—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.

Fiduciary Funds—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 to the Board of Aldermen for the ensuing Fiscal Year based on information provided by the various City departments, including the Budget Division, as well as 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 board 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 **"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 a proposed budget and 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 recommend to the Board of Aldermen the appropriation of 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 Fund is remitted to the Capital Project Fund at the end of each Fiscal Year.

Financing Controls

The City has implemented significant measures to upgrade its financial reporting systems 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 2019 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("*GFOA*"). It was the thirty-first consecutive year the City has received the 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 Fiscal Year 2020. The 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 accounting 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 a 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 City 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 City 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 Fund

The information in this section constitutes "Forward-Looking Statements" and should be read in conjunction with, and is subject to, the cautionary statements set forth on page (ii) to this Appendix A and in the forepart of this Official Statement.

On an unaudited, cash basis, the City's General Fund revenue fell short of original budget estimates by $11.1 million for the Fiscal Year ending June 30, 2020. Although revenues had been on a pace to exceed estimates through the fiscal third quarter of Fiscal Year 2020, a significant drop off in revenue in the fiscal fourth quarter due to the effects of the COVID-19 pandemic, led to revenues falling a net 4% compared to the prior fiscal year. Particularly impacted were hotel and restaurant taxes as well as related sales taxes. A portion of the City Earnings Tax receipts were also deferred into the next Fiscal Year following a 90 day deferral edict issued by the Internal Revenue Service. The City took steps to mitigate the pending loss in revenues including holding open vacant position and curtailing discretionary expenditures where possible.

Total General Fund expenditures on an unaudited, cash basis, came in below appropriations by approximately $12.7 million with the end of Fiscal Year 2020 result being a small operating balance of approximately $1.6 million. The uncertainties regarding the economic fallout of the COVID-19 pandemic had a significant impact on planning the Fiscal Year 2021 Annual Operating Plan. General Fund revenues are projected at $481.7 million or 5.3% below the reduced receipt total in Fiscal Year 2020 and 9.0% below the Fiscal Year 2020 third quarter pre-COVID-19 estimates. The Fiscal Year 2021 General Fund Budget (the "Fiscal Year 2021 Budget") projects significant declines in Earnings Taxes, Sales Taxes and Payroll Taxes, particularly in the hospitality/leisure and cultural/sports business categories, with gradual revenue increases throughout Fiscal Year 2021 after a steep drop off in the fourth quarter of Fiscal Year 2020. Most major revenues are expected to remain below pre-COVID-19 levels throughout Fiscal Year 2021.

The 2021 Annual Operating Plan includes budget cuts and revenue reallocations in order to provide a balanced budget. Given the uncertainty regarding revenues and assumptions behind the COVID-19 pandemic's longer term effects on the local economy, the budget planning effort also includes alternative worse case revenue scenarios and efforts to identify additional expense cutting actions should the revenue outlook worsen. While the budget makes an effort to maintain core City services, more discretionary programs and some capital expenditure items have been deferred. It is not possible at present to project with any reasonable degree of certainty the impact of COVID-19 on the City's Fiscal Year 2021 Budget, and the City expects to modify its Fiscal Year 2021 Budget as events develop.

As to proposed expenditures, police and public safety continue to represent approximately 55% of the Fiscal Year 2021 Budget. With approximately $158.3 million in operating and pension costs, the police department represents approximately 33% of the Fiscal Year 2021 Budget and is the largest component of the public safety function. The remaining public safety allocation from the General Fund provides for fire protection, pre-trial inmate housing, emergency medical services and various permitting, inspection and neighborhood stabilization activities. The Fiscal Year 2021 Budget also funds the majority of parks and recreation operations at $19.4 million, streets, traffic and refuse collection at $40.4 million, and general government and finance operations at $37.3 million. Because the City functions as both a city and a county, the Fiscal Year 2021 Budget includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions in the amount of $56.0 million. Debt service payments for large projects funded through lease arrangements are included in the Fiscal Year 2021 Budget in the amount of $22.0 million. Major lease debt payments in Fiscal Year 2021 consist primarily of the annual lease payments on the Cervantes Convention Center and the Dome as other lease agreements are proposed to be funded through special fund revenue appropriations. The remainder of the Fiscal Year 2021 Budget can be categorized as providing for the payment of public engineering services, maintenance and operation of public buildings and fleet services.

The City has continued to make strides in improving its level of unrestricted budget reserves. At the end of Fiscal Year 2020 an additional $5.0 million in Parking Division revenue was added to the reserve. Such payment was made in lieu of any scheduled contribution being made in the Fiscal Year 2021 Budget.

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General Fund Expenditures

Table I below is a combined statement of revenues, expenditures and changes in fund balances on an accrual basis for Fiscal Years 2015 through 2019.

TABLE I
City of St. Louis, Missouri
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Accrual Basis - Year ended June 30
(dollars in thousands)

	2019	2018	2017	2016	2015
REVENUES					
Taxes	$394,964	$386,616	$382,260	$364,291	$363,392
Licenses and permits	20,713	22,927	19,521	19,830	19,938
Intergovernmental	27,283	25,259	22,142	22,413	25,130
Charges for services, net	40,047	38,237	31,267	31,927	28,880
Court fines and forfeitures	3,169	3,112	3,388	4,009	4,916
Investment income	2,873	348	492	390	209
Interfund services provided	4,101	4,040	4,847	4,488	858
Miscellaneous	4,428	4,281	6,131	7,499	7,997
Total revenues	$497,578	$484,820	$470,048	$454,847	$451,320
EXPENDITURES					
Current:					
General government	40,856	36,214	52,471	39,875	47,417
Convention and tourism	123	120	119	124	126
Parks and recreation	17,398	17,938	19,024	19,236	18,554
Judicial	43,022	43,862	44,175	44,955	44,799
Streets	37,915	36,686	35,281	34,858	37,480
Public Safety	283,932	286,411	283,909	273,112	266,734
Health and welfare	3,510	3,409	3,574	3,415	3,355
Public services	31,720	36,289	35,223	36,167	32,054
Debt service	35,728	33,149	30,420	31,793	34,336
Total expenditures	$494,204	$494,078	$504,196	$483,535	$484,855
Excess/Deficiency of revenues over expenditures	$3,374	$(9,258)	$(34,148)	$(28,688)	$(33,535)
OTHER FINANCING SOURCES (USES)					
Issuance of leasehold revenue (refunding) bonds	—	$23,602	$24,435	$17,197	$21,905
Issuance of obligation with component unit	—	4,526	—	—	—
Issuance of certificates of participation	—	—	—	—	5,195
Premium on bond issuances	—	2,574	2,234	3,012	3,097
Payment to refunded escrow agent	—	(25,168)	(26,050)	(19,648)	(29,497)
Firemen's Retirement EAN note proceeds	—	—	—	—	—
Transfers in	52,323	37,575	40,232	37,397	38,954
Transfers out	(8,948)	(14,157)	(10,707)	(15,637)	(13,191)
Total other financing sources (uses), net	$43,375	$28,952	$30,144	$22,321	$26,463
Net change in fund balances	$46,749	$19,694	$(4,004)	$(6,367)	$(7,072)
Fund balances					
Beginning of year	37,976	18,282	22,286	28,653	35,725
End of year	$84,725	$37,976	$18,282	$22,286	$28,653

Source: City Comptroller's Office

See **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER"** in the forepart of this Official Statement.

Table II below is a General Fund summary of operations on a budgetary (cash) basis for Fiscal Years 2018 through 2020.

TABLE II
City of St. Louis, Missouri
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Cash Basis - Year ended June 30
(dollars in thousands)

	2020*	**2019***	**2018***
REVENUES			
Taxes	394,277	403,227	392,172
Licenses and permits	18,943	20,356	22,607
Intergovernmental	19,368	21,899	16,356
Charges for services, net	38,540	39,864	37,641
Court fines and forfeitures	2,649	2,583	2,340
Investment income	221	2	3
Miscellaneous	3,132	3,121	3,156
Total revenues	477,130	491,052	474,275
EXPENDITURES			
Current:			
General government	46,011	47,104	45,265
Convention and tourism	128	125	122
Parks and recreation	18,308	17,338	18,227
Judicial	44,490	43,199	44,110
Streets	37,294	37,906	37,098
Public Safety	280,527	280,947	285,009
Health and welfare	3,718	3,549	3,423
Public services	34,634	34,104	33,690
Debt service	25,101	25,402	26,038
Total expenditures	490,211	489,674	492,982
Deficiency of revenues over expenditures	(13,081)	1,378	(18,707)
OTHER FINANCING SOURCES (USES)			
Transfers in	36,213	48,518	34,767
Transfers out	(30,098)	(24,514)	(13,944)
Total other financing sources (uses), net (1)(2)	6,115	24,004	20,823
Net change in fund balances	(6,966)	25,382	2,116
Fund balances:			
Beginning of year	34,871	9,489	7,373
End of year	27,905	34,871	9,489
Reserves	39,703	29,700	13,998
Cash Balance	$67,608	64,571	23,487

(1) Transfers include transfers to and from reserves.
(2) Includes a $5 million transfer in Fiscal Year 2020 and a $10 million in Fiscal Year 2019 from the Parking Division to the General Fund for fund balance reserve.
* Unaudited.
Source: City Comptroller's Office.

Pension Reform

The cost of the City's four pension systems, including contributions to the systems as well as the costs of servicing pension debt, will increase by $1.8 million in Fiscal Year 2021, reflecting market conditions as they existed at the end of the most recent pension system year of October 1, 2019. These costs remain below their peak set in Fiscal Year 2014. Part of the decline in recent years is related to improving market conditions while another part can be directly attributed to recent efforts to reform the Firefighters' Retirement Plan system. Still, total pension costs remained elevated at $83.1M in Fiscal Year 2021 and can be expected to slowly rise over the forecast period assuming each system meets assumptions. These costs will continue to put pressure on operating budgets for the foreseeable future. The Firefighter pension reform plan that became effective in 2013 is projected to continue to provide budgetary relief in Fiscal Year 2021 and beyond. The Police Retirement System remains under State legislative authority and while reforms have been proposed in the past, these remain subject to State legislative approval and none have been adopted to date. It is anticipated that additional reforms to the City's civilian employee retirement system will be contemplated in the future as well. For more information, see **"RETIREMENT SYSTEMS"** herein.

GENERAL REVENUE RECEIPTS

The following table sets forth the percentage of receipts (on a cash basis) for various categories of the General Fund for Fiscal Years 2018 through 2020:

General Fund Receipts by Category

	2020	2019	2018
TAXES:			
Earnings	34.57%	34.82%	34.14%
Franchise	9.32	9.77	10.69
Sales	10.42	10.29	10.60
Gross Receipts	1.40	1.27	1.24
Motor Vehicle Sales Tax	0.64	0.62	.66
Real Estate	9.89	9.22	9.49
Personal Property	2.52	2.32	2.33
Payroll	8.33	7.48	7.46
Other Taxes	0.46	0.35	.43
Total Taxes	77.55	76.14	77.04
License Fees	3.73	3.84	4.44
Departmental Receipts	12.57	12.74	11.69
Transfers	6.15	7.27	6.83
	100.00%	100.00%[1]	100.00%

Source: City Comptroller's Office.

[1]Total does not add to 100% due to rounding.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

Earnings Tax

The Earnings Tax was authorized by State statute in 1954 and is imposed on salaries, wages, commissions and other compensation earned by resident individuals of the City, salaries, wages, commissions and other compensation earned by nonresident individuals of the City for work done or services performed or rendered in the City, net profits of associations, businesses or other activities conducted in the City by nonresidents and net profits earned by all corporations as a result of work done or services performed or rendered, and businesses or other activities conducted in 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. In 2020, however, there was a deadline extension for Earnings Tax filings, from April 15, 2020 to July 15, 2020 to conform filing dates to the 90-day filing extensions granted for federal and State income tax returns. 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 Fund revenues, representing approximately 34.57% of the total for Fiscal Year 2020.

In November 2010 a citizens group collected sufficient signatures for a state-wide ballot initiative to 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. The citizens of St. Louis vote every five years on whether to retain the Earnings Tax for an additional five-year period. On April 5, 2016, St. Louis citizens voted to retain the Earnings Tax for an additional five-year period by a margin of 72% to 28%.

The City's General Fund Earnings Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Earnings Tax[1]
2016	$166,156,075
2017	171,529,453
2018	173,774,265
2019	184,405,968
2020	175,759,726[2]

[1] Unaudited.
[2] The Earnings Tax filing deadline for the fourth fiscal quarter of Fiscal Year 2020 was extended to July 15, 2020.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

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 Fund Payroll Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Payroll Taxes[1]
2016	$37,573,673
2017	38,115,130
2018	37,972,908
2019	39,592,511
2020	42,360,695

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

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. The tax is passed on to the consumers by the utilities. The tax on natural gas and electricity sales is 10% of commercial gross receipts and 4% of residential gross receipts. 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 the General Fund, but are included in the Communications Fund for the operation and expenses of the Communications Division of the Department of Public Utilities. Steam energy and the City Water Division sales are taxed at 10% of gross receipts from all users, and Airport gross receipts are taxed at 5%. All of the aforementioned receipts accrue to the General Fund. Franchise Taxes are collected and paid to the City monthly and/or quarterly.

The City's General Fund Franchise Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Franchise Tax[1]
2016	$50,197,749
2017	49,747,610
2018	54,396,015
2019	51,763,743
2020	47,403,574

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

Sales and Use Tax

City sales taxes are authorized by the Missouri General Assembly and approved by voters. The current sales tax rate is 9.678%, which includes the State tax rate of 4.225%. The General 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.

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 9.013%. The use tax revenues are revenues that are not deposited into or a part of the General Fund.

On November 8, 2016, the voters of the State approved an amendment to the Missouri Constitution prohibiting State and local governments from imposing any new sales or use tax on any transaction or service that was not subject to a sales or use tax as of January 1, 2015. The passage of the amendment does not directly increase or decrease any City taxes.

On April 4, 2017, the voters in the City approved Proposition 1, a half-cent sales tax increase for economic development purposes including: (1) a North/South Metrolink line; (2) neighborhood revitalization; (3) workforce development; (4) public safety; and (5) to upgrade the City's infrastructure. The approval of Proposition 1 triggered a corresponding half-cent use tax increase. See also **"OTHER LOCAL COMMISSIONS AND AGENCIES – Metro."**

The City's General Fund sales tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Sales Tax[1]
2016	$53,838,508
2017	52,097,926
2018	53,950,019
2019	54,468,494
2020	52,976,363

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "**- Budget Considerations"** in the forepart of this Official Statement.

Gross Receipts Tax

The City's Gross Receipts Tax revenues are derived from three sources: (1) public garage and parking lots gross receipts; (2) amusement admission gross receipts; and (3) restaurant gross receipts. The City's Gross Receipts Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Gross Receipts Tax[1]
2016	$7,489,986
2017	6,372,382
2018	6,313,865
2019	6,745,995
2020	7,130,965

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

Motor Vehicle Sales Tax

The City's Motor Vehicle Sales Tax is collected by the State together with the State's 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 Fund Motor Vehicle Sales Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Motor Vehicle Sales Tax[1]
2016	$3,243,191
2017	3,253,146
2018	3,367,076
2019	3,263,329
2020	3,266,704

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

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 2015-2019 are set forth below:

	Real Property[1]		Personal Property			
Calendar Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Manufacturers' Inventory[2] Assessed Value	Total Assessed Value
2015	$3,294,638,871	$14,118,593,655	$835,238,014	$2,508,222,264	$243,122,173	$4,372,999,058
2016	3,340,864,969	14,336,960,201	811,949,304	2,438,286,198	168,050,610	4,320,864,883
2017	3,593,111,535	15,582,833,454	812,910,995	2,441,174,159	176,763,205	4,582,785,735
2018	3,583,639,717	15,610,828,182	816,009,165	2,450,477,973	182,030,166	4,581,679,048
2019	3,893,967,299	17,071,752,683	848,105,665	2,546,863,859	182,848,120	4,924,921,084

[1]Source: Missouri State Tax Commission Annual Report (including Centrally Assessed Companies).
[2]Source: City License Collector's Office.

The estimated "Market Value" of real property in the City for calendar years 2015-2019 is set forth below:

Calendar Year	Residential	Agricultural[1]	Commercial	Total Real Property[2]
2015	$ 9,410,085,374	-	$4,708,508,281	$14,118,593,655
2016	9,591,977,400	$26,167	4,744,956,634	14,336,960,201
2017	10,718,384,132	26,167	4,864,423,156	15,582,833,454
2018	10,860,154,368	26,167	4,750,647,647	15,610,828,182
2019	12,069,119,432	40,167	5,002,593,084	17,071,752,683

[1] Prior to calendar year 2016 there were no agricultural parcels within City limits.
[2] Previously reported figures for 2016-2018 excluded agricultural parcels from real property totals.
Source: City Assessor's Office.

The property tax collection rates based on the Collector of Revenue's fiscal years (ending the last day of February) for 2015-2019 are set forth below:

Collector of Revenue's Fiscal Year	Real Estate Tax	Personal Property Tax
2015	93.20%	87.11%
2016	93.82	88.81
2017	94.35	88.70
2018	94.51	88.75
2019	94.81	88.71

Source: Collector of Revenue.

Taxes appealed and paid under protest are placed in escrow and disputed amounts distributed to the City when the appeal is resolved, 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 Fund Real and Personal Property Tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Real Property Tax[1]	Personal Property Tax[1]
2016	$45,484,987	$11,821,802
2017	45,980,833	11,895,611
2018	48,044,702	12,102,547
2019	48,833,074	12,297,461
2020	50,257,212	12,793,699

[1] Unaudited.
Source: City Comptroller's Office.

Property tax rates per $100 assessed annual valuation for calendar years 2016-2019 are set forth below:

	Calendar Year			
	2019	**2018**	**2017**	**2016**
City of St. Louis:				
Municipal purposes	0.9656	$1.0011	$0.9799	$1.0000
County purposes	0.3378	0.3504	0.3429	0.3500
Hospital purposes	0.0966	0.1002	0.0980	0.1000
Public health purposes	0.0194	0.0201	0.0196	0.0200
Recreation purposes	0.0194	0.0201	0.0196	0.0200
Interest and public debt	0.1409	0.1333	0.1333	0.1331
Total City of St. Louis	$1.5797	$1.6252	$1.5933	$1.6231
Overlapping governments:				
State Blind Pension Fund	$0.0300	$0.0300	$0.0300	$0.0300
Board of Education of the City of St. Louis	4.9949	5.1371	5.0342	5.1211
St. Louis Community College	0.1986	0.2129	0.2112	0.2185
Metropolitan St. Louis Sewer District	0.1077	0.1170	0.1159	0.1196
Sheltered Workshop District	0.1341	0.1391	0.1472	0.1500
St. Louis Public Library	0.5424	0.5584	0.5496	0.5600
Community Mental Health	0.0870	0.0893	0.0883	0.0900
Community Children's Service Fund	0.1838	0.1886	0.1865	0.1900
Senior Services[1]	0.0487	0.0500	0.0500	N/A
Metropolitan Zoological Park and Museum District:				
Zoological Sub District	0.0727	0.0777	0.0768	0.0800
Art Museum Sub-district	0.0727	0.0777	0.0768	0.0799
Museum of Science and Natural History Sub-district	0.0365	0.0390	0.0386	0.0399
Botanical Garden Sub-district	0.0365	0.0390	0.0386	0.0399
Missouri History Museum Sub-district	0.0365	0.0390	0.0386	0.0399
Total overlapping governmental	$6.5821	$6.7948	$6.6823	$6.7587
Total City of St. Louis and overlapping governmental	$8.1618	$8.4200	$8.2756	$8.3818

Source: City Assessor's Office.
[1] Funded by the set aside of a November 2016 voter-approved property tax.

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 Fund other tax revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	Other Taxes[1]
2016	$1,709,964
2017	1,994,605
2018	2,250,957
2019	1,856,493
2020	2,327,649

[1] Unaudited.
Source: City Comptroller's Office.

See **"FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS – General Fund"** herein and **"IMPACT OF COVID-19 ON THE CITY AND CERVANTES CONVENTION CENTER – Anticipated City Revenue Implications"** and "- **Budget Considerations"** in the forepart of this Official Statement.

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 Fund license fee revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	License Fees[1]
2016	$19,633,741
2017	19,364,503
2018	22,606,892
2019	20,356,445
2020	18,943,331

[1] Unaudited.
Source: City Comptroller's Office.

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 Fund Departmental Receipts revenues for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	**Departmental Receipts**[1]
2016	$55,882,737
2017	55,817,062
2018	59,495,608
2019	67,468,706
2020	63,910,550

[1] Unaudited.
Source: City Comptroller's Office.

Operating Transfers

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

The City's Operating Transfers for Fiscal Years 2016 through 2020, on a cash basis, are set forth below:

Fiscal Year	**Operating Transfers**[1]
2016	$38,569,335
2017[2]	49,935,146
2018	34,766,688
2019	38,517,718
2020	31,286,678

[1] Unaudited.
[2] Following its biweekly pay calendar, the City experienced a 27th pay period in Fiscal Year 2017 which required a transfer of approximately $10.1 from the pay reserve (an event which occurs every eleven years).
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 Hancock 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 for specific services. 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 third-party insurance and self-funding 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 for a nonprofit corporation, Public Facilities Protection Corporation ("*PFPC*"), from which all judgments or settlements are paid. Expenditures for judgments and settlements during Fiscal Years 2016 through 2020 are set forth below:

Fiscal Year	Expenditures
2016	$1,846,271
2017	2,499,256
2018	2,563,193
2019	3,612,866
2020	2,368,241[1]

[1] Unaudited.
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. It 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 City Charter amendment would be needed to reduce the majority requirements as authorized by the State constitutional amendment. A proposed City 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.

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 from Fiscal Years 2017 through 2021:

Fiscal Year	TRANs Issued During Fiscal Year	As a Percent of General Fund Revenues[1]
2017	$60,000,000	11.86%
2018	66,000,000	12.97
2019	66,000,000	12.75
2020	45,000,000	8.67
2021	40,000,000	8.30

[1] The percentage is based on cash, rather than modified accrual revenues. Revenue also includes transfers from other funds.
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 is outstanding as of September 30, 2020:

Description	As of September 30, 2020	Term Outstanding	Footnote #
General Obligation Bonds (2016)	$ 6,400,000	6	
General Obligation Bonds (2016A)	21,220,000	16	
General Obligation Bonds (2018)	44,725,000	18	
General Obligation Bonds (2019)	2,190,000	9	
General Obligation Bonds (2020)	3,015,000	7	
	$ 77,550,000		
Energy Loan Agreement	$ 571,544	4	
Capital Lease- Rolling Stock	$ 23,917,919	1	1
Kiel Certificates of Participation	$ 810,000	1	
Obligations with component units:			
Enterprise Center (Scottrade)	$53,605,000	28	
Recovery Zone Facility Special Obligation Redevelopment Bonds 2010 (One City Centre)	14,510,000	20	
	$ 68,115,000		
Loan Agreement with Forest Park Forever	$ 18,325,000	24	
Leasehold revenue improvement and refunding bonds:			
CABS 2005	$ 44,997,891	11	
Convention Center Capital Improvement Projects & Infra Series 2009 A	7,761,922	17	
Convention Center Refunding & Capital Improvement Project Series 2010	24,736,396	18	
Convention Center Refunding & Capital Improvement Project Series 2015	23,005,000	10	
Convention Center Refunding & Improvement Bonds Series 2017	25,560,000	18	
Forest Park Revenue 2015	2,475,000	2	
1520 Market Street Series 2016A	3,565,000	6	
1520 Market Street Series 2016B	12,533,508	14	
Recreation Sales Tax Refunding Bonds Series 2016	36,955,000	17	
Pension Funding Project Series 2007	112,590,000	17	
Police Capital Improvements 2017A	18,650,000	18	
Juvenile Detention 2017B	17,840,000	19	

City Parks Series 2014	22,885,000	24	
Refuse Facility & Municipal Garage, Series 2016A	5,975,000	7	
Refuse Facility Project, Series 2016B	1,470,000	2	
Carnahan Courthouse Leasehold Revenue Refunding, Series 2016A	13,100,000	7	
Qualified Energy Conservation Bonds, 2016B	3,155,000	11	
	$ 377,254,717		
Less enterprise fund for pension debt	(7,772,657)		
	$ 369,482,060		
Joint venture financing agreement:			
Convention & Sports Facility Project and Refunding Bonds Series C 2007 (includes Preservation Payments)	$ 4,740,000	1	
Enterprise Revenue Bonds/Loan Programs			
DNR loan program with Water	$ 6,971,000,000	14	
Airport	529,120,000	28	
Parking Division	54,140,000	18	2
Enterprise fund for pension debt	7,772,657		
Total Enterprise Fund Debt	$ 598,003,657		
Total Debt	$1,161,515,181		

(1) Lease agreements by General Fund or Capital Funds.
(2) Series 2003A & B Parking Revenue Bonds was a private offering & secured only by net revenues of the Cupples Garage.

Tax Increment Financing Projects

The City has approved numerous Tax Increment Financing (*"TIF"*) projects. With the exception of the One City Centre project (also known as 600 Washington), to the extent that the City has issued or will issue TIF revenue bonds to finance projects, such bonds are, and are expected to be, paid exclusively from TIF revenues generated in the respective TIF redevelopment areas and are not anticipated to affect the City's General Fund. However, City general revenues may be used to make payments on the One City Centre bonds if TIF revenues generated within that redevelopment area are not sufficient to pay amounts due in any year.

TIF revenues are pledged to supplement repayment in the event surplus operating revenues fall short for the Argyle TIF project, which was financed with parking revenue bonds. Additionally, TIF will supplement the revenues available to pay the portion of a series of parking revenue bonds issued to fund the Euclid-Buckingham garage.

Five projects have been financed with IDA TIF Revenue Bonds, namely, Edison Brothers for $5.6 million issued on June 15, 2004, MLK Development for $2.68 million issued on June 30, 2004, Southtown Redevelopment Project for $6.4 million issued on November 9, 2006, Loughborough for $18.43 million issued on November 27, 2007, and Railway Exchange issued December 1, 2010 for $4.58 million. On March 11, 2015, the IDA issued Tax Increment Refunding Revenue Bonds, Series 2015 and Subordinate Tax Increment Revenue Bonds, Series 2015 (the *"Southtown Refunding Bonds"*) in the aggregate principal amount of $6,346,923 to refund all outstanding Southtown TIF Revenue Bonds issued in 2006. On April 6, 2017, the IDA issued its Tax Increment Refunding Revenue Bonds, Series 2017 (the "*Loughborough Refunding Bonds*") in the aggregate principal amount of $9,050,000 to refund all the outstanding Loughborough Revenue Bonds issued in 2007. As of September 30, 2020, the outstanding balances on the TIF Revenue Bonds were $-0- for Edison Brothers, $-0- for MLK Development, $2,796,923 for the Southtown Refunding Bonds, $5,175,000 for the Loughborough Refunding Bonds and $4,580,000 for Railway Exchange.

In addition, certain TIF projects are funded by TIF revenue on a "pay as you go" basis, i.e., TIF revenue is received based on actual tax increments generated over the life of the redevelopment agreement. The Old Post Office Square TIF, Argyle TIF, Emerging Technologies TIF and Lafayette Square each have a "pay as you go" component.

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. In addition, the IDA issued bonds backed by TIF revenue notes for Grand Center and St. Louis Innovation District (Cortex) projects as well as for a "pool" consisting of several TIF redevelopment projects.

Missouri Downtown and Rural Economic Stimulus

The City approved one Missouri Downtown Economic Stimulus Act ("MODESA") financing 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 and a portion of the State sales and income tax revenues, in addition to traditional local TIF revenues, are made available to make payments on MODESA debt. 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 IDA issued MODESA bonds in the amount of $18,550,000 (the *"Ballpark Village Bonds Phase I"*) to fund Phase I of the Ballpark Village project on January 30, 2013. On October 31, 2017, the IDA issued MODESA bonds in the amount of

$107,400,000 (the *"Ballpark Village Bonds Phase II*" and together with the Ballpark Village Bonds Phase I, the "*Ballpark Village Bonds*") to fund Phase II of the Ballpark Village project. In addition to the real property PILOTs and a portion of City sales and other economic activity taxes, the Ballpark Village Bonds are expected to be repaid from a portion of certain State income and 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 as of September 30, 2020:

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

TIF#	Description	Original Issue	Outstanding Balance as of September 30, 2020
6	Chouteau-Compton	$2,436,000	$2,120,000
12	3800 Park	390,000	382,703
13	Gravois Plaza	4,049,000	1,660,000
17	4200 Laclede	925,400	515,400
19	Tech Electronics	900,000	900,000
20	1505 Missouri	659,540	654,540
21	Grand Center	27,132,940	10,948,940
22	Walter Knoll Florist	1,036,000	825,760
23	Louderman Building	2,444,400	1,637,103
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	2,782,200
27	1141-1151 S. 7th Street	1,131,600	0
28	Terra Cotta	3,520,000	3,505,000
30	Southtown Centre	7,383,998	2,796,923
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	1,862,000
35	Fashion Square Lofts	4,105,000	2,639,000
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	296,000
39	Security Building	3,345,000	3,043,000
40	Catlin Townhomes	432,000	124,000
41	Shenandoah Place	254,700	213,699
42	1133 Washington	1,133,500	813,000
43	Maryland Plaza South	4,133,176	3,048,000
44	410 N. Jefferson	1,735,000	1,664,000
45	Barton Street Lofts	390,500	2,000
46	Warehouse of Fixtures	6,348,500	5,279,000
48	Marquette Building	4,500,000	4,128,000
49	Gaslight Square East	1,770,000	610,000
50	1136 Washington	3,525,000	3,255,000

51	Washington East Condo	7,997,521	7,217,521
55	1300 Convention Plaza	941,525	899,000
56	Mississippi Place	863,100	610,000
57	Loughborough Commons	18,430,000	5,175,000
59	Adler Lofts	939,151	758,151
60	Dogtown Walk II	434,500	386,000
61	East Bank	1,456,825	1,456,825
62	2300 Locust	1,544,046	1,486,088
63	Pet Building	3,162,500	3,004,500
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	1,831,000
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	147,000
77	6175-81 Delmar	2,140,300	663,000
79	Syndicate Trust Building	8,329,200	7,858,766
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
85	600 Washington	21,039,479	18,271,000
87	4100 Forest Park II	6,116,000	5,675,000
88	Grand/Cozens/Evans	1,650,000	1,461,000
89	Ballpark Lofts	8,122,000	6,921,000
90	GEW Lofts	3,260,000	3,004,000
91	1818 Washington-Tudor	2,451,400	2,160,000
95	The Foundry	450,500	434,500
101	Leather Trade Building	2,885,500	2,885,500
102	City Hospital RPA 3	10,033,500	9,612,000
106	1910 Locust	1,430,000	1,278,000
112	1001 Locust	2,112,500	2,013,000
113	South Carondelet #1	2,550,924	2,461,924
114	South Carondelet #2	146,500	143,500
116	City Hospital RPA #2	7,278,500	7,100,000
118	South Carondelet #4	312,144	305,144
119	Magnolia Thurman	442,900	307,000
121	4900 Manchester	1,370,500	1,191,000

122	3693 Forest Park	1,364,500	1,300,000
123	374 South Grand	4,665,500	3,300,000
124	Midtown Lofts	744,390	441,000
125	REO Lofts	642,890	554,000
128	1225 Washington	6,425,000	6,300,000
129	Laurel/555 Washington	19,875,000	17,634,000
130	Chouteau Crossing	1,946,000	1,842,183
132	Ford Building	943,000	826,000
134	Taylor Carrie	4,078,800	4,029,000
137	Railway Exchange Building	9,318,920	9,180,000
139	1111 Olive	2,396,000	2,392,000
141	North Broadway/Carrie	3,545,500	2,391,000
142	1549-1601 S Jefferson RPA1	1,739,000	1,700,000
144	2727 Washington	489,500	415,500
145	Northeast Hampton/Berthold	2,903,000	2,169,000
146	Carondelet Coke	2,996,838	2,929,838
147	100 N Euclid (City Walk)	10,382,000	7,578,000
148	St. Louis Innovation RPA 1A	8,418,049	7,775,800
149	St. Louis Innovation RPA 1A (II)	22,000,000	21,186,473
150	St. Louis Innovation RPA 1B	22,762,345	25,000,000
153	Carrie Ave	1,021,000	836,000
154	706 Market	7,318,000	6,537,000
155	St. Louis Innovation RPA 5	7,000,000	11,144,108
156	St. Louis Innovation RPA 7	35,005,500	29,146,824
159	32 N Euclid	5,033,000	5,033,000
160	Northeast Hampton/I-44	5,342,000	5,157,000
161	N. Grand	4,907,500	4,833,500
172	Greenleaf NSG	2,839,200	1,006,200
	Totals:	$447,405,826	$392,211,625

Source: City Comptroller's Office.

Direct and Overlapping Debt

The direct and overlapping general obligation debt of the City as of September 30, 2020 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	$ 77,550,000	100%	$ 77,550,000
Transitional School District of the City of St. Louis	208,118,695	100%	208,118,695
Total	$285,668,695		$285,668,695

Source: City Comptroller's Office.

Debt Ratios

The following table sets forth the City's direct and overlapping general obligation debt ratios as of September 30, 2020 (these figures do not include lease agreements):

	Amount	Per Capita[1]	Ratio to Assessed Value
Total Direct Debt	$ 77,550,000	$ 258.00	1.57%
Total Direct and Overlapping Debt	285,668,695	950.40	5.80

[1] Based on U.S. Census Bureau, Population Estimates Program (300,576).
Source: City Comptroller's Office.

Legal Debt Margin

The following table sets forth the City's Legal Debt Margin as of September 30, 2020:

	City Purposes Basic Limit	Streets and Sewers Additional Limit
Assessed Value for Calendar Year 2019	$4,924,921,084	$4,924,921,084
Authorized Debt Limit 10% of Assessed Value	$492,492,108	$492,492,108
Less General Obligation Bonds	77,550,000	-
Legal Debt Margin	$414,942,108	$492,492,108

Source: City Comptroller's Office.

EMPLOYEES AND EMPLOYEE RELATIONS

The City, as of July 1, 2020, employed approximately 5,000 persons who are paid from the City's General Fund.

The Missouri Supreme Court, in *Independence-Nat. Educ. Ass'n v. Independence Sch. Dist.*, 223 S.W.3d 131 (Mo. banc 2007), determined that public employees, which would include the City's civilian employees as well as commissioned officers in the Police Department, do have the right to bargain collectively. Civilian employees have "meet, confer and discuss" rights under State statute, which means the right to meet and confer with their employers to discuss salaries, benefits and other similar issues. In collective bargaining, proposals are made and either accepted or rejected, and the employer remains free to reject any proposal. Any collective bargaining agreement negotiated is subject to approval through a compensation ordinance. 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 firefighters are covered by two of the plans. Benefits accrued until February 1, 2013 are administered by The Firemen's Retirement System of St. Louis (the *"Firemen's System"* or "*FRS*"), which is a closed plan. Firefighter benefits accruing February 1, 2013 and thereafter are administered by the Firefighters' Retirement Plan (the *"Firefighter's Plan"* or "*FRP*"). The City also contributes to the Police Retirement System of St. Louis (the "*Police System*" or *"PRS"*) which is a single-employer plan. The Employees' Retirement System of the City of St. Louis (the "*Employees' System*" or *"ERS"*) is a cost-sharing multiple-employer plan. Each system is administered by a separate board of trustees, whose members are appointed by City officials and plan participants. Each of the four retirement plans' fiscal year-end is September 30.

All dollar amounts in this section, unless otherwise indicated, are expressed in thousands of dollars.

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

1) System Description (FRS)

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

The following disclosures are based on the September 30, 2019 financial statements and the October 1, 2019 actuarial valuation. First effective with the valuation as of October 1, 2013, the October 1, 2019 valuation reflects the changes attributable to Ordinance No. 69245 and Ordinance No. 69353.

Key changes to the Firemen's System are 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 the Firemen's System are classified as "grandfathered" participants.
- Firefighters hired after February 1, 2013, are not members of the 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 from 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" members in the 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 Ordinance No. 63953, 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" participants 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% ordinary and 80% accidental to 60% ordinary and 40% accidental.

Plan liabilities for Firemen's System after Ordinance No. 63953 are predominantly for retired members and their beneficiaries. That is, the proportion of retired liabilities to total plan liabilities is projected to be over 80% within 10 years.

An agreement between the City and Firemen's System was reached regarding the recognition of City contributions under Ordinance No. 69353. The City made contributions to Firemen's System from February 1, 2013, to September 30, 2013. The contributions made for this period recognize the impact of Ordinance No. 69353, certain excess Firefighter's Plan City contributions were transferred from Firemen's System to Firefighter's Plan in the amount of $6,883 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 was credited towards the Firemen's System Entry Age Normal Agreement (*"Fireman's Retirement EAN Note"*) with the City in the amount of $3,396.

The Firemen's System, in accordance with Ordinance No. 62994, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (*"FDROP"*). The FDROP 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 FDROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the FDROP plan, the member will not receive credit for employer 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, is available to the member in a lump sum or in installments.

2) Funding Policy (FRS)

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

3) Net Pension Liability (FRS)

The City's net pension liability for FRS was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019.

		Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (asset) (NPL) (a)-(b)
Balances at September 30, 2018	$	459,237	477,153	(17,916)
Changes for the year:				
Interest		32,253	-	32,253
Refunds of member contributions		(2,027)	(2,027)	-
Benefit payments		(32,809)	(32,809)	-
Difference between expected and Actual experience		(1,287)	-	(1,287)
Assumption changes		19,942	-	19,942
Employer Contributions		-	-	-
Net investment income		-	8,307	(8,307)
Transfer due to Settlement Agreement		-	167	(167)
Administrative expenses		-	(1,027)	1,027
Net changes		16,072	(27,389)	43,461
Balances at September 30, 2019	$	475,309	449,764	25,545

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

Date of actuarial valuation	October 1, 2019
Actuarial cost method	Entry Age – Frozen Initial Liability (FIL)
Amortization method	30-year closed period from establishment
Asset valuation method	3-year smoothed market
Inflation	2.50%
Investment rate of return	6.75%, net of investment and administrative expenses
Projected salary increases	FRS benefits were frozen as of February 1, 2013 therefore no salary increases have been assumed for purposes of determining benefits
Mortality	Pub-2010 Public Safety mortality table, sex distinct

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

1) System Description (FRP)

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

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, the "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, 2013 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 FDROP 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 FDROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the

FDROP account with interest earned. If the participant dies prior to termination of employment, the FDROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the FDROP 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 FDROP account of the member, and the member's contributions will be reduced to 1% from the normal contribution percentage. 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: 1) interest and 2) accrued sick leave if elected is available to the member in a lump sum or in installments.

2) Funding Policy (FRP)

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

An agreement between the City and the Firemen's System was reached regarding the recognition of City contributions under Ordinance No. 69353. The City made contributions to the Firemen's System from February 1, 2013, to September 30, 2013. The contributions for this period recognize the impact of Ordinance No. 69353, certain excess Firemen's System City contributions were transferred from the Firemen's System to the Firefighter's Plan in the amount of $6,883 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 was credited towards the Firemen's System Entry Age Normal Agreement (*"Fireman's Retirement EAN Note"*) with the City in the amount of $3,396.

3) Net Pension Liability (FRP)

The City's net pension liability for FRP was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019.

		Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2018	$	121,093	76,985	44,108
Changes for the year:				
Service cost		8,401	-	8,401
Interest		9,337	-	9,337
Difference between expected and Actual experience		(4,682)	-	(4,682)
Change in assumptions		-	-	-
Refunds to participants' Contributions		(580)	(580)	-
Benefit payments		(851)	(851)	-
Contributions Employer		-	8,996	(8,996)
Contribution Employee		-	-	-
Contribution Member			1,120	(1,120)
Net investment income		-	3,295	(3,295)
Administrative expenses		-	(406)	406
Net changes		11,625	11,574	51
Balances at September 30, 2019	$	132,718	88,559	44,159

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

Date of actuarial valuation	October 1, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Closed 30-year level percent amortization if unfunded liability as of February 1, 2013
Asset valuation method	5-year smoothed market
Amortization Growth Rate	2.75%
Inflation	2.75%
Investment rate of return	7.25%, net of investment expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue collar employee table adjusted to 2006 with generational mortality improvement using MP-2017

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

1) System Description (PRS)

All persons who become police officers and all police officers who 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 (*"PDROP"*) feature during the Police System's fiscal year ended September 30, 1996. The PDROP 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 PDROP account, and will no longer make contributions to the Police System. During participation in the PDROP, 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 PDROP. A member may participate in the PDROP 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 PDROP account, plus interest are available to the member in a lump sum or in installments.

2) Funding Policy (PRS)

Police officers are required to contribute 7% of their compensation to the Police System per State statute. The City is required to contribute the remaining amounts necessary to fund the Police System, determined in accordance with State statute. 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 without interest. Members whose employment is terminated or who resign prior to retirement, are entitled to a lump-sum distribution of their contribution, plus interest thereon.

3) Net Pension Liability (PRS)

The City's net pension liability for PRS was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019

		Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(B)
Balances at September 30, 2018	$	1,010,912	796,160	214,752
Changes for the year:				
Service cost		15,679	-	15,679
Interest		71,309	-	71,309
Difference between expected and actual experience		22,855	-	22,855
Change in assumptions		59,418	-	59,418
Contributions Employer		-	35,971	(35,971)
Contribution Employee		-	-	-
Contribution Member			5,228	(5,228)
Net investment income		-	17,515	(17,515)
Benefit payments		(63,865)	(63,865)	-
Refunds to Members' contributions		(4,684)	(4,684)	-
Administrative expenses		-	(1,573)	1,573
Net changes		(100,712)	(11,408)	112,120
Balances at September 30, 2019	$	1,111,624	784,752	326,872

The following were some of the significant actuarial assumptions used in the valuation of the Police System.

Date of actuarial valuation	October 1, 2019
Actuarial cost method	Aggregate
Amortization method	N/A
Asset valuation method	5-year smoothed market
Inflation	2.50%
Investment rate of return	7.50%, net of investment and administrative expenses
Projected salary increases	Varies by age from 3.00% to 6.25%
Mortality (ordinary)	RP-2014 Blue collar projected generationally with MP-2015 with 1.15 adjustment
Mortality (accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (disabled)	RP-2014 Disabled retiree projected generationally with MP-2015 with 0.9 adjustment male and no adjustment female

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

1) System Description (ERS)

All non-uniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the Employees' 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 according 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 (*"EDROP"*), 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 EDROP account monthly. The EDROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The EDROP 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 EDROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the EDROP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy (ERS)

The Employees' System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. The Board of Trustees established the required employer contributions rate based on active member payroll of 12.26% effective July 1, 2019, and 12.36% of active member payroll effective July 1, 2018.

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) Net Pension Liability (ERS)

The City reported liability of $175,550 for its proportionate share of the net pension liability as of September 30, 2019. The net pension liability for ERS was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the Employees' System relative to the contributions of all Employees' System participating employers. At September 30, 2019, the City's collective proportion was 80.65%, which was a decrease of 1.39% from its proportion measured as of September 30, 2018.

The following were some of the significant actuarial assumptions used in the valuation of the Employees' System:

Date of actuarial valuation	October 1, 2019
Actuarial cost method	Entry age normal
Amortization method	Layered 20-year amortization of unfunded liability
Asset valuation method	5-year smoothed market
Inflation	2.50%
Investment rate of return	7.50%
Projected salary increases	3.00% plus merit component based on years of service
Mortality	RP-2000 healthy mortality with 3-year set forward with generational projections using scale AA.

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

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 self-funded and administered by PFPC. The Law Department prepares vouchers for such payments which are submitted to the Comptroller's Office and drawn on PFPC's account.

No current litigation is considered significant in that the potential liabilities are not material to the City's financial stability.

APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF ST. LOUIS, MISSOURI
FOR FISCAL YEAR ENDED JUNE 30, 2019

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 IN THIS APPENDIX B, 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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2019
Comprehensive Annual Financial Report City of St. Louis, Missouri

Fiscal Year Ended June 30

City of St. Louis, Missouri
Comptroller

Compliments of the Comptroller
Darlene Green

The City of
Saint Louis, Missouri

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019

Prepared by
Office of the Comptroller

Darlene Green
Comptroller

CITY OF ST. LOUIS, MISSOURI

Comprehensive Annual Financial Report

June 30, 2019

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CITY OF ST. LOUIS, MISSOURI

Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

June 30, 2019

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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

DARLENE GREEN
Comptroller

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

December 20, 2019

The Honorable Lyda Krewson, Mayor
The Honorable Members of the Board of Aldermen
and the Citizens of the City of St. Louis, Missouri:

The Comprehensive Annual Financial Report of the City of St. Louis, Missouri (City) for the fiscal year ended June 30, 2019 is hereby submitted.

This report has been prepared pursuant to, and to demonstrate compliance with, Article VIII, Section 10, of the City Charter. The Comprehensive Annual Financial Report (CAFR) is in conformance with the standards for financial reporting of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operation. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by KPMG LLP, an independent certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2019, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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

ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

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

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

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

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

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

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

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

BUDGET PROCESS

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

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

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

ECONOMIC OUTLOOK

The 61.4 – square mile City is the core of a fifteen county Metropolitan Statistical Area (MSA) covering both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.8 million residents. The Metropolitan area is the 21st largest metropolitan area in the United States in terms of population. The City represents 16% of all jobs in the MSA. Job growth in the City has been concentrated in the bio-science, healthcare and service sectors and the City anticipates strong, long-term employment growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business.

MAJOR INITIATIVES

On August 7, 2018, voters approved the issuance of $50 million in general obligation bonds for various capital improvements. On November 15, 2018, the City issued $46.41 million of authorized bonds, with the remaining $3.59 million being issued December 17, 2019 to address long deferred capital needs.

In order to restore the unreserved general fund balance in case of a recession, the FY19 budget funded an amount of 1.5% of payroll or $3.4 million specifically for that purpose and it is anticipated that this new mechanism for contributing to reserves will be part of the annual budget process going forward. In addition, the Parking Division transferred $10 million from its unreserved account to the fund balance reserve to improve the financial well-being of the City.

More than $5 billion has been invested in the last decade, bringing people, jobs, commerce, residential living, and urban vitality needed to strengthen the core of the St. Louis region. Continued focus on improving commercial districts throughout the City is making City living and neighborhoods more desirable. Continued focus on the manufacturing sector and, in essence, a public/private partnership with these operations to attract investment and growth, along with cultivating those areas where the region has strength, such as life science, information technology and financial services, is progressing.

LONG TERM FINANCIAL PLANNING

While the FY2020 budget includes only a modest growth in general revenue, these funds will continue to be supplemented with new revenues approved in the past two years which continue to support various initiatives in areas such as public safety, transportation, affordable housing, afterschool and summer jobs programs, recreation, social and mental health services and neighborhood stabilization efforts through derelict building demolition and lot maintenance. The refuse fee collection fee will continue to provide funding for the ongoing replacement cycle of the City's refuse vehicle fleet as well as efforts to address the problem of illegal dumping.

INTERNAL AUDIT

It is the special responsibility of the Comptroller, as set out in the Charter, to provide City officials and taxpayers with reasonable assurance that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded.

The Comptroller's internal audit staff audits various departments within the City testing for the methods employed by the department to safeguard the assets, ensuring the reliability of the accounting data, promoting efficient operations and ensuring compliance with established ordinances and the City Charter. Audits may also be performed on various corporations and not-for-profit organizations to ensure compliance with the various contractual agreements with the City. In addition to audits, the internal audit staff reviews the revenue collection procedures established by those departments and employees who receive or collect City revenue. As a result of these audits and reviews, the internal auditors develop recommendations of procedures that should be implemented to improve internal controls. These audits and reviews are performed on a continual basis.

CERTIFICATE OF ACHIEVEMENT

The City's CAFR for the fiscal year ended June 30, 2018 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the thirty-first year the City has received this prestigious award.

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

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

ACKNOWLEDGMENT

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

Respectfully submitted,

Darlene Green

Darlene Green
Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Louis

Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

The City of St. Louis, Missouri
Elected Officials
June 30, 2019

LYDA KREWSON
Mayor

DARLENE GREEN
Comptroller

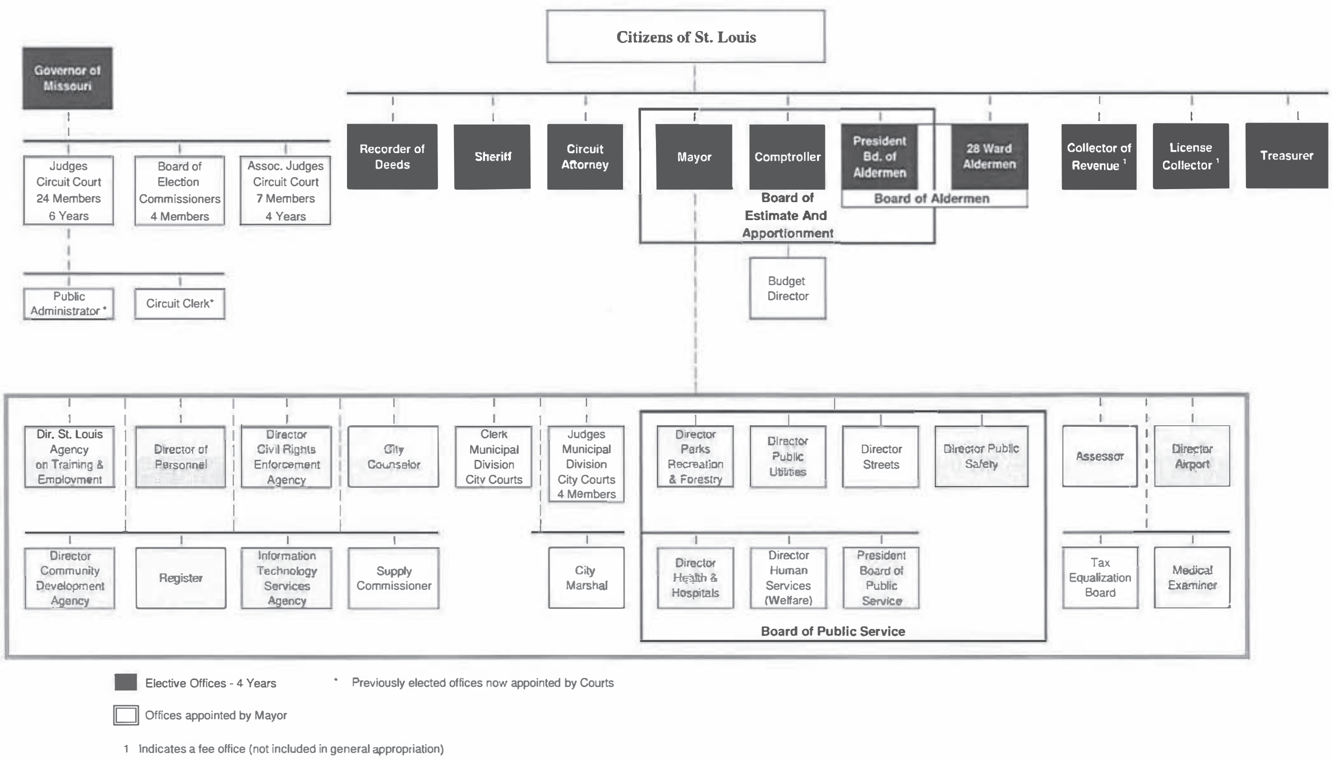
LEWIS REED
President,
Board of Aldermen

Board of Aldermen

(Aldermen listed to numerical order by ward)

Sharon Tyus
Lisa Middlebrook
Brandon Bosley
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Jack Coatar
Annie Rice
Dan Guenther
Joseph Vollmer
Sarah Martin
Larry Arnowitz
Beth Murphy
Carol Howard
Megan E. Green
Tom Oldenburg
Joseph D. Roddy
Jesse Todd
Marlene E. Davis
Cara Spencer
John Collins-Muhammad
Jeffrey L. Boyd
Joseph Vaccaro
Bret Narayan
Shane Cohn
Shameem Clark Hubbard
Pam Boyd
Heather Navarro

Government of the City of St. Louis, Missouri




THE COMMON SEAL OF
THE CITY OF ST. LOUIS.

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 32% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 100% of the assets and revenues of the aggregate discretely presented component unit. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Employees Retirement System of the City of St. Louis pension trust fund were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 22, the Budgetary Comparison Information on pages 152 through 159, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 160 through 168 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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, 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 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 20, 2019

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, 2019. The information presented here should be read in conjunction with our letter of transmittal and the City's basic financial statements including the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights (excluding discretely presented component unit)

- On a government-wide basis, the City's total assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources as of the current fiscal year end by $474.5 million.
- Governmental activities and business-type activities had a net position of ($888.7) million and $1,363.2 million, respectively.
- The cost of services for the City's governmental activities was $807.1 million in fiscal year 2019 (excluding interest and fiscal charges).
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of $348.4 million. Of this amount, $17.4 million is unassigned fund balance.
- In fiscal year 2019, the City issued $76.7 million in long-term debt to finance projects in governmental activities.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

(Continued)

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

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

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

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

Fund Financial Statements

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

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

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

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

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

   - *Enterprise Funds* are used to report information similar to business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for the operations of the St. Louis Lambert International Airport (Airport), Water Division, and the Parking Division.
   - *Internal Service Funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its mail handling services, for payment of workers' compensation and various other claims, health insurance, and equipment service.

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Financial Analysis of the City as a Whole

Net position: The City's combined net position for fiscal year 2019 was $474.5 million, up from $414.8 million from fiscal year 2018. Looking at the net position of governmental and business-type activities separately provides additional information.

CITY OF ST. LOUIS, MISSOURI

Schedule of Net Position Summary

June 30, 2019 and 2018

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
Assets	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Current and other assets	$ 572.2	457.4	530.7	424.6	1,102.9	882.0
Capital assets	787.3	817.2	1,753.3	1,766.1	2,540.6	2,583.3
Total asset	1,359.5	1,274.6	2,284.0	2,190.7	3,643.5	3,465.3
Deferred outflow of resources	75.9	98.5	19.0	20.3	94.9	118.8
Total assets and deferred outflow of resources	1,435.4	1,373.1	2,303.0	2,211.0	3,738.4	3,584.1
Liabilities						
Long-term liabilities	2,013.3	2,003.3	875.4	804.5	2,888.7	2,807.8
Other liabilities	188.2	179.4	55.8	59.4	244.0	238.8
Total liabilities	2,201.5	2,182.7	931.2	863.9	3,132.7	3,046.6
Deferred inflow of resources	122.6	113.1	8.6	9.6	131.2	122.7
Total liabilities and deferred inflow of resources	2,324.1	2,295.8	939.8	873.5	3,263.9	3,169.3
Net position						
Net investment in capital assets	480.5	501.1	1,072.3	1,124.3	1,552.8	1,625.4
Restricted	100.9	106.7	192.2	101.9	293.1	208.6
Unrestricted (deficit)	(1,470.1)	(1,530.5)	98.7	111.3	(1,371.4)	(1,419.2)
Total net position	$ (888.7)	(922.7)	1,363.2	1,337.5	474.5	414.8

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 $474.5 million at the close of the most recent fiscal year.

The largest portion of the City's net position consists of its net investment in capital assets (for example, infrastructure, land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital 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 2019 and fiscal year 2018, respectively, is $293.1 million and $208.6 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position increased by $47.8 for the year ended June 30, 2019. Unrestricted governmental activities net position showed a $1,470.1 million deficit at the end of fiscal year 2019 as compared with a $1,530.5 million deficit in fiscal year 2018. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims, amounts to pay for unused employee vacation and sick days or pay annual OPEB due. The City will continue to include these amounts in future year's budgets as they come due.

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

- Section 108 loan agreements, $11.8 million
- Joint venture financing agreement for the expansion of the convention center, $13.9 million
- Obligations with component unit for the convention center hotel, $10.3 million
- Obligations with component units for downtown development, $14.7 million
- Obligations with component unit for downtown sports center, $53.6 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of $375.6 million

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

CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Net Position

Fiscal years ended June 30, 2019 and 2018

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Revenues:						
Program revenues:						
Charges for services	$ 152.8	163.2	242.2	236.9	395.0	400.1
Operating grants and contributions	59.3	62.3	0.7	0.9	60.0	63.2
Capital grants and contributions	4.9	7.9	23.9	20.5	28.8	28.4
General revenues:						
Taxes	655.6	618.0	—	—	655.6	618.0
Investment income	5.2	0.5	10.2	2.1	15.4	2.6
Total revenues	877.8	851.9	277.0	260.4	1,154.8	1,112.3
Expenses:						
General government	65.2	58.4	—	—	65.2	58.4
Convention and tourism	4.6	5.2	—	—	4.6	5.2
Parks and recreation	31.5	30.3	—	—	31.5	30.3
Judicial	48.7	48.9	—	—	48.7	48.9
Streets	78.4	74.3	—	—	78.4	74.3
Public safety:						
Fire	78.1	80.5	—	—	78.1	80.5
Police	234.2	243.2	—	—	234.2	243.2
Other	64.5	60.0	—	—	64.5	60.0
Health and w elfare	54.7	55.8	—	—	54.7	55.8
Public service	80.6	80.8	—	—	80.6	80.8
Community development	66.6	59.5	—	—	66.6	59.5
Interest and fiscal charges	59.0	59.3	—	—	59.0	59.3
Airport	—	—	165.0	164.6	165.0	164.6
Water Division	—	—	49.0	50.4	49.0	50.4
Parking Division	—	—	15.0	15.0	15.0	15.0
Total expenses	866.1	856.2	229.0	230.0	1,095.1	1,086.2
Excess (deficiency) before transfers	11.7	(4.3)	48.0	30.4	59.7	26.1
Transfers	22.3	10.4	(22.3)	(10.4)	—	—
Change in net position	34.0	6.1	25.7	20.0	59.7	26.1

CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Net Position

Fiscal years ended June 30, 2019 and 2018

(Dollars in millions)

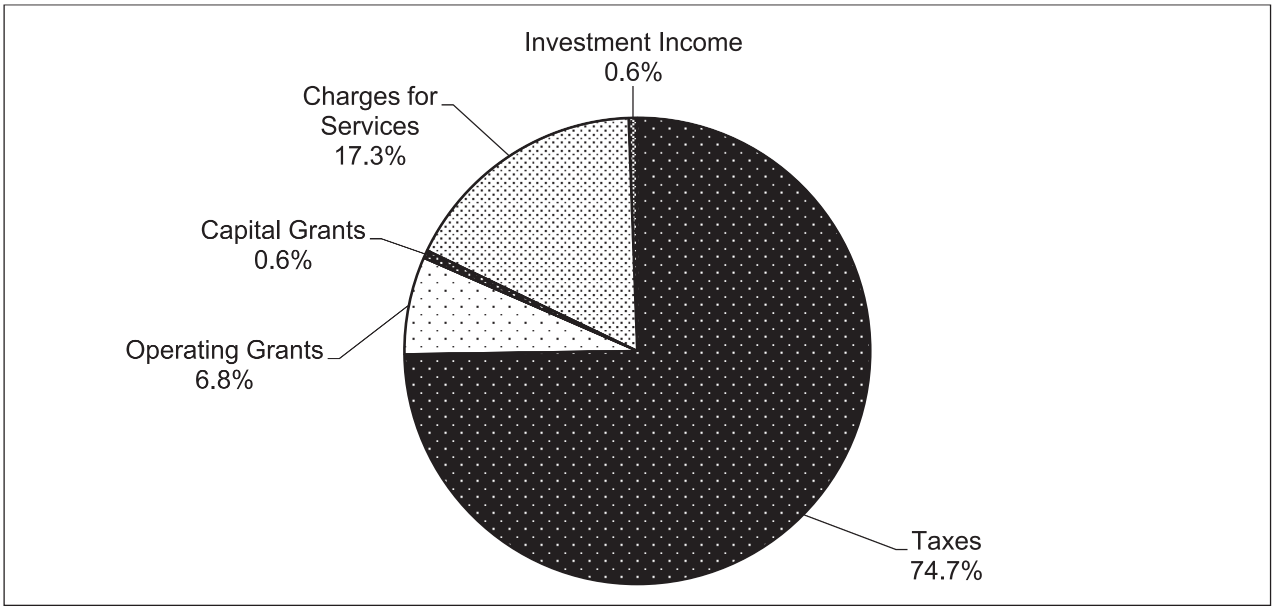
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Net position – beginning of year	$ (922.7)	(671.0)	1,337.5	1,317.5	414.8	646.5
Cumulative effect of change in accounting principle	—	(257.8)	—	—	—	(257.8)
Net position – end of year	$ (888.7)	(922.7)	1,363.2	1,337.5	474.5	414.8

Changes in net position. The City's total revenue on a government-wide basis was $1,154.8 million, an increase of $42.5 million over the previous year. Taxes represent 56.8% of the City's revenue as compared with 55.6% last year. Additionally, 34.2% comes from fees charged for services, as compared to 36.0% of the previous year's revenue. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

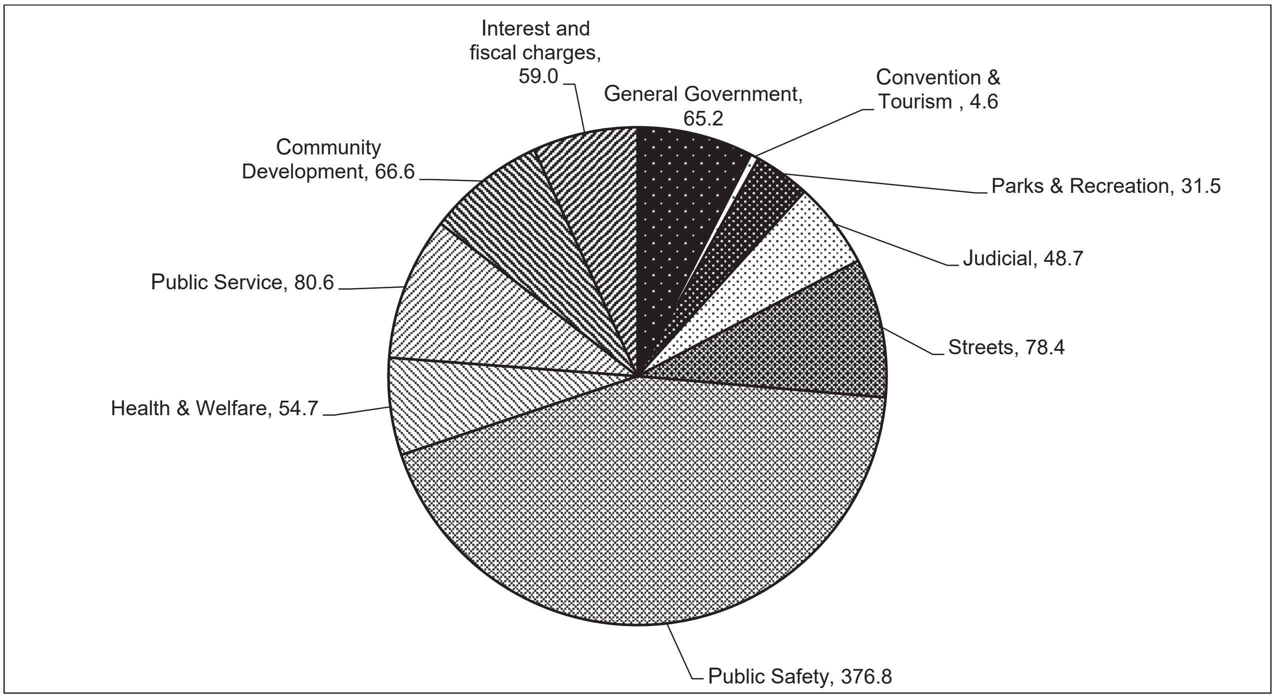
The total cost of all programs and services was $1,095.1 million, an increase from $1,086.2 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

Governmental activities. As a result of this year's operations, the net position of governmental activities increased by $34.0 million or 3.8%. The increase was mainly driven by collections on new sales taxes and an increase payroll related tax due to collection efforts and a robust economy. Revenues increased by $25.9 million or 3.0%.

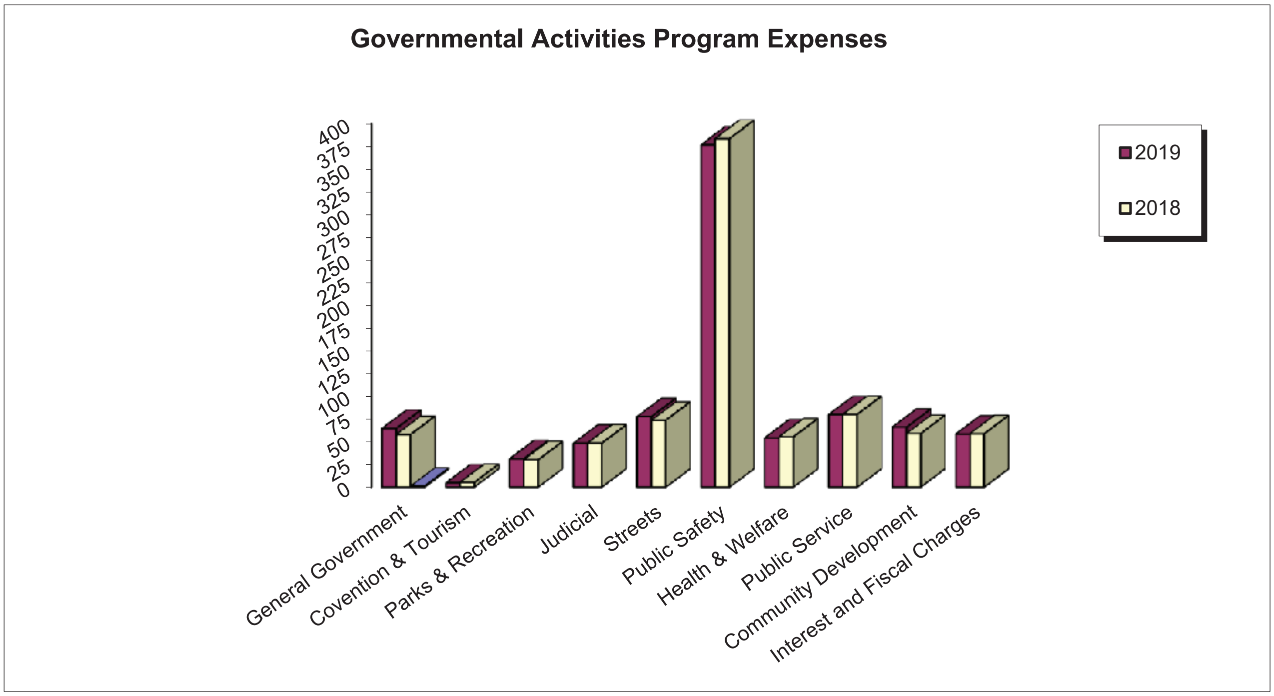
The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2019.



The following chart illustrates the City's governmental activities expenses by program ($in millions). Total cost of governmental activities was $866.1 million, an increase of $9.9 million or 1.2% over the prior year. As shown, public safety is the largest function in expense (43.5%). The majority of the spending was the result of funding Police of $234.2 million and Fire of $78.1 million, which includes any costs associated with their retirement plans.

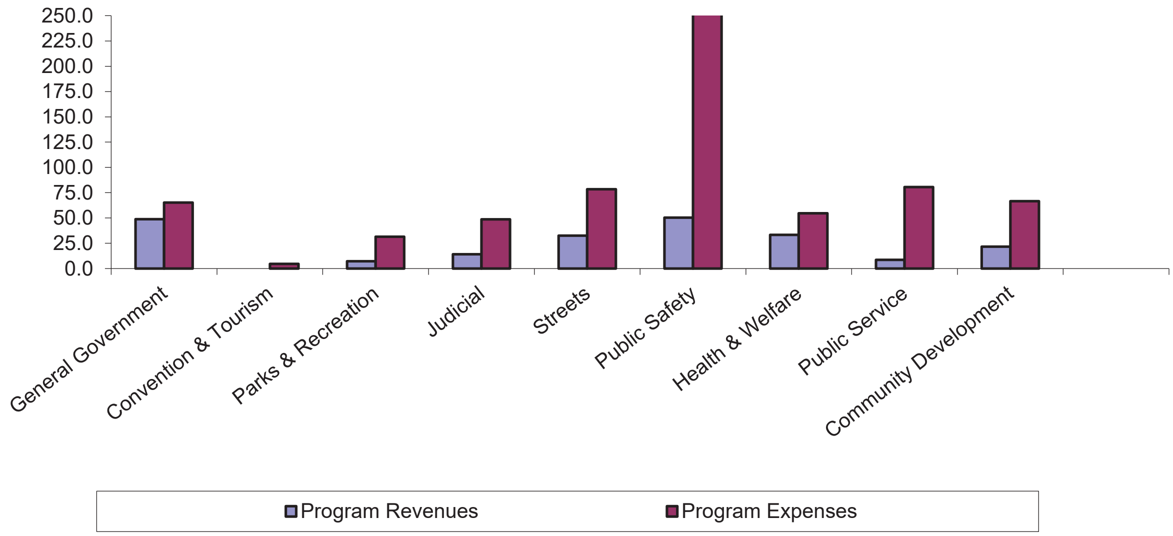


The following chart is a comparison of expense of governmental activities for fiscal years ended 2019 and 2018.



The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2019.

Governmental Program Revenues and Expenses



CITY OF ST. LOUIS, MISSOURI

Governmental Activities

(Dollars in millions)

		Total cost of services		Net costs of services	
		2019	2018	2019	2018
General government	$	65.2	58.4	(16.4)	(15.4)
Convention and tourism		4.6	5.2	(4.6)	(5.2)
Parks and recreation		31.5	30.3	(24.2)	(25.0)
Judicial		48.7	48.9	(34.6)	(37.6)
Streets		78.4	74.3	(45.8)	(42.6)
Public safety:					
Fire		78.1	80.5	(61.1)	(66.6)
Police		234.2	243.2	(226.1)	(235.5)
Other		64.5	60.0	(39.2)	(29.9)
Health and welfare		54.7	55.8	(21.2)	(19.3)
Public service		80.6	80.8	(71.9)	(68.4)
Community development		66.6	59.5	(44.9)	(18.1)
Totals	$	807.1	796.9	(590.0)	(563.6)

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was $807.1 million compared with $796.9 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 $655.6 million. The primary remaining difference of $151.5 million comprises charges for services ($152.8 million), operating grants and contributions ($59.3 million), and capital grants and contributions ($4.9 million).

Business-Type activities. Business-type activities reflect an increase in net position of $25.7 million or 2.0%.

St. Louis Lambert International Airport. The net position of the Airport increased by $31.7 million or 2.8%. The operating loss was ($3.6) million this year versus net operating loss of ($7.7) million in 2018. Total operating revenues for 2019 was $140.4 million. Of this amount, major sources of operating revenue included aviation revenues (56.9%), concessions (22.2%), parking, net (16.9%), and lease revenue (4.0%). A significant nonoperating revenue is passenger facility charges which accounts for $29.5 million.

At June 30, 2019, the capital assets balance was $1,523.9 million. This amount includes buildings and structures of $242.4 million, pavings with $475 million, and equipment with $25.9 million, all net of accumulated depreciation. Land is $750.9 million, construction in progress is $26.2 million, and easements is $3.5 million.

At June 30, 2019, the Airport had bonded debt of $691.6 million.

Water Division The net position of the Water Division increased by $1.9 million or 1.0%. Operating income was $3.9 million in fiscal year 2019 and $4.4 million in fiscal year 2018. Total operating revenues for 2019 was $52.6 million. Of this amount, major sources of operating revenue included metered revenue (41.2%) and flat rate revenue (47.5%).

At June 30, 2019, the capital assets balance was $160.6 million. This amount includes buildings and structures (net of accumulated depreciation) with $13.4 million, reservoirs and water mains, lines and accessories with $98.6 million, equipment with $34.8 million, land with $1.2 million, and construction-in-progress with $12.6 million.

At June 30, 2019, the Water Division had bonded debt of $7.6 million.

Parking Division. The net position of the Parking Division decreased by $7.9 million or 20.0%. Operating income was $6.3 million in fiscal year 2019 and $5.5 million in fiscal year 2018. Total operating revenues for 2019 was $18.8 million. Of this amount, major sources of operating revenue included parking meter revenue (16.9%), parking violations notices revenue (22.3%), and parking facilities revenue (55.5%).

At June 30, 2019, the capital assets balance was $68.7 million. This amount includes buildings and parking garages (net of accumulated depreciation) with $41.4 million, parking meters and lot equipment with $3.4 million, equipment with $1.0 million, and land with $22.9 million.

At June 30, 2019, the Parking Division had bonded debt of $57.7 million.

(Continued)

CITY OF ST. LOUIS, MISSOURI
Balance Sheet Summary
Governmental Funds
June 30, 2019
(Dollars in millions)

		2019	2018	2019 vs. 2018 $Change	2019 vs. 2018 % Change
Total assets	$	538.5	429.2	109.3	25.5 %
Total liabilities	$	80.1	87.1	(7.0)	(8.0)
Deferred inflow of resources		110.0	104.9	5.1	4.9
Fund balance:					
Restricted and Nonspendable		191.3	154.8	36.5	23.6
Committed		128.5	77.8	50.7	65.2
Assigned		11.2	8.1	3.1	38.3
Unassigned		17.4	(3.5)	20.9	597.1
Total fund balance		348.4	237.2	111.2	46.9
Total liabilities, deferred inflow of resources, and fund balance	$	538.5	429.2	109.3	25.5 %

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 $35.3 million.

The total fund balance in the City's general fund increased by $46.7 million or 123.1% in the current fiscal year. The City's general fund increased by $19.7 million or 107.2% in the prior fiscal year.

The total fund balance in the redevelopment projects fund decreased by $2.9 million or 7.1% in the current fiscal year. The decrease is in regard to an escrow trust agreement with the Parking Division to allow for an irrevocable pledge of monies to cover the remaining Argle TIF debt and allowing for the release of the excess funds accumulated in the special allocation fund.

The total fund balance in the City's capital projects fund increased by $26.5 million or 36.7% in the current fiscal year. The City's capital projects fund decreased by $3.7 million or 4.9% in the prior fiscal year. The current year increase is primarily due to the issuance of general obligation bonds in the amount of $46.4 million to be used for capital improvements offset by the use of past proceeds.

The grants fund received $59.3 million in intergovernmental revenues that funded community development in the amount of $14.5 million, or 24.4%, and health and welfare in the amount of $32.5 million, or 54.6% in the current fiscal year. The grants fund received $62.3 million in intergovernmental revenues that funded community development in the amount of $16.0 million, or 25.7%, and health and welfare in the amount of $34.7 million, or 55.8% in the prior fiscal year.

The total fund balance in the City's other governmental funds increased by $40.9 million or 37.55% in the current fiscal year. The increase is primarily due to the first full year of collection of the Public Safety Sales Tax II approved by voters the previous fiscal year as well as the accumulation of funding associated with transportation in Economic Development sales tax. The City's other governmental funds increased by $29.7 million or 53.5% 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 $53.6 million, the Water Division was $30.9 million, and the Parking Division was $14.2 million, as compared with $59.5 million, $29.2 million, and $22.6 million, respectively in 2018. The total increase in net position for the enterprise funds was $25.7 million in the current year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Firefighters' Retirement Plan, the Police Retirement System, and the Employees Retirement System. As of the end of the funds' fiscal year ended September 30, 2018, the net position of the pension funds totaled $2.2 billion, an increase of $0.04 billion from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled $48.6 million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, circuit clerk, police agency, treasurer's office college fund and other miscellaneous agency activities.

General Fund Budgetary Highlights

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

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

The general fund revenue estimate including transfers in totaled $517.5 million. Actual results for the fiscal year's revenues and transfers in were $529.6 million, which was higher than the original estimates by $12.1 million or 2.3% of the estimate. The Parking Division transferred $10 million from its unreserved fund balance to the fund balance reserve of the general fund.

The general fund expense budget was $516.5 million including transfers out. This also includes prior year encumbrances and commitments of $3.4 million set aside and re-appropriated. Actual expenditures and transfers out totaled $498.9 million. This includes expenditures of $1.9 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2019 budget total $5.2 million. The general fund ended the fiscal year with a budget-basis-operating surplus of $26.3 million which includes a transfer of $1.0 million for the 27th pay period reserve and $3.4 million for the fund balance reserve.

Capital Assets and Debt Administration

Capital Assets

The City had invested $2.5 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems.

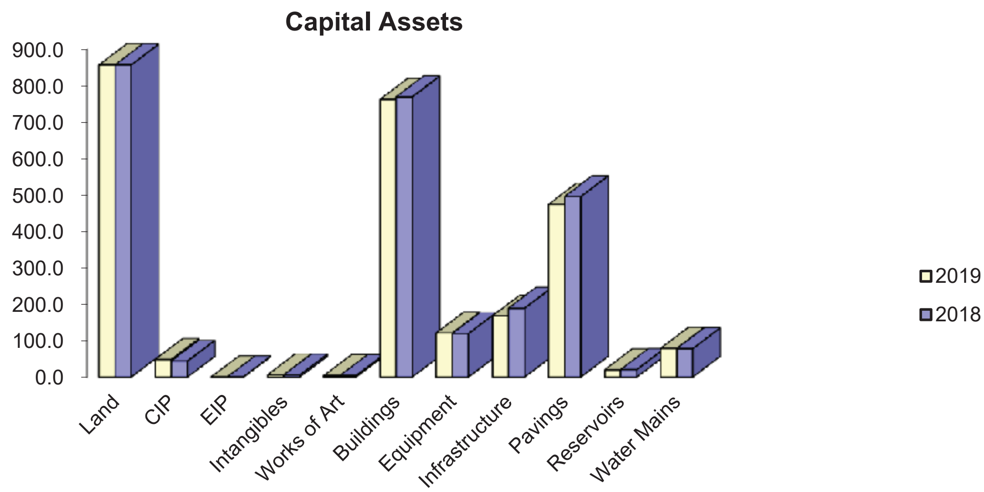
CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Capital Assets

Net of Accumulated Depreciation

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 81.7	81.7	775.1	775.1	856.8	856.8
Construction in progress	9.3	10.6	38.9	33.1	48.2	43.7
Equipment in progress	0.5	0.5	—	—	0.5	0.5
Intangibles, nondepreciable	2.4	1.9	3.5	3.5	5.9	5.4
Works of art	3.6	3.6	—	—	3.6	3.6
Buildings and improvements	465.4	471.6	297.1	297.8	762.5	769.4
Equipment	55.9	57.5	65.1	61.9	121.0	119.4
Infrastructure	167.9	189.2	—	—	167.9	189.2
Intangibles, depreciable	0.6	0.5	—	—	0.6	0.5
Pavings	—	—	475.0	496.3	475.0	496.3
Reservoirs	—	—	19.7	20.4	19.7	20.4
Water mains, lines, accessories	—	—	78.9	77.9	78.9	77.9
Total	$ 787.3	817.1	1,753.3	1,766.0	2,540.6	2,583.1



For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

For additional information on capital assets, refer to note 7 in the notes to the basic financial statements.

Long-Term Debt

At the end of fiscal year 2019, the City had outstanding long-term debt obligations for governmental activities in the amount of $998.8 million compared with $976.7 million in fiscal year 2018. Of this amount, $74.6 million are general obligation bonds and $375.6 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled $382.9 million.

CITY OF ST. LOUIS, MISSOURI

Outstanding Long-Term Debt Obligations – Governmental Activities

(Dollars in millions)

		Fiscal year 2019	Fiscal year 2018	$Change	% Change
Public Offerings:					
General obligation bonds payable	$	74.6	33.1	41.5	125.4 %
Development and tax increment financing bonds and notes payable		7.2	8.2	(1.0)	(12.2)
Certificates of participation		2.4	3.1	(0.7)	(22.6)
Obligations with component unit		78.6	84.2	(5.6)	(6.7)
Leasehold revenue improvement and refunding bonds		363.8	378.4	(14.6)	(3.9)
Joint venture financing agreement		13.9	19.1	(5.2)	(27.2)
Unamortized premium/discounts		26.9	24.3	2.6	10.7
Direct borrowings and direct placements:					
Section 108 Loan Guarantee Assistance Programs		11.7	17.1	(5.4)	(31.6)
Development and tax increment financing bonds and notes payable		368.4	356.0	12.4	3.5
Energy Loan Program		0.8	0.9	(0.1)	(11.1)
Capital lease – rolling stock		11.2	8.9	2.3	25.8
Loan agreement with FPF		20.2	21.7	(1.5)	(6.9)
Leasehold revenue improvement and refunding bonds		19.1	21.7	(2.6)	(12.0)
Total	$	998.8	976.7	22.1	2.26 %

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 2018 was $458.2 million. The City's effective legal debt margin as of June 30, 2019 was $393.4 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

The City's underlying general obligation credit ratings changed for fiscal year 2019. The City ratings on uninsured general obligation bonds as of June 30, 2019 were:

Moody's Investor's Service, Inc.	Baa1
Standard and Poor's Corporation	A+
Fitch IBCA, Inc. Ratings	A-

CITY OF ST. LOUIS, MISSOURI

Revenue Bonds Outstanding

Long-Term Debt Obligations – Business-Type Activities

(Dollars in millions)

		Fiscal year 2019	Fiscal year 2018	$Change	% Change
Airport	$	691.6	630.3	61.3	9.73 %
Water Division		7.6	8.1	(0.5)	(6.17)
Parking Division		57.7	61.1	(3.4)	(5.56)
Total	$	756.9	699.5	57.4	8.21 %

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2019 and 2018 were $756.9 million and $699.5 million, respectively. The amount reflects an increase of $57.4 million, or 8.21%. This amount includes Airport bonds of $691.6 million, Water Division bonds of $7.6 million, and Parking Division bonds of $57.7 million. For additional information on revenue bonds of the business-type activities, refer to notes 13 and 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2020 annual operating budget allocates $1,149 million among all budgeted funds, a 3.0% increase over the previous year's budget, including supplemental appropriations.
- The fiscal year 2020 general fund revenue budget is $519.2 million compared with $517.5 million in fiscal year 2019. This amount reflects an increase of $1.7 million, or 0.3%.
- Total employee positions for fiscal year 2020 are 6,668 which is up 60 positions from fiscal year 2019.

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, 2019

(Dollars in thousands)

	Primary government			Component unit
Assets	**Governmental activities**	**Business-type activities**	**Total**	**SLDC**
Cash and cash equivalents	$ 189,229	47,172	236,401	16,330
Investments	29,298	108,490	137,788	1,316
Receivables, net	201,661	25,043	226,704	28,426
Inventories	1,320	5,368	6,688	—
Restricted assets	117,946	348,260	466,206	—
Internal balances	10,648	(10,648)	—	—
Other assets	5,916	5,194	11,110	470
Receivable from primary government	—	—	—	254
Property held for development, net	—	—	—	16,646
Net pension asset	16,123	1,792	17,915	—
Capital assets, net:				
Nondepreciable	97,512	817,503	915,015	7,376
Depreciable	689,779	935,855	1,625,634	21,675
Total assets	1,359,432	2,284,029	3,643,461	92,493
Deferred outflow of resources	75,932	19,055	94,987	—
Total assets and deferred outflow of resources	1,435,364	2,303,084	3,738,448	92,493
Liabilities				
Accounts payable and accrued liabilities	19,672	26,258	45,930	3,175
Accrued salaries and other benefits	13,188	9,925	23,113	—
Accrued interest payable	150,180	14,587	164,767	—
Unearned revenue	3,196	4,995	8,191	—
Other liabilities	1,673	—	1,673	—
Payable to component unit	254	—	254	—
Payable to other government agencies	4	39	43	—
Long-term liabilities:				
Due within one year	119,330	133,736	253,066	23,344
Due in more than one year	1,893,979	741,687	2,635,666	38,584
Total liabilities	2,201,476	931,227	3,132,703	65,103
Deferred inflow of resources	122,633	8,619	131,252	—
Total liabilities and deferred inflow of resources	2,324,109	939,846	3,263,955	65,103
Net Position				
Net investment in capital assets	480,529	1,072,297	1,552,826	17,761
Restricted:				
Debt service	31,619	168,997	200,616	—
Capital projects	570	—	570	—
Passenger facility charges	—	23,180	23,180	—
Statutory restrictions	68,651	—	68,651	—
Unrestricted (deficit)	(1,470,114)	98,764	(1,371,350)	9,629
Total net position	$ (888,745)	1,363,238	474,493	27,390

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Activities

Year ended June 30, 2019

(Dollars in thousands)

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Primary government: Governmental activities	Primary government: Business-type activities	Primary government: Total	Component unit SLDC
Primary government:								
Governmental activities:								
General government	$ 65,208	47,626	1,212	—	(16,370)	—	(16,370)	—
Convention and tourism	4,580	—	—	—	(4,580)	—	(4,580)	—
Parks and recreation	31,549	6,858	464	—	(24,227)	—	(24,227)	—
Judicial	48,730	11,954	2,163	—	(34,613)	—	(34,613)	—
Streets	78,396	32,000	—	630	(45,766)	—	(45,766)	—
Public safety:								
Fire	78,063	16,116	821	—	(61,126)	—	(61,126)	—
Police	234,242	2,736	5,380	—	(226,126)	—	(226,126)	—
Other	64,540	24,190	1,159	—	(39,191)	—	(39,191)	—
Health and welfare	54,682	925	32,523	—	(21,234)	—	(21,234)	—
Public service	80,549	4,173	174	4,287	(71,915)	—	(71,915)	—
Community development	66,555	6,260	15,392	—	(44,903)	—	(44,903)	—
Interest and fiscal charges	59,025	—	—	—	(59,025)	—	(59,025)	—
Total governmental activities	866,119	152,838	59,288	4,917	(649,076)	—	(649,076)	—
Business-type activities:								
Airport	164,972	170,033	697	23,964	—	29,722	29,722	—
Water division	49,008	53,269	—	—	—	4,261	4,261	—
Parking division	15,046	18,857	—	—	—	3,811	3,811	—
Total business-type activities	229,026	242,159	697	23,964	—	37,794	37,794	—
Total primary government	$ 1,095,145	394,997	59,985	28,881	(649,076)	37,794	(611,282)	—
Component unit:								
SLDC	$ 25,590	17,058	9,338	—	—	—	—	805
General revenues:								
Taxes:								
Property taxes, levied for general purpose					$ 90,355	—	90,355	—
Property taxes, levied for debt service					7,712	—	7,712	—
Sales taxes					231,436	—	231,436	—
Earnings/payroll taxes					230,627	—	230,627	—
Gross receipts taxes (includes franchise tax)					91,307	—	91,307	—
Miscellaneous taxes					4,165	—	4,165	—
Unrestricted investment earnings					5,155	10,197	15,352	962
Transfers					22,267	(22,267)	—	—
Total general revenues and transfers					683,024	(12,070)	670,954	962
Change in net position					33,948	25,724	59,672	1,767
Net position – beginning of year					(922,693)	1,337,514	414,821	25,623
Net position – end of year					$ (888,745)	1,363,238	474,493	27,390

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Balance Sheet

Governmental Funds

June 30, 2019

(Dollars in thousands)

		Major funds				Nonmajor funds	
Assets		**General fund**	**Redevelopment projects fund**	**Capital projects fund**	**Grants fund**	**Other governmental funds**	**Total governmental funds**
Cash and cash equivalents:							
Restricted	$	5,205	2,730	48,073	898	4,020	60,926
Unrestricted		59,543	19,830	18,193	—	75,408	172,974
Investments:							
Restricted		11,960	4,629	28,404	—	12,027	57,020
Unrestricted		8,488	2,949	5,056	232	10,913	27,638
Receivables, net of allowances:							
Taxes		106,737	26,358	4,192	—	37,916	175,203
Licenses and permits		2,684	—	—	—	246	2,930
Intergovernmental		3,844	543	40	8,063	1,448	13,938
Charges for services		5,718	—	—	—	1,713	7,431
Other		380	—	—	—	637	1,017
Inventories		1,320	—	—	—	—	1,320
Prepaid asset		4,465	—	—	—	12	4,477
Due from other funds		6,605	6,996	—	—	37	13,638
Total assets	$	216,949	64,035	103,958	9,193	144,377	538,512
Liabilities, Deferred Inflow of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	$	5,226	57	4,487	6,067	2,947	18,784
Accrued salaries and other benefits		12,160	10	32	369	580	13,151
Due to component unit		—	—	—	—	223	223
Due to other funds		5,273	—	553	1,867	1,771	9,464
Due to other governmental agencies		4	—	—	—	—	4
Advance to other funds		33,614	—	—	—	—	33,614
Unearned revenue		393	—	—	—	2,803	3,196
Other liabilities		1,704	—	—	—	—	1,704
Total liabilities		58,374	67	5,072	8,303	8,324	80,140
Deferred inflow of resources		73,850	26,225	—	—	9,898	109,973
Total liabilities and deferred inflow of resources		132,224	26,292	5,072	8,303	18,222	190,113
Fund balances (deficit):							
Nonspendable		5,785	—	—	—	11	5,796
Restricted		15,586	34,003	75,395	890	59,590	185,464
Committed		28,027	—	41,431	—	59,044	128,502
Assigned		—	3,740	—	—	7,510	11,250
Unassigned		35,327	—	(17,940)	—	—	17,387
Total fund balances		84,725	37,743	98,886	890	126,155	348,399
Total liabilities, deferred inflow of resources, and fund balances	$	216,949	64,035	103,958	9,193	144,377	538,512

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, 2019

(Dollars in thousands)

Total fund balances – governmental funds – balance sheet	$	348,399
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.		787,261
The City reports a net pension asset on the statement of net position relating to the Firemen's Retirement System. This asset is not reported in the fund financial statements.		16,123
Various taxes related to fiscal year 2019 will be collected beyond the 60-day period and are not recognized as revenue in the fund financial statements, but are recorded as deferred inflow of resources. Revenue for this amount is recognized in the government-wide financial statements.		8,347
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, 2019 and payable on December 31, 2019 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		101,626
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.		12,250
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, 2019 are:		
Accrued vacation and sick leave		(50,622)
Total OPEB liability		(550,161)
Net pension liability		(366,267)
Accrued interest payable		(150,180)
Joint venture financing agreement		(13,910)
Certificates of participation		(2,365)
Obligations with component unit		(78,577)
Energy loan program		(778)
Capital leases-rolling stock		(11,198)
Leasehold revenue improvement and refunding revenue bonds-public offerings		(363,845)
Leasehold revenue improvement and refunding revenue bonds-direct borrowings		(19,149)
Development and TIF bonds and notes payable-public offerings		(7,175)
Development and TIF bonds and notes payable-direct placements		(368,393)
General obligation bonds payable		(74,565)
Section 108 Loan Guarantee Assistance Programs		(11,750)
Loan agreement with FPF		(20,215)
Deferred outflow of resources		75,932
Deferred inflow of resources		(122,633)
Unamortized discounts		2,137
Unamortized premiums		(29,037)
Total net position – governmental activities – statement of net position	$	(888,745)

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, 2019

(Dollars in thousands)

	Major funds				Nonmajor funds	
	General fund	**Redevelopment projects fund**	**Capital projects fund**	**Grants fund**	**Other governmental funds**	**Total governmental funds**
Revenues:						
Taxes	$ 394,964	40,212	24,270	—	190,718	650,164
Licenses and permits	20,713	2	—	—	6,548	27,263
Intergovernmental	27,283	4,303	4,917	59,288	5,095	100,886
Charges for services, net	40,047	—	22	—	16,343	56,412
Court fines and forfeitures	3,169	—	—	—	37	3,206
Investment income	2,873	219	1,559	1	503	5,155
Interfund services provided	4,101	—	—	—	—	4,101
Miscellaneous	4,428	2,719	1,135	20	14,573	22,875
Total revenues	497,578	47,455	31,903	59,309	233,817	870,062
Expenditures:						
Current:						
General government	40,856	1,367	336	1,220	19,550	63,329
Convention and tourism	123	—	—	—	—	123
Parks and recreation	17,398	—	2,915	471	4,769	25,553
Judicial	43,022	—	—	2,122	3,650	48,794
Streets	37,915	—	4,305	—	900	43,120
Public safety:						
Fire	71,006	—	—	353	5,300	76,659
Police	163,719	—	—	5,501	33,139	202,359
Other	49,207	—	—	1,127	13,502	63,836
Health and welfare	3,510	—	—	32,486	18,394	54,390
Public services	31,720	—	4,144	148	43,867	79,879
Community development	—	33,617	18,443	14,495	—	66,555
Capital outlay	—	—	27,877	23	51	27,951
Debt service:						
Principal	15,767	15,907	13,223	1,430	11,041	57,368
Interest and fiscal charges	19,961	17,916	6,623	83	8,562	53,145
Total expenditures	494,204	68,807	77,866	59,459	162,725	863,061
Excess (deficiency) of revenues over expenditures	3,374	(21,352)	(45,963)	(150)	71,092	7,001
Other financing sources (uses):						
Sale of capital asset	—	—	144	—	—	144
Issuance of capital lease – rolling stock	—	—	7,000	—	—	7,000
Issuance of development and tax increment financing notes	—	23,303	—	—	—	23,303
Issuance of general obligation bonds	—	—	46,410	—	—	46,410
Premium on bond issuances	—	—	5,023	—	—	5,023
Transfers in	52,323	—	16,833	—	4,650	73,806
Transfers out	(8,948)	(4,830)	(2,902)	—	(34,859)	(51,539)
Total other financing (uses) sources, net	43,375	18,473	72,508	—	(30,209)	104,147
Net change in fund balances	46,749	(2,879)	26,545	(150)	40,883	111,148
Fund balances:						
Fund balance, beginning of year	37,976	40,622	72,341	1,040	85,272	237,251
Fund balance, end of year	$ 84,725	37,743	98,886	890	126,155	348,399

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, 2019

(Dollars in thousands)

Net change in fund balances – governmental funds – statement of revenues, expenditures, and changes in fund balances	$	111,148
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		27,951
Capital contribution		2,721
Loss on disposal of capital assets		(200)
Depreciation expense		(60,325)
		(29,853)
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		(75)
Property taxes due in the fiscal year following the fiscal year in which they were assessed		5,159
		5,084
Internal service funds are used by management to charge the cost of risk management, mailroom services and health and equipment services to the individual funds. The change in net position of internal service funds attributable to governmental activities is reported on the statement of activities.		3,564
The City reports a net pension liability and deferred outflows and inflows relating to pensions on the statement of net position relating to its defined benefit pension plans. These accounts are not reported in the fund financial statements. Fluctuations in net pension liabilities and deferred outflows and inflows relating to pensions are reported in the statement of activities.		(268)
The City reports a total other postemployment (OPEB) liability and deferred outflows and inflow of resources on the statement of net position relating to its OPEB plan. These accounts are not reported in the fund financial statements. The fluctuation in the OPEB liability and deferred inflow of resources are reported in the statement of activities.		(25,821)
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:		
General obligation		(46,410)
Development and Tax increment financing bonds and notes payable		(23,303)
Capital Lease-rolling stock		(7,000)
Repayments during the current year:		
Annual principal payments on bonds and notes payable		46,726
Annual principal payments on joint venture financing agreement		5,183
Annual principal payments on capital lease		4,719
Annual principal payments certificates of participation		740
		(19,345)
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		342
Accrued interest payable		(7,631)
Unamortized discounts		(185)
Unamortized premiums		(2,429)
Deferred outflow of resources-bond refundings		(658)
		(10,561)
Change in net position – governmental activities – statement of activities	$	33,948

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Fund Net Position

Proprietary Funds

June 30, 2019

(Dollars in thousands)

	Major funds – Enterprise funds				
Assets	**St. Louis Lambert International Airport**	**Water Division**	**Parking Division**	**Total Enterprise Funds**	**Internal Service Funds**
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	$ 228,138	476	4,055	232,669	—
Unrestricted cash and cash equivalents	18,556	23,742	4,874	47,172	16,255
Investments:					
Unrestricted investments	37,871	19,755	10,854	68,480	1,660
Receivables, net of allowances:					
Intergovernmental	7,122	—	—	7,122	—
Charges for services	2,494	12,475	309	15,278	1,142
Passenger facility charges	2,429	—	—	2,429	—
Accrued interest	214	—	—	214	—
Prepaid assets	—	—	—	—	1,439
Due from other funds	—	—	—	—	6,557
Advance from other funds	—	—	—	—	33,614
Inventories	2,678	2,690	—	5,368	—
Other current assets	830	157	20	1,007	—
Total current assets	300,332	59,295	20,112	379,739	60,667
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	24,838	2,575	—	27,413	—
Investments:					
Restricted investments	83,369	—	4,809	88,178	—
Unrestricted investments	40,010	—	—	40,010	—
Capital assets:					
Property, plant, and equipment	1,865,892	316,117	85,135	2,267,144	107
Less accumulated depreciation	(1,122,614)	(169,342)	(39,333)	(1,331,289)	(77)
	743,278	146,775	45,802	935,855	30
Land, infrastructure and easements	754,469	1,238	22,903	778,610	—
Construction-in-progress	26,223	12,641	29	38,893	—
Capital assets, net	1,523,970	160,654	68,734	1,753,358	30
Intangibles and other assets, net	1,689	1,861	637	4,187	—
Net pension assets	1,792	—	—	1,792	—
Total noncurrent assets	1,675,668	165,090	74,180	1,914,938	30
Deferred outflow of resources	12,207	1,420	5,428	19,055	—
Total assets and deferred outflow of resources	1,988,207	225,805	99,720	2,313,732	60,697
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	5,783	8,505	459	14,747	888
Accrued salaries and other benefits	4,097	406	116	4,619	37
Accrued vacation and compensatory time benefits	3,316	1,809	181	5,306	—
Contracts and retainage payable	11,511	—	—	11,511	—
Accrued interest payable	14,319	103	165	14,587	—
Current portion of revenue bonds	129,750	439	3,547	133,736	—
Due to other funds	4,593	4,356	1,699	10,648	83
Due to other government agencies	—	—	39	39	—
Claims payable	—	—	—	—	21,282
Unearned revenue and other deposits	1,781	1,887	1,327	4,995	—
Total current liabilities	175,150	17,505	7,533	200,188	22,290
Noncurrent liabilities:					
Revenue bonds payable, net	629,146	7,194	56,841	693,181	—
Net pension liability	19,136	9,600	2,663	31,399	—
Customer deposits	—	1,825	—	1,825	—
Claims payable	—	—	—	—	26,157
Other liabilities	10,607	3,872	803	15,282	—
Total noncurrent liabilities	658,889	22,491	60,307	741,687	26,157
Deferred inflow of resources	7,313	862	444	8,619	—
Total liabilities and deferred inflow of resources	841,352	40,858	68,284	950,494	48,447
Net Position					
Net investments in capital assets	910,929	153,021	8,347	1,072,297	30
Restricted:					
Debt service	159,105	1,028	8,864	168,997	—
Passenger facility charges	23,180	—	—	23,180	—
Unrestricted	53,641	30,898	14,225	98,764	12,220
Total net position	$ 1,146,855	184,947	31,436	1,363,238	12,250

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, 2019

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	**Water Division**	**Parking Division**	**Total Enterprise Funds**	**Internal Service Funds**
Operating revenues:					
Aviation revenues	$ 79,923	—	—	79,923	—
Concessions	31,112	—	—	31,112	—
Water sales	—	49,991	—	49,991	—
Lease revenue	5,662	—	—	5,662	—
Parking, net	23,737	—	18,849	42,586	—
Charges for services	—	—	—	—	38,359
Miscellaneous	—	2,629	—	2,629	1
Total operating revenues	140,434	52,620	18,849	211,903	38,360
Operating expenses:					
Claims incurred	—	—	—	—	26,538
Premiums	—	—	—	—	4,008
Personnel services	38,147	16,507	5,977	60,631	285
Material and supplies	5,420	10,654	307	16,381	3,118
Purchased power	—	3,263	—	3,263	—
Contractual services	37,467	6,993	1,331	45,791	867
Miscellaneous	1,616	2,701	1,850	6,167	—
Depreciation	58,844	6,271	2,947	68,062	11
Interfund services used	2,589	2,299	137	5,025	—
Total operating expenses	144,083	48,688	12,549	205,320	34,827
Operating income (loss)	(3,649)	3,932	6,300	6,583	3,533
Nonoperating revenues (expenses):					
Intergovernmental revenue	697	—	—	697	—
Investment income (loss)	8,817	820	560	10,197	31
Interest expense	(20,889)	(300)	(2,497)	(23,686)	—
Passenger facility charges	29,539	—	—	29,539	—
Loss on disposal of capital assets	—	(20)	—	(20)	—
Miscellaneous, net	60	649	8	717	—
Total nonoperating revenues (expenses), net	18,224	1,149	(1,929)	17,444	31
Income before transfers and capital contributions, net	14,575	5,081	4,371	24,027	3,564
Transfers in	—	—	935	935	—
Transfers out	(6,795)	(3,230)	(13,177)	(23,202)	—
Capital contributions	23,964	—	—	23,964	—
Total transfers and capital contributions, net	17,169	(3,230)	(12,242)	1,697	—
Change in net position	31,744	1,851	(7,871)	25,724	3,564
Net position – beginning of year	1,115,111	183,096	39,307	1,337,514	8,686
Net position – end of year	$ 1,146,855	184,947	31,436	1,363,238	12,250

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2019

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	**Water Division**	**Parking Division**	**Total Enterprise Funds**	**Internal Service Funds**
Cash flows from operating activities:					
Receipts from customers and users	$ 140,096	53,648	18,128	211,872	45,530
Other operating cash receipts	—	—	613	613	—
Payments to suppliers of goods and services	(48,947)	(20,072)	(3,694)	(72,713)	(39,518)
Payments to employees	(38,564)	(16,760)	(5,997)	(61,321)	(291)
(Payments)/receipts for interfund services used	(2,888)	(3,345)	—	(6,233)	—
Net cash provided by operating activities	49,697	13,471	9,050	72,218	5,721
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(259)	—	(259)	—
Transfers from the State of Missouri	—	—	8	8	—
Transfers from other funds	—	—	935	935	—
Transfers to other funds	(6,795)	(3,205)	(13,177)	(23,177)	—
Net cash used in noncapital financing activities	(6,795)	(3,464)	(12,234)	(22,493)	—
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	29,402	—	—	29,402	—
Receipts from federal financing assistance	6,000	—	—	6,000	—
Acquisition and construction of capital assets	(28,696)	(6,244)	(246)	(35,186)	—
Proceeds from sale of surplus property	83	—	—	83	—
Principal paid on revenue bond maturities	(35,780)	(430)	(3,404)	(39,614)	—
Cash paid for interest	(32,376)	(121)	(2,368)	(34,865)	—
Other capital and financing activities	120,012	625	—	120,637	—
Net cash provided by (used in) capital and related financing activities	58,645	(6,170)	(6,018)	46,457	—
Cash flows from investing activities:					
Purchase of investments	(159,226)	(39,074)	(4,997)	(203,297)	(11)
Proceeds from sales and maturities of investments	166,351	51,006	4,906	222,263	2
Investment income	3,969	703	489	5,161	—
Net cash provided by (used in) investing activities	11,094	12,635	398	24,127	(9)
Net increase (decrease) in cash and cash equivalents	112,641	16,472	(8,804)	120,309	5,712
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	26,189	7,020	13,868	47,077	10,543
Restricted	132,702	3,301	3,866	139,869	—
	158,891	10,321	17,734	186,946	10,543
End of year:					
Unrestricted	18,556	23,742	4,874	47,172	16,255
Restricted	252,976	3,051	4,055	260,082	—
	$ 271,532	26,793	8,929	307,254	16,255
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ (3,649)	3,932	6,300	6,583	3,533
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	58,844	6,271	2,947	68,062	11
Amortization	—	235	—	235	—
Changes in assets and liabilities:					
Receivables, net	1,813	2,367	(68)	4,112	17
Inventories	(352)	(381)	—	(733)	—
Prepaid assets	—	—	—	—	39
Other assets, net	(100)	1,038	41	979	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(5,435)	588	(32)	(4,879)	452
Claims payable	(255)	—	—	(255)	(5,485)
Unearned revenue and other deposits	—	87	(44)	43	—
Due to/from other funds	(158)	(130)	(39)	(327)	333
Advance to other funds	—	—	—	—	6,821
Customer deposits	—	(327)	—	(327)	—
Net pension liabilities	(238)	(46)	(12)	(296)	—
Other long term liabilities	(773)	(163)	(43)	(979)	—
Total adjustments	53,346	9,539	2,750	65,635	2,188
Net cash provided by operating activities	$ 49,697	13,471	9,050	72,218	5,721
Supplemental disclosure for noncash activities:					
Unrealized loss on investments	$ 4,784	34	52	4,870	—
Gain (loss) on disposal of capital assets	—	20	—	20	—
Capital contribution	16,227	—	—	16,227	—
Capital assets in contracts and retainage payable	11,511	—	—	11,511	—

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

(Dollars in thousands)

Assets	**Pension Trust Funds (as of September 30, 2018*)**	**Agency Funds**
Cash and cash equivalents – unrestricted	$ 12,752	26,839
Cash and cash equivalents – restricted	—	314
Investments – restricted	—	552
Pension trust investments:		
Fixed income securities	175,097	—
Domestic bond funds	90,008	—
Stocks	624,930	—
Mortgage-backed securities	27,028	—
Collective investment funds	394,646	—
Real estate equities and investment trust	206,861	—
Investment property	890	—
Hedge funds	153,007	—
Money market mutual funds and other short-term investments	57,342	—
Managed master limited partnership	258,772	—
Managed international equity funds	183,939	—
Total investments	2,172,520	—
Receivables, net of allowances:		
Taxes	—	20,261
Contributions	87	—
Accrued interest	2,116	—
Other	4,131	680
Capital assets, net	693	—
Total assets	2,192,299	48,646
Deferred outflow of resources		
System's staff pension related	353	—
Total deferred outflow of resources	353	—
Total assets and deferred outflow of resources	2,192,652	48,646
Liabilities		
Accounts payable and accrued liabilities	2,102	4,098
Deposits held for others	651	15,215
Due to other governmental agencies	—	29,333
Other liabilities	7,388	—
Total liabilities	10,141	48,646
Deferred inflow of resources		
System's staff pension related	32	—
Total deferred inflow of resources	32	—
Total liabilities and deferred inflow of resources	10,173	48,646
Net position		
Net position restricted for pension benefits	$ 2,182,479	—

*See note 10.

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended June 30, 2019

(Dollars in thousands)

		Pension Trust Funds (as of September 30, 2018*)
Additions:		
Contributions:		
Members	$	7,831
Employer		73,732
Investment income:		
Interest and dividends		26,332
Class action lawsuit proceeds		74
Net appreciation in fair value of investments		114,862
Investment gain		141,268
Less investment expense		(10,955)
Net investment gain		130,313
Total additions		211,876
Deductions:		
Benefits		163,637
Refunds of contributions		5,778
Administrative expense		3,592
Total deductions		173,007
Net increase		38,869
Net position restricted for pension benefits:		
Beginning of year		2,143,610
End of year	$	2,182,479

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.

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.

(Continued)

St. Louis Parking Commission Finance Corporation (SLPCFC)

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

2) Discretely Presented Component Unit

The component unit column in the statement of net position and statement of activities include the financial data of the City's discretely presented component unit. This is reported individually to emphasize that it is legally separate from the City.

St. Louis Development Corporation (SLDC)

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

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

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

3) Related Organizations

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

4) Joint Venture

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

The Authority, established in 1990 as a separate legal entity by an Act of the Missouri State legislature, is governed by an 11-member board of commissioners. The mayor of the City and the county executive of St. Louis County, Missouri (the County) each appoint three members and the governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the 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, 2018, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see note 10).

Government-wide and Fund Financial Statements

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

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

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

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

1) Governmental Fund Types

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

The following are the City’s governmental major funds:

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

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

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

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

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

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.

 (Continued)

3) Fiduciary Fund Types

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

(Continued)

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 2018 was $1.6252 per $100 (in dollars) of assessed valuation of which $1.4919 (in dollars) is for the general fund and $0.1333 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

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

Investments are recorded at fair value. Fair values for investments are determined by closing market prices at year-end, based on quotations from national security exchanges or by using other observable inputs as reported by the respective investment custodian.

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

Inventories

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

Capital Assets

1) Governmental Activities Capital Assets

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

(Dollars in thousands)

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

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

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

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

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

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

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

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

2) Business-Type Activities Capital Assets

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

3) Airport

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

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

4) Water Division

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

(Dollars in thousands)

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 their acquisition market value at the date of donation. The contributions are reflected as capital contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of assets for depreciable capital assets are as follows:

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

Nondepreciable assets include land.

6) Mailroom

Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful life of equipment, other than computer equipment, is 10 years. The estimated useful life of computer equipment is 5 years.

(Continued)

7) Component Unit – SLDC

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

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

Long-Term Liabilities

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

Pensions

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

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

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

(Continued)

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, 2019 were $2,429. This amount was collected during July and August 2019.

Capital Contributions

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

Capitalization of Interest

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

Bond Premiums, Discounts, and Issuance Costs

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

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

Deferred Inflow/Outflow of Resources

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

(Dollars in thousands)

Deferred outflow/inflow of resources include 1) unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt, 2) contributions made to retirement plans after the pension liability measurement date, and 3) various other pension and OPEB related amounts (see note 10 and 11).

As of June 30, 2019, deferred outflow/inflow of resources for the government wide financial statements consist of the following:

Deferred outflow of resources:		
Pension related:		
FRS	$	—
FRP		20,795
PRS		1,304
ERS		21,454
OPEB		29,158
Loss on bond defeasance/refunding		22,276
	$	94,987
Deferred inflow of resources:		
Pension related:		
FRS	$	19,144
FRP		18,916
PRS		69,460
ERS		9,558
OPEB		11,472
Gain on bond defeasance/refunding		2,702
	$	131,252

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, 2019.

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

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

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

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

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

Interfund Transactions

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

1) **Transfers**

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

2) **Interfund Services Provided/Used**

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

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

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

Fund Balance Designation

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

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

- Nonspendable: This consists of resources not in spendable form or are legally or contractually required to remain intact.
- 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, 2019.
- Unassigned: This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report negative unassigned fund balance amount.

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

Net Position

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

1) **Net Investment in Capital Assets**

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

2) **Restricted**

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

3) Unrestricted

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

Statements of Cash Flows

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

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, 2019, the Mailroom Services and Equipment Services internal service funds have deficit net position balance of $3 and $662, respectively. The amount will be offset by future charges for services.

Current Adoption of GASB Statements

GASB Statement No. 83, *Certain Asset Retirement Obligations* – The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations by establishing criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018. The requirements of this statement are effective for the City for the year ended June 30, 2019, and had no effect on the City’s financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* – an Amendment of GASB Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments* and No. 38, *Certain Financial Statement Note Disclosures* to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The requirements of this statement were adopted by the City for the year ended June 30, 2019 and related to footnote disclosures.

(Dollars in thousands)

(2) Deposits and Investments

(a) Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2019:

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

	Cash and cash equivalents	Investments	Restricted cash	Restricted investments	Total
Government-wide statement of net position	$ 236,401	137,788	321,008	145,198	840,395
Fiduciary statement of fiduciary net position – agency funds	26,839	—	314	552	27,705
Total primary government excluding pension trust funds	263,240	137,788	321,322	145,750	868,100
Fiduciary statement of fiduciary net position – pension trust funds:					
Firemen's System	3,801	478,043	—	—	481,844
Firefighter's Plan	222	77,510	—	—	77,732
Police System	8,343	790,218	—	—	798,561
Employees System	386	826,749	—	—	827,135
Total pension trust funds	12,752	2,172,520	—	—	2,185,272
Total primary government	$ 275,992	2,310,308	321,322	145,750	3,053,372

1) Primary Government Excluding Pension Trust Funds

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

(Dollars in thousands)

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

As of June 30, 2019, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	$	26,467
Federal Home Loan Mortgage Corp.		5,132
Federal Home Loan Bank		28,907
United States Treasuries		210,744
International bank notes		16,714
Commercial paper		31,523
Money market mutual funds		103,460
Certificates of deposit		44,229
Other cash deposits		400,924
	$	868,100

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-I" or better by Standard & Poor's Corporation and "P-I" 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).

(Dollars in thousands)

Fair Value Measurements

The City applies the provisions of GASB Statement No. 72 for the fair value measurements of financial assets and financial liabilities and for the fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date. Level 1 investments include U.S. treasury obligations.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities. Level 2 investments include commercial paper, bank notes, money market mutual funds, certificates of deposit and U.S. government agency obligations.
- Level 3 inputs are significant unobservable inputs for the asset. The City had no Level 3 investments as of June 30, 2019.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2019:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. government agency obligation	$ 60,506	—	60,506	—
United States Treasuries	210,744	210,744	—	—
International bank notes	16,714	—	16,714	—
Commercial paper	31,523	—	31,523	—
Certificates of deposit	44,229	—	44,229	—
Money market mutual funds	103,460	—	103,460	—
	$ 467,176	210,744	256,432	—

(Dollars in thousands)

Interest Rate Risk

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

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2019:

		Investment maturities (in years)			
	Fair value	**Less than 1**	**1–5**	**6–10**	**More than 10**
Federal National Mortgage Association	$ 26,467	9,316	17,151	—	—
Federal Home Loan Mortgage Corp.	5,132	4,485	647	—	—
Federal Home Loan Bank	28,907	10,824	18,083	—	—
United States Treasuries	210,744	111,798	98,394	552	—
International bank notes	16,714	3,603	13,111	—	—
Commercial paper	31,523	31,523	—	—	—
Certificates of deposit	44,229	44,229	—	—	—
Money market mutual funds	103,460	103,460	—	—	—
	$ 467,176	319,238	147,386	552	—

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.

(Dollars in thousands)

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, 2019:

	Fair value	AAA	A-1+	AA+	A-1	Not rated
Federal National Mortgage Association	$ 26,467	—	—	19,826	—	6,641
Federal Home Loan Mortgage Corp.	5,132	—	—	5,132	—	—
Federal Home Loan Bank	28,907	—	—	20,123	—	8,784
United States Treasuries*	210,744	—	—	122,278	—	88,466
International bank notes	16,714	16,714	—	—	—	—
Commercial paper	31,523	—	9,711	—	21,812	—
Certificates of deposit	44,229	10,854	—	—	—	33,375
Money market mutual funds	103,460	4,055	—	—	—	99,405
	$ 467,176	31,623	9,711	167,359	21,812	236,671

* 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, 2019, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: $1,698 of Federal Home Loan Mortgage Corporation securities, $2,040 Federal Home Loan Bank securities, and $22,200 of United States Treasury Notes. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

(Dollars in thousands)

Concentration of Credit Risk

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

At June 30, 2019, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	3.05 %
Federal Home Loan Mortgage Corp.	0.59
Federal Home Loan Bank	3.33
United States Treasuries	24.28
International bank notes	1.93
Commercial paper	3.63
Money market mutual funds	11.92
Certificates of deposit	5.09
Other cash deposits	46.18
	100.00 %

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

As of September 30, 2018, the Firemen's System had the following cash deposits and investments:

Common stock	$	169,058
Collective investment – equity		77,682
Limited partnership units		19,114
Hedge funds – equity		50,975
Collective investment – bonds		87,601
Fixed income securities		13,108
Domestic bond funds		3,632
Mortgage-backed securities		2,781
Real estate investment trust		46,455
Money market funds		7,637
Other cash deposits		3,801
	$	481,844

Investments are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date. Certain investments are recorded at net asset value (NAV) as a practical expedient or at fair value per investment managers. The Firemen's System cash deposits are collateralized with securities held by the pledging financial institution in the Firemen's Systems name.

(Continued)

(Dollars in thousands)

Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firemen's System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The Firemen's System has the following recurring fair value measurements as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	$ 110,460	—	—	110,460
International	58,598	—	—	58,598
Collective investment funds – government bonds, agencies, and mortgaged-backed securities	—	5,276	—	5,276
Fixed income securities				
Domestic	—	13,108	—	13,108
Collective investment funds:				
International equity	58,229	—	—	58,229
Domestic equity	19,453	—	—	19,453
Collective investment funds – domestic fixed income	—	82,325	—	82,325
Domestic bond funds	—	3,632	—	3,632
Mortgage-backed bonds	—	2,781	—	2,781
Money market mutual funds	7,637	—	—	7,637
Total investments	$ 254,377	107,122	—	361,499
Investments measured at net asset value (NAV):				
Hedge funds				50,975
Real estate investment trust				46,455
Limited partnership units				19,114
Total investments measured at NAV				116,544
Total investments measured at fair value				$ 478,043

For the investments measured at NAV at September 30, 2018:

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

(Dollars in thousands)

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

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2018:

		Investment maturities (in years)			
	Fair value	**Less than 1**	**1–5**	**6–10**	**More than 10**
Collective investment – bonds	$ 87,601	3,178	27,010	35,907	21,506
Fixed income securities	13,108	712	6,263	3,173	2,960
Domestic bond funds	3,632	247	2,215	873	297
Mortgage-backed securities	2,781	—	—	—	2,781
	$ 107,122	4,137	35,488	39,953	27,544

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, 2018:

Credit rating	**Total**	**Collective investment**	**Fixed income**	**Domestic bond**	**Mortgage-backed**
AAA	$ 41,889	38,857	—	3,032	—
AA	7,965	3,409	1,175	600	2,781
A	17,566	8,937	8,629	—	—
BBB	27,273	24,163	3,110	—	—
BB	5,658	5,658	—	—	—
B	4,932	4,932	—	—	—
Not rated	1,839	1,645	194	—	—
	$ 107,122	87,601	13,108	3,632	2,781

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

(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, 2018:

	Money market	Equities	Fixed income	Hedge fund	Limited Partnership Units	Real estate investment trust	Total
Australian Dollar	$ —	2,683	—	—	—	—	2,683
British Pound Sterling	—	8,299	—	—	—	—	8,299
Canadian Dollar	—	630	—	—	—	—	630
Danish Krone	—	1,246	—	—	—	—	1,246
Euro	—	25,279	—	—	—	—	25,279
Hong Kong Dollar	—	2,275	—	—	—	—	2,275
Japanese Yen	—	7,128	—	—	—	—	7,128
Norwegian Krone	—	992	—	—	—	—	992
South Korean Won	—	1,644	—	—	—	—	1,644
Swedish Krona	—	435	—	—	—	—	435
Swiss Franc	—	2,112	—	—	—	—	2,112
Total foreign currency	—	52,723	—	—	—	—	52,723
U.S. Dollar	7,637	161,599	107,122	83,393	19,114	46,455	425,320
Total	$ 7,637	214,322	107,122	83,393	19,114	46,455	478,043

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.

(Dollars in thousands)

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

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

Long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the system's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset class	**Long-term expected real rate of return**
Domestic equity	4.3 %
International equities	4.7
Fixed income	(1.3)
Real estate trust (REIT)	4.8
Hedge fund	2.2
Private equity (partnerships)	9.4

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

(Dollars in thousands)

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

AJO, LP (Hedge Fund)
EnTrust Capital Diversified Fund QP, Ltd. (Hedge Fund)
Magnitude Institutional, LLC Class A (Hedge Fund)
The Principle U.S. Property Account (REIT)

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2018 are as follows:

The Principal U.S. Property Account (REIT)	$	46,455
Mackay Shields Core Plus Opportunities Portfolio		42,462
Prudential Core Plus Bond Fund		39,862
AJO Emerging Markets All-Cap Offshore Fund, Ltd.		32,418
Acadian International Small Cap Fund		25,811
Magnitude Institutional, LLC Class A Hedge Fund		28,523

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession – but not title – of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2018, $24,338 in loans was outstanding to borrowers. The Firemen's System earned income of $189 for its participation in the securities lending program for the year ended September 30, 2018.

(Continued)

(Dollars in thousands)

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

As of September 30, 2018, the Firefighters' Plan had the following cash deposits and investments:

Equities	$ 42,724
Fixed income	14,357
Collective investment funds	14,605
Real estate funds	3,838
Money market funds	1,986
Other cash deposits	222
	$ 77,732

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

Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firefighters' Plan categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Firefighters' Plan has the following recurring fair value measurements as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	$ 15,331	—	—	15,331
International	116	—	—	116
Government bonds, agencies and mortgage-backed securities	6,789	1,514	—	8,303
Corporate bonds:				
Domestic	—	6,054	—	6,054

(Dollars in thousands)

	Level 1	Level 2	Level 3	Total
Exchange traded funds:				
Domestic equity	$ 23,545	—	—	23,545
International equity	3,732	—	—	3,732
Money market funds	—	1,986	—	1,986
Total investments	$ 49,513	9,554	—	59,067
Investments measured at net asset value (NAV):				
OFI Global Trust Company International Growth Fund Class T				14,605
Principal Global Investors U.S. Property Separate Account Class N				3,838
Total investments measured at fair value				$ 77,510

For the investments measured at NAV at September 30, 2018:

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

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firefighters' Plan as of September 30, 2018:

		Investment maturities (in years)			
	Fair value	Less than 1	1–5	6–10	More than 10
Government bonds, agencies, and mortgage-backed securities	$ 8,303	—	1,573	3,517	3,213
Corporate bonds	6,054	690	4,385	979	—
Total	$ 14,357	690	5,958	4,496	3,213

(Dollars in thousands)

The Firefighters' Plan fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2018:

Credit rating level		Total
AA+	$	7,832
AA-		205
A+		1,627
A		1,215
A-		1,861
BBB+		754
Not rated		863
	$	14,357

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

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

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

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

(Dollars in thousands)

Long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic large cap equity	6.1 %
Domestic smid cap equity	8.7
Foreign equity	4.3
Foreign equity – emerging market	10.3
Real estate	6.4
Fixed income	1.6

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

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighters' Plan at September 30, 2018 are as follows:

Vanguard Russell 1000 Value Index Fund	$	12,294
Vanguard Russell 1000 Growth Index Fund		11,251
Principal Global Investors U.S. Property Separate Account Class N		3,838
OFI Global Trust Company International Growth Fund Class T		14,605

(Dollars in thousands)

4) Primary Government – Pension Trust Fund – Police System

As of September 30, 2018, the Police System had the following cash deposits and investments:

Equities:		
Common stock	$	196,300
Collective investment funds		199,555
Real estate securities fund		66,698
Mortgaged-backed securities		24,247
Fixed income collective investment fund		15,203
Corporate bonds		47,508
Hedge funds of funds		22,588
Fixed income securities		12,687
Money market funds		44,119
Investment property		890
Partnership interest		160,423
Other cash deposits		8,343
	$	798,561

The Police System's bank deposits were fully secured or collateralized at September 30, 2018. The Police System's bank deposits and repurchase agreements were insured by the FDIC, collateralized with securities held by the Federal Reserve Bank in the Police System's name.

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

(Dollars in thousands)

Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Police System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs ate quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Police System has the following recurring fair value measurements as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Corporate stocks:				
Domestic	$ 153,337	—	—	153,337
International	42,963	—	—	42,963
Government bonds, agencies and mortgage-backed securities	—	36,934	—	36,934
Corporate bonds:				
Domestic	—	41,653	—	41,653
International	—	5,855	—	5,855
Collective investment funds:				
International equity	101,700	—	—	101,700
Domestic equity	97,855	—	—	97,855
Domestic fixed income	—	15,203	—	15,203
Money market funds	44,119	—	—	44,119
Investment property	—	—	890	890
Total investments	$ 439,974	99,645	890	540,509
Investments measured at net asset value (NAV):				
Limited partnership units:				
Venture capital				120,859
Energy				39,564
Hedge funds				22,588
Real estate investment trust				66,698
Total investments measured at NAV				249,709
Total investments at fair value				$ 790,218

For the investments measured at NAV at September 30, 2018:

- There were no unfunded purchase commitments.

(Dollars in thousands)

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

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

The following schedule provides a summary of the fixed income investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2018:

		Investment maturities (in years)			
	Fair value	Less than 1	1–5	6–10	More than 10
Corporate bonds	$ 47,508	290	20,052	13,289	13,877
Mortgaged-backed securities – nongovernment	20,975	—	3,930	1,250	15,795
Mortgaged-backed securities – government	3,272	—	—	54	3,218
Collective investment funds	15,203	2,059	4,036	9,108	—
Government securities	12,687	1,606	3,420	2,944	4,717
	$ 99,645	3,955	31,438	26,645	37,607

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, 2018:

Credit rating level	Total	Government mortgage-backed securities	Nongovernment mortgage-backed securities	Collective investment funds	Corporate bonds	Government securities
AAA	$ 13,703	3,272	5,666	—	1,618	3,147
AA	13,808	—	1,329	—	5,070	7,409
A	41,313	—	2,450	15,203	23,660	—
BBB	10,588	—	797	—	9,791	—
BB	—	—	—	—	—	—
CCC	90	—	90	—	—	—
CC	—	—	—	—	—	—
D	—	—	—	—	—	—
Not rated	20,143	—	10,643	—	7,369	2,131
	$ 99,645	3,272	20,975	15,203	47,508	12,687

(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, 2018:

		Equities	Fixed income	Money market	Hedge funds of funds	Investment property and partnership	Total
Barbadian Dollar	$	—	299	—	—	—	299
British Pound Sterling		1,004	2,186	—	—	—	3,190
Canadian Dollar		467	1,279	—	—	—	1,746
Euro		1,173	2,977	—	—	—	4,150
Indian Rupee		919	—	—	—	—	919
Israeli Shekel		1,553	—	—	—	—	1,553
Japanese Yen		—	—	—	—	—	—
Swiss Franc		960	—	—	—	—	960
Taiwan Dollar		764	—	—	—	—	764
Total foreign currency		6,840	6,741	—	—	—	13,581
U.S. Dollar		455,713	92,904	44,119	22,588	161,313	776,637
Total	$	462,553	99,645	44,119	22,588	161,313	790,218

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	14 %	19 %	24 %
Domestic equities:			
Large cap	13	18	23
Mid cap	1	6	11
Small cap	1	6	11
Foreign equities:			
Developed markets	8	13	18
Emerging markets	1	6	11
Non-U.S. developing markets	1	6	11
Nondirectional hedge funds of funds	—	5	10
Real estate equities	3	8	13
Private equity	3	8	13
Other	—	4	9
Money market	—	1	6

Long-term expected rate of return on the Police System investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Police System's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset class	**Long-term expected real rate of return**
Fixed income	1.20 %
Domestic equity	4.95
Foreign equity	4.95
Nondirectional hedge funds	2.90
Defensive equity	4.15
Real estate (REIT)	4.09
Private equity (partnerships)	7.70
Money market	(1.60)

(Continued)

(Dollars in thousands)

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.5%) and net of investment expenses (assumed at 1% for non-directional hedge funds and real estate asset classes and 0.45% for all other asset classes).

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:

CenterSquare Investment Management Co./Bank of New York Mellon EB Global Real Estate Securities Fund
ElmTree U.S. Net Lease Fund III, LP
EnTrust Capital Diversified Fund QP, Ltd.
EnTrust Special Opportunities Fund III, LP
EnTrust Special Opportunities Fund IV, LP
Falcon E&P Opportunities Fund, L.P.
GAM US Institutional Diversity, Inc.
Neuberger Berman Secondary Opportunities Fund III, L.P.
Neuberger Berman US Equity Index PutWrite Fund, LLC
Principal U.S. Property Account
Wellington Trust Company International Opportunities Fund

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

Collective funds:		
Trilogy International Group Trust I	$	48,772
Lazard Emerging Markets Core Equity Trust		42,963
Wellington Trust Company International Opportunities Fund		49,084
MFB Northern Trust Collective Russell 1,000 Growth Index Fund		51,445
MFB Northern Trust Company Daily S&P 500 Equity Index Fund		50,255
Brandes Non-U.S. Small Cap Portfolio Fund		41,694
Principal Real Estate Investment Trust		42,581

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, 2018 was $44,313. The Police System earned income of $134 for its participation in the securities lending program for the year ended September 30, 2018.

(Dollars in thousands)

5) Primary Government – Pension Trust Fund – Employees System

As of September 30, 2018, the Employees System had the following cash deposits and investments:

Common stocks	$	216,848
Managed international equity funds		183,939
Managed master limited partnerships		79,235
Fixed income securities		87,437
Domestic bond funds		86,376
Real estate funds		89,870
Temporary cash investments		3,600
Managed hedge fund of funds		79,444
Other cash deposits		386
	$	827,135

The bank balances of the Employees System at September 30, 2018 were insured by the Federal Deposit Insurance Corporation up to $250. The remaining balances were collateralized by securities held by the pledging financial institution's trust department in the Employees System's name.

Investments are reported at fair market value. Securities traded on a national or international exchange funds are valued at the unit value quoted by the investee entity. Security transactions and any resulting realized gains or losses are accounted for on a completed transaction basis. Commingled funds are valued at the unit value quoted by the investee entity based on the underlying asset values. Real estate funds and other managed funds are valued based on valuations of underlying investments as reported by fund managers. Certain investments are valued at net asset value (NAV) as a practical expedient. These investments have no unfunded commitments and have a redemption frequency or notice ranging from daily to 90 days.

Fair Value Measurement and Application. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Employees System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs ate quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(Dollars in thousands)

The Employees System has the following recurring fair value measurements as of September 30, 2018:

		Level 1	Level 2	Level 3		Total
Investments, at fair value:						
Fixed income securities:						
U.S. government securities	$	20,804	2,940	—		23,744
Corporate bonds		—	29,520	—		29,520
Domestic bond funds		5,700	—	—		5,700
International bonds and securities		2,223	29,849	—		32,072
Other debt obligations		20,322	—	—		20,322
Common stocks		216,848	—	—		216,848
Managed master limited partnerships		47,646	—	—		47,646
Total investments	$	313,543	62,309	—		375,852
Investments measured at the net asset value (NAV):						
Loomis High Yield Conservative Trust (B)						30,730
SSGA Passive Bond Market Index (NL) Fund						35,325
Principal Real Estate Group Annuity Contract						89,870
Acadian Emerging Markets Mutual Equity Fund II						54,437
Kabouter International Opportunities Fund II						31,589
Silchester International Value Equity Group Trust						87,007
Walter Scott Group Trust International						42,495
Entrust Capital Diversified Fund						34,800
Weatherlow Offshore Fund I						44,644
Total investments measured at NAV						450,897
Total investments measured at fair value					$	826,749
Investment derivative instruments:						
Foreign exchange contracts	$	—	232	—		232

(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
Polish Zloty	$	7	58	65
British Pound		(11)	2,394	2,383
Australian Dollar		7	335	342
Canadian Dollar		19	732	751
Euro		31	7,082	7,113
Japanese Yen		161	5,214	5,375
Mexican Peso		19	104	123
Danish Krone		5	69	74
Swiss Franc		(3)	—	(3)
South Africa Rand		(5)	—	(5)
Indonesian Rupiah		(6)	—	(6)
Norwegian Krone		11	—	11
Total	$	235	15,988	16,223

Credit Risk of Debt Securities

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

Quality rating		
Aaa/U.S. governments	$	84,466
Aa		6,976
A		25,023
Baa/BBB		23,537
Below Baa/BBB		32,524
Not rated		307
Total	$	172,833

All temporary cash investments held by the Employees Retirement System at September 30, 2018 were unrated.

(Continued)

(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	$	32,449	5.83 years
Allegiant (PNC)		54,008	6.36 years
SSGA		35,325	6.03 years
Loomis		30,729	3.60 years
Vanguard		20,322	7.40 years
	$	172,833	

The Employees System does not participate in a securities lending program with its master custodian, U.S. Bank.

Concentration of Credit Risk

At September 30, 2018, the Employees System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent 5% or more of total investments to the Employees System:

Acadian Asset Management:		
Emerging Market Fund	$	54,437
Twin Capital Management:		
Domestic Equity		57,360
PNC Capital Advisors:		
U.S. Broad Market Core Fixed Income		54,008
Principal Global Investors:		
Real Estate Group Annuity Contract		89,870
Silchester International Advisors:		
International Value Equity Group Trust		87,008
Evanston Weatherlow Offshore:		
Hedge fund		44,644
LSV Asset Management:		
U.S. Large Cap Value Equity		43,844
Walter Scott & Partners Limited Group Trust:		
International Equity Fund		42,495

(Dollars in thousands)

(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, 2019, 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, 2019, the market value of investments approximated the carrying value of $1,316.

(3) Receivables, Net

		Taxes	Intergovern-mental	Charges for services	Other	Total receivables
Governmental activities:						
General fund	$	106,737	3,844	5,718	3,064	119,363
Redevelopment project fund		26,358	543	—	—	26,901
Capital projects fund		4,192	40	—	—	4,232
Grants fund		—	8,063	—	—	8,063
Other governmental funds		37,916	1,448	1,713	883	41,960
Internal service funds		—	—	1,142	—	1,142
Total governmental activities	$	175,203	13,938	8,573	3,947	201,661
Business-type activities:						
Airport	$	—	7,122	2,494	2,643	12,259
Water Division		—	—	12,475	—	12,475
Parking Division		—	—	309	—	309
Total business-type activities	$	—	7,122	15,278	2,643	25,043

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

(Dollars in thousands)

(4) Allowance For Uncollectible Accounts

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

Governmental activities:		
Taxes receivable – general fund	$	770
Taxes receivable – redevelopment projects funds		10
Taxes receivable – other governmental funds		88
License and permits receivable – general fund		25
Charges for services receivable – general fund		3,619
Charges for services receivable – other governmental funds		159
Business-type activities:		
Charges for services receivable – Airport		215
Charges for services receivable – Water Division		4,926
	$	9,812

(5) Component Unit – SLDC Receivables

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

(6) Restricted Assets

(a) Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2019:

Airport bond fund:		
Debt service account	$	227,060
Debt service reserve account		24,970
Airport renewal and replacement fund		3,500
Passenger facility charge fund		20,751
Airport debt service stabilization fund		38,211
Airport construction fund		19,686
Drug enforcement agency funds		2,167
	$	336,345

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

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

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

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

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

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

6) *Airport Renewal and Replacement Fund*: an amount equal to $57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than $3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.

7) *A sub-account in the Airport Revenue Fund*: an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.

(Dollars in thousands)

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) Water Division

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2019 is as follows:

Bond funds:		
Waterworks bond fund	$	278
Water replacement and improvement account		750
Total bond funds		1,028
Customer deposits		1,825
Service line maintenance		198
Total restricted cash	$	3,051

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

Series 2013 Water Revenue Refunding Bond Funds

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

(Dollars in thousands)

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

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

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

(c) Parking Division

Cash and investments restricted in accordance with bond indentures at June 30, 2019 are as follows:

Series 2016 bonds:		
Debt service	$	1,893
Total series 2016 bonds		1,893
Series 2015B bonds:		
Debt service		1,107
Total series 2015B bonds		1,107
Series 2015A bonds:		
Debt service reserve		515
Debt service		179
Series 2015A project account		9
Total series 2015A bonds		703
Series 2013A bonds:		
Debt service reserve		84
Total series 2013A bonds		84

(Dollars in thousands)

Series 2007B bonds:		
Debt service reserve	$	—
Debt service		—
Repair and replacement		2,663
Net project revenues		—
Parking trust – Parking Division accounts		1,926
Total series 2007B bonds		4,589
Series 2003A and 2003B bonds:		
Gross revenues		160
Bond		94
Repair and replacement		45
Operating reserve		100
Redemption		89
Total series 2003A and 2003B bonds		488
Total restricted cash and investments	$	8,864

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

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

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

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

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

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

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

3) *Series 2015A project account* – Maintains funds used to fund the debt service account.

 (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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.

(Continued)

(Dollars in thousands)

(7) Capital Assets

(a) Primary Government

The following is a summary of changes in capital assets – governmental activities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 81,664	—	—	—	81,664
Construction in progress	10,558	9,334	—	(10,598)	9,294
Equipment in progress	492	5	—	—	497
Works of art	3,624	—	—	—	3,624
Intangibles	1,966	467	—	—	2,433
Total capital assets not being depreciated	98,304	9,806	—	(10,598)	97,512
Capital assets being depreciated:					
Buildings	693,949	1,563	—	1,986	697,498
Improvements other than buildings	115,186	3,757	—	4,955	123,898
Equipment	186,066	7,597	(4,690)	—	188,973
Infrastructure	724,681	7,615	—	3,657	735,953
Intangibles	2,106	324	—	—	2,430
Total capital assets being depreciated	1,721,988	20,856	(4,690)	10,598	1,748,752
Less accumulated depreciation for:					
Buildings	295,328	15,659	—	—	310,987
Improvements other than buildings	42,207	2,867	—	—	45,074
Equipment	128,518	9,025	(4,490)	—	133,053
Infrastructure	535,466	32,563	—	—	568,029
Intangibles	1,619	211	—	—	1,830
Total accumulated depreciation	1,003,138	60,325	(4,490)	—	1,058,973
Total capital assets being depreciated, net	718,850	(39,469)	(200)	10,598	689,779
Governmental activities capital assets, net	$ 817,154	(29,663)	(200)	—	787,291

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

(Dollars in thousands)

The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2019. Business-type activities for the City include the Airport, Water Division, and Parking Division:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	$ 775,104	—	—	—	775,104
Construction in progress	33,119	31,036	(200)	(25,062)	38,893
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	811,729	31,036	(200)	(25,062)	817,503
Capital assets being depreciated:					
Buildings and structures	792,028	16,716	(46)	7,652	816,350
Equipment	112,451	4,445	(954)	844	116,786
Pavings	1,059,502	—	—	12,008	1,071,510
Parking meters and lot equipment	8,035	—	—	—	8,035
Reservoirs	35,277	—	—	—	35,277
Boiler plant equipment	661	—	—	—	661
Pumping equipment	11,651	318	—	2,308	14,277
Purification basins and equipment	44,166	10	—	1,665	45,841
Water mains, lines, and accessories	143,275	2,706	(132)	177	146,026
Motor vehicle equipment	12,172	848	(639)	—	12,381
Total capital assets being depreciated	2,219,218	25,043	(1,771)	24,654	2,267,144
Less accumulated depreciation for:					
Buildings and structures	494,215	25,008	(46)	—	519,177
Equipment	85,492	4,311	(931)	—	88,872
Pavings	563,294	33,219	—	—	596,513
Parking meters and lot equipment	4,126	552	—	—	4,678
Reservoirs	14,826	736	—	—	15,562
Boiler plant equipment	656	3	—	—	659
Pumping equipment	10,139	293	—	—	10,432
Purification basins and equipment	21,208	975	—	—	22,183
Water mains, lines, and accessories	65,358	1,869	(112)	—	67,115
Motor vehicle equipment	5,641	1,096	(639)	—	6,098
Total accumulated depreciation	1,264,955	68,062	(1,728)	—	1,331,289
Total capital assets being depreciated, net	954,263	(43,019)	(43)	24,654	935,855
Business-type activities capital assets, net	$ 1,765,992	(11,983)	(243)	(408)	1,753,358

(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	$	6,522
Convention and tourism		4,457
Parks and recreation		6,216
Judicial		324
Streets		35,124
Public safety:		
Fire		2,194
Police		3,664
Other		774
Health and welfare		269
Public service		781
Total depreciation expense, governmental activities	$	60,325
Business-type activities:		
Airport	$	58,844
Water Division		6,271
Parking Division		2,947
Total depreciation expense, business-type activities	$	68,062

(Dollars in thousands)

(b) Component Unit – SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2019:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	$ 7,376	—	—	7,376
Construction in progress	—	—	—	—
Total capital assets not being depreciated	7,376	—	—	7,376
Capital assets being depreciated:				
Leasehold improvements	24,524	1,091	—	25,615
Equipment	713	6	—	719
Parking facilities	17,835	—	—	17,835
Total capital assets being depreciated	43,072	1,097	—	44,169
Less accumulated depreciation for:				
Leasehold improvements	5,522	545	—	6,067
Equipment	712	2	—	714
Parking facilities	15,315	398	—	15,713
Total accumulated depreciation	21,549	945	—	22,494
Total capital assets being depreciated, net	21,523	152	—	21,675
SLDC capital assets, net	$ 28,899	152	—	29,051

(8) Component Unit – SLDC Property Held For Development

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC's financial statements based on management's intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. A reserve for impairment in the amount of $13,754 has been established on these properties. During the year ended June 30, 2019 the property for the proposed National Geospatial Agency site was transferred to the federal government.

(Dollars in thousands)

(9) Accounts Payable and Accrued Liabilities

		Vendors	Contracts and retainage payable	Total
Governmental activities:				
General fund	$	5,226	—	5,226
Redevelopment projects fund		57	—	57
Capital projects fund		3,955	532	4,487
Grants fund		6,067	—	6,067
Other governmental funds		2,947	—	2,947
Internal service		888	—	888
Total governmental activities	$	19,140	532	19,672
Business-type activities:				
Airport	$	5,783	11,511	17,294
Water Division		8,505	—	8,505
Parking Division		459	—	459
Total business-type activities	$	14,747	11,511	26,258

(10) Retirement Plans

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

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

(Dollars in thousands)

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, 2018
Firefighters'	September 30, 2018
Police	September 30, 2018
Employees	September 30, 2018

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

1) System Description (FRS)

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

The following disclosures are based on the September 30, 2018 FRS financial statements and the October 1, 2018 actuarial valuation. The valuation as of October 1, 2018, reflects the changes attributable to Ordinance #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the Firemen's System is as follows:

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

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

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

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

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

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

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

(Dollars in thousands)

The Fireman's System membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	894
Current members:	
Vested – DROP	65
Vested – Non-DROP	199
Nonvested	256
Total current members	520
Total membership	1,414

2) Funding Policy (FRS)

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

3) Net Pension Liability (Asset) (FRS)

The City's net pension liability (asset) as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2018.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (asset) (NPL) (a)-(b)
Balances at July 1, 2018	$ 464,760	483,612	(18,852)
Changes for the year:			
Interest	32,730	—	32,730
Refunds of member contributions	(649)	(649)	—
Benefit payments	(32,161)	(32,161)	—
Difference between expected and actual experience	(5,442)	—	(5,442)
Assumption changes	—	—	—
Employer contributions	—	2,715	(2,715)
Net investment income	—	24,520	(24,520)
Transfer in due to settlement agreement	—	166	(166)
Administrative expenses	—	(1,050)	1,050
Net changes	(5,522)	(6,459)	937
Balances at June 30, 2019	$ 459,238	477,153	(17,915)

(Dollars in thousands)

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

Governmental activities	$	(16,123)
Airport		(1,792)
	$	(17,915)

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

Date of actuarial valuation	October 1, 2018
Actuarial cost method:	
GASB 67 reporting	Entry Age Normal
Funding	Entry Age – frozen initial liability
Amortization method/period	30-year closed period from establishment
Asset valuation method	3-year smoothed average of market value
Inflation	2.75%
Investment rate of return	7.3%, net of investment expenses
Projected salary increases	Benefits frozen as of February 1, 2013; therefore no salary increases have been assumed
Mortality	RP-2014 mortality table, sex distinct

The actuarial assumption used in the October 1, 2018 actuarial valuation were based on the results of an actuarial experience study for the period October 2010 to October 2014 which was performed to compare the actual demographic and economic experience with the actuarial assumptions used in the actuarial valuation.

(Dollars in thousands)

The long-term expected rate of return on the Firemen's System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of October 1, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	25 %	(1.30)%
Domestic equity	26	4.30
International equity	24	4.70
Private equity	—	9.40
Real estate	15	4.80
Hedge funds	10	2.20
Total	100 %	

The discount rate used to measure the total pension liability (asset) was 7.30%. The projection of cash flows used to determine the discount rate assumed that the City would make the required contributions as defined by state statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees and their beneficiaries. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset). For the October 1, 2018 actuarial valuation, a 7.30% long-term rate of return was used. The sensitivity of the net pension liability (asset) to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability (asset)
1% decrease	6.30 %	$ 23,843
Current rate	7.30	(17,915)
1% increase	8.30	(53,528)

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

(Dollars in thousands)

4) Pension Expense (FRS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of $1,023. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the City's fiscal year ended June 30, 2019 is summarized as follows:

Service cost	$	—
Interest		32,730
Administrative expenses		1,050
Other changes – transfer due to settlement agreement		(166)
Projected earnings on pension plan investments		(34,173)
Recognized portion of assumption changes		10,044
Recognized portion of investment experience		2,422
Recognized portion of liability experience		(10,884)
Pension expense for year ended June 30, 2019	$	1,023

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

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

		Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	$	—	2,273
Difference between expected and actual liability experience		—	16,871
Change in assumptions		—	—
Total	$	—	19,144

(Dollars in thousands)

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

Year ended June 30		Recognition
2020	$	(5,847)
2021		(10,842)
2022		(4,386)
2023		1,931
	$	(19,144)

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

1) System Description (FRP)

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

The Firefighters' Plan issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Firefighters' Retirement Plan of the City of St. Louis; 1114 Market Street, Suite 910; St. Louis, Missouri 63101.

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

The Firefighters' Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

(Dollars in thousands)

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

A grandfathered member with 20 or more years of credited service may elect to enter the DROP program and defer retirement for up to 5 years while continuing active employment. The benefit payments the participant would have received during that period are deposited into the DROP account and earn interest at a rate equal to the percentage rate of return of the Trust Fund's investment portfolio for that year. After 5 years or termination from the DROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the DROP account with interest earned. If the participant dies prior to termination of employment, the DROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the DROP program is not included in the credited service used to calculate the participant's final benefit amount.

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

The Firefighters' Plan membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	68
Current active members:	
Vested – Non-DROP	435
Vested – participating DROP	65
Nonvested	148
Total current active members	648
Total membership	716

(Dollars in thousands)

2) Funding Policy (FRP)

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

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

3) Net Pension Liability (FRP)

The City's net pension liability for Firefighters' Plan as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

		Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Balances at July 1, 2018	$	100,014	61,267	38,747
Changes for the year:				
Service cost		7,620	—	7,620
Interest		7,777	—	7,777
Difference between expected and actual experience		6,428	—	6,428
Change in benefits		—	—	—
Change in assumptions		—	—	—

		Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Benefit payments	$	(746)	(746)	—
Contributions – employer		—	8,023	(8,023)
Contributions – member		—	3,172	(3,172)
Net investment income		—	5,683	(5,683)
Administrative expenses		—	(414)	414
Net changes		21,079	15,718	5,361
Balances at June 30, 2019	$	121,093	76,985	44,108

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

Governmental activities	$	39,697
Airport		4,411
	$	44,108

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

Date of actuarial valuation	October 1, 2018
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal
Funding	Entry Age Normal
Remaining amortization period	Started February 1, 2013
Asset valuation method	5 – year smoothed market
Inflation	2.75%
Investment rate of return	7.25%, net of investment expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue Collar Employee table adjusted to 2006 with MP-2017

The actuarial assumptions used in the October 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period October 2013 through September 2017.

(Dollars in thousands)

The long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic large cap equity	30 %	6.10 %
Domestic mid cap equity	20	8.70
Foreign equity	20	4.30
Foreign equity – emerging market	5	10.30
Real estate	5	6.40
Fixed income	20	1.60
Total	100 %	

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed the City would make the required contributions as defined by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2018 actuarial valuation, a 7.25% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.25 %	$ 60,741
Current rate	7.25	44,108
1% increase	8.25	29,956

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

(Dollars in thousands)

4) Pension Expense (FRP)

For the fiscal year ended June 30, 2019, the City recognized pension expense of $8,769. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the City's fiscal year ended June 30, 2019 is summarized as follows:

Service cost	$	7,620
Interest		7,777
Administrative expenses		414
Contributions – employee		(3,172)
Projected earnings on pension plan investments		(4,513)
Benefit changes		—
Recognized portion of current-period liability gains and losses		609
Recognized portion of change in assumptions		320
Recognized portion of current-period investment gains and losses		(286)
Pension expense for year ended June 30, 2019	$	8,769

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

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

		Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on pension plan investments	$	—	2,145
Differences between expected and actual experience		9,673	2,010
Change in assumptions		11,122	14,761
Total	$	20,795	18,916

(Dollars in thousands)

The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over 5 years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Firefighters' Plan employees. The following table summarizes the future recognition of these items:

Year ended June 30		Recognition
2020	$	581
2021		93
2022		202
2023		1,365
2024		(1,329)
Thereafter		967
	$	1,879

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

1) System Description (PRS)

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

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

The Police System implemented a DROP feature during the Police System's fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to 5 years, at which point the member may reenter the Police System. At retirement, the funds in the member's DROP account plus interest are available to the member in a lump sum or in installments.

(Dollars in thousands)

The Police System membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	1,920
Current active members:	
Vested – in DROP	123
Vested – not in DROP	247
Total vested	370
Nonvested	891
Total current active members	1,261
Total members	3,181

2) **Funding Policy (PRS)**

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

3) **Net Pension Liability (PRS)**

The City's net pension liability for Police System as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Balances at July 1, 2018	$ 1,058,653	776,580	282,073
Changes for the year:			
Service cost	16,370	—	16,370
Interest	68,899	—	68,899
Difference between expected and actual experience	(4,887)	—	(4,887)
Change in assumption	(59,546)	—	(59,546)
Contributions – employer	—	33,105	(33,105)

(Dollars in thousands)

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Contributions – employee	$ —	5,129	(5,129)
Net investment income	—	51,089	(51,089)
Benefit payments	(68,576)	(68,576)	—
Administrative expenses	—	(1,166)	1,166
Net changes	(47,740)	19,581	(67,321)
Balances at June 30, 2019	$ 1,010,913	796,161	214,752

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

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

Date of actuarial valuation	October 1, 2018
Actuarial cost method	
GASB 67 reporting	Entry Age Normal
Funding	Aggregate, reduced by employee contributions
Amortization method/period	None – aggregate is funded over the future working lifetime of current participants
Asset valuation method	5-year smoothed average of market value
Inflation	2.50%
Investment rate of return	7.50%, net of 0.15% administrative expenses
Projected salary increases	3.00%–6.25%, varying by age
Mortality (Ordinary)	RP-2014 Blue Collar projected with MP-2015 with 1.15 adjustment
Mortality (Accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Disabled)	RP-2014 Disabled Retiree with MP-2015 with 0.9 adjustment male and no adjustment female

The actuarial assumptions used in the October 2018 actuarial valuation were based on the results of an actuarial experience study performed for the five year period ending September 2015.

(Dollars in thousands)

The long-term expected rate of return on the Police System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	19 %	1.20 %
Domestic equity	30	4.95
Foreign equity	25	4.95
Nondirectional hedge fund of funds	5	2.90
Real estate (REIT)	8	4.09
Private equity (partnerships)	8	7.70
Other/money market	5	(1.60)
Total	100 %	

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the high grade bond muni-bond rate for periods after the PNP is exhausted. The plan currently uses the long-term discount rate of 7.50% and expects assets will be sufficient to cover PNP until 2066. The muni-bond rate used in the valuation was 4.18% and is based on the Bond Buyers General Obligation 20 Year High Grade Rate Municipal Bond Index (AA/Aa or higher). Since the PNP was projected to be insufficient to make all projected benefit payments of current plan members, a blended discount rate of 7.24% was used to calculate the plan's present value of future benefit payments. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.24 %	$ 323,715
Current rate	7.24	214,752
1% increase	8.24	124,219

(Dollars in thousands)

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

4) Pension Expense (PRS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of $35,051. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the fiscal year ended June 30, 2019 is summarized as follows:

Service cost	$	16,369
Interest		68,899
Administrative expenses		1,166
Contributions – employee		(5,129)
Projected earnings on pension plan investments		(57,083)
Recognized portion of change in assumptions		5,716
Recognized portion of current-period liability gains and losses		(1,553)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		6,666
Pension expense for year ended June 30, 2019	$	35,051

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

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

		Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	$	1,304	3,258
Net difference between projected and actual earnings on pension plan investments		—	8,120
Change in assumptions		—	58,082
Total	$	1,304	69,460

(Dollars in thousands)

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

		Recognition
Year ended June 30:		
2020	$	(33,236)
2021		(29,060)
2022		(7,059)
2023		1,199
	$	(68,156)

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

1) System Description (ERS)

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

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

The Employees System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees System after the employee has attained 5 years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with 5 years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age.

(Dollars in thousands)

The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of September 30, for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy (ERS)

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 12.36% effective July 1, 2018 and 12.22% of active member payroll effective July 2017.

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

The City's contributions to Employees System for the year ended June 30, 2019 were $24,039.

3) Net Pension Liability (ERS)

The City reported a liability of $138,806 for its proportionate share of the net pension liability as of June 30, 2019. The Employees Systems net pension liability is recorded within the accompanying financial statements as follows:

Governmental activities	$	111,818
Airport		14,725
Water Division		9,600
Parking Division		2,663
	$	138,806

The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the Employees System relative to the contributions of all Employees System participating employers. At September 30, 2018, the City's collective proportion was 82.04%, which was a decrease of 0.86% from its proportion measured as of September 30, 2017 of 82.9%.

(Dollars in thousands)

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

Date of actuarial valuation	October 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Fixed 20 year period as of October 2015 as a level percentage of payroll
Remaining amortization period	20 years as of October 2015
Asset valuation method	5-year smoothed market
Inflation	2.50%
Long-term rate of return	7.50%
Projected salary increases	3.00% plus merit component based on employee's years of service
Mortality Healthy	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA
Mortality Disabled	RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

The actuarial assumptions used in the October 1, 2018 actuarial valuation were based on the results of an actuarial experience study performed in 2015 which reviewed all the economic and demographic assumptions.

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

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

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

(Dollars in thousands)

For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term* expected real rate of return
Large cap	19.00 %	7.00 %
Small cap	4.50	7.30
International large cap	17.30	7.30
Emerging markets	6.70	8.50
High yield	5.00	6.00
Master limited partnerships	7.50	8.00
Core fixed income	12.50	4.00
International fixed income	4.00	3.80
Core real estate	10.00	6.80
Treasury inflation protected securities	3.50	3.80
Hedge funds	10.00	5.50
Total	100.00 %	

* Geometric return

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2018 actuarial valuation, a 7.50% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.50 %	$ 219,534
Current rate	7.50	138,806
1% increase	8.50	69,708

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

(Dollars in thousands)

4) Pension Expense (ERS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of $22,997 Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period.

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

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	$ —	8,290
Net difference between projected and actual earnings on pension plan investments	2,987	—
Changes in proportion	74	1,268
Changes in assumptions	—	—
Contributions subsequent to the measurement date	18,393	—
Total	$ 21,454	9,558

The $18,393 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

(Dollars in thousands)

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

		Recognition
Year ended June 30:		
2020	$	4,165
2021		(9,330)
2022		(3,151)
2023		1,819
	$	(6,497)

(e) Component Unit – SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year ended June 30, 2019 contributions of $344, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2019, SLDC's current covered payroll was $3,820 and total payroll amounted to $4,490. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5½% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and completed at least six months of active service. The employees vest at a rate of 33% per annum with full vesting occurring after the end of their third year of service. The SLDC Plan does not hold any employer or related-party securities. All plan investments are self-directed by the respective plan participants, within the limitations of the plan.

(11) Other Postemployment Benefits Plan

Plan Description

The City is obligated under Chapter 84.160 RSMo to provide medical and life insurance benefits for civilian and commissioned Police employees hired prior to local control, September 1, 2013, and the only eligible employees are those in service or retired prior to this date. The City provides these other postemployment benefits (OPEB) under a single-employer, defined benefit postemployment plan that is administered by the City. No assets are accumulated in a trust that meets the criteria of GASB Statement No. 75. The OPEB plan does not issue a separate financial report.

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

(Dollars in thousands)

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 June 30, 2019, the date of the latest actuarial valuation, plan membership consisted of the following:

Retired participants	1,586
Active members	1,416
Total plan members	3,002

Total OPEB Liability

The City's total OPEB liability of $550,161 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. The total OPEB liability is recorded within governmental activities with the accompanying financial statements.

Changes in Total OPEB Liability

	Total OPEB liability
Balances at June 30, 2018	$ 489,731
Changes for the year:	
Service cost	14,768
Interest	19,285
Differences between expected and actual Experience	(1,219)
Change in assumption	40,079
Benefit payments	(12,483)
Net changes	60,430
Balances at June 30, 2019	$ 550,161

(Dollars in thousands)

OPEB Expense

For the fiscal year ended June 30, 2019, the City recognized plan expense of $38,303. The expense for the fiscal year ended June 30, 2019 is summarized as follows:

Service cost	$	14,768
Interest		19,285
Recognized portion of OPEB liability		(332)
Recognized portion of change in assumptions		4,582
Pension expense for year ended June 30, 2019	$	38,303

Actuarial Methods and Assumptions

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

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

	June 30, 2019
Actuarial cost method	Entry Age Normal as a % of Salary
Funding policy:	The Plan is unfunded and projected to be unfunded
Discount rate:	July 1, 2019 – 3.51%
Salary increase:	Officers: 6.25% for first 9 yrs. of service, 3.50% for 10 to 19 yrs. of service, and 3.0% thereafter
	Civilians: 4.25% for first year of service grading down to 3.00% at 20 yrs. of service
Healthcare trends:	

Year	Pre-Medicare	Post Medicare
2019	7.26 %	8.14 %
2020	6.81	7.55
2021	6.35	6.95
2022	5.89	6.35
2023	5.43	4.74
2024	4.97	5.12
2025+	4.50	4.50

Mortality (Healthy):	Pub-2010 Public Retirement Plans Safety Mortality Table MP-2019
Mortality (Disabled):	Pub-2010 Public Retirement Plans Safety Disabled Mortality Table MP-2019

(Continued)

(Dollars in thousands)

The sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Total OPEB liability
1% decrease	2.51 %	$ 651,595
Current rate	3.51	550,161
1% increase	4.51	471,199

Healthcare trend rates	Total OPEB liability
1% decrease	$ 462,338
Current rate	550,161
1% increase	664,502

Deferred Outflow/Inflow of Resources Related to OPEB

In accordance with GASB Statement No. 75, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and contributions subsequent to the measurement date as deferred outflow/inflow of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to plan from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual liability experience	$ —	887
Net difference between projected and actual earnings on pension plan investments	—	—
Change in assumptions	29,158	10,585
Total	$ 29,158	11,472

(Dollars in thousands)

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

		Recognition
Year ended June 30:		
2020	$	4,250
2021		6,342
2022		7,094
2023		—
2024		—
	$	17,686

Funding Status and Funding Progress

As of June 30, 2019, the most recent actuarial valuation date, the plan was 0% funded. The June 30, 2019 actuarial valuation stated the total OPEB liability was $550,161, and the actuarial value of assets was $0. The covered payroll (annual payroll of active employees covered by the plan) was $99,673, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 551.96%.

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

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

(12) Deferred Compensation Plan

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

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

(Dollars in thousands)

(13) Long-Term Liabilities

(a) Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2019:

	Primary government June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Governmental activities:					
Public offerings:					
General obligation bonds payable	$ 33,060	46,410	(4,905)	74,565	2,220
Development and Tax increment financing bonds and notes payable	8,255	—	(1,080)	7,175	472
Certificates of participation	3,105	—	(740)	2,365	765
Obligations with component unit	84,235	—	(5,658)	78,577	5,335
Leasehold revenue improvement and refunding revenue bonds	378,428	—	(14,583)	363,845	10,313
Joint venture financing agreement	19,093	—	(5,183)	13,910	5,402
Unamortized discounts	(2,322)	—	185	(2,137)	—
Unamortized premiums	26,608	5,023	(2,594)	29,037	—
Direct borrowings and direct placements:					
Section 108 Loan Guarantee Assistance Programs	17,110	—	(5,360)	11,750	5,700
Development and Tax increment financing bonds and notes payable	355,983	23,303	(10,893)	368,393	24,851
Energy Loan Program	910	—	(132)	778	136
Capital lease – rolling stock	8,917	7,000	(4,719)	11,198	3,877
Loan agreement with FPF	21,745	—	(1,530)	20,215	481
Leasehold revenue improvement and refunding revenue bonds	21,734	—	(2,585)	19,149	2,630
Other long-term liabilities:					
Net pension liability	432,848	4,825	(71,406)	366,267	—
Total OPEB liability	489,731	60,430	—	550,161	13,725
Accrued vacation and sick leave	50,964	29,190	(29,532)	50,622	23,381
Claims and judgments payable	52,924	34,303	(39,788)	47,439	20,042
Governmental activities long-term liabilities	$ 2,003,328	210,484	(200,503)	2,013,309	119,330

The City’s governmental activities does not have any unused lines of credit.

(Dollars in thousands)

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

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Business-type activities:					
Airport:					
Public offerings:					
Revenue bonds payable	$ 630,255	97,145	(35,780)	691,620	129,750
Unamortized discounts and premiums	51,775	22,867	(7,366)	67,276	—
Unearned lease revenues	4,347	—	(280)	4,067	—
Other long-term liabilities:					
Net pension liability	19,208	—	(72)	19,136	—
Pension funding project	4,704	—	(132)	4,572	141
Other	372	—	—	372	—
Accrued vacation, compensatory, and sick time benefits	5,356	3,316	(3,619)	5,053	3,316
Total Airport	716,017	123,328	(47,249)	792,096	133,207
Water Division:					
Public offerings:					
Revenue bonds payable	8,063	—	(430)	7,633	439
Other long-term liabilities:					
Customer deposits	2,152	551	(878)	1,825	—
Net pension liability	10,162	—	(562)	9,600	—
Pension funding project	2,791	—	(79)	2,712	84
Accrued vacation and sick time benefits	3,102	180	(229)	3,053	1,809
Total Water Division	26,270	731	(2,178)	24,823	2,332
Parking Division:					
Public offerings:					
Revenue bonds payable	61,092	—	(3,404)	57,688	3,547
Unamortized discounts and premiums, net	2,887	—	(187)	2,700	—
Other long-term liabilities:					
Net pension liability	2,622	41	—	2,663	—
Pension funding project	758	—	(21)	737	—
Other	88	—	(22)	66	—
Total Parking Division	67,447	41	(3,634)	63,854	3,547
Business-type activities long-term liabilities	$ 809,734	124,100	(53,061)	880,773	139,086
Less amounts recorded in:					
Accrued salaries and other benefits				(5,125)	(5,125)
Accounts payable and accrued liabilities				(225)	(225)
				$ 875,423	133,736

(Dollars in thousands)

(b) General Obligation Bonds (Public Offerings)

On November 15, 2018 the City issued $46,410 in General Obligation Bonds (GOB), Series 2018, with an average interest rate of 5%. A deposit of $50,731 (after the addition of a $5,023 premium and less cost of issuance of $702) was placed with the Trustee to be applied on various City projects.

Principal and interest requirements for GOB Series 2016, 2016A and 2018 are as follows:

		Principal	Interest	Total
Year ending June 30:				
2020	$	2,220	3,488	5,708
2021		2,430	3,380	5,810
2022		2,340	3,282	5,622
2023		2,525	3,188	5,713
2024		2,665	3,086	5,751
2025-2029		16,335	13,404	29,739
2030-2034		22,600	8,774	31,374
2035-2037		23,450	2,891	26,341
	$	74,565	41,493	116,058

(c) Section 108 Loan Guarantee Assistance Programs (Direct Debt)

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

		Principal	Interest	Total
Year ending June 30:				
2020	$	5,700	207	5,907
2021		6,050	74	6,124
	$	11,750	281	12,031

(Dollars in thousands)

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

The City issued a total of $23,303 in Development and Tax Increment Financing (TIF) bonds and notes payable during fiscal year 2019.

1) Principal and Interest Requirements – Public Offerings:

Principal and interest requirements for the development and tax increment financing debt issues that are associated with public offerings are as follows:

		TIF Bonds and notes		
		Principal	Interest	Total
Year ending June 30:				
2020	$	472	473	945
2021		500	446	946
2022		529	417	946
2023		560	386	946
2024		593	352	945
2025-2029		2,681	1,248	3,929
2030-2034		1,840	382	2,222
	$	7,175	3,704	10,879

2) Principal and Interest Requirements – Direct Debt

Principal and interest requirements for the development and tax increment financing debt issues that are associated with direct borrowings or direct placements are as follows:

		TIF Bonds and notes		
		Principal	Interest	Total
Year ending June 30:				
2020	$	24,851	23,720	48,571
2021		26,440	22,133	48,573
2022		28,132	20,441	48,573
2023		27,147	18,637	45,784
2024		28,882	16,902	45,784
2025-2029		138,510	56,149	194,659
2030-2034		67,673	20,636	88,309
2035-2038		26,758	3,346	30,104
	$	368,393	181,964	550,357

(Dollars in thousands)

(e) Loan Agreement With Missouri Department of Economic Development – Energy Loan Program (DED-DE) (Direct Debt)

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

		Principal	Interest	Total
Year ending June 30:				
2020	$	136	20	156
2021		140	17	157
2022		144	13	157
2023		148	9	157
2024		152	4	156
2025		58	1	59
	$	778	64	842

(f) Capital Lease – Rolling Stock (Direct Debt)

On September 18, 2018, the City entered into a capital lease agreement with draws in the amount of $5,500 and $1,500 at a rate of 3.03% and 3.23% respectively. The proceeds are to be used to purchase rolling stock. Equal payments of $1,061 are to be made annually with the final due February 1, 2026.

In the event of default, the lessor may accelerate payment, take positon of the equipment, or apply a default rate to the principal portion of the rental payments.

The following is a schedule of future minimum lease payments as of June 30, 2019.

Year ending June 30:		
2020	$	4,165
2021		1,412
2022		1,412
2023		1,412
2024		1,412
2025-2026		2,354
Total future minimum lease payments		12,167
Amount representing interest		(969)
Present value of net minimum lease payments	$	11,198

(Dollars in thousands)

(g) Certificates of Participation (Public Offerings)

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

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

Year ending June 30:		
2020	$	817
2021		818
2022		818
Total future minimum obligation payments		2,453
Amount representing interest		(88)
Present value of net minimum obligation payments	$	2,365

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

(h) Obligations with Component Unit (Public Offerings)

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, 2019.

Year ending June 30:		
2020	$	15,295
2021		15,295
Total future minimum obligation payments		30,590
Amount representing interest		(20,285)
Present value of net minimum obligation payments	$	10,305

(Dollars in thousands)

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

2) 600 Washington Project – SLDC Series 2010 Bonds

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

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2019.

Year ending June 30:		
2020	$	993
2021		1,013
2022		1,044
2023		1,067
2024		1,109
2025-2029		6,032
2030-2034		7,023
2035-2039		7,397
Total future minimum obligation payments		25,678
Amount representing interest		(11,011)
Present value of net minimum obligation payments	$	14,667

3) Scottrade Center Project – SLDC Series 2018A Bonds

On March 15, 2018, The Land Clearance for Redevelopment Authority (LCRA) issued $53,605 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2018A (LCRA Series 2018A bonds) for the Scottrade Center Project, a contractual obligation of the City. Concurrently with the execution and delivery of the Trust Indenture and the original issuance of the LCRA Series 2018A bonds, the SLDC, the City and the developer entered into a Financing Agreement.

Year ending June 30:		
2020	$	1,485
2021		1,485
2022		2,485
2023		2,587
2024		2,586
2025-2029		13,821

(Dollars in thousands)

2030-2034	$	16,727
2035-2039		22,424
2040-2044		22,430
2045-2048		17,942
Total future minimum obligation payments		103,972
Amount representing interest		(50,367)
Present value of net minimum obligation payments	$	53,605

(i) Loan Agreement with Forest Park Forever (Direct Debt)

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

		Principal	Interest	Total
Year ending June 30:				
2020	$	481	924	1,405
2021		502	902	1,404
2022		525	879	1,404
2023		549	855	1,404
2024		575	830	1,405
2025-2029		3,291	3,730	7,021
2030-2034		4,116	2,906	7,022
2035-2039		5,146	1,876	7,022
2040-2043		5,030	587	5,617
	$	20,215	13,489	33,704

(14) Leasehold Revenue Improvement and Refunding Revenue Bonds – Public Offerings and Direct Debt

(a) Pension Funding Project 2007

The long-term liability for the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2019:

Governmental activities	$	108,154
Business-type activities		8,021
	$	116,175

(Dollars in thousands)

(b) Principal and Interest Requirements – Public Offerings

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

		City parks		Convention center	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2020	$	575	1,030	235	2,144
2021		605	1,002	240	2,136
2022		630	977	9,640	8,030
2023		655	952	8,199	9,474
2024		685	919	8,001	9,672
2025-2029		3,880	4,150	37,274	51,093
2030-2034		4,725	3,303	26,663	61,804
2035-2039		5,890	2,143	36,194	54,803
2040-2043		5,815	607	—	—
	$	23,460	15,083	126,446	199,156

		Recreation sales tax		Police capital improvement sales tax	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2020	$	1,375	1,627	315	893
2021		1,465	1,559	730	880
2022		1,540	1,485	755	851
2023		1,615	1,408	795	813
2024		1,695	1,328	835	774
2025-2029		9,855	5,276	4,855	3,197
2030-2034		12,250	2,886	6,190	1,856
2035-2037		8,535	545	4,490	342
	$	38,330	16,114	18,965	9,606

(Dollars in thousands)

		Juvenile detention center		Carnahan courthouse/QEBC	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2020	$	630	838	1,595	830
2021		645	819	1,540	768
2022		675	793	1,605	706
2023		700	766	1,680	626
2024		740	731	1,765	542
2025-2029		4,270	3,063	6,510	1,336
2030-2034		5,455	1,883	3,155	257
2035-2038		5,355	501	—	—
	$	18,470	9,394	17,850	5,065

		Pension funding project Series 2007		Refuse and municipal garage	
		Principal	**Interest**	**Principal**	**Interest**
Year ending June 30:					
2020	$	3,585	7,552	1,100	359
2021		3,820	7,318	1,125	335
2022		4,065	7,070	1,150	308
2023		4,330	6,806	1,200	258
2024		4,610	6,524	1,260	199
2025-2029		27,960	27,718	2,710	205
2030-2034		38,310	17,369	—	—
2035-2038		29,495	3,915	—	—
	$	116,175	84,272	8,545	1,664

		Forest park	
		Principal	**Interest**
Year ending June 30:			
2020	$	1,150	143
2021		1,205	86
2022		1,270	25
	$	3,625	254

(Dollars in thousands)

(c) Principal and Interest Requirements – Direct Debt

Principal and interest requirements for the Leasehold Revenue Improvement and Refunding Bonds that are associated with direct borrowings and direct placements are as follows:

	Justice center		1520 Market Street/NGA	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	$ 1,811	34	819	679
2021	—	—	845	651
2022	—	—	875	625
2023	—	—	900	598
2024	—	—	930	571
2025-2029	—	—	5,190	2,303
2030-2034	—	—	6,400	1,081
2035	—	—	1,379	44
	$ 1,811	34	17,338	6,552

(d) Assets Pledged as Collateral for Debt

The following debt issues by SLMFC have leased assets pledged as collateral for the respective debt, as follows:

Leasehold Revenue Bond(s)	**Leased Asset(s)**
1520 Market Street/NGA (direct debt)	1520 Market Street building and improvements thereto
Carnahan Courthouse/QEBC	Carnahan Courthouse building and improvements thereto
City Parks	Part or all of Carondelet Park, Fairground Park, O'Fallon Park and Willmore Park together with the City's interest in any buildings, structures, and improvements situated thereon in the City
Convention Center	Convention Center Property and improvements thereto, not including the Dome
Forest Park Leasehold Revenue Refunding 2015	City's real estate interests in Forest Park ***except for***: Art Museum, Planetarium Property and BJH Property

Justice Center Series 2017 Refund 2005 (direct debt and public offering)	St. Louis Jail Facilities (City Justice Center and MSI) and improvements thereto
Juvenile Detention Center	City Juvenile Detention Center and improvements thereto
Pension Funding Project Series 2007	All operating fire stations and the fire department headquarters (Series 2007) / City Juvenile Detention Center and improvements thereto (Series 2008)
Police Capital Improvement Sales Tax	Three police command stations (the "***Premises Improvements***") and improvements to other buildings owned by the Board (the "Other Improvements," and together with the Premises Improvements, the "***Improvements***") and (ii) certain communications equipment (the "***Communications Property***")
Recreation Sales Tax	Real and personal property relating to the recreational facilities in a portion of Carondolet Park and O'Fallon Park
Refuse and Municipal Garage	Refuse Facility and improvements thereto; NOT the Municipal Garage

In the event of default of any of the City's debt, there may be an acceleration of maturity or a surrender of possession of trust estate assets for both public offerings and direct debt.

(15) Joint Venture Financing Agreement

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

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

(Dollars in thousands)

At June 30, 2019, 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:					
2020	$	4,280	598	1,122	6,000
2021		4,505	367	1,128	6,000
2022		4,740	125	(1,865)	3,000
	$	13,525	1,090	385	15,000

(16) Component Unit – Long-Term Liabilities

(a) Component Unit – SLDC Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLDC for the year ended June 30, 2019:

		Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Within one year
Due to other governmental agencies	$	5,668	53	(1,171)	4,550	1,000
Notes payable		48,956	7,386	(10,290)	46,052	18,563
Other liabilities		9,450	8,616	(6,740)	11,326	3,781
	$	64,074	16,055	(18,201)	61,928	23,344

Maturities on notes payable are as follows:

		Principal	Interest	Total
Year ending June 30:				
2020	$	18,563	1,250	19,813
2021		3,324	1,034	4,358
2022		830	964	1,794
2023		861	933	1,794
2024		894	900	1,794
2025–2036		21,580	8,739	30,319
	$	46,052	13,820	59,872

(Dollars in thousands)

(17) Revenue Bonds Payable

(a) Airport

Bonds outstanding at June 30, 2019 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	$	167,700
Bond Series 2007A, interest rate of 5.25%, payable in varying amounts through 2027		34,105
Bond Series 2009A, interest rate ranging from 5.375% to 6.625%, payable in varying amounts through 2035		97,155
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033		22,140
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024		17,310
Bond Series 2017A, interest rate of 5.00%, payable in varying amounts through 2033		125,410
Bond Series 2017B, interest rate ranging from 4.00% to 5.00%, payable in varying amounts through 2028		72,350
Bond Series 2017C, interest rate of 5.00%, payable in varying amounts through 2048		31,700
Bond Series 2017D, interest rate of 5.00%, payable in varying amounts through 2038		26,605
Bond Series 2019A, interest rate of 5.00%, payable in varying amounts through 2050		13,235
Bond Series 2019B, interest rate of 5.00%, payable in varying amounts through 2038		8,440
Bond Series 2019C, interest rate of 5.00%, payable in varying amounts through 2035		75,470
		691,620
Less:		
Current maturities		(129,750)
Unamortized discounts and premiums		67,276
		(62,474)
	$	629,146

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

On June 30, 2019, the Airport issued $75,470 Series 2019C Airport Refunding Bonds maturing in varying amounts from 2026 through 2035 with interest rates of 5%. Proceeds from the bonds plus additional Airport cash of $3,831 were used to refund $97,155 of Series 2009A Revenue Bonds on July 2, 2019 and paid costs incidental to the issuance of the bonds.

(Dollars in thousands)

At June 30, 2019, Series 2009A bonds are reflected within current maturities of revenue bonds payable. The Airport also issued $13,235 Series 2019A and $8,440 Series 2019B Airport Revenue Bonds maturing in varying amounts from 2021 through 2050 with interest rates of 5% to finance certain airfield, terminal and parking projects.

The Airport completed the advance refunding on July 2, 2019 to reduce its total debt service payments over the next 15 years by $35,599 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of $29,260.

As of June 30, 2019, 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 ending June 30:			
2020	$ 129,750	29,397	159,147
2021	32,750	27,375	60,125
2022	34,475	26,371	60,846
2023	36,190	24,604	60,794
2024	30,720	22,932	53,652
2025–2029	196,860	86,645	283,505
2030–2034	162,010	33,900	195,910
2035–2039	27,795	12,800	40,595
2040–2044	19,250	7,955	27,205
2045-2049	20,455	2,608	23,063
2050	1,365	34	1,399
	$ 691,620	274,621	966,241

(b) Water Division

Water revenue bonds outstanding at June 30, 2019 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2013 Water Revenue Refunding Bonds, 1.56%, drawdown loan, payable in varying amounts through January 1, 2034	$ 7,633
Less:	
Current maturities	(439)
	$ 7,194

(Dollars in thousands)

Series 2013 Water Revenue Bonds

In November 2013, the Water Division issued $9,500 (not to exceed) in Water Revenue Bonds (Series 2013 Bonds) through the Missouri Department of National Resources Direct Loan Program. This bond issue is a drawdown loan with a fixed interest rate of 1.56% to fund various projects at the water treatment plants and throughout the distribution system. The final drawdown relating to the program was completed in fiscal year 2017.

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

		Principal	Interest	Total
For the year ending June 30:				
2020	$	439	117	556
2021		448	110	558
2022		458	103	561
2023		467	96	563
2024		477	89	566
2025-2034		5,344	452	5,796
	$	7,633	967	8,600

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

(c) Parking Division

Revenue bonds outstanding at June 30, 2019 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12.00%, payable in varying amounts through 2024	$	1,345
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5.00%, payable in varying amounts through 2038		5,471
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022		667
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031		5,395
Series 2015B subordinated parking revenue bond interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033		33,770
Series 2016 revenue bond interest ranging from 3.00% to 4.00% payable in varying amounts through 2031		11,040
		57,688

(Dollars in thousands)

Less:	$	
Current portion of revenue bonds payable		(3,547)
Unamortized discount and premium		2,700
	$	56,841

Debt service requirements of the revenue bonds at June 30, 2019 are as follows:

		Principal	Interest	Total
Year ending June 30:				
2020	$	3,547	2,209	5,756
2021		3,663	2,065	5,728
2022		3,807	1,917	5,724
2023		3,966	1,754	5,720
2024		3,599	1,588	5,187
2025–2029		20,807	5,376	26,183
2030–2034		16,604	1,521	18,125
2035–2038		1,695	211	1,906
	$	57,688	16,641	74,329

(18) Pledged Revenues

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

(a) Governmental Activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, the total principal and interest remaining to be paid on the debt is $116,058. Principal and interest paid was $6,822 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $7,083. During fiscal year 2019, the proportion of pledged revenues needed for debt service to revenues collected was 96.32%.

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 2038. 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, 2019, the total principal and interest remaining is $595,548. Principal and interest paid was $33,710 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $43,503. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 77.49%.

A $45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a $5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Carnahan Courthouse. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, the total principal and interest remaining on this financings is $18,102. Principal and interest paid was $2,181 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $1,244. During fiscal year 2019, 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, 2019, total principal and interest remaining on the debt is $1,844. Principal and interest paid was $3,850 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $5,357. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 71.86%.

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, 2019, total principal and interest remaining on the debt is $37,583. Principal and interest paid was $3,762 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $3,745. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2019, total principal and interest remaining on the debt is $54,444. Principal and interest paid was $3,029 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $4,910. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 61.69%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007 and 2017, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2019 total principal and interest remaining on the debt is $28,571. Principal and interest paid was $1,212 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $1,840. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 65.87%.

Sales tax revenues dedicated to City Parks have been pledged to pay debt outstanding on the City Parks Leasehold Improvement Dedicated Revenue Bonds. Debt payments will be made from dedicated revenues for parks in the Capital Improvement Sales Tax, Metropolitan Park and Recreation District Capital Improvement Sales Tax, and Arch-Metro Parks Sales Tax. Annual principal and interest payments on the bonds are expected to require less than 75% of estimated related revenues. As of June 30, 2019, total principal and interest remaining on the debt is $38,544. Principal and interest paid was $1,608 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $3,311. During fiscal year 2019, the proportion of pledged revenues needed to revenue collected was 48.57%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2019, total principal and interest outstanding on this portion of the debt is $2,848. The pledged net revenue recognized for the year ended June 30, 2019 related to the collection of PILOTs and EATs was $3,568. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 79.82%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds associated with the Euclid-Buckingham parking garage construction. The term

(Continued)

of commitment related to such pledged revenues extend to fiscal year 2028. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2019, total principal and interest outstanding on this portion of the debt is $4,736. The pledged net revenue recognized for the year ended June 30, 2019 related to the collection of PILOTs and EATs was $369. During fiscal year 2019, 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 2013A, 2015A, 2015B and 2016 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, 2019, total principal and interest remaining on the debt is $32,015. During fiscal year 2019, revenue from the police parking ticket revenues totaled $376. During fiscal year 2019, 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.

(b) Business-type Activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of $691,620 in various long-term debt issuances. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2050. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2019, the total principal and interest remaining to be paid on the bonds is $966,241. Principal and interest paid was $66,410 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $87,968.

Water Division

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2019, the remaining principal and interest requirement is $8,600 payable through January 2034 (fiscal year 2034). Principal and interest paid for the Series 2013 Bonds was $596. The proportion of pledged revenue to revenue collected is estimated at 1.0% at June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $9,349.

Parking Division

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2013A, 2015A, 2015B and 2016. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2019 the remaining principal and interest requirement is $64,031 payable through fiscal year 2038. Principal and interest paid for the Series 2007B, 2013A, 2015A, 2015B and 2016 Parking Revenue Bonds was $4,983 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was $10,023.

(Dollars in thousands)

(19) Short-Term Debt

The City issued $66,000 of general fund Tax and Revenue Anticipation notes dated July 10, 2018 and redeemed May 30, 2019. 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, 2019 was as follows:

	Balance June 30, 2018	Issued	Redeemed	Balance June 30, 2019
Tax and revenue anticipation notes	$ —	66,000	(66,000)	—
	$ —	66,000	(66,000)	—

(20) Operating Leases

(a) City

At June 30, 2019, 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:	
2020	$ 1,322
2021	839
2022	682
2023	511
2024	463
2025–2029	1,957
	$ 5,774

Rental and lease expenditures for the fiscal year 2019 totaled $4,550.

(b) Airport – Use Agreements and Leases with Signatory Air Carriers

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

- Landing fees are calculated based on estimated operating and maintenance expenses of the airfield, and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights.

(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.
- Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2019, revenues from signatory air carriers accounted for 44.8% of total Airport operating revenues.

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

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the year ended June 30, 2019:

		Signatory	Non-signatory	Total
Airfield	$	44,474	13,752	58,226
Terminal and concourses		17,638	2,248	19,886
Hangars and other buildings		540	652	1,192
Cargo buildings		302	317	619
	$	62,954	16,969	79,923

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

The level of aviation activity at the Airport can have a material impact on the amount of total revenues generated at the Airport. However, Airport management believes the risk of significant variance in Airport revenues is mitigated by the Airport Use Agreements, concession agreements, and other leases, which contain minimum annual revenue guarantees. Effective July 1, 2016, the Airport entered into a new long-term Airport Use and Lease Agreement (AUA) with signatory air carriers which will expire June 30, 2021. Contemporaneously, the Airport also adopted a new companion Airline Operating Agreement and Terminal Building Space Permit (AOA), which the Airport will make available to airlines that elect not to enter into an AUA. The new agreements retain most of the provisions of the prior master agreements which expired June 30, 2016.

(Dollars in thousands)

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

Year ending June 30:		
2020	$	28,316
2021		22,955
2022		15,567
2023		13,530
2024		10,170
2025–2029		23,531
2030–2034		13,628
2035–2039		5,412
Thereafter		4,594
Total minimum future rentals	$	137,703

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $49,054 for the year ended June 30, 2019.

Unearned lease revenues included in Airport other long-term liabilities in the amount of $4,067 as of June 30, 2019 represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment under noncancelable arrangements. Expenses for operating lease agreements were $56 for the year ended June 30, 2019. Future minimum payments are as follows:

Year ending June 30:		
2020	$	59
2021		47
2022		22
2023		8
Total minimum future payments	$	136

(Dollars in thousands)

(c) Component Unit – SLDC

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

Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA, AHC and PDA as of June 30, 2019 are as follows:

Year ending June 30:		
2020	$	336
2021		335
	$	671

Additionally, at June 30, 2019, 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.

(21) Interfund Balances

Individual fund interfund receivable and payable balances as of June 30, 2019 are as follows:

Receivable fund	Payable fund		Amount
General fund	Special revenue—Grants fund	$	1,867
	Other governmental nonmajor funds		4
	Internal service fund		83
	Enterprise:		
	Airport		2,008
	Water Division		1,103
	Parking Division		1,540
			6,605
Redevelopment projects funds	General fund		4,678
	Capital projects fund		553
	Other governmental nonmajor funds		1,765
			6,996
Other governmental nonmajor funds	General fund		37

(Dollars in thousands)

Receivable fund	Payable fund		Amount
Internal service funds	General fund	$	558
	Other governmental nonmajor funds		2
	Enterprise:		
	Airport		2,585
	Water Division		3,253
	Parking Division		159
			6,557
		$	20,195

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, 2020.

Advances to/from other funds as of June 30, 2019 are as follows:

Advance from	Advance to		Amount
General fund	Internal service fund	$	33,614

(22) Interfund Transfers

Interfund transfers for the year ended June 30, 2019 consisted of the following:

			Transfer to				
			General fund	Capital projects fund	Other govern-mental funds	Parking division	Total
Transfer From	General fund	$	—	6,343	2,605	—	8,948
	Redevelopment projects fund		2,504	300	1,091	935	4,830
	Capital Projects fund		2,902	—	—	—	2,902
	Other Governmental funds		24,092	10,190	577	—	34,859
	Airport		6,795	—	—	—	6,795
	Water Division		3,230	—	—	—	3,230
	Parking Division		12,800	—	377	—	13,177
		$	52,323	16,833	4,650	935	74,741

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

(23) Commitments and Contingencies

(a) Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2019, 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, $450 is included as the total estimate of reasonably possible claims of $36,754.

(b) Commitments

At June 30, 2019, the City had outstanding commitments amounting to approximately $15,904, resulting primarily from service agreements.

Additionally, at June 30, 2019, the Airport had outstanding commitments amounting to approximately $34,876 resulting primarily from contracts for construction projects. In addition, the Airport has $41,130 in outstanding commitments resulting from service agreements.

(c) Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are not accounted for as expenditures and liabilities. As of June 30, 2019, encumbrances of $7,501 were reported in the general fund, $38,566 in the capital projects services fund and $12,830 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 7.6% of the Airport's total operating revenues and 17.0% of total revenues from signatory air carriers for the fiscal year ended June 30, 2019. Accounts receivable at June 30, 2019, contained $877 relating to unused credits issued by the Airport to American. This amount includes $1,026 of unbilled aviation revenue credits at June 30, 2019.

Southwest provided 25.9% of the Airport's total operating revenues and 57.9% of total revenues from participating air carriers for the fiscal year ended June 30, 2019. Accounts receivable at June 30, 2019 contained $1,675 relating to unused credits issued by the Airport to Southwest. This amount includes $2,213 of unbilled aviation revenue credits at June 30, 2019.

(e) Asbestos Removal

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

(f) Component Unit – SLDC

SLDC has entered into various cooperative agreements with the CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to $2,176 during the year ended June 30, 2019.

SLDC has received ten allocation awards of New Market Tax Credit (NMTC) investment authority pursuant to Section 45D of the Internal Revenue Code: a Round 2, $52,000 allocation received in 2005, a Round 6, $45,000 allocation in October 2008, a Round 7, $65,000 allocation received in October 2009, a Round 8, $21,000 allocation in February 2011, a Round 9, $50,000 allocation received in February 2012, a Round 10, $30,000 allocation received in April 2013 and a Round 12, $45,000 allocation received in June 2015, a Round 13, $75,000 allocation awarded in 2016, a Round 14, $35,000 allocation awarded in 2017 and $35,000 in Round 15 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 80 subsidiary CDEs – St. Louis New Markets Tax Credit Fund, LLC I through XL and 41–80 with the intent that each project to be allocated would be assigned its own CDE. All of SLDC's first eight allocations have been fully deployed into 68 projects. The Round 14 allocation still has $18,000 available; however, two transactions are currently in underwriting and expected to close by the end of 2019 which will reduce the available allocation from that round to $8,000. The Round 15 allocation of $35,000 has not had any activity.

SLDC receives financial assistance from several federal, state, and local government agencies in the form of grants and contracts. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the contract and grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become an SLDC liability. However, in the opinion of their management, any such disallowed claims will not have a material effect on the basic financial statements of SLDC at June 30, 2019.

(24) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured with respect to its obligation to provide workers' compensation, general liability and unemployment benefits. The City has sovereign immunity from liability and suit for compensatory damages for negligent acts or omissions, except in the case of injuries arising out of the operation of City motor vehicles or caused by the condition of City property. The maximum liability on such claims is increased or decreased on an annual basis effective January first of each year by the director of the Missouri Department of Insurance based on data published by the Bureau of Economic Analysis of the United States Department of Commerce. For 2019, these limits are $430 per person and $2,865 per occurrence. Various legal actions involving the City, including claims of negligence, employment discrimination and civil rights violations, are presently pending. In addition to compensatory damages, punitive damages and attorneys' fees are recoverable for the latter two types of claims. Additionally, a number of these same types of claims and lawsuits against SLPD are presently pending. The City's policy is to record these claims in its government-wide financial statements when it is probable that a liability has been incurred and the amount can be reasonably estimated.

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of $46,199 at June 30, 2019, relating to these matters is recorded in the self-insurance internal service fund – PFPC. Of total workers' compensation liability, $4,018 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 $430 for the year ended June 30, 2019. The City obtains periodic funding valuations from a claims-servicing company managing the appropriate level of estimated claims liability. Enterprise funds reimburse PFPC on a cost-reimbursement basis.

The City is self-insured for the prescription drug coverage provided to employees and retirees. The estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of $1,240 at June 30, 2019 relating to such matters is recorded in the self-insurance internal service fund – health.

(Dollars in thousands)

Additionally, as of June 30, 2019, 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 $200.

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, 2019 and, for the years ended June 30, 2019 and 2018 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2019 and 2018 are as follows:

		Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2019	$	52,924	34,303	(39,788)	47,439
2018		60,638	34,146	(41,860)	52,924

Additionally, there is an estimate of general liability claims outstanding of $36,754 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 estimable.

(25) Grant Loan Programs

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

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

(26) Component Unit – SLDC Conduit Debt

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

(Dollars in thousands)

(27) Fund Balance

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

	General fund	Redevelopment projects fund	Capital projects fund	Grant funds	Other governmental fund	Total
Nonspendable:						
Health and welfare	$ —	—	—	—	10	10
Parks and recreation	—	—	—	—	1	1
Public safety	1,991	—	—	—	—	1,991
Other	3,794	—	—	—	—	3,794
Total	5,785	—	—	—	11	5,796
Restricted:						
Redevelopment	—	17,377	—	—	—	17,377
Streets and bridges	—	—	1,487	—	44	1,531
Public safety	—	—	—	890	2,985	3,875
Parks and recreation	—	—	8,424	—	4,875	13,299
Convention and tourism	—	—	3,098	—	—	3,098
Transportation	—	—	—	—	25,583	25,583
Debt service	15,586	16,626	5,095	—	14,991	52,298
Capital improvement	—	—	55,465	—	—	55,465
Other	—	—	1,826	—	11,112	12,938
Total	15,586	34,003	75,395	890	59,590	185,464
Committed:						
Health and welfare	—	—	—	—	16,359	16,359
Streets and bridges	—	—	7,463	—	4,622	12,085
Public safety	—	—	—	—	25,163	25,163
Parks and recreation	—	—	11,292	—	2,766	14,058
Convention and tourism	—	—	—	—	4,021	4,021
Fund balance reserve	25,961	—	—	—	—	25,961
Payroll Reserve	2,066	—	—	—	—	2,066
Capital improvement	—	—	22,676	—	6,113	28,789
Total	28,027	—	41,431	—	59,044	128,502
Assigned:						
Redevelopment	—	3,740	—	—	—	3,740
Health and welfare	—	—	—	—	53	53
Streets and bridges	—	—	—	—	3	3
Public safety	—	—	—	—	1,130	1,130
Parks and recreation	—	—	—	—	126	126
Other	—	—	—	—	6,198	6,198
Total	—	3,740	—	—	7,510	11,250
Unassigned	35,327	—	(17,940)	—	—	17,387
Total	$ 84,725	37,743	98,886	890	126,155	348,399

(Continued)

(Dollars in thousands)

(28) Tax Abatements

The City implemented GASB 77, Tax Abatement Disclosures, for the year ended June 30, 2019. The following table represents the abated revenues at June 30, 2019:

Name of Program	Industrial Revenue Bond Transactions - Personal Property**	Industrial Revenue Bond Transactions - Earnings Tax Incentive Credits
Purpose of program	Personal property tax abatement or exemption from sales and use tax of qualified purchases of construction materials and/or personal property to provide economic development benefits to the municipality.	Use of earnings tax revenues to remediate existing underdeveloped and obsolete conditions in the project area, improve property values, create jobs and additional revenues to the municipality.
Abated tax	Personal Property Tax, Merchants & Manufacturing Tax, and Sales & Use Tax	Earnings Tax
Authorizing Statute/Ordinance	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.	Sections 70.210 to 70.320 RSMo. and the Charter of the City of St. Louis
Eligibility requirement	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).	Determination by governing body that area requires assistance Municipality must adopt an ordinance approving the Cooperation Agreement.
How tax is reduced	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.	City agrees, subject to annual appropriation, to reimburse redeveloper for eligible project costs up to a defined limit using a portion of earnings tax revenues.
Determination of abated amount	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.	By ordinance and cooperation agreement with redeveloper.
Recapture provisions	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None
Gross dollar of reduced tax revenues - Total*	$ 1,228	$ 2,111
Gross dollar of reduced tax revenues - City's portion*	$ 51	$ 2,111

* Dollar amounts per calendar year
** Industrial Revenue Bonds - No sales and use tax data were available during this period.

(Dollars in thousands)

Name of Program	Chapter 353 – Residential	Chapter 353 – Residential PILOT	Chapter 99 – Residential
Purpose of Program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 – 353.190 RSMo	Sections 353.010 – 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.
How tax is reduced	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.
Determination of abated amount	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance and redevelopment agreement (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	$ 3,850	$ 1,875	$ 5,601
Gross dollar of reduced tax revenues – City's portion*	$ 743	$ 362	$ 1,081

* Dollar amounts per calendar year

(Dollars in thousands)

Name of Program	Chapter 99 – Commercial	Chapter 99 – Commercial PILOT	Chapter 353 – Commercial
Purpose of program	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to improve blighted property.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 353.010 – 353.190 RSMo
Eligibility requirement	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.
How tax is reduced	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.
Determination of abated amount	By statute, ordinance and redevelopment agreement with LCRA (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	$ 8,963	$ 5	$ 6,104
Gross dollar of reduced tax revenues – City's portion*	$ 1,578	$ 1	$ 1,075

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI

Notes to Basic Financial Statements

June 30, 2019

(Dollars in thousands)

Name of Program	Chapter 353 Commercial PILOT	Chapter 100 - Planned Industrial Expansion Authority	Enhanced Enterprise Zone Tax Incentives
Purpose of program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 – 353.190 RSMo	Sections 353.010 – 353.190 RSMo; City Ordinance 54788 approved 12/11/1967	Sections 135.950 to 135.973, RSMo; City Ordinance 67350 approved 12/11/06
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Planned Industrial Expansion Authority (PIEA) under Sections 100.300 to 100.620 RSMo. Determination by governing body that area is blighted. PIEA adopts development plan. Municipality must hold public hearing and adopt ordinance approving development plan. PIEA may enter development agreement with developer. Effectuated through either title transfer.	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abatement. EEZB enters redevelopment agreement with redeveloper.
How tax is reduced	Chapter 353 payments in lieu of taxes (PILOTS) established by city ordinance on improvements for up to 25 years	Assessments are abated through the procedures set forth in Chapter 353 RSMo.	City authorizing resolution specifies the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.
Determination of abated amount	By statute, ordinance, and redevelopment agreement (if any).	By statute, ordinance, and redevelopment agreement with PIEA (if any).	By statute, resolution and redevelopment agreement with EEZB.
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	$ 2,683	$ 69	$ 2,682
Gross dollar of reduced tax revenues – City's portion*	$ 472	$ 12	$ 472

* Dollar amounts per calendar year

(Dollars in thousands)

Name of Program	Enhanced Enterprise Zone Tax Incentives PILOT	Industrial Revenue Bond Transactions – Real Property	Tax Increment Financing (TIF) - Payments in Lieu of Taxes (PILOTS)
Purpose of program	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.	Real property tax abatement to provide economic development benefits to the municipality	PILOTS incentive to improve blighted ares, conservation areas, or to increase and/or preserve economic development
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 135.950 to 135.973, RSMo; City ordinance 67350 approved 12/11/06	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.	Missouri's TIF Act (RSMo 99.800-99.865). Development area approved by ordinance.
Eligibility requirement	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abetement. EEZB enters redevelopment agreement with redeveloper.	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).	Determined by SLDC and the TIF Commission.
How tax is reduced	City authorizing resolution specifies the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.	Determined by the Collector of Revenue based on parcels tagged by Assessor's Office as TIFs.
Determination of abated amount	By statute, resolution and redevelopment agreement with EEZB.	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.	Determined by SLDC and approved by TIF Commission.
Recapture provisions	By agreement, if any	By agreement, if any	By redevelopment agreement
Other types of commitments by City	None	None	Percentage of taxes collected on Special Business District tax of various parcels in TIF district.
Gross dollar of reduced tax revenues – Total*	$ 195	$ 507	$ 23,577
Gross dollar of reduced tax revenues – City's portion*	$ 34	$ 98	$ 4,644

* Dollar amounts per calendar year

(Continued)

Name of Program	Tax Increment Financing (TIF) - Economic Activity Tax (EATS)
Purpose of program	EATS incentive which includes payroll taxes, sales taxes and gross receipts to improve blighted areas, conservation areas, or to increase and/or preserve economic development.
Abated tax	EATS
Authorizing Statute/Ordinance	Missouri's TIF Act (RSMo 99.800-99.865). Development area approved by ordinance.
Eligibility requirement	Determined by SLDC and the TIF Commission.
How tax is reduced	Determined by TIF Analyst of 50% of EATS, based on the reports received by State, Collector of Revenue, License Collector and various utility companies.
Determination of abated amount	Determined by SLDC and approved by TIF Commission.
Recapture provisions	By redevelopment agreement
Other types of commitments by City	Percentage of taxes collected on EATS of bottom half, CID and TDD on various TIF projects.
Gross dollar of reduced tax revenues – Total*	$ 12,900
Gross dollar of reduced tax revenues – City's portion*	$ 12,900

* Dollar amounts per calendar year

(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 2, 2019, the City issued $45,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 1, 2020 and bear interest at a rate of 2.50% per year.

(b) Property Taxes

The City tax rate levied in November 2019 was $1.5797 per $100 (in dollars) of assessed valuation of which $1.4388 (in dollars) is for the general fund and $0.1409 (in dollars) is for the debt service fund.

(c) Cure Violence

On October 11, 2019, the Board of Aldermen approved Ordinance 71026, a supplemental appropriation to the fiscal year 2020 budget for $5,000 to provide funding for the violence prevention alternative program Cure Violence for three years.

(d) General Obligation Bonds

On December 17, 2019, the City issued $3,590 tax-exempt general obligation debt with a private placement with Regions Bank with interest rate of 2.24% for various capital improvements.

(e) St. Louis Lambert International Airport Undertaking Privatization Consideration Process

The City is undertaking the process of considering privatizing the Airport. To date, a request for qualification (RFQ) has been issued to seek qualified bidders who possess both the financial and operational background. Eighteen bidders responded to the RFQ which are currently under review. If there are sufficient qualified bidders, the City may decide to issue a request for proposal later this year or early 2020. The process is expected to take another year if the City decides to ultimately seek approval to enter into an agreement with a private operator.

Schedule 1

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues				
Taxes:				
Gross receipts	$ 6,176	6,176	6,746	570
City earnings	179,120	179,120	184,406	5,286
Franchise	51,368	51,368	51,764	396
Sales	53,880	53,880	54,468	588
Property	62,321	62,321	62,106	(215)
Payroll	39,040	39,040	39,593	553
Motor vehicle	3,437	3,437	3,263	(174)
Other	950	950	881	(69)
Total taxes	396,292	396,292	403,227	6,935
Licenses and permits:				
Graduated business	6,607	6,607	6,240	(367)
Cigarette	1,698	1,698	1,339	(359)
Building division	8,643	8,643	7,940	(703)
Communication transmission	1,950	1,950	2,095	145
Liquor	580	580	575	(5)
Other	731	731	704	(27)
Motor vehicle	1,423	1,423	1,463	40
Total licenses and permits	21,632	21,632	20,356	(1,276)
Intergovernmental:				
Motor fuel tax allocation	8,600	8,600	8,602	2
Juvenile detention center	1,975	1,975	2,016	41
Public safety	5,980	5,980	10,881	4,901
Other intergovernmental	362	362	400	38
Total intergovernmental	16,917	16,917	21,899	4,982
Charges for services:				
Parks and recreation	311	311	248	(63)
Streets	20,321	20,321	20,312	(9)
Public safety	8,896	8,896	9,695	799
Health	648	648	627	(21)
Fee offices	4,007	4,007	3,778	(229)
Services provided to other funds	5,415	5,415	5,204	(211)
Total charges for services	39,598	39,598	39,864	266
Court fines and forfeitures	2,159	2,159	2,583	424
Interest	2	2	2	—
Miscellaneous	2,993	2,993	3,121	128
Total revenues	479,593	479,593	491,052	11,459
Expenditures	507,266	507,316	489,674	17,642
Excess (deficiency) of revenues over expenditures	(27,673)	(27,723)	1,378	29,101
Other financing sources (uses):				
Transfers in	37,959	37,959	38,567	608
Transfers out	(9,254)	(9,204)	(9,193)	11
Total other financing sources (uses), net	28,705	28,755	29,374	619
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	$ 1,032	1,032	30,752	29,720

See accompanying independent auditors' report.

Schedule 1, Continued

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual: Personal services	Actual: Other expenditures	Actual: Total expenditures	Variance with final budget positive (negative)
General government:							
110	Board of Alderman	$ 3,228	3,178	2,812	161	2,973	205
120	Mayor's Office	2,026	1,976	1,781	167	1,948	28
123	Department of Personnel	3,673	3,673	2,932	209	3,141	532
124	Registrar	186	186	177	6	183	3
126	Civil Rights Enforcement Agency	341	341	339	4	343	(2)
127	Information Technology Service Agency	5,952	7,782	3,495	2,161	5,656	2,126
137	Division of the Budget	463	463	440	4	444	19
139	City Counselor	9,638	11,063	4,355	6,562	10,917	146
141	Planning and Urban Design	603	603	432	108	540	63
160	Comptroller	6,233	6,231	3,667	2,349	6,016	215
162	Municipal Garage	399	401	291	34	325	76
163	Microfilm Section	311	311	255	38	293	18
170	Supply Commissioner	730	730	639	9	648	82
171	Multigraph Section	895	895	611	179	790	105
330	Tax Equalization Board	11	11	3	1	4	7
333	Recorder of Deeds	2,836	2,836	2,569	202	2,771	65
334	Election and Registration	3,716	3,716	2,138	1,257	3,395	321
340	Treasurer	723	723	675	41	716	7
	Prior year encumbrance	1,397	1,397	—	128	128	1,269
	Sub total general government	43,361	46,516	27,611	13,620	41,231	5,285
190	City-Wide Accounts	5,552	5,552	1,668	3,859	5,527	25
	Prior year encumbrance	346	346	—	346	346	—
	Sub total city-wide accounts	5,898	5,898	1,668	4,205	5,873	25
	Total general government	49,259	52,414	29,279	17,825	47,104	5,310

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual: Personal services	Actual: Other expenditures	Actual: Total expenditures	Variance with final budget positive (negative)
Convention and tourism:							
930	Soldier's Memorial Building	$ 125	125	123	2	125	—
	Total convention and tourism	125	125	123	2	125	—
Parks and recreation:							
210	Director of Parks, Recreation and Forestry	666	666	636	17	653	13
213	Division of Recreation	1,594	1,544	1,469	24	1,493	51
214	Division of Forestry	8,772	7,979	6,511	812	7,323	656
220	Division of Parks	7,623	7,573	6,341	589	6,930	643
225	Soulard Market	231	231	131	83	214	17
250	Tower Grove Park	725	725	—	725	725	—
	Prior year encumbrance	—	—	—	—	—	—
	Total parks and recreation	19,611	18,718	15,088	2,250	17,338	1,380
Judicial:							
311	Circuit Court (General)	10,251	9,676	5,031	3,801	8,832	844
312	Circuit Attorney	7,457	7,457	6,222	818	7,040	417
315	Sheriff	9,212	9,212	8,946	257	9,203	9
316	City Courts	2,261	2,261	1,596	460	2,056	205
318	Public Administrator	142	142	141	—	141	1
320	Probation Department and Juvenile Detention Center	16,660	16,210	13,976	1,538	15,514	696
321	Drug Court	499	499	—	289	289	210
	Prior year encumbrance	282	282	—	124	124	158
	Total judicial	46,764	45,739	35,912	7,287	43,199	2,540

Schedule 1, Continued

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual: Personal services	Actual: Other expenditures	Actual: Total expenditures	Variance with final budget positive (negative)
Streets:						
510 Director of Streets	$ 1,196	1,196	1,121	38	1,159	37
511 Transportation and Traffic Division	9,552	9,443	5,137	4,032	9,169	274
513 Auto Towing and Storage	2,088	2,097	1,628	479	2,107	(10)
514 Street Division	7,055	7,748	5,945	1,432	7,377	371
516 Refuse Division	18,040	17,790	8,294	9,800	18,094	(304)
Prior year encumbrance	—	—	—		—	—
Total streets	37,931	38,274	22,125	15,781	37,906	368
Public safety – fire:						
611 Fire Department Operations	59,825	59,825	57,274	3,677	60,951	(1,126)
612 Firemen's Retirement System	9,599	9,685	9,685	—	9,685	—
Prior year encumbrance	35	35		—	—	35
Total public safety – fire	69,459	69,545	66,959	3,677	70,636	(1,091)
Public safety – police:						
650 Police Department	135,386	134,300	117,402	11,462	128,864	5,436
651 Police Retirement System	31,106	31,106	31,126	—	31,126	(20)
Prior year encumbrance	921	921	—	921	921	—
Total public safety – police	167,413	166,327	148,528	12,383	160,911	5,416

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual Personal services	Actual Other expenditures	Actual Total expenditures	Variance with final budget positive (negative)
Public safety – other:							
610 Director of Public Safety	$	723	723	725	13	738	(15)
614 Office of Special Events		194	194	199	—	199	(5)
616 Excise Commissioner		446	446	381	24	405	41
620 Building Commissioner		7,869	7,869	7,180	505	7,685	184
622 Neighborhood Stabilization		2,567	2,567	2,181	115	2,296	271
625 City Emergency Management Agency		203	203	127	42	169	34
632 Medium Security Institution		15,988	15,433	10,175	4,743	14,918	515
633 City Jail		23,426	23,501	16,750	5,955	22,705	796
635 Civilian Oversight Board		316	316	265	20	285	31
Prior year encumbrance		15	15	—	—	—	15
Total public safety-other		51,747	51,267	37,983	11,417	49,400	1,867
Health and welfare:							
335 Medical Examiner		2,294	2,294	865	1,284	2,149	145
800 Director of Human Services		1,531	1,531	1,282	118	1,400	131
Total health and welfare		3,825	3,825	2,147	1,402	3,549	276
Public services:							
900 President's Office, Board of Public Services		2,524	2,524	2,166	195	2,361	163
903 Building Operations		15,711	15,711	4,385	11,867	16,252	(541)
910 Equipment Services Division		16,379	16,379	7,486	7,640	15,126	1,253
Prior year encumbrance		365	365	—	365	365	—
Total public services		34,979	34,979	14,037	20,067	34,104	875
Debt service:							
Principal		11,562	11,774	—	11,240	11,240	534
Interest and fiscal charges		14,591	14,329	—	14,162	14,162	167
Total debt service		26,153	26,103	—	25,402	25,402	701
Total expenditures	$	507,266	507,316	372,181	117,493	489,674	17,642

See accompanying independent auditors' report.

Schedule 2

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:					
Taxes	$	39,973	39,973	39,973	—
Licenses and permits		2	2	2	—
Intergovernmental		4,103	4,103	4,103	—
Charges for service, net		—	—	—	—
Court fines and forfeitures		—	—	—	—
Investment income		85	85	85	—
Miscellaneous		2,719	2,719	2,719	—
Total revenues		46,882	46,882	46,882	—
Expenditures:					
Current:					
General government		1,375	1,375	1,375	—
Convention and tourism		—	—	—	—
Parks and recreation		—	—	—	—
Judicial		—	—	—	—
Streets		—	—	—	—
Public safety:					
Fire		—	—	—	—
Police		—	—	—	—
Other		—	—	—	—
Health and welfare		—	—	—	—
Public service		—	—	—	—
Community development		32,475	32,475	32,475	—
Capital outlay		—	—	—	—
Debt service		34,963	34,963	34,963	—
Total expenditures		68,813	68,813	68,813	—
Excess (deficiency) of revenues over expenditures		(21,931)	(21,931)	(21,931)	—
Other financing sources (uses):					
Proceeds from issuance of TIF debt		23,303	23,303	23,303	—
Transfers in		—	—	—	—
Transfers out		(5,555)	(5,555)	(5,555)	—
		17,748	17,748	17,748	—
Net change in fund balances	$	(4,183)	(4,183)	(4,183)	–

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund and Redevelopment Projects Fund – Unaudited

Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

(1) Explanation of Budgetary Process

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

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

1) On or before 60 days prior to the start of each fiscal year, the Budget Director submits to the Board of Estimate and Apportionment (E&A), which consists of the Mayor, the Comptroller, and the President of the Board of Aldermen, for approval and submission to the Board of Aldermen (Board), a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them at the sub-fund level. A public hearing is held by E&A in order to afford citizens an opportunity to be heard on the proposed budget. The Board may reduce any item, except amounts fixed by state statute or for the payment of principal or interest of the City debt or for meeting any ordinance obligations, but may not increase such amount nor insert new items. Expenditures may not legally exceed appropriations at the fund level; however, supplemental appropriations may be made by the Board.

2) The annual operating budgets are adopted by the affirmative vote of a majority of the members of the Board and approval by the Mayor on or before the last day of the preceding budget year. In the event the Board has not acted upon the proposed budget ordinance by this time, the budgets, as recommended by E&A or in its absence, the submission by the Budget Director, shall be considered to be adopted and approved by the Board.

3) During the year, with the approval of E&A, the City may transfer part or all of any encumbered appropriation balance among programs within a department, office, or agency, without approval of the Board. Legislative action is required by the Board when the budget for an entire fund is to be increased. The amount of such transfers during the year was not significant.

4) If it is determined that there are revenues in excess of those estimated in the budget that are available for appropriation, the Board may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.

5) At the end of each budget period, all unencumbered appropriated balances lapse, with the exception of appropriations for capital improvements that lapse upon completion of the related capital improvement project.

(Continued)

CITY OF ST. LOUIS, MISSOURI

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund and Redevelopment Projects Fund – Unaudited

Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

(2) Explanation of the Differences Between the Excess/(Deficiency) of Revenues and other Financing Sources over Expenditures and other Financing Uses – Budget Basis and Net Change in Fund Balance – GAAP Basis

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

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

1) Revenues are recorded when received in cash (budget), as opposed to when they are measurable and available (GAAP).

2) Expenditures are recorded when paid (budget), as opposed to when the obligation is incurred (GAAP).

3) Certain activities and funds of the general, special revenue, and capital projects fund types are not included in the annual operating budgets adopted by the Board.

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

		General fund	Redevelopment projects fund
Budget basis	$	30,752	(4,183)
Increase (decrease) due to:			
Revenue accruals		2,350	1,305
Expenditure accruals		(93)	(1)
Unbudgeted activities and funds		13,740	—
GAAP basis	$	46,749	(2,879)

See accompanying independent auditors' report.

Schedule 4

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Police Retirement System of St. Louis.

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

		Fiscal year end June 30									
Total pension liability		**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Service cost	$	16,370	17,988	12,618	12,978	12,992					
Interest		68,899	66,043	67,036	66,579	65,906					
Difference between expected and actual experience		(4,887)	3,911	(3,684)	(2,041)	—	*(Historical information prior to implementation of GASB 67/68 is not required)*				
Change in benefit		—	—	—	—	—					
Change of assumptions		(59,546)	(55,154)	131,846	16,249	6,650					
Benefit payments		(68,576)	(63,452)	(62,637)	(69,533)	(60,973)					
Net change in total pension liability		(47,740)	(30,664)	145,179	24,232	24,575					
Total pension liability – beginning		1,058,653	1,089,317	944,138	919,906	895,331					
Total pension liability – ending (a)		1,010,913	1,058,653	1,089,317	944,138	919,906					
System fiduciary net position:											
Contributions – employer		33,105	33,826	30,779	30,600	32,325					
Contributions – employee		5,129	4,654	4,377	4,488	4,438					
Net investment income		51,089	93,520	52,927	(8,325)	48,095					
Benefit payments		(68,576)	(63,452)	(62,637)	(69,533)	(60,973)					
Administrative expenses		(1,166)	(1,206)	(1,103)	(1,125)	(1,096)					
Net change in fiduciary net position		19,581	67,342	24,343	(43,895)	22,789					
System fiduciary net position – beginning		776,580	709,238	684,895	728,790	706,277					
System fiduciary net position – ending (b)		796,161	776,580	709,238	684,895	729,066					
Net pension liability – ending: (a)-(b)	$	214,751	282,073	380,079	259,243	190,840					
System's fiduciary net position as a percentage of the total pension liability		78.76 %	73.36 %	65.11 %	72.54 %	79.25 %					
Covered payroll*	$	76,710	76,142	72,684	72,325	72,151					
Net pension liability as a percentage of covered payroll		279.95 %	370.46 %	522.92 %	358.44 %	264.50 %					

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

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Police Retirement System of St. Louis.

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

	Covered employee payroll	Contributions as percentage of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	$ 74,840	44.23	$ 33,105	33,105	—
2018	73,619	45.95	33,827	33,827	—
2017	77,844	39.54	30,779	30,779	—
2016	72,325	42.31	30,600	30,600	—
2015	72,151	44.80	32,325	32,325	—
2014	70,328	41.96	29,513	32,629	(3,116)
2013	70,077	31.60	22,146	28,474	(6,328)
2012	67,594	26.80	18,116	20,037	(1,921)
2011	71,095	21.25	15,108	17,476	(2,368)
2010	68,573	16.58	11,368	14,318	(2,950)

Notes to required supplementary information for contributions

Valuation date	October 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method/period	None – aggregate is funded over the future working lifetime of current participants
Asset valuation method	5-year smoothed average of market value
Actuarial assumptions:	
Investment rate of return	7.5%, net of 0.15% administrative expenses
Inflation	2.5%
Projected salary increases	3.00% – 6.25%, varying by age
Mortality (ordinary)	RP-2014 Blue collar projected generally with MP-2015 with 1.15 adjustment
Mortality (accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (disabled)	RP-2014 disabled retiree projected generally with MO-2015 with 0.9 adjustment male and no adjustment for females

See accompanying independent auditors’ report.

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Firemen's Retirement System of St Louis

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

		Fiscal year end June 30									
Total pension liability		**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Service cost	$	—	—	—	—	—					
Interest		32,730	34,537	34,916	34,403	34,450					
Difference between expected and actual experience		(5,442)	(26,463)	(6,984)	15	—	*(Historical information prior to implementation of GASB 67/68 is not required)*				
Change in benefit		—	—	—	—	—					
Change of assumptions		—	—	—	43,915	—					
Refunds		(649)	(816)	(1,278)	(1,294)	(1,205)					
Benefit payments		(32,161)	(32,016)	(32,155)	(33,562)	(34,002)					
Net change in total pension liability		(5,522)	(24,758)	(5,501)	43,477	(757)					
Total pension liability – beginning		464,760	489,518	495,019	451,542	452,299					
Total pension liability – ending (a)		459,238	464,760	489,518	495,019	451,542					
System fiduciary net position:											
Contributions – employer		2,715	3,314	2,715	—	1,008					
Refunds		(649)	(816)	(1,278)	(1,294)	(1,205)					
Net investment income		24,520	60,391	38,228	(10,932)	48,270					
Benefit payments		(32,161)	(32,016)	(32,155)	(33,562)	(34,002)					
Transfer out due to settlement agreement		—	—	—	—	(10,279)					
Transfer from future benefit fund		166	167	167	—	—					
Administrative expenses		(1,050)	(1,068)	(1,095)	(1,594)	(1,424)					
Net change in fiduciary net position		(6,459)	29,972	6,582	(47,382)	2,368					
System fiduciary net position – beginning		483,612	453,640	447,058	494,440	492,222					
System fiduciary net position – ending (b)		477,153	483,612	453,640	447,058	494,590					
Net pension liability – ending: (a)-(b)	$	(17,915)	(18,852)	35,878	47,961	(43,048)					
System's fiduciary net position as a percentage of the total pension liability		103.90 %	104.06 %	92.67 %	90.31 %	109.53 %					
Covered payroll*	$	29,797	31,079	30,219	30,288	29,768					
Net pension liability as a percentage of covered payroll		(60.12)%	(60.66)%	118.73 %	158.35 %	(144.61)%					

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

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Firemen's Retirement System of St Louis

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

	Covered employee payroll	Contributions as percentage of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	$ 26,734	10.16 %	$ 2,715	2,715	—
2018	29,122	11.38	3,314	3,314	—
2017	30,697	8.84	2,715	2,715	—
2016	30,288	—	—	—	—
2015	29,768	3.39	1,008	1,008	—
2014	30,022	32.66	9,804	10,137	(333)
2013	36,013	58.80	21,177	21,685	(508)
2012	37,157	62.09	23,072	23,072	—
2011	40,789	43.77	17,855	17,855	—
2010	42,052	29.00	12,194	12,194	—

Notes to required supplementary information for contributions

Valuation date	October 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age – Frozen Initial Liability (FIL)
Amortization method/period	30-year closed period from establishment
Asset valuation method	3-year smoothed average of market value
Actuarial assumptions:	
Investment rate of return	7.3%, net of investment expenses
Inflation	2.75%
Projected salary increases	Benefits have been frozen since February 1, 2013; therefore, no salary increases have been assumed
Mortality	RP-2014 mortality table, sex distinct

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Firefighters' Retirement Plan

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

		Fiscal year end June 30									
Total pension liability		**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Service cost	$	7,620	6,009	6,033	6,227	6,411					
Interest		7,777	8,214	7,215	6,146	4,088					
Difference between expected and actual experience		6,428	4,041	337	1,179	(5,360)	*(Historical information prior to implementation of GASB 67/68 is not required)*				
Change in benefit		—	—	—	979	—					
Change of assumptions		—	(19,682)	—	22,244	—					
Benefit payments		(746)	(552)	(381)	(263)	(133)					
Net change in total pension liability		21,079	(1,970)	13,204	36,512	5,006					
Total pension liability – beginning		100,014	101,984	88,780	52,268	47,262					
Total pension liability – ending (a)		121,093	100,014	101,984	88,780	52,268					
Plan fiduciary net position:											
Contributions – employer		8,023	9,263	9,148	8,507	15,825					
Contributions – employer		3,172	3,121	2,919	2,829	2,813					
Net investment income		5,683	5,900	2,892	(843)	(92)					
Benefit payments		(746)	(552)	(381)	(263)	(133)					
Administrative expenses		(414)	(413)	(405)	(313)	(207)					
Net change in fiduciary net position		15,718	17,319	14,173	9,917	18,206					
Plan fiduciary net position – beginning		61,267	43,948	29,776	19,859	1,653					
Plan fiduciary net position – ending (b)		76,985	61,267	43,949	29,776	19,859					
Net pension liability – ending: (a)-(b)	$	44,108	38,747	58,035	59,004	32,409					
Plan's fiduciary net position as a percentage of the total pension liability		63.58 %	61.26 %	43.09 %	33.54 %	37.99 %					
Covered payroll*	$	39,933	38,483	36,637	35,531	34,939					
Net pension liability as a percentage of covered payroll		110.46 %	100.69 %	158.41 %	166.06 %	92.76 %					

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

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Firefighters' Retirement Plan

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

	Covered employee payroll	Contributions as percentage of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	$ 35,829	22.39 %	$ 8,023	8,023	—
2018	36,059	25.69 %	9,263	9,263	—
2017	37,216	24.58	9,148	9,148	—
2016	35,531	20.93	7,436	8,507	(1,071)
2015	34,939	25.59	8,942	8,942	—
2014	22,642	30.40	6,883	6,883	—
2013	—	—	—	—	—
2012	—	—	—	—	—
2011	—	—	—	—	—
2010	—	—	—	—	—

Notes to required supplementary information for contributions

Valuation date	October 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method/period	30-year closed period from establishment
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expenses
Inflation	2.75%
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue Collar Employee table adjusted to 2006 with MP-2017

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Employees Retirement System of the City of St Louis

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

	Fiscal year end June 30									
Total pension liability	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Proportion of the net pension liability	82.04 %	82.91 %	83.20 %	83.50 %	83.90 %					
Proportionate share of the net pension liability	$ 138,806	144,021	174,115	189,264	129,712	*(Historical information prior to implementation of GASB 67/68 is not required)*				
Covered payroll	196,614	198,402	197,322	211,924	211,675					
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.60 %	72.59 %	88.24 %	89.31 %	61.28 %					
Plan fiduciary net position as a percentage of the total pension liability	68.11 %	68.37 %	65.33 %	63.64 %	70.09 %					

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

Employees Retirement System of the City of St Louis

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

	Covered employee payroll	Contributions as percentage of covered-employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	$ 194,810	12.36 %	$ 23,021	24,088	(1,067)
2018	197,404	12.51	22,953	24,692	(1,739)
2017	197,906	13.51	23,743	26,734	(2,991)
2016	238,385	14.87	31,605	35,436	(3,831)
2015	237,795	15.47	34,061	36,788	(2,727)
2014	192,141	—	29,601	—	29,601
2013	191,099	13.52	27,064	25,837	1,227
2012	189,602	13.13	25,073	24,900	173
2011	197,584	11.67	24,224	23,049	1,175
2010	204,348	11.34	22,162	23,164	(1,002)

Notes to required supplementary information for contributions

Valuation date	October 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method/period	Layered 20-year amortization of unfunded liability
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%, net of investment expenses
Inflation	2.5%
Projected salary increases	3% plus merit component based on years of service
Mortality	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Retirement Systems and Other Postemployment Benefit Plans

Required Supplementary Information

Unaudited

June 30, 2019

(Dollars in thousands)

SLPD OPEB Plan

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

	Fiscal year end June 30									
Total pension liability	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Service cost	$ 14,768	15,481								
Interest	19,285	17,946								
Difference between expected and actual experience	(1,219)	—	*(Historical information prior to implementation of GASB 75 is not required)*							
Change in benefit		—								
Change of assumptions	40,079	(23,261)								
Benefit payments	(12,483)	(12,371)								
Net change in total OPEB liability	60,430	(2,205)								
Total OPEB liability – beginning	489,731	234,180								
Cumulative effect of change in accounting principle	—	257,756								
Total OPEB liability – beginning, as adjusted	489,731	491,936								
Total OPEB liability – ending	550,161	489,731								
Covered payroll*	$ 99,674	92,643								
Total OPEB liability as a percentage of covered payroll	551.96 %	528.62 %								

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

See accompanying independent auditors' report.

THE COMMON SEAL OF THE CITY OF ST. LOUIS.

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Schedule 5

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

(Dollars in thousands)

	Special revenue								
	Use Tax	**Transportation**	**Convention and Tourism**	**Licensed Gaming Program**	**Assessor's Office**	**Lateral Sewer Program**	**Collector of Revenue**	**License Collector**	**Public Safety Trust**
Assets									
Cash and cash equivalents:									
Restricted	$ —	—	—	—	—	—	—	—	—
Unrestricted	12,331	(7)	457	556	213	2,647	1,114	2,114	627
Investments:									
Restricted	—	—	—	—	—	—	—	—	—
Unrestricted	1,834	—	69	83	31	394	—	—	94
Receivables, net of allowances:									
Taxes	6,217	6,797	3,975	681	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	234
Intergovernmental	—	—	—	—	539	—	—	—	—
Charges for services	—	—	—	—	—	684	—	—	—
Other	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—
Prepaid assets	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	37	—	—
Total assets	$ 20,382	6,790	4,501	1,320	783	3,725	1,151	2,114	955
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	$ 1,736	—	—	—	2	273	—	—	—
Accrued salaries and other benefits	220	—	—	—	93	12	—	—	8
Due to component units	—	—	—	—	—	—	—	—	—
Due to other funds	6	507	484	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—
Total liabilities	1,962	507	484	—	95	285	—	—	8
Deferred inflow of resources	—	—	—	—	539	555	13	—	48
Total liabilities and deferred inflow of resources	1,962	507	484	—	634	840	13	—	56
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	—	6,283	—	152	149	—	1,138	2,114	—
Committed	12,662	—	4,017	—	—	2,885	—	—	899
Assigned	5,758	—	—	1,168	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	18,420	6,283	4,017	1,320	149	2,885	1,138	2,114	899
Total liabilities, deferred inflow of resources, and fund balances	$ 20,382	6,790	4,501	1,320	783	3,725	1,151	2,114	955

Schedule 5, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

(Dollars in thousands)

	Special revenue								
	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Assets									
Cash and cash equivalents:									
Restricted	$ —	3,292	—	—	—	—	3,292	728	4,020
Unrestricted	2,277	2,973	23,590	8,980	12,870	4,666	75,408	—	75,408
Investments:									
Restricted	—	3,027	—	—	—	—	3,027	9,000	12,027
Unrestricted	339	443	3,509	1,336	1,915	866	10,913	—	10,913
Receivables, net of allowances:									
Taxes	3,397	849	3,372	3,369	1,150	—	29,807	8,109	37,916
Licenses and permits	—	—	—	—	12	—	246	—	246
Intergovernmental	—	—	—	—	909	—	1,448	—	1,448
Charges for services	—	—	—	—	817	212	1,713	—	1,713
Other	—	—	—	—	185	452	637	—	637
Inventories	—	—	—	—	—	—	—	—	—
Prepaid assets	—	—	—	12	—	—	12	—	12
Due from other funds	—	—	—	—	—	—	37	—	37
Total assets	$ 6,013	10,584	30,471	13,697	17,858	6,196	126,540	17,837	144,377
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	$ 183	105	15	74	316	243	2,947	—	2,947
Accrued salaries and other benefits	1	70	—	28	140	8	580	—	580
Due to component units	—	—	—	—	24	199	223	—	223
Due to other funds	615	159	—	—	—	—	1,771	—	1,771
Unearned revenue	—	—	—	—	2,351	452	2,803	—	2,803
Total liabilities	799	334	15	102	2,831	902	8,324	—	8,324
Deferred inflow of resources	—	—	—	—	681	—	1,836	8,062	9,898
Total liabilities and deferred inflow of resources	799	334	15	102	3,512	902	10,160	8,062	18,222
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	—	7,797	30,456	—	219	1,507	49,815	9,775	59,590
Committed	5,214	2,453	—	13,595	13,650	3,669	59,044	—	59,044
Assigned	—	—	—	—	477	107	7,510	—	7,510
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	5,214	10,250	30,456	13,595	14,346	5,294	116,380	9,775	126,155
Total liabilities, deferred inflow of resources, and fund balances	$ 6,013	10,584	30,471	13,697	17,858	6,196	126,540	17,837	144,377

See accompanying independent auditors' report.

Schedule 6

CITY OF ST. LOUIS, MISSOURI

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

Nonmajor Governmental Funds

Year ended June 30, 2019

(Dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	License Collector	Public Safety Trust
Revenues:									
Taxes	$ 36,239	40,419	15,947	7,506	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	2,926
Intergovernmental	—	—	—	—	415	—	—	—	—
Charges for services, net	—	—	—	—	2	2,671	8,917	2,140	—
Court fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment income	36	—	1	2	—	8	70	—	2
Miscellaneous	35	—	—	—	2,536	—	323	—	—
Total	36,310	40,419	15,948	7,508	2,953	2,679	9,310	2,140	2,928
Expenditures:									
General government	—	—	165	—	4,236	—	8,927	2,011	217
Parks and recreation	57	—	—	—	—	—	—	—	—
Judicial	(4)	—	—	—	—	—	—	—	273
Streets	594	—	—	—	—	—	—	—	—
Public safety:									
Fire	—	—	—	17	—	—	—	—	—
Police	9,996	—	—	3,400	—	—	—	—	2,159
Other	5,161	—	—	—	—	—	—	—	—
Health and welfare	16,275	—	—	—	—	—	—	—	—
Public services	—	41,143	—	—	—	2,329	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service:									
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	32,079	41,143	165	3,417	4,236	2,329	8,927	2,011	2,649
Excess (deficiency) of revenues over expenditures	4,231	(724)	15,783	4,091	(1,283)	350	383	129	279
Other financing sources (uses):									
Transfers in	—	356	237	—	1,550	—	—	—	—
Transfers out	(606)	—	(15,304)	(4,000)	(51)	(5)	(88)	(23)	(7)
Total other financing sources (uses), net	(606)	356	(15,067)	(4,000)	1,499	(5)	(88)	(23)	(7)
Net change in fund balances	3,625	(368)	716	91	216	345	295	106	272
Fund balances:									
Beginning of year	14,795	6,651	3,301	1,229	(67)	2,540	843	2,008	627
End of year	$ 18,420	6,283	4,017	1,320	149	2,885	1,138	2,114	899

Schedule 6, Continued

CITY OF ST. LOUIS, MISSOURI

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

Nonmajor Governmental Funds

Year ended June 30, 2019

(Dollars in thousands)

	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Revenues:									
Taxes	$ 19,415	4,841	20,735	24,889	13,828	—	183,819	6,899	190,718
Licenses and permits	—	—	—	—	3,615	7	6,548	—	6,548
Intergovernmental	—	—	—	—	4,626	54	5,095	—	5,095
Charges for services, net	—	8	—	—	1,678	927	16,343	—	16,343
Court fines and forfeitures	—	—	—	—	32	5	37	—	37
Investment income	6	117	50	14	34	22	362	141	503
Miscellaneous	646	4,001	—	—	5,508	1,524	14,573	—	14,573
Total	20,067	8,967	20,785	24,903	29,321	2,539	226,777	7,040	233,817
Expenditures:									
General government	—	—	750	—	2,637	607	19,550	—	19,550
Parks and recreation	—	3,490	—	419	497	306	4,769	—	4,769
Judicial	—	—	—	799	2,333	249	3,650	—	3,650
Streets	—	—	—	—	257	49	900	—	900
Public safety:									
Fire	1,065	—	—	4,189	—	29	5,300	—	5,300
Police	8,260	—	—	9,276	48	—	33,139	—	33,139
Other	985	—	109	545	3,697	3,005	13,502	—	13,502
Health and welfare	—	—	842	581	645	51	18,394	—	18,394
Public services	—	—	2	—	372	21	43,867	—	43,867
Capital outlay	—	—	—	—	51	—	51	—	51
Debt service:									
Principal	4,485	1,345	—	—	306	—	6,136	4,905	11,041
Interest and fiscal charges	4,875	1,683	—	—	67	—	6,625	1,937	8,562
Total expenditures	19,670	6,518	1,703	15,809	10,910	4,317	155,883	6,842	162,725
Excess (deficiency) of revenues over expenditures	397	2,449	19,082	9,094	18,411	(1,778)	70,894	198	71,092
Other financing sources (uses):									
Transfers in	319	480	—	—	1,031	581	4,554	96	4,650
Transfers out	(1)	(20)	(2,095)	(135)	(12,499)	(25)	(34,859)	—	(34,859)
Total other financing sources (uses), net	318	460	(2,095)	(135)	(11,468)	556	(30,305)	96	(30,209)
Net change in fund balances	715	2,909	16,987	8,959	6,943	(1,222)	40,589	294	40,883
Fund balances:									
Beginning of year	4,499	7,341	13,469	4,636	7,403	6,516	75,791	9,481	85,272
End of year	$ 5,214	10,250	30,456	13,595	14,346	5,294	116,380	9,775	126,155

See accompanying independent auditors' report.

Schedule 7

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 33,720	33,720	36,710	2,990
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	30	30	35	5
Total revenues	33,750	33,750	36,745	2,995
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	89	89	67	22
Judicial	—	—	—	—
Streets	684	684	602	82
Public safety:				
Fire	—	—	—	—
Police	9,996	9,996	9,996	—
Other	4,948	4,948	4,903	45
Health and welfare	24,715	24,715	16,320	8,395
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	40,432	40,432	31,888	8,544
Excess (deficiency) of revenues over (under) expenditures	(6,682)	(6,682)	4,857	11,539
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(500)	(500)	(500)	—
	(500)	(500)	(500)	—
Net change in fund balances	$ (7,182)	(7,182)	4,357	11,539

See accompanying independent auditors' report.

Schedule 8

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:					
Taxes	$	44,997	44,997	40,780	(4,217)
Licenses and permits		—	—	—	—
Intergovernmental		—	—	—	—
Charges for service, net		—	—	—	—
Court fines and forfeitures		—	—	—	—
Investment income		—	—	—	—
Miscellaneous		—	—	—	—
Total revenues		44,997	44,997	40,780	(4,217)
Expenditures:					
Current:					
General government		—	—	—	—
Convention and tourism		—	—	—	—
Parks and recreation		—	—	—	—
Judicial		—	—	—	—
Streets		—	—	—	—
Public safety:					
Fire		—	—	—	—
Police		—	—	—	—
Other		—	—	—	—
Health and welfare		—	—	—	—
Public service		44,997	44,997	41,143	3,854
Capital outlay		—	—	—	—
Debt service		—	—	—	—
Total expenditures		44,997	44,997	41,143	3,854
Excess (deficiency) of revenues over (under) expenditures		—	—	(363)	(363)
Other financing sources (uses):					
Transfers in		—	—	356	356
Transfers out		—	—	—	—
		—	—	356	356
Net change in fund balances	$	—	—	(7)	(7)

See accompanying independent auditors' report.

Schedule 9

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 15,536	15,536	15,757	221
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	15,536	15,536	15,757	221
Expenditures:				
Current:				
General government	165	165	165	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	165	165	165	—
Excess (deficiency) of revenues over (under) expenditures	15,371	15,371	15,592	221
Other financing sources (uses):				
Transfers in	—	—	237	237
Transfers out	(15,532)	(15,532)	(15,304)	228
	(15,532)	(15,532)	(15,067)	465
Net change in fund balances	$ (161)	(161)	525	686

See accompanying independent auditors' report.

Schedule 10

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 7,200	7,200	7,596	396
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	7,200	7,200	7,596	396
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	17	8
Police	3,400	3,400	3,400	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	3,425	3,425	3,417	8
Excess (deficiency) of revenues over (under) expenditures	3,775	3,775	4,179	404
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(4,000)	(4,000)	(4,000)	—
	(4,000)	(4,000)	(4,000)	—
Net change in fund balances	$ (225)	(225)	179	404

See accompanying independent auditors' report.

Schedule 11

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:					
Taxes	$	—	—	—	—
Licenses and permits		—	—	—	—
Intergovernmental		415	415	415	—
Charges for service, net		1	1	2	1
Court fines and forfeitures		—	—	—	—
Investment income		—	—	—	—
Miscellaneous		2,472	2,472	2,536	64
Total revenues		2,888	2,888	2,953	65
Expenditures:					
Current:					
General government		4,407	4,407	4,287	120
Convention and tourism		—	—	—	—
Parks and recreation		—	—	—	—
Judicial		—	—	—	—
Streets		—	—	—	—
Public safety:					
Fire		—	—	—	—
Police		—	—	—	—
Other		—	—	—	—
Health and welfare		—	—	—	—
Public service		—	—	—	—
Capital outlay		—	—	—	—
Debt service		—	—	—	—
Total expenditures		4,407	4,407	4,287	120
Excess (deficiency) of revenues over (under) expenditures		(1,519)	(1,519)	(1,334)	185
Other financing sources (uses):					
Transfers in		1,550	1,550	1,550	—
Transfers out		—	—	—	—
		1,550	1,550	1,550	—
Net change in fund balances	$	31	31	216	185

See accompanying independent auditors' report.

Schedule 12

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:					
Taxes	$	—	—	—	—
Licenses and permits		—	—	—	—
Intergovernmental		—	—	—	—
Charges for service, net		2,386	2,386	2,692	306
Court fines and forfeitures		—	—	—	—
Investment income		—	—	—	—
Miscellaneous		—	—	—	—
Total revenues		2,386	2,386	2,692	306
Expenditures:					
Current:					
General government		—	—	—	—
Convention and tourism		—	—	—	—
Parks and recreation		—	—	—	—
Judicial		—	—	—	—
Streets		—	—	—	—
Public safety:					
Fire		—	—	—	—
Police		—	—	—	—
Other		—	—	—	—
Health and welfare		—	—	—	—
Public service		2,983	2,983	2,200	783
Capital outlay		—	—	—	—
Debt service		—	—	—	—
Total expenditures		2,983	2,983	2,200	783
Excess (deficiency) of revenues over (under) expenditures		(597)	(597)	492	1,089
Other financing sources (uses):					
Transfers in		—	—	—	—
Transfers out		—	—	—	—
		—	—	—	—
Net change in fund balances	$	(597)	(597)	492	1,089

See accompanying independent auditors’ report.

Schedule 13

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ —	—	—	—
Licenses and permits	3,038	3,038	2,885	(153)
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	3,038	3,038	2,885	(153)
Expenditures:				
Current:				
General government	292	292	222	70
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	502	502	275	227
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,159	2,159	2,159	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	2,953	2,953	2,656	297
Excess (deficiency) of revenues over (under) expenditures	85	85	229	144
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
	—	—	—	—
Net change in fund balances	$ 85	85	229	144

See accompanying independent auditors’ report.

Schedule 14

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 20,760	20,760	19,688	(1,072)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	20,760	20,760	19,688	(1,072)
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	1,065	1,065	1,065	—
Police	8,260	8,260	8,260	—
Other	1,739	1,739	945	794
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,714	16
Total expenditures	19,794	19,794	18,984	810
Excess (deficiency) of revenues over (under) expenditures	966	966	704	(262)
Other financing sources (uses):				
Transfers in	—	—	319	319
Transfers out	—	—	—	—
	—	—	319	319
Net change in fund balances	$ 966	966	1,023	57

See accompanying independent auditors' report.

Schedule 15

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 4,856	4,856	4,907	51
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	16	16	8	(8)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	33	33
Miscellaneous	2,000	2,000	4,001	2,001
Total revenues	6,872	6,872	8,949	2,077
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	5,721	5,875	3,487	2,388
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,033	3,033	2,995	38
Total expenditures	8,754	8,908	6,482	2,426
Excess (deficiency) of revenues over (under) expenditures	(1,882)	(2,036)	2,467	4,503
Other financing sources (uses):				
Transfers in	400	400	480	80
Transfers out	—	—	(3)	(3)
	400	400	477	77
Net change in fund balances	$ (1,482)	(1,636)	2,944	4,580

See accompanying independent auditors' report.

Schedule 16

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 20,760	20,760	20,896	136
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	20,760	20,760	20,896	136
Expenditures:				
Current:				
General government	3,160	3,160	750	2,410
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other		100	94	6
Health and welfare	3,160	3,160	842	2,318
Public service	15,520	12,360	2	12,358
Capital outlay	—	3,060	—	3,060
Debt service	—		—	—
Total expenditures	21,840	21,840	1,688	20,152
Excess (deficiency) of revenues over (under) expenditures	(1,080)	(1,080)	19,208	20,288
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(2,060)	(2,060)	(2,095)	(35)
	(2,060)	(2,060)	(2,095)	(35)
Net change in fund balances	$ (3,140)	(3,140)	17,113	20,253

See accompanying independent auditors' report.

Schedule 17

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 23,392	23,392	24,954	1,562
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	23,392	23,392	24,954	1,562
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	975	975	348	627
Judicial	1,500	1,498	804	694
Streets	—	—	—	—
Public safety:				
Fire	5,475	5,460	4,192	1,268
Police	13,525	13,494	9,271	4,223
Other	950	950	545	405
Health and welfare	905	905	576	329
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—		—	—
Total expenditures	23,330	23,282	15,736	7,546
Excess (deficiency) of revenues over (under) expenditures	62	110	9,218	9,108
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(70)	(118)	(118)	—
	(70)	(118)	(118)	—
Net change in fund balances	$ (8)	(8)	9,100	9,108

See accompanying independent auditors' report.

Schedule 18

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 13,004	13,004	13,996	992
Licenses and permits	4,528	4,528	3,613	(915)
Intergovernmental	2,185	2,185	3,888	1,703
Charges for service, net	3,221	3,221	3,268	47
Court fines and forfeitures	40	40	32	(8)
Investment income	—	—	—	—
Miscellaneous	3,618	3,618	2,745	(873)
Total revenues	26,596	26,596	27,542	946
Expenditures:				
Current:				
General government	3,467	3,495	2,631	864
Convention and tourism	—	—	—	—
Parks and recreation	1,020	1,020	428	592
Judicial	2,683	2,683	2,361	322
Streets	300	300	261	39
Public safety:				
Fire	—	—	—	—
Police	300	300	143	157
Other	5,057	5,029	3,771	1,258
Health and welfare	975	975	606	369
Public service	1,071	1,071	365	706
Capital outlay	328	328	78	250
Debt service	—	—	—	—
Total expenditures	15,201	15,201	10,644	4,557
Excess (deficiency) of revenues over (under) expenditures	11,395	11,395	16,898	5,503
Other financing sources (uses):				
Transfers in	3,040	3,040	3,044	4
Transfers out	(15,243)	(15,243)	(13,656)	1,587
	(12,203)	(12,203)	(10,612)	1,591
Net change in fund balances	$ (808)	(808)	6,286	7,094

See accompanying independent auditors' report.

Schedule 19

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	$ 6,527	6,527	6,876	349
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	50	50	111	61
Miscellaneous	—	—	—	—
Total revenues	6,577	6,577	6,987	410
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	5,851	6,921	6,842	79
Total expenditures	5,851	6,921	6,842	79
Excess (deficiency) of revenues over (under) expenditures	726	(344)	145	489
Other financing sources (uses):				
Transfers in	—	—	96	96
Transfers out	—	—	—	—
	—	—	96	96
Net change in fund balances	$ 726	(344)	241	585

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

(Dollars in thousands)

		Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:					
Taxes	$	24,231	24,231	24,476	245
Licenses and permits		—	—	—	—
Intergovernmental		630	630	630	—
Charges for service, net		—	—	—	—
Court fines and forfeitures		—	—	—	—
Investment income		—	—	(13)	(13)
Miscellaneous		1,416	1,416	815	(601)
Total revenues		26,277	26,277	25,908	(369)
Expenditures:					
Current:					
General government		1,467	1,196	—	1,196
Convention and tourism		—	—	—	—
Parks and recreation		3,949	3,954	1,203	2,751
Judicial		—	—	—	—
Streets		7,611	8,083	4,554	3,529
Public safety:		—	—	—	
Fire		—	—	—	—
Police		—	—	—	—
Other		—	—	—	—
Health and welfare		—	—	—	—
Public service		13,039	12,828	3,652	9,176
Capital outlay		27,100	27,238	8,680	18,558
Debt service		16,714	14,194	13,626	568
Total expenditures		69,880	67,493	31,715	35,778
Excess (deficiency) of revenues over (under) expenditures		(43,603)	(41,216)	(5,807)	35,409
Other financing sources (uses):					
Sale of capital assets		400	400	—	(400)
Transfers in		17,092	17,092	14,441	(2,651)
Transfers out		(3,993)	(6,380)	(6,313)	67
		13,499	11,112	8,128	(2,984)
Net change in fund balances	$	(30,104)	(30,104)	2,321	32,425

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule of Reconciling Items Between Change in Fund Balances – Budget Basis and Change in Fund Balances – GAAP Basis

Year ended June 30, 2019

(Dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Public Safety Trust	Public Safety Sales Tax I	Public Safety Sales Tax II	Parks and Recreation	Economic Development Sales Tax	Other Budgeted Special Revenue	Debt Service Fund	Capital Projects Fund
Net change in fund balances – budget basis	$ 4,357	(7)	525	179	216	492	229	1,023	9,100	2,944	17,113	6,286	241	2,321
Differences – budget to GAAP:														
Revenues are recorded when received in cash on a budget basis. However, revenues are recorded when measurable and available on a GAAP basis.	(435)	(361)	191	(88)	—	(13)	43	379	(51)	(26)	(111)	636	53	(52)
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(297)	—	—	—	—	(134)	—	(687)	(90)	(23)	(15)	108	—	(52)
Certain activities and accounts, which are included within the funds on a GAAP basis, are not included within the annual operating budgets adopted by the Board of Alderman.	—	—	—	—	—	—	—	—	—	14	—	(87)	—	24,328
Net change in fund balances – GAAP basis	$ 3,625	(368)	716	91	216	345	272	715	8,959	2,909	16,987	6,943	294	26,545

See accompanying independent auditors' report.

Internal Service Funds

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

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

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

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

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

Schedule 22

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Net Position
Internal Service Funds

June 30, 2019

(Dollars in thousands)

Assets		Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Current assets:						
Cash and cash equivalents – unrestricted	$	5,387	—	11,162	(294)	16,255
Investments – unrestricted		—	—	1,660	—	1,660
Receivables, net of allowances:						
Charges for services		—	10	1,132	—	1,142
Prepaid assets		1,201	78	—	160	1,439
Due from other funds		5,997	—	201	359	6,557
Advance from other funds		33,614	—	—	—	33,614
Total current assets		46,199	88	14,155	225	60,667
Noncurrent assets:						
Capital assets		—	107	—	—	107
Less accumulated depreciation		—	(77)	—	—	(77)
Total capital assets (net of accumulated depreciation)		—	30	—	—	30
Total assets		46,199	118	14,155	225	60,697
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities		—	1	—	887	888
Due to other funds		—	37	—	—	37
Due to other funds		—	83	—	—	83
Claims payable (due within one year)		20,042	—	1,240	—	21,282
Total current liabilities		20,042	121	1,240	887	22,290
Noncurrent liabilities:						
Claims payable (due over one year)		26,157	—	—	—	26,157
Total noncurrent liabilities		26,157	—	—	—	26,157
Total liabilities		46,199	121	1,240	887	48,447
Net Position						
Net investment in capital assets		—	30	—	—	30
Unrestricted		—	(33)	12,915	(662)	12,220
Total net position	$	—	(3)	12,915	(662)	12,250

See accompanying independent auditors' report.

Schedule 23

CITY OF ST. LOUIS, MISSOURI

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

Year ended June 30, 2019

		Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:						
Charges for services	$	14,165	574	20,480	3,140	38,359
Miscellaneous		1	—	—	—	1
Total operating revenues		14,166	574	20,480	3,140	38,360
Operating expenses:						
Claims incurred		9,547	—	16,323	668	26,538
Premiums		4,008	—	—	—	4,008
Personnel services		—	285	—	—	285
Material and supplies		—	12	—	3,106	3,118
Contractual services		611	256	—	—	867
Depreciation		—	11	—	—	11
Total operating expenses		14,166	564	16,323	3,774	34,827
Operating income (loss)		—	10	4,157	(634)	3,533
Nonoperating revenues (expenses):						
Investment income (loss)		—	—	31	—	31
Total nonoperating revenues (expenses), net		—	—	31	—	31
Income (loss) before capital contributions		—	10	4,188	(634)	3,564
Changes in net position		—	10	4,188	(634)	3,564
Net position – beginning of year		—	(13)	8,727	(28)	8,686
Net position – end of year	$	—	(3)	12,915	(662)	12,250

See accompanying independent auditors' report.

Schedule 24

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Cash Flows
Internal Service Funds

Year ended June 30, 2019

(Dollars in thousands)

		Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:						
Receipts from interfund services provided	$	21,295	577	20,487	3,171	45,530
Payments to suppliers of goods and services		(19,472)	(286)	(16,283)	(3,477)	(39,518)
Payments to employees		—	(291)	—	—	(291)
Net cash provided by (used in) operating activities		1,823	—	4,204	(306)	5,721
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets		—	—	—	—	—
Other capital and financing activities		—	—	—	—	—
Net cash provided by (used in) capital and related financing		—	—	—	—	—
Cash flows from investing activities:						
Purchase of investments		—	—	(11)	—	(11)
Proceeds from sales and maturities of investments		—	—	—	2	2
Net cash (used in) provided by investing activities		—	—	(11)	2	(9)
Net increase (decrease) in cash and cash equivalents		1,823	—	4,193	(304)	5,712
Cash and cash equivalents beginning of year		3,564	—	6,969	10	10,543
Cash and cash equivalents end of year	$	5,387	—	11,162	(294)	16,255
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$	—	10	4,157	(634)	3,533
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation		—	11	—	—	11
Change in assets and liabilities:						
Receivables, net		—	(10)	27	—	17
Due to/from other funds		309	13	(20)	31	333
Advance to other funds		6,821	—	—	—	6,821
Prepaid assets		218	(19)	—	(160)	39
Accounts payable and accrued liabilities		—	(5)	—	457	452
Claims payable		(5,525)	—	40	—	(5,485)
Total adjustments		1,823	(10)	47	328	2,188
Net cash provided by (used in) operating activities	$	1,823	—	4,204	(306)	5,721

See accompanying independent auditors' report.

Pension Trust Funds

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

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

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

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

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

Schedule 25

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Fiduciary Net Position
Pension Trust Funds

June 30, 2019

(Dollars in thousands)

Assets	Firemen's System (as of September 30, 2018*)	Firefighter's Plan (as of September 30, 2018*)	Police System (as of September 30, 2018*)	Employees System (as of September 30, 2018*)	Total (as of September 30, 2018*)
Current assets:					
Cash and cash equivalents – unrestricted	$ 3,801	222	8,343	386	12,752
Investments – unrestricted:					
Fixed income securities	13,108	14,357	60,195	87,437	175,097
Domestic bond funds	3,632	—	—	86,376	90,008
Stocks	169,058	42,724	196,300	216,848	624,930
Mortgage-backed securities	2,781	—	24,247	—	27,028
Collective investment funds	165,283	14,605	214,758	—	394,646
Real estate equities and investment trust	46,455	3,838	66,698	89,870	206,861
Investment property	—	—	890	—	890
Hedge funds	50,975	—	22,588	79,444	153,007
Money market funds and other short term obligations	7,637	1,986	44,119	3,600	57,342
Managed master limited partnership	19,114	—	160,423	79,235	258,772
Managed international equity funds	—	—	—	183,939	183,939
Total investments	478,043	77,510	790,218	826,749	2,172,520
Receivables, net of allowances:					
Contributions	—	—	—	87	87
Accrued interest	293	111	952	760	2,116
Other	3,712	38	381	—	4,131
Capital assets, net	393	109	191	—	693
Total assets	486,242	77,990	800,085	827,982	2,192,299
Deferred outflows of resources					
System's staff pension related	57	26	38	232	353
Total deferred outflows of resources	57	26	38	232	353
Total assets and deferred outflows of resources	486,299	78,016	800,123	828,214	2,192,652
Liabilities					
Accounts payable and accrued liabilities	341	161	741	859	2,102
Deposits held for others	25	—	626	—	651
Other liabilities	3,949	868	2,571	—	7,388
Total liabilities	4,315	1,029	3,938	859	10,141
Deferred inflows of resources					
System's staff pension related	5	2	25	—	32
Total deferred inflows of resources	5	2	25	—	32
Total liabilities and deferred inflows of resources	4,320	1,031	3,963	859	10,173
Net position					
Net position restricted for pension benefits	$ 481,979	76,985	796,160	827,355	2,182,479

* See note 10.

See accompanying independent auditors' report.

Schedule 26

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds

Year ended June 30, 2019

(Dollars in thousands)

	Firemen's System (as of September 30, 2018*)	Firefighter's Plan (as of September 30, 2018*)	Police System (as of September 30, 2018*)	Employees System (as of September 30, 2018*)	Total (as of September 30, 2018*)
Additions:					
Contributions:					
Member	$ —	3,172	4,601	58	7,831
Employer	2,715	8,023	33,633	29,361	73,732
Investment income:					
Interest and dividends	6,711	947	8,774	9,900	26,332
Class action lawsuit proceeds	62	—	12	—	74
Net appreciation in fair value of investments	20,021	5,058	45,168	44,615	114,862
Investment gain	26,794	6,005	53,954	54,515	141,268
Less investment expense	(2,024)	(322)	(2,865)	(5,744)	(10,955)
Net investment gain	24,770	5,683	51,089	48,771	130,313
Total additions	27,485	16,878	89,323	78,190	211,876
Deductions:					
Benefits	32,655	590	63,603	66,789	163,637
Refunds of contributions	649	156	4,973	—	5,778
Administrative expense	1,050	414	1,166	962	3,592
Total deductions	34,354	1,160	69,742	67,751	173,007
Net increase	(6,869)	15,718	19,581	10,439	38,869
Net position restricted for pension benefits:					
Beginning of year	488,848	61,267	776,579	816,916	2,143,610
End of year	$ 481,979	76,985	796,160	827,355	2,182,479

* See note 10.

See accompanying independent auditors' report.

Agency Funds

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

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

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

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

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

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

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

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

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

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

Schedule 27

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Fiduciary Net Assets
Agency Funds

June 30, 2019

(Dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Police Agency	Treasurer's Office	Other Agency	Total
Assets:										
Cash and cash equivalents – unrestricted	$ 1,895	1,494	—	262	3,354	7,509	2,636	—	9,689	26,839
Cash and cash equivalents – restricted	—	—	—	—	—	45	—	269	—	314
Investments – restricted	—	—	—	—	—	—	—	552	—	552
Receivables, net of allowances:										
Taxes	20,261	—	—	—	—	—	—	—	—	20,261
Other	—	—	680	—	—	—	—	—	—	680
Total assets	22,156	1,494	680	262	3,354	7,554	2,636	821	9,689	48,646
Liabilities:										
Accounts payable and accrued liabilities	—	—	680	—	—	—	—	—	3,418	4,098
Deposits held for others	—	1,494	—	262	2,037	6,166	186	821	4,249	15,215
Due to other governmental agencies	22,156	—	—	—	1,317	1,388	2,450	—	2,022	29,333
Total liabilities	22,156	1,494	680	262	3,354	7,554	2,636	821	9,689	48,646
Net assets	$ —	—	—	—	—	—	—	—	—	—

See accompanying independent auditors' report.

Schedule 28

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2019

(Dollars in thousands)

Collector of Revenue		**Balance June 30, 2018**	**Additions**	**Deductions**	**Balance June 30, 2019**
Assets:					
Cash and cash equivalents – unrestricted	$	1,665	434,271	(434,041)	1,895
Receivables, net of allowances – taxes		19,445	9,291	(8,475)	20,261
Total assets	$	21,110	443,562	(442,516)	22,156
Liabilities – due to other governmental agencies	$	21,110	443,562	(442,516)	22,156
Total liabilities	$	21,110	443,562	(442,516)	22,156
Property Tax Escrow					
Assets – cash and cash equivalents – unrestricted	$	1,874	2,353	(2,733)	1,494
Liabilities – deposits held for others	$	1,874	2,353	(2,733)	1,494
General Insurance					
Assets:					
Cash and cash equivalents – unrestricted	$	—	48,121	(48,121)	—
Receivables, net of allowances – other		716	680	(716)	680
Total assets	$	716	48,801	(48,837)	680
Liabilities – accounts payable and accrued liabilities	$	716	48,801	(48,837)	680
Bail Bonds					
Assets – cash and cash equivalents – unrestricted	$	391	392	(521)	262
Liabilities – deposits held for others	$	391	392	(521)	262
License Collector					
Assets – cash and cash equivalents – unrestricted	$	3,199	22,370	(22,215)	3,354
Liabilities:					
Deposits held for others		1,992	46	(1)	2,037
Due to other governmental agencies		1,207	22,324	(22,214)	1,317
Total liabilities	$	3,199	22,370	(22,215)	3,354
Circuit Clerk					
Assets:					
Cash and cash equivalents – unrestricted	$	6,925	21,911	(21,327)	7,509
Cash and cash equivalents – restricted		45	—	—	45
Total assets	$	6,970	21,911	(21,327)	7,554
Liabilities:					
Deposits held for others	$	5,679	18,276	(17,789)	6,166
Due to other governmental agencies		1,291	3,638	(3,541)	1,388
Total liabilities	$	6,970	21,914	(21,330)	7,554

(Continued)

Schedule 28, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2019

(Dollars in thousands)

Police Agency		**Balance June 30, 2018**	**Additions**	**Deductions**	**Balance June 30, 2019**
Assets:					
Cash and cash equivalents – unrestricted	$	2,487	649	(500)	2,636
Total assets	$	2,487	649	(500)	2,636
Liabilities:					
Deposits held for others	$	205	225	(244)	186
Due to other governmental agencies		2,282	424	(256)	2,450
Total liabilities	$	2,487	649	(500)	2,636
Treasurer's Office					
Assets:					
Cash and cash equivalents – restricted	$	642	237	(610)	269
Investments – restricted		—	552	—	552
Total assets	$	642	789	(610)	821
Liabilities:					
Deposits held for others		642	789	(610)	821
Total liabilities	$	642	789	(610)	821
Other Agency					
Assets:					
Cash and cash equivalents – unrestricted	$	16,989	38,480	(45,780)	9,689
Total assets	$	16,989	38,480	(45,780)	9,689
Liabilities:					
Accounts payable and accrued liabilities	$	11,310	(4,206)	(3,686)	3,418
Deposits held for others		4,553	11,176	(11,480)	4,249
Due to other governmental agencies		1,126	31,510	(30,614)	2,022
Total liabilities	$	16,989	38,480	(45,780)	9,689
Total – All Agency Funds					
Assets:					
Cash and cash equivalents – unrestricted	$	33,530	568,547	(575,238)	26,839
Cash and cash equivalents – restricted		687	237	(610)	314
Investments – restricted		—	552	—	552
Receivables, net of allowances:					
Taxes		19,445	9,291	(8,475)	20,261
Other		716	680	(716)	680
Total assets	$	54,378	579,307	(585,039)	48,646
Liabilities:					
Accounts payable and accrued liabilities	$	12,026	44,595	(52,523)	4,098
Deposits held for others		15,336	33,257	(33,378)	15,215
Due to other governmental agencies		27,016	501,458	(499,141)	29,333
Total liabilities	$	54,378	579,310	(585,042)	48,646

See accompanying independent auditors’ report.

Statistical Section

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

Contents **Table Numbers**

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

Table 1

CITY OF ST. LOUIS, MISSOURI

Net Position by Component

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Primary government:										
Governmental activities:										
Net investments in capital assets	$ 480,529	501,157	506,299	522,729	545,075	534,961	502,818	495,977	472,165	453,220
Restricted	100,840	106,730	63,491	27,314	25,783	32,344	30,799	31,822	34,179	29,390
Unrestricted	(1,470,114)	(1,530,580)	(1,240,785)	(1,119,296)	(1,044,723)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)
Total governmental activities net position	(888,745)	(922,693)	(670,995)	(569,253)	(473,865)	(149,928)	39,099	84,247	99,297	90,495
Business-type activities:										
Net investments in capital assets	1,072,297	1,124,303	785,214	918,588	1,055,441	1,033,787	1,033,922	1,014,901	1,075,403	1,071,899
Restricted	192,177	101,879	419,356	277,199	138,598	148,170	149,699	150,661	166,462	163,449
Unrestricted	98,764	111,332	112,925	118,178	108,841	108,851	104,834	100,521	18,072	23,375
Total business-type activities net position	1,363,238	1,337,514	1,317,495	1,313,965	1,302,880	1,290,808	1,288,455	1,266,083	1,259,937	1,258,723
Total primary government:										
Net investments in capital assets	1,552,826	1,625,460	1,291,513	1,441,317	1,055,441	1,568,748	1,536,740	1,510,878	1,547,568	1,525,119
Restricted	293,017	208,609	482,847	304,513	138,598	180,514	180,498	182,483	200,641	192,839
Unrestricted	(1,371,350)	(1,419,248)	(1,127,860)	(1,001,118)	(365,024)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)
Total primary government net position	$ 474,493	414,821	646,500	744,712	829,015	1,140,880	1,327,554	1,350,330	1,359,234	1,349,218

Source: Basic financial statements.

Table 2

CITY OF ST. LOUIS, MISSOURI

Changes in Net Position

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	$ 65,208	58,416	83,029	66,403	58,679	94,791	73,204	72,063	79,871	84,330
Convention and tourism	4,580	5,193	5,801	5,789	5,775	5,711	5,513	4,979	4,563	4,507
Parks and recreation	31,549	30,316	31,695	31,390	30,111	31,765	30,818	28,529	29,416	32,778
Judicial	48,730	48,902	49,587	51,085	50,730	52,009	52,232	50,931	52,362	54,880
Streets	78,396	74,304	75,329	75,707	73,452	69,584	68,402	70,420	66,952	66,263
Public safety:										
Fire	78,063	80,495	92,422	88,008	64,658	86,085	75,460	69,062	66,637	67,334
Police	234,242	243,213	280,295	226,537	202,080	209,762	138,028	140,815	139,010	141,805
Police pension	—	—	—	—	—	—	28,492	19,854	17,949	14,902
Other	64,540	59,999	60,714	60,647	58,714	59,323	61,264	59,068	52,182	55,980
Health and welfare	54,682	55,750	56,020	57,112	54,071	49,602	61,162	52,092	50,468	51,552
Public service	80,549	80,843	79,680	79,451	78,021	76,863	62,301	71,458	65,898	59,980
Community development	66,555	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264
Interest and fiscal charges	59,025	59,259	58,378	60,049	60,580	58,009	57,674	59,750	58,612	57,933
Total governmental activities expenses	866,119	856,204	920,220	884,637	802,370	828,742	792,080	779,205	752,043	768,508
Business-type activities:										
Airport	164,972	164,575	176,892	165,756	160,233	175,058	173,968	171,574	187,449	181,775
Water division	49,008	50,371	49,039	49,726	46,799	50,184	45,799	43,637	44,530	43,479
Parking division	15,046	15,000	16,520	15,253	13,851	14,043	13,558	13,229	13,141	13,514
Total business-type activities expenses	229,026	229,946	242,451	230,735	220,883	239,285	233,325	228,440	245,120	238,768
Total primary government expenses	$ 1,095,145	1,086,150	1,162,671	1,115,372	1,023,253	1,068,027	1,025,405	1,007,645	997,163	1,007,276
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 47,626	42,203	44,435	42,132	32,455	34,783	33,375	36,697	37,767	39,340
Convention and tourism	—	—	—	—	—	—	—	8	19	18
Parks and recreation	6,858	4,762	5,139	5,328	4,611	5,979	2,958	7,314	4,378	4,419
Judicial	11,954	9,178	6,347	9,746	12,042	23,076	21,542	18,996	20,524	20,791
Streets	32,000	31,068	27,562	27,330	26,898	26,110	26,012	27,514	34,842	17,644
Public safety:										
Fire	16,116	12,152	10,829	10,246	12,562	9,553	18,887	8,181	8,088	7,677
Police	2,736	3,905	2,831	4,051	6,228	5,260				
Other	24,190	29,205	22,115	23,533	21,376	20,639	19,537	19,218	17,527	19,022
Health and welfare	925	917	1,364	1,073	875	1,631	1,041	992	1,255	591
Public service	4,173	5,142	5,341	5,977	6,974	6,037	2,906	5,265	309	1,487
Community development **	6,260	24,590	7,774	7,076	5,907	4,412	5,332	5,367	4,819	4,528
Operating grants and contributions	59,288	62,307	66,793	67,052	60,792	57,173	64,782	71,513	75,281	98,270
Capital grants and contributions	4,917	7,898	15,134	6,524	7,987	5,628	14,882	31,623	33,666	7,548
Total governmental activities program revenues	217,043	233,327	215,664	210,068	198,707	200,281	211,254	232,688	238,475	221,335
Business-type activities:										
Charges for services:										
Airport	170,033	163,565	169,004	162,837	164,745	165,927	164,606	157,154	149,438	160,378
Water Division	53,269	55,405	54,620	57,494	54,399	56,647	56,902	58,631	56,039	50,983
Parking Division	18,857	17,947	18,032	17,113	16,129	15,804	14,657	14,999	13,813	12,428
Operating grants and contributions	697	826	1,136	692	1,277	706	751	1,069	1,513	1,615
Capital grants and contributions	23,964	20,508	11,937	9,378	23,627	16,726	21,615	10,050	8,267	31,815
Total business-type activities program revenues	266,820	258,251	254,729	247,514	260,177	255,810	258,531	241,903	229,070	257,219
Total primary government program revenues	$ 483,863	491,578	470,393	457,582	458,884	456,091	469,785	474,591	467,545	478,554

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

(Continued)

CITY OF ST. LOUIS, MISSOURI

Changes in Net Position

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net program (expense) revenue:										
Governmental activities	$ (649,076)	(622,877)	(704,556)	(674,569)	(603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)
Business-type activities	37,794	28,305	12,278	16,779	39,294	16,525	25,206	13,463	(16,050)	18,451
Total primary government net expense	$ (611,282)	(594,572)	(692,278)	(657,790)	(564,369)	(611,936)	(555,620)	(533,054)	(529,618)	(528,722)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	$ 90,355	88,574	86,542	82,397	77,365	75,136	73,234	68,531	66,767	67,291
Property taxes, levied for debt service	7,712	6,872	6,984	6,251	6,406	6,661	7,140	5,909	7,669	6,463
Sales tax	231,436	204,608	179,075	179,362	175,581	173,018	157,302	164,174	155,708	142,295
Earnings/payroll taxes	230,627	218,338	223,018	204,013	203,251	202,022	189,762	186,068	178,571	172,450
Gross receipt taxes (includes franchise tax)	91,307	94,046	90,145	91,778	92,160	97,344	94,721	93,587	97,327	90,291
Miscellaneous taxes	4,165	5,567	5,068	4,791	4,485	4,977	3,784	4,504	4,080	3,902
Unrestricted investment earnings	5,155	519	621	632	381	364	265	470	953	886
Gain/loss on sale of capital assets	—	—	—	—	—	—	—	(1,142)	2,528	62
Transfers	22,267	10,411	11,361	9,957	9,619	9,431	9,470	9,366	8,767	7,317
Total governmental activities	683,024	628,935	602,814	579,181	569,248	568,953	535,678	531,467	522,370	490,957
Business-type activities:										
Unrestricted investment earnings	10,197	2,125	2,613	3,585	2,956	1,818	2,336	2,049	2,941	3,878
Gain/loss on sale of capital assets	—	—	—	—	—	4,872	—	—	4	553
Extraordinary item – Natural disaster	—	—	—	678	1,737	2,730	4,300	—	23,086	—
Transfers	(22,267)	(10,411)	(11,361)	(9,957)	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)
Total business-type activities	(12,070)	(8,286)	(8,748)	(5,694)	(4,926)	(11)	(2,834)	(7,317)	17,264	(2,475)
Total primary government	$ 670,954	620,649	594,066	573,487	564,322	568,942	532,844	524,150	539,634	488,482
Change in net position:										
Governmental activities:	$ 33,948	6,058	(101,742)	(95,388)	(34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)
Business-type activities	25,724	20,019	3,530	11,085	34,368	16,514	22,372	6,146	1,214	15,976
Total primary government	$ 59,672	26,077	(98,212)	(84,303)	(47)	(42,994)	(22,776)	(8,904)	10,016	(40,240)

Source: Basic financial statements.

Table 3

CITY OF ST. LOUIS, MISSOURI

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(dollars in thousands)

(modified accrual basis of accounting)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:											
Nonspendable	$	5,785	2,379	3,608	3,768	2,425	2,537	—	—	—	*
Restricted		15,586	18,709	13,145	13,532	14,852	16,008	14,784	16,755	16,723	*
Committed		28,027	1,020	—	10,136	9,134	8,054	8,054	8,063	6,895	*
Assigned		—	—	—	—	3,938	6,521	6,043	1,509	1,055	*
Unassigned		35,327	15,868	1,529	(5,150)	(1,696)	2,605	25,777	29,543	24,675	*
Reserved		—	—	—	—	—	—	—	—	—	31,284
Unreserved		—	—	—	—	—	—	—	—	—	22,132
Total general fund	$	84,725	37,976	18,282	22,286	28,653	35,725	54,658	55,870	49,348	53,416
All other governmental funds:											
Nonspendable	$	11	11	11	11	11	14	11	11	11	*
Restricted		169,878	133,714	112,175	93,231	84,500	96,160	71,117	79,573	131,102	*
Committed		100,475	76,760	69,322	70,387	64,075	65,536	57,127	54,553	54,678	*
Assigned		11,250	8,112	4,121	4,770	6,379	5,053	4,473	1,837	3,200	*
Unassigned		(17,940)	(19,322)	(17,059)	(18,057)	(18,227)	(24,025)	(24,648)	(20,103)	(26,752)	*
Reserved		—	—	—	—	—	—	—	—	—	181,410
Unreserved, reported in:											
Special revenue funds		—	—	—	—	—	—	—	—	—	19,342
Capital projects funds		—	—	—	—	—	—	—	—	—	(13,961)
Total all other governmental funds	$	263,674	199,275	168,570	150,342	136,738	142,738	108,080	115,871	162,239	186,791

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

Source: Basic financial statements.

Table 4

CITY OF ST. LOUIS, MISSOURI

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years
(dollars in thousands)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:											
Taxes	$	650,164	617,282	585,773	564,488	556,593	557,487	524,428	519,852	510,150	480,082
Licenses, fees and permits		27,263	30,920	26,441	26,947	26,743	26,004	24,359	21,259	21,716	24,214
Intergovernmental		100,886	102,340	109,353	100,946	97,684	88,069	107,289	130,079	138,141	117,084
Charges for services, net		56,412	53,215	48,313	51,048	47,222	49,867	52,347	46,166	44,659	30,906
Court fines and forfeitures		3,206	3,114	3,388	4,009	4,916	10,810	11,022	12,103	10,848	11,558
Investment income		5,155	519	621	632	381	364	265	470	953	886
Interfund services provided		4,101	4,040	4,847	4,488	858	3,464	5,531	4,293	4,631	3,043
Miscellaneous		22,875	37,524	17,845	20,915	19,234	19,584	13,514	17,651	15,845	15,987
Total revenues		870,062	848,954	796,581	773,473	753,631	755,649	738,755	751,873	746,943	683,760
Expenditures:											
General government		63,329	55,645	71,572	59,708	65,648	84,648	63,980	60,942	67,400	77,906
Convention and tourism		123	120	119	124	126	123	116	150	189	176
Parks and recreation		25,553	24,134	25,945	25,805	25,169	26,553	25,689	23,885	25,153	27,357
Judicial		48,794	48,654	49,363	51,026	50,058	51,491	51,849	50,821	52,498	53,985
Streets		43,120	40,283	42,571	42,743	40,645	37,867	37,378	40,772	39,498	37,356
Public Safety:											
Fire		76,659	75,831	73,099	67,229	68,415	74,261	71,595	69,887	68,518	66,590
Police		202,359	192,609	190,422	183,337	179,129	176,089	138,004	140,815	139,010	141,805
Police-pension	*	—	—	—	—	—	—	28,492	19,719	17,949	14,783
Other		63,836	59,478	59,808	60,407	58,242	58,736	60,178	58,741	51,899	54,653
Health and welfare		54,390	55,587	55,839	56,859	53,808	49,207	60,709	51,855	50,127	51,230
Public service		79,879	80,401	79,224	78,689	77,334	76,211	61,519	70,840	65,916	59,315
Community development		66,555	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264
Capital outlay		27,951	61,289	47,607	38,322	31,560	35,444	36,914	90,065	94,653	51,175
Debt service:											
Principal		57,368	81,002	59,653	55,697	65,602	—	55,209	54,952	58,091	46,721
Interest and fiscal charges		53,145	53,058	52,322	53,768	48,510	64,316	47,154	47,256	46,283	54,555
Cost of issuance		—	—	—	—	—	44,375	—	—	—	—
Advance refunding escrow		—	—	2,010	2,380	—	—	—	—	—	1,178
Total expenditures		863,061	887,605	856,824	858,553	829,745	814,559	816,316	860,884	845,307	815,049
Excess (deficiency) of revenues over expenditures		7,001	(38,651)	(60,243)	(85,080)	(76,114)	(58,910)	(77,561)	(109,011)	(98,364)	(131,289)

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

(Continued)

Table 4, Continued

CITY OF ST. LOUIS, MISSOURI

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years
(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses):										
Sale of capital assets	$ 144	6	190	—	1,849	207	3	345	3,216	62
Issuance of SLMFC Certificates of participation	—	—	—	—	5,195	—	—	—	—	—
Issuance of refunding bonds-revenue refunding bonds	—	—	—	—	—	—	—	49,825	2,690	—
Issuance of refunding bonds-leasehold revenue bonds	—	25,735	90,167	—	31,695	26,000	—	—	9,250	74,191
Issuance of contractual obligation with component unit	—	53,605	—	—	—	—	—	—	—	16,960
Premium on leasehold revenue bonds	—	—	—	49,441	—	1,471	1,890	4,038	145	396
Discount on leasehold revenue bonds	—	—	(131)	—	—	—	—	—	—	(384)
Proceeds from agreement with FPF	—	9,825	7,695	5,000	—	—	—	—	—	—
Issuance of general obligation bonds	46,410	—	25,000	16,795	—	—	—	—	—	—
Premium on general obligation bonds and revenue bonds	5,023	5,234	12,171	5,434	3,782	—	—	—	—	—
Issuance of capital lease	7,000	2,250	—	—	—	16,605	—	2,384	11,150	704
Issuance of tax increment revenue notes	—	—	14,306	49,757	49,917	10,852	57,195	51,101	46,503	28,352
Issuance of refunding development and tax increment financing notes	23,303	13,187	9,050	—	—	—	—	—	—	—
Payment for refunding of development and TIF notes	—	(7,015)	—	—	(3,442)	—	—	—	4,580	—
Discount on tax increment revenue bonds	—	—	—	—	(11)	—	—	—	—	—
Issuance of loan agreement	—	—	—	—	2,080	3,510	—	—	—	—
Issuance of joint venture financing agreement	—	980	—	—	—	—	—	—	—	—
Payment to refunded escrow agent-leasehold revenue bonds	—	(25,168)	(91,780)	(44,067)	(37,642)	—	—	(53,172)	(2,416)	(12,391)
Payment of development and tax increment financing notes	—	—	(9,050)	—	—	—	—	—	—	—
Payment of refunded escrow agent-capital lease	—	—	—	—	—	—	—	—	(11,931)	(341)
Fireman's Retirement EAN note proceeds	—	—	—	—	—	—	—	5,278	—	—
Advance refunding on TIF bonds and notes payable	—	—	—	—	—	—	—	—	—	(16,961)
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	—	—	—	—	18,006
Transfers in	73,806	63,943	64,790	65,731	61,946	68,121	62,143	62,920	53,467	58,575
Transfers out	(51,539)	(53,532)	(53,429)	(55,774)	(52,327)	(58,690)	(52,673)	(53,554)	(46,910)	(50,549)
Total other financing sources, net	104,147	89,050	68,979	92,317	63,042	68,076	68,558	69,165	69,744	116,620
Net change in fund balances	$ 111,148	50,399	8,736	7,237	(13,072)	9,166	(9,003)	(39,846)	(28,620)	(14,669)
Debt service as a percentage of noncapital expenditures	13.2 %	16.2 %	13.8 %	13.3 %	14.3 %	8.3 %	13.1 %	13.3 %	13.9 %	13.3 %
Debt service expenditures	$ 110,513	134,060	111,975	109,465	114,112	64,316	102,363	102,208	104,374	101,276
Noncapital expenditures	835,110	826,316	809,217	820,231	798,185	779,115	779,402	770,819	750,654	763,874

Source: Basic financial statements.

Table 5

CITY OF ST. LOUIS, MISSOURI

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Real Estate: Residential	Real Estate: Commercial	Personal property	Manufacturer's machinery, tools and equipment	Less: tax-exempt property	Total taxable assessed value	Estimated actual taxable value	Total direct tax rate	Taxable assessed value to estimated actual taxable value
2019	$ 2,281,977	2,721,338	816,009	182,030	1,419,676	4,581,679	18,607,927	1.6252	24.6 %
2018	2,243,128	2,724,759	812,911	176,763	1,374,775	4,582,786	18,554,812	1.5933	24.7
2017	2,075,196	2,708,997	811,949	168,051	1,443,328	4,320,865	17,784,543	1.6231	24.3
2016	2,083,783	2,543,883	835,238	243,122	1,333,027	4,372,999	17,356,913	1.6158	25.2
2015	1,980,203	2,599,573	810,313	255,068	1,343,072	4,302,085	17,033,118	1.6063	25.3
2014	1,968,547	2,528,334	753,790	255,595	1,273,384	4,232,882	16,787,744	1.6092	25.2
2013	2,161,657	2,452,348	737,422	216,902	1,195,359	4,372,970	17,614,380	1.4848	24.8
2012	2,197,419	2,499,166	705,441	238,661	1,282,753	4,357,934	17,543,141	1.4691	24.8
2011	2,281,376	2,542,399	723,739	221,519	1,281,865	4,487,168	18,126,314	1.4224	24.8
2010	2,206,698	2,688,333	781,557	254,873	1,381,310	4,550,151	18,144,398	1.3601	25.1

Note:
Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property and manufacturer's machinery, tools and equipment assessed at 33-1/3%.
A complete reassessment is made on personal property by the Assessor every year and every odd year for real property.

Source: City of St. Louis Assessor's Office

Table 6

CITY OF ST. LOUIS, MISSOURI

Property Tax Rates Per $100 Assessed Value – Direct and Overlapping Governments

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of St. Louis:										
Municipal purposes	$ 1.0011	0.9799	1.0000	0.9928	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500
County purposes	0.3504	0.3429	0.3500	0.3500	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064
Hospital purposes	0.1002	0.0980	0.1000	0.1000	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874
Public health purposes	0.0201	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175
Recreation purposes	0.0201	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175
Interest and public debt	0.1333	0.1333	0.1331	0.1330	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813
Total City of St. Louis	1.6252	1.5933	1.6231	1.6158	1.6063	1.6092	1.4848	1.4691	1.4224	1.3601
Overlapping Governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	5.1371	5.0342	5.1211	4.3711	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943
St. Louis Community College	0.2129	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136
Metropolitan St. Louis Sewer District	0.1170	0.1159	0.1196	0.0876	0.0879	0.0874	0.0821	0.0818	0.0790	—
Sheltered Workshop District	0.1391	0.1472	0.1500	0.1500	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346
St. Louis Public Library	0.5584	0.5496	0.5600	0.5600	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019
Community Mental Health	0.0893	0.0883	0.0900	0.0900	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800
Community Children's Service Fund	0.1886	0.1865	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827
Senior Services:	0.0500	0.0500	—	—	—	—	—	—	—	—
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0777	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714
Art Museum Subdistrict	0.0777	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714
Museum of Science and Natural History Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Botanical Garden Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Missouri History Museum Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Total overlapping governments	6.7948	6.6823	6.7587	5.9740	5.9787	5.9782	6.0126	5.7379	5.4963	5.2864
Total City of St. Louis and overlapping governments	$ 8.4200	8.2756	8.3818	7.5898	7.5850	7.5874	7.4974	7.2070	6.9187	6.6465

Source: City Assessor's Office.

Table 7

CITY OF ST. LOUIS, MISSOURI

Principal Property Tax Payers Identified by Industry Classification
Current Calendar Year and Nine Years Ago
(dollars in thousands)

	Calendar year 2018			Calendar year 2009		
Tax payer by industry classification (1)	**Taxable assessed valuation**	**Rank**	**Percentage of total city taxable assessed valuation**	**Taxable assessed valuation**	**Rank**	**Percentage of total city taxable assessed valuation**
Utilities	$ 93,501	1	2.13 %	$ 92,860	1	2.16 %
Financial Services	81,888	2	1.86	44,559	6	1.04
Gaming	75,079	3	1.71	77,199	3	1.80
Utilities	62,097	4	1.41	30,587	8	0.71
Manufacturing	61,010	5	1.39	81,323	2	1.89
Telecommunications	59,843	6	1.36	69,102	4	1.61
Manufacturing	28,266	7	0.64			
Retail	25,941	8	0.59			
Financial Services	25,334	9	0.58			
Property Management	23,264	10	0.53			
Telecommunications				66,285	5	1.54
Property Management				36,400	7	0.85
Healthcare Services				29,540	9	0.69
Transportation				27,740	10	0.65
	$ 536,223		12.20 %	$ 555,595		12.94 %

Note:

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

Source: City Assessor’s Office and Collector of Revenue

Table 8

CITY OF ST. LOUIS, MISSOURI

General and Debt Service Funds – Property Tax Levies And Collections -

Last Ten Fiscal Years
(dollars in thousands)

(1) Fiscal year ended June 30	Taxes levied for the fiscal year	Collected within the Fiscal Year of the Levy		Fiscal Year collections related to prior year levies	Total collections to date	
		(2) Amount	Percentage of levy		Amount	Percentage of levy
2019	$ 68,995	64,609	93.6 %	—	64,609	93.6 %
2018	67,567	63,117	93.4	2,157	65,274	96.6
2017	65,035	60,626	93.2	3,653	64,279	98.8
2016	64,417	59,795	92.8	4,159	63,954	99.3
2015	63,872	58,736	92.0	4,307	63,043	98.7
2014	60,538	55,764	92.1	4,210	59,974	99.1
2013	58,797	53,545	91.1	4,845	58,390	99.3
2012	57,723	52,191	90.4	4,643	56,834	98.5
2011	57,990	52,223	90.1	4,569	56,792	97.9
2010	56,169	49,634	88.4	5,531	55,165	98.2

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

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

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

Table 9

CITY OF ST. LOUIS, MISSOURI

Earnings and Payroll Tax

Last Ten Fiscal Years
(dollars in thousands)

		Earnings					Payroll	
		Revenue base		1% Tax		Total (1)	Revenue	(1)
Fiscal year		Business	Individual	Business	Individual	Earnings tax	base	0.5% Tax
2019	$	4,158,200	15,281,000	41,582	152,810	194,392	8,316,600	41,583
2018		3,787,500	14,558,200	37,875	145,582	183,457	7,942,400	39,712
2017		3,881,600	14,207,200	38,816	142,072	180,888	7,875,000	39,375
2016		3,581,000	13,822,900	35,810	138,229	174,039	7,800,000	39,000
2015		3,597,700	13,349,500	35,977	133,495	169,472	7,574,600	37,873
2014		3,356,500	12,813,900	33,565	128,139	161,704	7,358,400	36,792
2013		3,219,000	12,701,200	32,190	127,012	159,202	7,369,800	36,849
2012		3,354,200	12,482,700	33,542	124,827	158,369	7,021,600	35,108
2011		3,025,300	12,082,700	30,253	120,827	151,080	7,048,400	35,242
2010		2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568

Note:
Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Source: City of St. Louis Collector of Revenue

Table 10

CITY OF ST. LOUIS, MISSOURI

Principal Earnings and Payroll Tax Payers

Top Ten Companies' Current Fiscal Year and Nine Years Ago
By Industry Classification
(dollars in thousands)

	Fiscal Year 2019			Fiscal Year 2010		
Top ten companies by industry classification (2)	Total earnings and payroll tax	Rank	(1) Percentage of total earnings and payroll tax	Total earnings and payroll tax	Rank	(1) Percentage of total earnings and payroll tax
Financial Services	$ 11,396	1	4.83 %	$ 4,742	5	2.57 %
Education	10,053	2	4.26	6,600	2	3.57
Healthcare	6,692	3	2.84	4,894	4	2.65
Manufacturing	5,798	4	2.46	2,638	10	1.43
Manufacturing	5,423	5	2.30	7,996	1	4.33
Utilities	4,291	6	1.82	2,701	9	1.46
Government	4,186	7	1.77	3,227	7	1.75
Education	3,915	8	1.66	3,040	8	1.64
Telecommunications	3,364	9	1.43	5,422	3	2.93
Government	3,301	10	1.40	3,877	6	2.10
	$ 58,419		24.77 %	$ 45,137		24.43 %

Note:

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

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

Source: Collector of Revenue

Table 11

CITY OF ST. LOUIS, MISSOURI

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(dollars in thousands)

		2019		2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:												
General Obligation Bonds	$	74,565		33,060	37,345	16,795	23,010	28,130	35,050	38,955	42,685	46,300
Tax Increment Revenue Bonds		375,568		364,238	388,669	381,231	340,342	300,321	296,122	246,079	200,202	167,436
Lease Revenue Bonds		382,994		400,162	419,909	438,932	435,005	470,889	473,403	502,429	548,958	567,292
Capital Leases		89,775	(1)	93,152	48,089	59,391	71,157	76,299	66,713	72,009	75,993	67,779
Joint Venture Financing Agreement		13,910		19,093	24,068	28,845	33,434	37,844	42,085	46,166	50,092	53,873
Federal Section 108		11,750		17,110	22,160	26,910	31,370	35,580	39,530	43,250	46,750	50,050
Other Obligations		23,358		25,760	18,025	13,538	11,935	16,153	15,502	15,644	11,353	13,191
Unamortized Discounts/Premiums		26,900		24,286	21,184	10,823	6,918	3,646	(1,892)	(1,357)	(4,912)	(4,987)
Business-type activities:												
Airport	$	763,468		686,734	971,277	718,617	762,724	804,068	818,299	856,138	879,465	933,228
Water Division		10,345		10,854	11,276	18,391	5,222	7,759	10,645	14,597	19,158	22,520
Parking Division		61,125		64,735	68,239	70,898	74,568	70,870	66,745	68,688	70,524	72,263
Total Primary Government	$	1,833,758		1,739,184	2,030,241	1,784,371	1,795,685	1,851,559	1,862,202	1,902,598	1,940,268	1,988,945
Percentage of Personal Income		12.71 %	(2)	12.93 %	15.88 %	13.58 %	14.38 %	15.24 %	15.72 %	16.73 %	17.75 %	17.37 %
Per Capita		6,055	(2)	5,635	6,520	5,652	5,657	5,815	5,855	5,964	6,085	6,255

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

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

Source: Notes to basic financial statements

Table 12

CITY OF ST. LOUIS, MISSOURI

Ratio of Net General Obligation Debt Outstanding

Last Ten Fiscal Years
(dollars in thousands except per capita)

Fiscal year	General bonded debt outstanding: General obligation bonds	Less debt service fund	Total net bonded debt	(1) Percentage of actual taxable value of property	(2) per capita (in dollars)
2019	$ 74,565	9,775	64,790	0.35 %	$ 214
2018	33,060	9,481	23,579	0.13	76
2017	37,345	8,355	28,990	0.16	93
2016	16,795	6,903	9,892	0.06	31
2015	23,010	6,966	16,044	0.09	51
2014	28,130	6,842	21,288	0.13	67
2013	35,050	8,713	26,337	0.15	83
2012	38,955	8,137	30,818	0.17	97
2011	42,685	8,118	34,567	0.19	108
2010	46,300	7,331	38,969	0.21	123

Note:
(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

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

Table 13

CITY OF ST. LOUIS, MISSOURI

Direct and Overlapping Governmental Activities Debt

As of June 30, 2019
(dollars in thousands)

Governmental unit		Debt outstanding	Estimated percentage applicable		Estimated share of overlapping debt
Debt repaid with property taxes:					
Board of Education of the City of St. Louis (1):					
General Obligation Debt	$	231,121	100.00 %	$	231,121
Other debt:					
Metropolitan St. Louis Sewer District (2)		1,561,280	9.05	*	141,280
St. Louis Public Library (3)		50,000	100.00	*	50,000
Junior College District of St. Louis (4)		50,170	17.47	*	8,765
Subtotal, overlapping debt	$	1,892,571			431,166
City of St. Louis direct debt (5)					998,820
Total direct and overlapping debt				$	1,429,986

Source:
(1) Board of Education City of St. Louis.
(2) Metropolitan St. Louis Sewer District
(3) St. Louis Public Library
(4) Junior College District of St. Louis
(5) Notes to basic financial statements

Note:
* Based on assessed property value

Table 14

CITY OF ST. LOUIS, MISSOURI

Legal Debt Margin Calculation

Last Ten Fiscal Years
(dollars in thousands)

Legal debt margin calculation for fiscal year ended June 30, 2019

Assessed Value	$ 4,581,679
Debt limit (10% of assessed value)	458,168
Debt applicable to limit:	
General obligation bonds	74,565
Less: Amount set aside for repayment. of general obligation debt.	(9,775)
Total net debt applicable to limit	64,790
Legal debt margin	$ 393,378

	Fiscal year ended June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Debt limit	$ 458,168	458,279	456,399	437,300	430,209	423,288	423,933	420,253	426,565	455,015
Total net debt applicable to limit	64,790	23,579	28,990	9,708	16,044	21,288	26,337	30,818	34,567	38,969
Legal debt margin	$ 393,378	434,700	427,409	427,592	414,165	402,000	397,596	389,435	391,998	416,046
Total net debt applicable to the limit as a percentage of debt limit	14.14 %	5.15 %	6.35 %	2.22 %	3.73 %	5.03 %	6.21 %	7.33 %	8.10 %	8.56 %

Source: Assessor and Comptroller's Office

Table 15

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

	Water Revenue Bonds (1)						Airport Revenue Bonds (1)					
		Less:	Net	Debt service				Less:	Net	Debt service		
Fiscal year	Water revenue	operating expenses	available revenue	Principal	Interest	Coverage	Aviation revenue	operating expenses	available revenue	Principal	Interest	Coverage
2019	$ 52,620	43,271	9,349	430	124	16.88	173,207	85,239	87,968	35,780	30,630	1.32
2018	54,446	44,485	9,961	422	131	18.01	164,562	82,909	81,653	40,475	22,451	1.30
2017	53,557	43,264	10,293	412	74	21.18	168,911	84,151	84,760	38,668	35,254	1.15
2016	56,538	44,193	12,345	404	33	28.25	167,961	74,670	93,291	58,623	18,281	1.21
2015	53,842	41,357	12,485	4,019	43	3.07	170,315	74,041	96,274	44,095	32,922	1.25
2014	56,647	44,645	12,002	3,765	86	3.12	178,365	86,524	91,841	30,465	46,318	1.20
2013	56,902	40,590	16,312	3,895	143	4.04	174,394	83,237	91,157	30,655	41,804	1.26
2012	58,631	38,126	20,505	3,740	650	4.67	161,518	81,872	79,646	19,985	41,501	1.30
2011	56,044	38,535	17,509	3,585	809	3.98	165,405	91,993	73,412	29,970	46,942	0.95
2010	51,295	37,549	13,746	2,440	959	4.04	170,429	87,385	83,044	21,670	44,157	1.26

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

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Parking Revenue Bonds (1)						Tax Increment Financing Bonds (1) (2)					
	Parking/ Project revenues	Less: Operating expenses	Net available revenue	Debt service		Coverage	Tax increment revenue	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	$ 19,625	9,602	10,023	3,403	1,580	2.01	38,067	959	37,108	11,885	16,425	1.34
2018	18,828	9,500	9,328	2,867	2,135	1.86	52,302	707	51,595	30,603	17,528	1.09
2017	18,403	8,620	9,783	2,091	826	3.35	34,354	887	33,467	12,356	19,090	1.09
2016	18,272	7,920	10,352	2,381	2,526	2.11	29,413	874	28,539	8,868	18,326	1.05
2015	17,147	7,603	9,544	2,232	2,738	1.92	23,436	1,064	22,372	16,056	18,772	0.64
2014	17,035	7,809	9,226	1,960	2,839	1.92	21,512	850	20,662	6,653	14,944	0.96
2013	15,935	7,248	8,687	1,860	2,911	1.82	22,796	898	21,898	7,067	14,000	1.04
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	5,776	12,800	0.93
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83

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

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

	Section 108 Downtown Convention Headquarters Hotel Project						Justice Center Leasehold Revenue Bonds (1) (2)					
				Debt service						Debt service		
Fiscal year	Tax increment revenue	Less: Operating expenses	Net available revenue	Principal	Interest	Coverage	Prisoner housing reimbursement	Less: Operating expenses	Net available revenue	Principal	Interest	Coverage
2019	$ 5,259	232	5,027	3,930	381	1.17	5,357	—	5,357	3,690	160	1.39
2018	4,649	265	4,384	3,700	444	1.06	6,892	—	6,892	10,025	581	0.65
2017	4,749	297	4,452	3,480	494	1.12	7,450	—	7,450	9,485	1,136	0.70
2016	4,500	328	4,172	3,270	530	1.10	6,997	—	6,997	9,030	1,587	0.66
2015	4,341	356	3,985	3,080	404	1.14	6,322	—	6,322	8,615	2,008	0.60
2014	4,278	350	3,928	2,890	572	1.13	6,259	—	6,259	8,265	2,352	0.59
2013	4,044	401	3,643	2,720	581	1.10	4,620	—	4,620	7,190	2,653	0.47
2012	4,629	360	4,269	2,560	1,381	1.08	5,298	—	5,298	11,020	2,500	0.39
2011	4,576	260	4,316	2,410	2,387	0.90	4,494	—	4,494	7,465	3,659	0.40
2010	3,701	270	3,431	2,270	2,523	0.72	6,919	—	6,919	5,680	4,238	0.70

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

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

	Civil Courts/Carnahan Courthouse Leasehold Revenue Bonds (1) (2)						Forest Park Leasehold Revenue Bonds/Subordinate Leasehold Revenue Bonds (1) (2)					
		Less:	Net	Debt service			10.4% of the	Less:	Net	Debt service		
Fiscal year	Court fees	Operating expenses	available revenue	Principal	Interest	Coverage	1/2c capital sales tax	Operating expenses	available revenue	Principal	Interest	Coverage
2019	$ 1,244	—	1,244	1,425	756	0.57	3,745	—	3,745	2,635	1,127	1.00
2018	1,217	—	1,217	860	782	0.74	3,699	—	3,699	2,825	858	1.00
2017	1,203	—	1,203	—	610	1.97	3,700	—	3,700	3,025	654	1.01
2016	1,213	—	1,213	1,330	853	0.56	3,533	—	3,533	3,170	549	0.95
2015	1,237	—	1,237	3,970	951	0.25	3,087	—	3,087	2,470	619	1.00
2014	1,301	—	1,301	3,920	1,092	0.26	3,152	—	3,152	1,720	527	1.40
2013	1,460	—	1,460	2,755	1,207	0.37	1,815	—	1,815	895	473	1.33
2012	1,492	—	1,492	2,635	1,332	0.38	1,905	—	1,905	865	508	1.39
2011	1,368	—	1,368	160	1,349	0.91	1,740	—	1,740	835	533	1.27
2010	1,419	—	1,419	2,255	493	0.52	1,722	—	1,722	805	563	1.26

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

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

	Recreation Sales Tax Leasehold Revenue Bonds (1) (2)						Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)					
				Debt service						Debt service		
Fiscal year	Parks and recreation sales tax	Less: Operating expenses	Net available revenue	Principal	Interest	Coverage	10% of the 1/2c Capital sales tax	Less: Operating expenses	Net available revenue	Principal	Interest	Coverage
2019	$ 4,910	—	4,910	1,345	1,684	1.62	1,840	—	1,840	310	902	1.52
2018	4,859	—	4,859	1,305	1,720	1.61	1,712	—	1,712	625	586	1.41
2017	4,689	—	4,689	2,010	968	1.57	1,856	—	1,856	350	958	1.42
2016	4,855	—	4,855	1,155	2,084	1.50	1,831	—	1,831	340	970	1.40
2015	4,886	—	4,886	1,110	2,129	1.51	1,863		1,863	325	983	1.42
2014	4,473	—	4,473	1,065	2,172	1.38	1,889	—	1,889	315	996	1.44
2013	4,323	—	4,323	1,025	2,213	1.34	1,747	—	1,747	300	1,008	1.34
2012	4,520	—	4,520	985	2,252	1.40	1,830	—	1,830	290	1,019	1.40
2011	4,152	—	4,152	950	2,290	1.28	1,671	—	1,671	280	1,030	1.28
2010	4,055	—	4,055	910	2,326	1.25	1,654	—	1,654	265	1,041	1.27

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

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

	City Parks Leasehold Revenue Bonds (1) (2)					
				Debt service		
Fiscal year	**6.6% of the1/2c Capital Sales Tax, 15.5% of Metro Parks** Sales Tax, and 60% of Metro Parks Arch Sales Tax	**Less: Operating expenses**	**Net available revenue**	**Principal**	**Interest**	**Coverage**
2019	$ 3,311	—	3,311	555	1,053	2
2018	3,036	—	3,036	530	1,074	2
2017	3,074	—	3,074	515	1,089	2
2016	3,091	—	3,091	500	1,104	2
2015	3,104	—	3,104	440	1,167	2
2014	—	—	—	—	—	—
2013	—	—	—	—	—	—
2012	—	—	—	—	—	—
2011	—	—	—	—	—	—
2010	—	—	—	—	—	—

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

Table 16

CITY OF ST. LOUIS, MISSOURI

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar year	(1) Population	(4) Personal income *(thousands of dollars)*	(4) Per capita personal income	(1) Median age	(2) Public school enrollment	(3) Unemployment rate
2018	302,838	14,428,133	47,643	36	20,879	3.4 %
2017	308,626	13,448,883	43,577	35	21,754	3.8
2016	311,404	12,786,566	41,061	35	22,506	4.0
2015	315,685	13,142,730	41,632	34	24,154	5.0
2014	317,419	12,484,968	39,333	35	24,869	5.7
2013	318,416	12,151,780	38,163	35	25,200	7.2
2012	318,069	11,842,448	37,232	34	22,516	7.4
2011	319,008	11,369,625	35,641	34	23,576	7.8
2010	318,842	10,928,301	34,275	35	25,046	8.7
2009	317,955	11,453,476	36,022	35	26,108	11.7

Notes:

(1) Source: Census Bureau -Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records methodology whereas the City has used a Housing Unit methodology.* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003, and 2004.

(2) Data provided by the Missouri Dept. of Elementary and Secondary Education

(3) Data provided by the U. S. Bureau of Labor Statistics.

(4) Source: U.S. Bureau of Economic Analysis-Calendar Years 2006-2011 have been updated to reflect actual statistics released as of April 2013.

Table 17

CITY OF ST. LOUIS, MISSOURI

Principal Employers,

Current Calendar Year and Nine Years Ago

	Calendar Year 2018			Calendar Year 2009		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Washington University	$ 17,851	1	3.94 %	$ 13,672	1	3.22 %
BJC Health Systems	15,335	2	3.39	12,225	2	2.88
St. Louis University	9,782	3	2.16	9,500	4	2.24
City of St. Louis	8,069	4	1.78	10,462	3	2.46
Defense Finance & Acct Services	6,138	5	1.36	6,174	5	1.45
A G Edwards/Wells Fargo	5,598	6	1.24	5,602	7	1.32
St. Louis Board of Education	4,653	7	1.03	5,139	8	1.21
US Postal Service	4,376	8	0.97	—		—
SSM Health SLUH	4,142	9	0.91	—		—
STL Children's Hospital	3,953	10	0.87	—		—
AT&T Services	—		—	5,683	6	1.34
Anheuser Busch	—		—	4,396	10	1.03
State of Missouri	—		—	4,646	9	1.09
	$ 79,897		17.65 %	$ 77,499		18.24 %

Source: City Collector of Revenue

Table 18

CITY OF ST. LOUIS, MISSOURI

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

		Full-time equivalent employees as of June 30									
		2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Function/Program:											
Primary Government Employees:											
General government	$	502	507	509	505	506	485	491	498	509	528
Convention and tourism		2	2	2	2	2	3	3	3	2	2
Parks and recreation		293	281	285	284	283	314	313	313	309	322
Judicial		632	635	643	653	653	681	679	706	714	709
Streets		425	426	442	446	451	455	455	455	455	464
Fire		777	776	776	776	776	781	778	813	829	830
Police		1,847	1,824	1,818	1,814	1,822	1,841	1,867	1,940	1,943	1,937
Other		751	751	759	757	752	749	750	709	716	774
Health and welfare		183	181	203	210	212	213	206	220	219	257
Public service		263	304	306	303	302	217	221	222	224	251
Community development		58	61	61	60	65	61	59	65	65	65
Business-Type Employees:											
Airport		530	530	524	529	530	537	540	555	580	583
Water Division		350	347	344	342	342	341	341	341	361	380
Parking Division		110	102	105	109	105	94	82	89	103	86
Total Employees	$	6,723	6,727	6,777	6,790	6,801	6,772	6,785	6,929	7,029	7,188

Source: Budget division

Table 19

CITY OF ST. LOUIS, MISSOURI

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal year									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
General Government:										
Payroll checks issued	$ 172,005	174,359	185,212	179,475	179,431	180,873	183,489	185,338	191,837	201,642
Invoices processed	86,890	89,423	91,432	91,393	91,341	90,518	95,572	96,571	95,375	98,772
Deeds recorded	56,771	62,543	67,074	48,219	33,120	63,261	74,138	58,991	61,841	66,351
Birth and death certificate copies issued	75,284	72,731	73,643	72,418	68,357	60,780	54,552	55,773	57,898	61,836
Marriage licenses processed	2,418	2,318	2,992	2,992	2,962	2,680	2,358	2,318	2,548	2,570
Real property parcels	138,565	138,954	140,669	140,936	141,364	142,480	143,357	145,166	145,572	145,858
Personal property accounts	118,718	108,397	110,342	110,862	108,878	109,296	107,666	109,439	108,257	108,427
Problem properties cases heard*	6,593	7,723	6,669	5,201	4,894	5,555	7,911	8,942	8,981	8,491
Citizen Service Bureau (CSB) calls answered	106,048	108,442	110,788	107,479	126,780	131,129	119,504	124,637	122,470	102,964
CSB service requests issued	75,618	78,373	79,121	113,245	103,730	65,526	98,306	109,596	119,109	107,116
Parks and Recreation and Forestry:										
Park use permits issued	3,121	3,142	3,007	3,186	3,484	3,212	3,056	3,066	3,170	3,727
Vacant lot grass cuttings	42,792	26,536	46,734	54,693	56,298	52,886	52,079	51,845	52,110	51,015
Vacant building grass cuttings	26,484	22,232	22,332	24,400	22,641	24,775	24,366	24,870	24,124	23,520
CSB service requests received	21,256	24,334	24,560	21,341	22,303	22,149	23,116	24,009	25,660	23,007
Judicial:										
Juvenile cases-referrals *	2,237	2,308	2,026	2,436	2,297	2,395	2,702	3,031	3,444	3,540
Jurors summoned	63,305	58,487	63,797	99,879	120,629	112,881	55,105	59,650	58,230	65,805
Jurors who served	19,231	17,697	20,085	21,244	21,474	17,265	22,596	23,186	20,019	21,582
Streets:										
Tons of waste placed in landfills	143,088	141,341	142,707	142,768	139,667	134,125	150,645	164,134	173,812	185,848
Tons of waste recycled	16,980	16,760	16,589	15,907	15,769	14,686	15,618	12,830	4,842	3,851
Vehicles towed	11,374	13,102	12,837	11,594	9,825	9,197	8,880	8,470	9,850	9,765
Public Safety:										
Fire:										
Suppression calls	58,654	58,335	58,804	56,335	50,067	56,623	46,959	48,159	59,683	51,464
EMS calls	60,881	57,487	54,580	54,968	54,118	68,772	58,213	61,401	74,929	73,771
Police:										
Directed calls for service*	259,723	266,061	285,403	289,780	277,684	237,367	267,435	300,921	309,696	321,015
Felony arrests*	10,771	10,484	11,319	12,970	10,466	12,569	14,205	15,309	13,424	13,284
Misdemeanor arrests*	5,549	5,671	6,509	6,125	3,640	5,043	6,307	8,574	6,986	7,948
Police reports written*	69,571	67,581	72,055	71,046	68,400	66,104	65,337	72,057	76,204	83,339
Public Service:										
Contracts executed	92	125	137	130	115	125	78	108	81	298
Bridges inspected	49	40	45	43	41	41	44	40	44	33
Airport:										
Major airlines	8	8	7	7	9	9	9	10	10	10
Commuter airlines	19	18	17	14	14	16	18	19	19	19
Air cargo carriers	3	3	3	3	3	3	3	3	3	3
Passengers	15,822,218	15,209,248	14,359,274	13,323,815	12,487,420	12,339,645	12,747,102	12,681,341	12,399,226	12,514,653
Aircraft operations	193,998	195,171	193,439	188,466	185,474	184,211	189,068	191,653	186,908	195,409
Water Division:										
Bills issued – metered	50,271	51,179	51,185	51,325	51,327	51,625	51,512	52,000	52,128	52,432
Bills issued – flat rate	318,398	317,411	316,911	317,269	316,850	317,200	316,904	316,000	316,596	321,720
Billions of gallons of water purified	40,500	43,544	42,620	47,645	43,553	45,265	44,922	46,597	43,345	44,015

* Information based on calendar year

Source: information is provided by departments

Table 20

CITY OF ST. LOUIS, MISSOURI

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	Fiscal year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Parks and Recreation:										
Park acreage	$ 3,250	3,250	3,250	3,250	3,249	3,248	3,248	3,248	3,243	2,960
Miles of bicycle paths	40	39	38	38	38	38	36	36	36	36
Athletic fields	153	153	153	153	153	153	153	153	152	152
Recreation centers	7	7	7	7	9	9	9	9	7	9
Neighbourhood centers	2	2	2	2	—	—	—	—	—	—
Swimming pools	11	11	11	11	11	11	12	12	7	9
Golf courses	4	4	4	4	4	4	4	4	3	3
Judicial:										
Court houses	3	3	3	3	3	3	3	3	3	3
Streets:										
Alley containers	26,500	26,500	26,507	26,507	26,507	26,507	26,507	26,507	27,724	27,724
Rollout carts	43,000	40,000	39,952	39,952	39,952	39,952	39,952	39,952	34,770	21,202
Recycling containers	6,000	6,000	5,744	5,744	5,744	5,744	5,744	5,744	3,434	125
Streets – paved (miles)	23	25	26	27	24	21	14	16	18	21
Streets – (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	600	600	600	600	600	600	600	600	600	600
Street, alley and easement lights	70,652	70,652	70,652	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Public Safety:										
Fire:										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	193	193	142	139	122	122	122	122	122	114
Police:										
Police stations	4	4	4	4	4	4	3	3	3	3
Police vehicles	672	673	668	679	675	757	759	757	694	710
Public Service:										
Bridges structurally deficient	15	15	15	17	18	15	15	14	15	17
Bridges functionally obsolete	26	27	27	24	28	28	28	27	30	22
Total bridges	74	73	73	73	73	73	73	73	72	71
Water Division:										
Miles of water mains	1,372	1,372	1,372	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Water storage capacity (gallons)	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000
Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: information is provided by department personnel

Prepared by:

Office of the Comptroller
City of St. Louis, Missouri

Honorable Darlene Green
Comptroller

Dedicated by Franklin Delano Roosevelt in 1936, the Soldiers Memorial Military Museum underwent extensive renovations and modernization, completed in 2018, for the 100th anniversay of the World War I armistice.

APPENDIX C

DEFINITIONS OF WORDS AND TERMS

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APPENDIX C
DEFINITIONS OF WORDS AND TERMS

In addition to the words and terms defined elsewhere in this Official Statement, the following are definitions of words and terms used in the Indenture, the Lease Purchase Agreement, and the Deed of Trust.

"*Accreted Value*" means, with respect to Compound Interest Bonds, the amount to which, as of any specified time, the principal of any such Bond has been increased by accretion, all as may be provided in an applicable Supplemental Indenture. The term "*Accreted Value*" includes Series 2005A Accreted Value, Series 2005B Accreted Value, Series 2009A Accreted Value, and Series 2010A Accreted Value.

"*Accretion Date*" means each Series 2005 Accretion Date, each Series 2009A Accretion Date, and each Series 2010A Accretion Date.

"*Additional Bonds*" means any additional Bonds, including Refunding Bonds, issued by the Corporation pursuant to the Indenture. The term "*Additional Bonds*" includes the Series 2005A Bonds, the Series 2005B Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds.

"*Additional Project*" means (i) any additional improvements, extensions, remodeling, renovating or altering of the Convention Center Property, (ii) additional repairs, improvements, remodeling, alterations, extensions, or equipping of the Convention Center Property; or (iii) any additional equipment or rolling stock to be used by the City in connection with the Convention Center Property, each to be financed out of the proceeds of Additional Bonds.

"*Additional Rentals*" means the payments payable pursuant to the Lease Purchase Agreement.

"*AGC*" means Assured Guaranty Corp., a Maryland-domiciled insurance company, as issuer of the Series 2009A Bond Insurance Policy or any successor thereto or assigns thereof.

"*AGM*" means Assured Guaranty Municipal Corp., a New York stock insurance company, as issuer of the Series 2010 Bond Insurance Policy, the Series 2015 Bond Insurance Policy, the Series 2017 Bond Insurance Policy, the Series 2020 Bond Insurance Policy and the Series 2020 Reserve Policy, or any successor thereto or assigns thereof.

"*Alternate Security*" means any instrument, including, but not limited to, a letter of credit, line of credit, guaranty, standby loan commitment, bond insurance policy, or surety bond or any similar credit or liquidity facility, or any combination thereof, (i) approved by the Corporation and delivered to the Trustee for the benefit of the owners of any Series of Bonds to which such instrument relates, (ii) replacing any such existing facility, (iii) dated as of a date prior to the expiration date of the facility for which the same is to be substituted, (iv) which, in the case of a letter of credit, shall expire not earlier than a date which is 15 days after an Interest Payment Date for the Series of Bonds to which such instrument relates, and (v) issued on substantially similar terms and conditions with respect to the rights of the owners of such Series of Bonds as the then existing facility, provided that the stated amount of the Alternate Security shall equal the sum of the aggregate principal amount of the Series of Bonds to which such instrument relates at the time Outstanding, plus interest thereon for the number of days between Interest Payment Dates and such Alternate Security shall be rated not lower than "Baa" by Moody's and "BBB" by S&P.

"*Ambac*" means Ambac Assurance Corporation, a Wisconsin stock insurance company, as issuer of the Series 2005 Bond Insurance Policies and the Series 2005 Surety Bonds, and any successors or assigns.

"*Authority*" means The Industrial Development Authority of the City of St. Louis, Missouri, an industrial development corporation duly organized under Chapter 349 of the Revised Statutes of Missouri, as amended, and its successors and assigns.

"*Bank Notice*" means, with respect to a Credit Facility that is a letter of credit, a notice from the Credit Facility Provider delivered to the Trustee, pursuant to the Credit Facility, declaring that an "event of default" has occurred thereunder, and stating that such Credit Facility will terminate 15 days from the date such notice is received by the Trustee.

"*Beneficiary*" means each of the Trustee, Ambac, AGC and AGM. The term "*Beneficiaries*" means the Trustee, Ambac, AGC and AGM, collectively.

"*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. The term "Bond" shall include Variable Rate Debt and any short term note or other debt obligation of an Issuer issued under 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, so long as the City is lessee of the Convention Center Property, the City.

"*Bond Fund*" means the St. Louis Municipal Finance Corporation Leasehold Revenue Bond Fund ratified the Indenture and which may contain separate accounts or subaccounts as created by any Supplemental Indenture authorizing a Series of Bonds.

"*Bond Register*" means the register and all accompanying records kept by the Bond Registrar evidencing the registration, transfer, and exchange of Bonds. A separate Bond Register shall be maintained by the Bond Registrar for the Series 2005 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds, the Series 2020 Bonds and any other subsequently issued Series of Bonds.

"*Bond Registrar*" means the Trustee when acting in such capacity under the Indenture.

"*Bond Reserve Fund*" means the St. Louis Municipal Corporation Leasehold Revenue Bonds Bond Reserve Fund ratified in the Indenture and which may contain separate accounts or subaccounts as created by any Supplemental Indenture authorizing a Series of Bonds.

"*Bond Reserve Fund Deposits*" means with respect to any Series of Bonds the deposits into the Bond Reserve Fund, if any, required by the Supplemental Indenture authorizing such Series of Bonds.

"*Bond Reserve Fund Requirement*" means with respect to any Series of Bonds the amount, if any, required to be deposited in a Bond Reserve Fund by the Supplemental Indenture authorizing such Series of Bonds. The Bond Reserve Fund Requirement with respect to any Series of Bonds may be satisfied by Bond Reserve Fund Deposits in cash or upon the prior written approval of the Credit Facility Provider for such Series of Bonds, if any, by a Qualified Surety Bond With respect to the Series 2009A Bonds, the Bond Reserve Fund Requirement is equal to the Series 2009A Reserve Account Requirement. With respect to the Series 2010A Bonds, the Bond Reserve Fund Requirement is equal to the Series 2010A Reserve Account Requirement. With respect to the Series 2015 Bonds, the Bond Reserve Fund Requirement is equal to the Series 2015 Reserve Account Requirement. With respect to the Series 2017 Bonds, the Bond Reserve Requirement is equal to the Series 2017 Reserve Account Requirement. With respect to the Series 2020 Bonds, the Bond Reserve Requirement is equal to the Series 2020 Reserve Account Requirement.

"*Business Day*" means any day except Saturday, Sunday, a legal holiday, a day on which banking institutions located in the States of Missouri or New York are authorized by law to close or a day on which the New York Stock Exchange is closed.

"*Cervantes Convention Center*" means the convention center located at Washington Avenue, between 7th and 9th Streets, in the City of St. Louis, Missouri.

"*City*" means The City of St. Louis, Missouri, a municipal corporation and political subdivision organized and existing under its Charter and 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 Lease Purchase Agreement and the Indenture as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by its Mayor and its Comptroller. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the City Representative. For the purpose of investing the Bond proceeds, the authorized City Representative shall be the City Treasurer or his designee.

"*Code*" means the Internal Revenue Code of 1986, as amended and the applicable regulations thereunder.

"*Compound Interest Bonds*" means any Bonds issued pursuant to the Indenture which do not pay interest either until Maturity or until a specified date prior to Maturity, but whose amount increases periodically by accretion to a final principal amount. The term "Compound Interest Bonds" includes the Series 2005 Bonds, the Series 2009A Bonds, and the Series 2010A Bonds.

"*Convention Center Equipment*" means the items of machinery, equipment, or other personal property installed or acquired or to be acquired for installation in or which constitute Convention Center Property, and all replacements thereof and substitutions thereof made pursuant to the Lease Purchase Agreement.

"*Convention Center Operating Lease*" means the Amended and Restated Convention Center Operating Lease dated as of July 29, 1993, as amended by the First Supplement to Amended and Restated Convention Center Operating Lease dated as of October 1, 2020, by and between the City and the CVC.

"*Convention Center Property*" means the Cervantes Convention Center (including the attendant real estate, as well as real estate acquired from time to time and as further described in **Exhibits B**, **B-1**, and **B-2** to the Indenture), the maintenance, repairs, improvements, and renovation of the same, the machinery, the equipment, or other personal property installed or acquired or to be installed or acquired thereon, the replacement or substitution thereof, and all buildings, structures, improvements, and fixtures located on or to be purchased, constructed, and otherwise improved on the site of the Convention Center, and all additions, alterations, modifications, and improvements thereof.

"*Corporation*" means the St. Louis Municipal Finance Corporation, a corporation organized under the General Nonprofit Corporation Law of the State, 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 not requiring corporate authorization relating to the Lease Purchase Agreement and the Indenture as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Corporation Representative.

"*Costs of Issuance*" means all costs incurred in connection with the issuance of the Bonds, including without limitation (i) fees of the Trustee, the Escrow Agent, and the Corporation, (ii) financial advisor, placement agent, or other consultant fees and expenses, (iii) fees and expenses of Bond Counsels and of counsel to the Corporation, the City, the Trustee, the Escrow Agent and the original purchaser of the Bonds, (iv) fees and expenses of special counsel to the Corporation and the City, (v) accounting expenses incurred in connection with determining that the Bonds are not arbitrage bonds, (vi) fees of independent certified public accounts or consultants for verification services, and (vii) initial fees for the Credit Facilities, (viii) all printing expenses in connection with the Indenture, the Lease Purchase Agreement, and the Bonds.

"*Costs of Issuance Fund*" means the St. Louis Municipal Corporation Leasehold Revenue Bonds Costs of Issuance Fund ratified in the Indenture and which may contain separate accounts or subaccounts as created by any Supplemental Indenture authorizing a Series of Bonds.

"*Costs of the Series 2020 Project*" means the portion of the reasonable and necessary expenses of or incidental to the Series 2020 Project directly or indirectly payable or reimbursable by the Corporation or the City from the proceeds of the Series 2020 Bonds.

"*Counsel*" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the City or the Corporation.

"*Credit Facility*" means any Alternate Security, letter of credit, surety bond, or municipal bond insurance policy or policies, if any, issued by the Credit Facility Provider guaranteeing, providing for, or insuring the payment when due of the principal of and all or a portion of the interest on one or more Series of Bonds as provided therein and any agreement pursuant to which such Alternate Security, letter of credit, surety bond, or municipal bond insurance policy or policies, if any is issued, as such agreement may be amended, modified, or supplemented from time to time, and shall include a particular Credit Facility or all of them, as the context requires.

"*Credit Facility Provider*" means, as of the date of the Indenture, (i) with respect to the Series 2005 Bonds, Ambac, (ii) with respect to the Series 2009A Bonds, AGC, (iii) with respect to the Series 2010A Bonds, the Insured Series 2015 Bonds, the Insured Series 2017 Bonds and the Series 2020 Bonds, AGM, and (iv) at any time thereafter the issuer of any Alternate Security then in effect, and shall include a particular Credit Facility Provider or all of them, as the context requires.

"*Current Interest Bonds*" means any Bonds issued pursuant to the Indenture the interest on which is paid semiannually. The term "Current Interest Bonds" includes the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds.

"*CVC*" means the Regional Convention and Visitors Commission.

"*Deed of Trust*" means the Tenth Supplemental Deed of Trust, as the same may from time to time be amended or supplemented in accordance with the provisions thereof.

"*Defeasance Obligations*" means direct obligations of the Department of the Treasury of the United States of America or, during any moratorium on the issuance of such obligations of the Department of the Treasury, any obligation listed in subsection (a) of the definition of "Permitted Investments," all of which are non-callable and non-prepayable. The value of Defeasance Obligations shall be determined as provided in the definition of "Permitted Investments" in the Indenture.

"*Depository*" or "*DTC*" means Depository Trust Company, New York, New York, 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, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Security Exchange Act of 1934, as amended, and its successors and assigns.

"*Eighth Supplemental Indenture*" means the Eighth Supplemental and Restated Indenture of Trust dated as of March 1, 2010 by and among the Trustee, the Authority, and the Corporation.

"*Eleventh Supplemental Indenture*" means the Eleventh Supplemental and Restated Indenture of Trust dated as of October 1, 2020 by and between the Trustee and the Corporation.

"*Escrow Deposit Agreement*" means any escrow deposit agreement entered into in connection with any Series by and among the Issuer, the City, and the Escrow Agent.

"*Escrow Agent*" means any escrow agent named in any Escrow Deposit Agreement, and any successors or assigns.

"*Event of Bankruptcy*" means, as to the Corporation or the City, any of the following: (a) the commencement by the Corporation or the City of a voluntary case under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, or similar laws; (b) the filing of a petition with a court having jurisdiction over the Corporation or the City to commence an involuntary case against the Corporation or the City under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, or similar laws; (c) the Corporation, or the City shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, trustee, or liquidator of the Corporation, or the City shall be appointed in any proceeding brought against the Corporation or the City, (e) assignment by the Corporation, or the City for the benefit of its creditors; or (f) the entry by the Corporation or the City into an agreement of composition with its creditors.

"*Event of Default*" or "*Default*" means (a) with respect to the Lease Purchase Agreement any Event of Default as defined in the Lease Purchase Agreement, and (b) with respect to the Indenture any Event of Default as defined in the Indenture.

"*Event of Nonappropriation*" means the failure of the City to appropriate sufficient funds for the payment of Rentals and Additional Rentals as described in the Lease Purchase Agreement.

"*Fifth Supplemental Indenture*" means the Fifth Supplemental and Restated Indenture of Trust dated as of May 1, 2005 by and among The Bank of New York Trust Company, N.A., as bond trustee, the Authority, and the Corporation.

"*Financing Agreement*" means the Intergovernmental Cooperation and Financing Agreement dated as of April 1, 2020 among the Land Clearance for Redevelopment Authority of the City of St. Louis, CVC, the City, the Corporation and St. Louis County, Missouri.

"*Fiscal Year*" means, with respect to the Corporation, 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 (or any other date later adopted by the City).

"*Global Bond Certificates*" means one or more bond certificates of the Corporation, each such certificate representing the entire principal amount of the respective Series of Bonds due on a particular Stated Maturity, immobilized from general circulation in the Depository.

"*Government Sponsored Agencies*" means U.S. federal government agencies or corporations created by the United States Congress to foster a public purpose.

"*Grantor*" means the Corporation.

"*Holder,*" "*Bondholder,*" "*Owner,*" or "*Registered Owner*" means the registered owner of any Bond as shown on the registration books of the Issuer maintained by the Trustee or Paying Agent.

"*Hotel Tax Revenues*" means revenues derived by the City from the tax imposed on gross receipts from hotel and motel rooms as authorized under Section 67.657.8, RSMo.

"*Indenture*" means the Eleventh Supplemental Indenture as from time to time supplemented or amended in accordance with Article XI of the Indenture.

"*Insured Series 2015 Bonds*" means the Series 2015 Bonds maturing on July 15 of the years 2017 through 2025 and the years 2028 through 2030, inclusive.

"*Insured Series 2017 Bonds*" means the Series 2017 Bonds maturing on October 1 of the years 2019 through 2027, 2030, 2032, 2037 and 2038.

"*Interest*" or "*interest*" includes, when used in connection with any Compound Interest Bond, the Accreted Value of such Compound Interest Bond, unless the context clearly requires otherwise.

"*Interest Payment Date*" means (i) with respect to the Series 2015 Bonds, January 15 and July 15 of each year as long as any Series 2015 Bonds remain outstanding, beginning July 15, 2015, (ii) with respect to the Series 2017 Bonds, April 1 and October 1 of each year as long as any Series 2017 Bonds remain outstanding, beginning April 1, 2018, and (iii) with respect to the Series 2020 Bonds, April 1 and October 1 of each year as long as any Series 2020 Bonds remain Outstanding, beginning April 1, 2021.

"*Issuer*" means the Corporation, and with respect to any subsequent Series of Bonds issued under the Indenture, the issuer thereof.

"*Lease Purchase Agreement*" means the Tenth Supplemental Lease Purchase Agreement as from time to time supplemented or amended in accordance with Article XIV of the Lease Purchase Agreement and Article XII of the Indenture.

"*Maturity*" means, with respect to any Bond, the date on which the principal or Accreted Value of such Bond becomes due and payable as therein provided, whether at the Stated Maturity or by declaration or acceleration or call for redemption or otherwise.

"*Maximum Annual Debt Service*" means the largest payment of principal of and interest on all Outstanding Bonds of a Series for the then-current or any future Fiscal Year over the remaining scheduled maturities of such Series.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall mean any other nationally recognized securities rating agency designated by the Issuer, with the approval of the City, by notice to the Trustee and the City.

"*Net Proceeds*" means, with respect to the any Series of Bonds, the initial principal amount (which includes the present value of any Compound Interest Bonds) of such Series plus premium, if any, less discount, if any, and underwriter's discount.

"*Ninth Supplemental Indenture*" means the Ninth Supplemental and Restated Indenture of Trust dated as of February 1, 2015 by and among the Trustee, the Authority, and the Corporation.

"*Original Indenture*" means the Indenture of Trust dated as of June 15, 1993, between the Corporation and Mark Twain Bank, as bond trustee.

"*Original Lease Purchase Agreement*" means the Lease Purchase Agreement dated as of June 15, 1993 by and between the City and the Corporation.

"*Outstanding*" means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, including all Bonds of which the interest and/or principal due have been paid by the Credit Facility Provider, except:

(a) Bonds theretofore cancelled 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 any 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 or the Lease Purchase Agreement.

"*Parity Bonds*" means the Series 2005A Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2020 Bonds and any other Outstanding Additional Bonds.

"*Paying Agent*" means the Trustee when acting in such capacity under the Indenture.

"*Permitted Encumbrances*" means, as of any particular time (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) the Indenture, (iii) the Lease Purchase Agreement, (iv) the Deed of Trust, (v) utility, access, and other easements and rights-of-way, mineral rights, restrictions, exceptions, and encumbrances that will not materially interfere with or impair the operations being conducted on the Convention Center Site or easements granted to the Corporation, (vi) the Master Reciprocal Easement and License Agreement by and between LCRA and the Regional Convention and Sports Complex Authority ("*RCSA*") dated July 28, 1993 and recorded on July 29, 1993 in Book 1001M, Page 1851 and Assignment thereof recorded in Book 1001M, Page 2107, (vii) the Operating Lease by and among the RCSA, the CVC, the City and St. Louis County, Missouri, dated as of August 28, 1991, (viii) the Convention Center Operating Lease, (ix) the Amended and Restated Management Agreement by and between the City and CVC, (x) liens securing non-recourse indebtedness, and which non-recourse indebtedness is secured solely by machinery, equipment, or other personal property installment on or acquired for the Convention Center Property acquired in connection with the incurrence of such indebtedness, (xi) any lien on machinery, equipment, or other personal property installed on or acquired for the Convention Center Property (collectively the "*Property*") (other than real estate) in the nature of a purchase money security interest resulting from installment sale agreements or borrowings, financing leases, or similar agreements relating to the acquisition of Property; or liens of a lessee or a vendee on the Property being leased or sold under a lease, installment sale, or similar agreement, and (xii) such minor defects, irregularities, encumbrances, easements, mechanics' liens, rights-of-way, and clouds on title as normally exist with respect to properties similar in character to the Convention Center Property and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Corporation or for which it is leased by the City.

"*Permitted Investments*" means:

(a) For all purposes including defeasance investments in refunding escrow accounts:

1. Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause 2 below);

2. Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America; and

3. Senior debt obligations of other Government Sponsored Agencies approved by the Credit Facility Provider; provided that such approval of the Credit Facility Provider shall be required only with respect to investments of funds in connection with any Series of Bonds for which a Credit Facility is in effect.

(b) For all purposes other than defeasance investments in refunding escrow accounts:

1. Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America (the "*Full Faith and Credit Agencies*"), including:

(i) Export-Import Bank,
(ii) Rural Economic Community Development Administration (formerly the Farmers Home Administration),
(iii) United States Maritime Administration,
(iv) Small Business Administration,
(v) United States Department of Housing and Urban Development (PHAs),
(vi) Federal Housing Administration, and
(vii) Federal Financing Bank,

2. Direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America (the "*Non-Full Faith and Credit Agencies*"):

(i) Senior debt obligations rated "Aaa" by Moody's and "AA+" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC),
(ii) Obligations of the Resolution Funding Corporation (REFCORP),
(iii) Any bond, debenture, note, participation certificate or similar obligation (including collateralized mortgage obligations ("*CMOs*") and real estate mortgage investment conduits ("*REMICs*") which is rated "Aaa" by Moody's and "AA+" by

S&P and which is either (a) issued or guaranteed by the FNMA, the Federal Home Loan Bank System, the FHLMC, the Federal Farm Credit Association, or (b) backed by the full faith and credit of the United States of America, and

(iv) Senior debt obligations of other Government Sponsored Agencies approved by the Credit Facility Provider; provided that such approval of the Credit Facility Provider shall be required only with respect to investments of funds in connection with any Series of Bonds for which a Credit Facility is in effect,

3. United States dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A 1" or "A 1+" by S&P and "P 1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.);

4. Commercial paper which is rated at the time of purchase in the single highest classification, "A l+" by S&P and "P l" by Moody's, and which matures not more than 270 days after the date of purchase;

5. Investments in a money market fund rated "AAAm" or "AAAm G" or better by S&P;

6. Repurchase agreements: (i) with any bank, including the Trustee and its affiliates, or any broker-dealer with retail customers that falls under the protection of the Securities Investors Protection Corporation whose obligations are rated (at the time the investment is entered into) not lower than "A-" by S&P or "A3" by Moody's or "A-" by Fitch; (ii) which is secured by collateral of the type specified in (a) and (b)2 above which collateral (a) is in the possession of the Trustee or a third party acting solely as agent for the Trustee, (b) is not subject to any third party claims, and (c) has a market value (determined at least once every day) at least equal to 104% for direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America and GNMAs, and 105% for Non-Full Faith and Credit Agencies; and (iii) which permits the Trustee to liquidate the collateral immediately upon failure to maintain the collateral at the required level.

7. "Pre-refunded Municipal Obligations" defined as follows: any bonds or other obligations of any state of the United States or of any agency, instrumentality, or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the "*escrow*"), in the highest rating category of S&P and Moody's or any successors thereto, or

(ii) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (a)2 above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this subsection on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate,

8. Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of at least "A2/A" or higher by both Moody's and S&P;

9. Investment agreements approved in writing by the Credit Facility Provider supported by appropriate opinions of counsel; provided that such approval of the Credit Facility Provider shall be required only with respect to investments of funds in connection with any Series of Bonds for which a Credit Facility is in effect; and

10. With respect to investments of funds in connection with any Series of Bonds for which a Credit Facility is in effect, other forms of investments approved in writing by the Credit Facility Provider.

(c) The value of the above investments shall be determined by the Trustee as follows: "*Value*" means the value of any investments calculated as follows:

1. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Bank of America, N.A., JP Morgan & Chase, Co., Smith Barney, or such other pricing service providers selected by the Trustee,

2. As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest, and

3. As to any investment not specified above: in the case of funds relating to any Series of Bonds for which a Credit Facility is in effect, the value thereof established by prior agreement among the Issuers and the Credit Facility Provider, and in the case of funds relating to any Series of Bonds for which a Credit Facility is not in effect, the lower of cost or market value thereof.

"*Project Fund*" means the St. Louis Municipal Corporation Leasehold Revenue Bonds Project Fund ratified in the Indenture and which may contain separate accounts or subaccounts as created by any Supplemental Indenture authorizing a Series of Bonds.

"*Qualified Surety Bond*" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited into any account or subaccount of the Bond Reserve Fund in lieu of or in partial substitution for moneys deposited therein. and guaranteeing payments into the Bond Reserve Fund in the amount of the Bond Reserve Fund Requirement as shall be determined in the Supplemental Indenture in which the account or subaccount of Bond Reserve Fund is established.

"*Rebate Fund*" means the St. Louis Municipal Finance Corporation Rebate Fund ratified in the Indenture and which may contain separate accounts or subaccounts as created by any Supplemental Indenture authorizing a Series of Bonds.

"*Record Date*" shall, (i) with respect to any Series of Bonds with an Interest Payment Date or Accretion Date of January 15 and July 15, mean with respect to any Interest Payment Date or Accretion Date, the first day (whether or not a Business Day) of the calendar month in which such Interest Payment Date or Accretion Date, as applicable, occurs, and (ii) with respect to any Series of Bonds with an Interest Payment Date or Accretion Date of April 1 and October 1, mean with respect to any Interest Payment Date or Accretion Date, the 15th day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date or Accretion Date, as applicable, occurs.

"*Redemption Date,*" when used with respect to any Bond to be redeemed, means the date fixed for redemption pursuant to the Indenture or the Supplemental Indenture applicable thereto.

"*Refunding Bonds*" means bonds issued to refund any Series of Bonds or portion thereof then Outstanding.

"*Rentals*" or "*Rent*" means those payments required to be made by the City pursuant to the Lease Purchase Agreement.

"*S&P*" means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its Trustee 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 City.

"*Series*" means all of the Bonds delivered on original issuances in a simultaneous transaction and identified pursuant to the Eleventh Supplemental 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. If a Series of Bonds is sold in installments, Series shall mean all of the Bonds of such installment.

"*Series 2005 Accretion Date*" means, as long as any Series 2005 Bonds remain Outstanding, each January 15 and July 15, beginning July 15, 2005.

"*Series 2005 Bond Account*" means the account by that name within the Bond Fund ratified pursuant to the Indenture.

"*Series 2005 Bond Insurance Policies*" means, collectively, the Series 2005A Bond Insurance Policy and the Series 2005B Bond Insurance Policy.

"*Series 2005 Bonds*" means, collectively, the Series 2005A Bonds and the Series 2005B Bonds.

"*Series 2005 Surety Bonds*" means the Series 2005A Surety Bond and the Series 2005B Surety Bond.

"*Series 2005 Tax Compliance Agreement*" means the Tax Compliance Agreement dated as of May 1, 2005 by and among the City, the Corporation and the Trustee.

"*Series 2005A Accreted Value*" means the original principal amount of the Series 2005A Bonds plus accretions in value, compounded on each Series 2005 Accretion Date, as set forth in **Exhibit E** to the Indenture. Upon the redemption, maturity by acceleration, or delivery for cancellation pursuant to the Indenture of the Series 2005A Bonds on a date other than a Series 2005 Accretion Date, the Series 2005A

Accreted Value shall also include accrued interest from the next preceding Series 2005 Accretion Date computed as follows: (i) the quotient of the number of days elapsed, computed on the basis of a 360-day year of twelve 30-day months, from and including the next preceding Series 2005 Accretion Date to but not including the redemption or maturity date divided by 180, multiplied by (ii) the Series 2005A Accreted Value on the next succeeding Series 2005 Accretion Date minus the Series 2005A Accreted Value on the immediately preceding Series 2005 Accretion Date.

"*Series 2005A Bond Insurance Policy*" means the municipal bond insurance policy issued by Ambac insuring the payment when due of the principal of and interest on the Series 2005A Bonds.

"*Series 2005A Bonds*" means the Compound Interest Leasehold Revenue Bonds, Series 2005A (Convention Center Refunding and Improvement Projects) issued by the Corporation pursuant to the Fifth Supplemental Indenture in the aggregate principal amount of $20,882,005.05.

"*Series 2005A Surety Bond*" means the surety bond issued by Ambac in the amount of $2,088,200.51 which guarantees payment of the Series 2005A Bonds, the value of which surety bond will be reduced as provided and subject to the limitations set forth therein.

"*Series 2005B Accreted Value*" means the original principal amount of the Series 2005B Bonds plus accretions in value, compounded on each Series 2005 Accretion Date, as set forth in **Exhibit F** to the Indenture. Upon the redemption, maturity by acceleration, or delivery for cancellation pursuant to the Indenture of the Series 2005B Bonds on a date other than a Series 2005 Accretion Date, the Series 2005B Accreted Value shall also include accrued interest from the next preceding Series 2005 Accretion Date computed as follows: (i) the quotient of the number of days elapsed, computed on the basis of a 360-day year of twelve 30-day months, from and including the next preceding Series 2005 Accretion Date to but not including the redemption or maturity date divided by 180, multiplied by (ii) the Series 2005B Accreted Value on the next succeeding Series 2005 Accretion Date minus the Series 2005B Accreted Value on the immediately preceding Series 2005 Accretion Date.

"*Series 2005B Bond Insurance Policy*" means the municipal bond insurance policy issued by Ambac insuring the payment when due of the principal of and interest on the Series 2005B Bonds.

"*Series 2005B Bonds*" means the Compound Interest Junior Lien Leasehold Revenue Bonds, Series 2005B (Refunding and Capital Improvement Projects) issued by the Corporation pursuant to the Fifth Supplemental Indenture in the aggregate principal amount of $24,115,886.00.

"*Series 2005B Surety Bond*" means the surety bond issued by Ambac in the amount of $2,411,588.60 which guarantees payment of the Series 2005B Bonds, the value of which surety bond will be reduced as provided and subject to the limitations set forth therein.

"*Series 2009 Tax Compliance Agreement*" means the Series 2009 Tax Compliance Agreement dated as of June 1, 2009 by and among the City, the Corporation, and the Trustee.

"*Series 2009A Accreted Value*" means the original principal amount of the Series 2009A Bonds plus accretions in value, compounded on each Series 2009A Accretion Date, as set forth in **Exhibit F** to the Indenture. Upon the redemption, maturity by acceleration, or delivery for cancellation pursuant to the Indenture of the Series 2009A Bonds on a date other than a Series 2009A Accretion Date, the Series 2009A Accreted Value shall also include accrued interest from the next preceding Series 2009A Accretion Date computed as follows: (i) the quotient of the number of days elapsed, computed on the basis of a 360-day year of twelve 30-day months, from and including the next preceding Series 2009A Accretion Date to but not including the redemption or maturity date divided by 180, multiplied by (ii) the Series 2009A Accreted Value on the next succeeding Series 2009A Accretion Date minus the Series 2009A Accreted Value on the immediately preceding Series 2009A Accretion Date.

"*Series 2009A Accretion Date*" means, as long as any Series 2009A Bonds remain Outstanding, each January 15 and July 15, beginning January 15, 2010.

"*Series 2009A Bond Account*" means the account by that name within the Bond Fund ratified pursuant to the Indenture.

"*Series 2009A Bond Insurance Policy*" means the municipal bond insurance policy issued by AGC insuring the payment when due of the principal of and interest on the Series 2009A Bonds.

"*Series 2009A Bonds*" means the Compound Interest Leasehold Revenue Bonds, Series 2009A (Convention Center Capital Improvement Projects) issued by the Corporation pursuant to the Seventh Supplemental Indenture in the aggregate principal amount of $7,761,922.10.

"*Series 2009A Reserve Account*" means the account by that name within the Bond Reserve Fund ratified pursuant to the Indenture.

"*Series 2009A Reserve Account Requirement*" means, with respect to the Series 2009A Bonds, an amount of money or securities in the Series 2009A Reserve Account which has a Value (as provided in the definition of Permitted Investments) equal to the least of (a) the Maximum Annual Debt Service on the Series 2009A Bonds, (b) 10% of the Net Proceeds of the Series 2009A Bonds (as calculated pursuant to the Series 2009 Tax Compliance Agreement), and (c) 125% of the average annual debt service requirements of the Series 2009A Bonds; provided, further, that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Series 2009A Reserve Account Requirement must be reduced in order that the amounts on deposit in the Series 2009A Reserve Account may continue to be invested without yield restriction under the Code, the amounts held in the Series 2009A Reserve Account shall be reduced in conformity with such opinion and, if there is in effect a Credit Facility for the Series 2009A Bonds, with the approval of the Credit Facility Provider.

"*Series 2009B Bonds*" means the Current Interest Junior Lien Leasehold Revenue Bonds, Series 2009B (Infrastructure and Convention Center Capital Improvement Projects) issued by the Corporation pursuant to the Seventh Supplemental Indenture in the aggregate principal amount of $23,255,000.00.

"*Series 2010 Bond Insurance Policy*" means the municipal bond insurance policy issued by AGM insuring the payment when due of the Accreted Value and interest on the Series 2010A Bonds.

"*Series 2010 Tax Compliance Agreement*" means the Tax Compliance Agreement dated as of March 1, 2010 by and among the City, the Corporation, and the Trustee.

"*Series 2010A Accreted Value*" means the original principal amount of the Series 2010A Bonds plus accretions in value, compounded on each Series 2010A Accretion Date, as set forth in **Exhibit H** to the Indenture. Upon the redemption, maturity by acceleration, or delivery for cancellation pursuant to the Indenture of the Series 2010A Bonds on a date other than a Series 2010A Accretion Date, the Series 2010A Accreted Value shall also include accrued interest from the next preceding Series 2010A Accretion Date computed as follows: (i) the quotient of the number of days elapsed, computed on the basis of a 360-day year of twelve 30-day months, from and including the next preceding Series 2010A Accretion Date to but not including the redemption or maturity date divided by 180, multiplied by (ii) the Series 2010A Accreted Value on the next succeeding Series 2010A Accretion Date minus the Series 2010A Accreted Value on the immediately preceding Series 2010A Accretion Date.

"*Series 2010A Accretion Date*" means, as long as any Series 2010A Bonds remain Outstanding, each January 15 and July 15, beginning July 15, 2010.

“*Series 2010A Bonds*” means the Compound Interest Leasehold Revenue Bonds, Series 2010A (Convention Center Capital Improvement Project) issued by the Corporation pursuant to the Eighth Supplemental Indenture in the aggregate principal amount of $24,736,396.30.

“*Series 2010A Reserve Account*” means the account by that name within the Bond Reserve Fund ratified pursuant to the Indenture.

“*Series 2010A Reserve Account Requirement*” means, with respect to the Series 2010A Bonds, an amount of money or securities in the Series 2010A Reserve Account which has a Value (as provided in the definition of Permitted Investments) equal to the least of (a) the Maximum Annual Debt Service on the Series 2010A Bonds, (b) 10% of the Net Proceeds of the Series 2010A Bonds (as calculated pursuant to the Series 2010 Tax Compliance Agreement), and (c) 125% of the average annual debt service requirements of the Series 2010A Bonds; provided that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Series 2010A Reserve Account Requirement must be reduced in order that the amounts on deposit in the Series 2010A Reserve Account may continue to be invested without yield restriction under the Code, the amounts held in the Series 2010A Reserve Account shall be reduced in conformity with such opinion and, if there is in effect a Credit Facility for the Series 2010A Bonds, with the approval of the Credit Facility Provider.

“*Series 2015 Bond Account*” means the account by that name within the Bond Fund ratified pursuant to the Indenture.

“*Series 2015 Bond Insurance Policy*” means the municipal bond insurance policy issued by AGM insuring the payment when due of the principal of and interest on the Insured Series 2015 Bonds.

“*Series 2015 Bonds*” means the Leasehold Revenue Bonds, Series 2015 (Convention Center Refunding and Improvement Projects) issued by the Corporation pursuant to the Ninth Supplemental Indenture in the aggregate principal amount of $23,905,000.

“*Series 2015 Reserve Account*” means the account by that name within the Bond Reserve Fund ratified pursuant to the Indenture.

“*Series 2015 Tax Compliance Agreement*” means the Tax Compliance Agreement dated as of February 1, 2015 by and among the City, the Corporation, and the Trustee.

“*Series 2015 Reserve Account Requirement*” means, with respect to the Series 2015 Bonds, an amount of money or securities in the Series 2015 Reserve Account which has a Value (as provided in the definition of Permitted Investments) equal to the least of (a) the Maximum Annual Debt Service on the Series 2015 Bonds, (b) 10% of the initial principal amount of the Series 2015 Bonds (as calculated pursuant to the Series 2015 Tax Compliance Agreement), and (c) 125% of the average annual debt service requirements of the Series 2015 Bonds; provided that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Series 2015 Reserve Account Requirement must be reduced in order that the amounts on deposit in the Series 2015 Reserve Account may continue to be invested without yield restriction under the Code, the amounts held in the Series 2015 Reserve Account shall be reduced in conformity with such opinion and, if there is in effect a Credit Facility for the Series 2015 Bonds, with the approval of the Credit Facility Provider.

“*Series 2017 Bond Account*” means the account by that name within the Bond Fund ratified pursuant to the Indenture.

"*Series 2017 Bond Insurance Policy*" means the municipal bond insurance policy issued by AGM insuring the payment when due of the principal and interest on the Insured Series 2017 Bonds.

"*Series 2017 Bonds*" means the Junior Lien Leasehold Revenue Bonds, Series 2017 (Convention Center Refunding and Improvement Projects) issued by the Corporation pursuant to the Tenth Supplemental Indenture in the aggregate principal amount of $25,735,000.

"*Series 2017 Project*" means the acquisition, construction, repair, improvement, and renovation of the Convention Center Property, as described further on **Exhibit K** to the Tenth Supplemental Indenture.

"*Series 2017 Project Account*" means the account by that name within the Project Fund ratified pursuant to the Indenture.

"*Series 2017 Rebate Account*" means the account by that name within the Rebate Fund ratified pursuant to the Indenture.

"*Series 2017 Reserve Account*" means the account by that name within the Bond Reserve Fund ratified pursuant to the Indenture.

"*Series 2017 Tax Compliance Agreement*" means the Tax Compliance Agreement dated as of September 1, 2017 by and among the City, the Corporation, and the Trustee.

"*Series 2017 Reserve Account Requirement*" means, with respect to the Series 2017 Bonds, an amount of money or securities in the Series 2017 Reserve Account which has a Value (as provided in the definition of Permitted Investments) equal to the least of (a) the Maximum Annual Debt Service on the Series 2017 Bonds, (b) 10% of the initial principal amount of the Series 2017 Bonds (as calculated pursuant to the Series 2017 Tax Compliance Agreement), and (c) 125% of the average annual debt service requirements of the Series 2017 Bonds; provided that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Series 2017 Reserve Account Requirement must be reduced in order that the amounts on deposit in the Series 2017 Reserve Account may continue to be invested without yield restriction under the Code, the amounts held in the Series 2017 Reserve Account shall be reduced in conformity with such opinion and, if there is in effect a Credit Facility for the Series 2017 Bonds, with the approval of the Credit Facility Provider.

"*Series 2020 Bond Account*" means the account by that name created within the Bond Fund pursuant to the Indenture.

"*Series 2020 Bonds*" means the Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects) issued by the Corporation pursuant to this Eleventh Supplemental Indenture in the aggregate principal amount of $99,790,000.

"Series 2020 Bond Insurance Policy" means the municipal bond insurance policy issued by AGM insuring the payment when due of the principal and interest on the Series 2020 Bonds.

"*Series 2020 Costs of Issuance Account*" means the account by that name created within the Costs of Issuance Fund pursuant to the Indenture.

"*Series 2020 Project*" means the acquisition, construction, repair, improvement, and renovation of the Convention Center Property, as described further on **Exhibit L** to the Eleventh Supplemental Indenture.

"*Series 2020 Project Account*" means the account by that name within the Project Fund pursuant to the Indenture.

"*Series 2020 Rebate Account*" means the account by that name within the Rebate Fund pursuant to the Indenture.

"*Series 2020 Reserve Account*" means the account by that name within the Bond Reserve Fund pursuant to the Indenture.

"*Series 2020 Reserve Account Requirement*" means, with respect to the Series 2020 Bonds, an amount of money or securities in the Series 2020 Reserve Account which has a Value (as provided in the definition of Permitted Investments) equal to the least of (a) the Maximum Annual Debt Service on the Series 2020 Bonds, (b) 10% of the issue price of the Series 2020 Bonds (as calculated pursuant to the Series 2020 Tax Compliance Agreement), and (c) 125% of the average annual debt service requirements of the Series 2020 Bonds; provided that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Series 2020 Reserve Account Requirement must be reduced in order that the amounts on deposit in the Series 2020 Reserve Account may continue to be invested without yield restriction under the Code, the amounts held in the Series 2020 Reserve Account shall be reduced in conformity with such opinion and, if there is in effect a Credit Facility for the Series 2020 Bonds, with the approval of the Credit Facility Provider. The Series 2020 Reserve Account Requirement shall be satisfied with the deposit of the Series 2020 Reserve Policy into the Series 2020 Reserve Account.

"Series 2020 Reserve Policy" means the municipal bond debt service reserve insurance policy issued by AGM, with a policy limit not to exceed $9,578,822.99,which guarantees payment of the Series 2020 Bonds, the value of which policy will be reduced as provided and subject to the limitations set forth therein. The Series 2020 Reserve Policy is a Qualified Surety Bond that will be deposited into the Series 2020 Reserve Account upon the execution and delivery of the Series 2020 Bonds.

"*Series 2020 Tax Compliance Agreement*" means the Tax Compliance Agreement dated as of October 1, 2020 by and among the City, the Corporation, and the Trustee.

"*Seventh Supplemental Indenture*" means the Seventh Supplemental and Restated Indenture of Trust dated as of June 1, 2009 by and among the Trustee, the Authority, and the Corporation.

"*Sixth Supplemental Indenture*" means the Sixth Supplemental and Restated Indenture of Trust dated as of November 1, 2008 by and among the Trustee, the Authority, and the Corporation.

"*Sports Authority Bonds*" means the Regional Convention and Sports Complex Authority Convention and Sports Facility Project and Refunding Bonds, Series C 1997 (The City of St. Louis, Missouri, Sponsor).

"*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.

"*Supplemental Indenture*" means any indenture supplemental or amendatory to the Original Indenture entered into pursuant to Article XI of 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 Article XIV of the Original Lease Purchase Agreement and Article XII of the Indenture.

"*Tax Agreements*" means, collectively, the Series 2005 Tax Compliance Agreement, the Series 2009 Tax Compliance Agreement, the Series 2010 Tax Compliance Agreement, the Series 2015 Tax Compliance Agreement, the Series 2017 Tax Compliance Agreement, the Series 2020 Tax Compliance Agreement and any amendment or supplement thereto.

"*Tax-Exempt Bonds*" means any Bonds, the interest upon which is not includable in gross income for federal income tax purposes. The term "Tax-Exempt Bonds" includes the Series 2005 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds.

"*Taxable Bonds*" means any Bonds, the interest upon which is includable in gross income for federal income tax purposes.

"*Tenth Supplemental Indenture*" means the Tenth Supplemental and Restated Indenture of Trust dated as of September 1, 2017 by and among the Trustee, the Authority, and the Corporation.

"*Term*" or "*Lease Term*" means the term of the Lease Purchase Agreement beginning as of June 15, 1993, and terminating on the earliest of the occurrence of any of the following events: (i) an Event of Nonappropriation with respect to the City; (ii) an Event of Default with respect to the City under the Lease Purchase Agreement if the Corporation or the Trustee has elected, either subject to the prior written consent of the Credit Facility Provider, if any, or at the prior written direction of the Credit Facility Provider, if any, such remedies as are provided in the Lease Purchase Agreement, or (iii) discharge of the Indenture as provided in Article XIII of the Indenture and provision by the City for the payment of Additional Rentals.

"*Third Supplemental Indenture*" means the Third Supplemental and Restated Indenture of Trust dated as of November 15, 2000, among the Corporation, BNY Trust Company of Missouri, as bond trustee, and the Authority.

"*Trust Estate*" means the Trust Estate described in the Granting Clauses of the Indenture.

"*Trustee*" means UMB Bank, N.A., as successor trustee to The Bank of New York Mellon Trust Company, N.A., 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.

"*Variable Rate Debt*" means obligations of the Corporation, other than commercial paper, bearing interest at a variable rate and specifying a maximum rate of interest permitted by law.

"*Written Request*" with reference to the Corporation means a request in writing signed by the Corporation Representative or any other officers designated by such party to sign such Written Requests.

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APPENDIX D

SUMMARIES OF LEGAL DOCUMENTS

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APPENDIX D
SUMMARIES OF LEGAL DOCUMENTS

Summary of Certain Provisions of the Lease Purchase Agreement

The following is a summary of certain provisions of the Lease Purchase Agreement and is qualified in its entirety by reference thereto.

Conveyance; Granting of Leasehold. The Corporation, pursuant to the Lease Purchase Agreement, rents and leases the Convention Center Property, subject to Permitted Encumbrances, to the City and the City rents and leases the Convention Center Property from the Corporation for the Rentals and Additional Rentals and subject to the terms and conditions set forth therein.

Upon the acquisition of any other land by the Corporation (to the extent that such land relates solely to the Convention Center Property) the same shall become a part of the premises leased under the Lease Purchase Agreement together with all the improvements and installations at that time or thereafter acquired, constructed, or installed by the City, subject to all terms, covenants, and provisions in the Lease Purchase Agreement contained, without further action on the part of either party; provided, however, that each party to the Lease Purchase Agreement shall, upon the request of any other party to the Lease Purchase Agreement or of the Trustee, execute such documents and take such actions as shall be deemed necessary by such other party or the Trustee to further evidence or confirm the lease of the premises under the Lease Purchase Agreement. The Corporation shall have taken all necessary steps to provide the Trustee, Ambac, AGC and AGM with a valid and binding first lien upon the Convention Center Property subject to Permitted Encumbrances and shall have provided the Trustee, Ambac, AGC and AGM with an opinion of counsel to the Corporation that all actions necessary to perfect the liens and security interests created by the Deed of Trust in favor of the Trustee, Ambac, AGC and AGM shall have been duly taken.

Term of Lease Purchase Agreement; Termination; Annual Appropriation Required. The Term of the Lease Purchase Agreement commenced as of June 15, 1993, and shall terminate on the earliest of the occurrence of any of the following events: (i) an Event of Nonappropriation with respect to the City; (ii) an Event of Default with respect to the City under the Lease Purchase Agreement if the Corporation or the Trustee has elected, either subject to the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or at the prior written direction of such Credit Facility Provider, such remedies as are described under "**Remedies on Default**" herein, or (iii) discharge of the Indenture as provided in Article XIII of the Indenture and provision by the City for the payment of Additional Rentals. The expiration or termination of the term of the Lease Purchase Agreement shall terminate the City's rights of use of the Convention Center Property and the City shall immediately quit and vacate the Convention Center Property; 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 Bondholders and the receipt and disbursement of funds shall continue until the lien of the Indenture is discharged, as provided therein, except that all obligations under the Lease Purchase Agreement of the City to pay any amounts to the Bondholders and the Trustee shall thereafter be satisfied only as provided in the Indenture. The termination or expiration of the term of the Lease Purchase Agreement, 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, for payments due under any Credit Facility, and for all other amounts required under the Indenture.

Nothing in the Lease Purchase Agreement 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, shall immediately quit and vacate the Convention Center 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 among 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 Convention Center 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 Convention Center 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, 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 and a 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 Convention Center Property pursuant to the Lease Purchase Agreement shall 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 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 Year 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) as described in subsection (b) under "**Event of Nonappropriation**" herein.

As early as practicable, and in any case no later than three (3) Business Days following the date on which the budget for any Fiscal Year is finally approved by the Board of Aldermen of the City, the City shall forward to the Corporation, with a copy to the Trustee, either (i) notice of the termination of the Lease Purchase Agreement or (ii) confirmation that sufficient funds have been budgeted and appropriated to make all payments of Rentals and Additional Rentals for such Fiscal Year. Notice that sufficient funds have been appropriated for such Fiscal Year shall be accompanied by evidence satisfactory to the Corporation that sufficient funds have been budgeted and appropriated to make all payments of Rentals for the Fiscal Year to which such notice pertains and to make such payments of Additional Rentals as shall be required for such Fiscal Year by the terms of the Lease Purchase Agreement. If the Trustee does not receive such notice prior to June 30 (or such future date the City shall adopt as the end of its Fiscal Year) of such Fiscal Year, the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made. 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 day of receipt by the Trustee of such notice. Subject to the provisions described under "**Event of Nonappropriation**" herein, failure of the City to budget and appropriate prior to June 30 (or such future date as the City shall adopt as the end of its Fiscal Year) 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 an Event of Nonappropriation.

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 funds in an amount sufficient to pay all Rentals and Additional Rentals during the Lease Term can be obtained. 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 the provisions of the Lease Purchase Agreement with respect to the term thereof and annual appropriation, agrees to pay or cause to be paid the amounts required by the Lease Purchase Agreement as follows:

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 with **Article XIII** of the Indenture, the City shall pay to the Trustee as assignee of the Corporation as to the Series 2005 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds, in funds which will be immediately available to the Trustee not less than five (5) Business Days before the date any payment is due, as Rentals in respect of the Convention Center Property, amounts which shall 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 as provided in the Indenture (said amounts being in the Lease Purchase Agreement defined as "*Rentals*").

The City covenants and agrees that it shall pay 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. If the balance in the Bond 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 Bonds in accordance with the provisions of this section, the City shall forthwith pay as Rentals any such deficiency to the Trustee for deposit in the Bond Fund in immediately available funds and the Trustee shall deposit such sum accordingly; provided that any amount at any time held by the Trustee in the Bond 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 Bond 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.

Additional Rentals. The City shall pay or cause to be paid, subject to the provisions described under "**Term of Lease Purchase Agreement; Termination; Annual Appropriation Required**" herein, as Additional Rentals:

(i) to the Trustee amounts equal to the amounts to be paid to the Trustee pursuant to the Indenture;

(ii) all Impositions (as defined in Article VI of the Lease Purchase Agreement);

(iii) all amounts required under Section 15.1(c) of the Lease Purchase Agreement which amounts shall be deposited by the Trustee in the Bond Fund pursuant to the Indenture;

(iv) all costs incident to the payment of the principal of and interest on the Bonds as the same become due and payable, including all costs, premiums, and expenses in connection with the call, redemption, and payment of all Outstanding Bonds;

(v) the payments, if any, which the City shall be required under the Lease Purchase Agreement to pay to any Credit Facility Provider or provider of a Qualified Surety Bond pursuant to the Indenture and the payments, if any, which the City shall be required under the Lease Purchase Agreement to deposit into the Bond Reserve Fund (including any amounts payable pursuant to a Qualified Surety Bond) pursuant to the procedure set forth in the Indenture;

(vi) 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 Indenture, the Deed of Trust, or the Lease Purchase Agreement;

(vii) all reasonable and necessary fees and expenses due the Corporation incurred in connection with the Series 2005 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds, the Series 2020 Bonds, or the establishment and maintenance of the Corporation's status as a Missouri nonprofit corporation or a qualified 501(c)(3) corporation;

(viii) all amounts required to be rebated to the United States as provided in the Indenture;

(ix) any reasonable amount due and owing by the Corporation as a consequence of complying with the Indenture, the Deed of Trust, and the Lease Purchase Agreement;

(x) all sums required to be paid by the Corporation as successor in interest to the LCRA under a certain Parking Agreement by and among the LCRA, Lennox Associates, and the United States Department of Housing and Urban Development dated as of May 24, 1991 and recorded at Book 851M, page 565 in the Office of the St. Louis City Recorder of Deeds, as assigned by instrument recorded in Book 1001M, Page 2097; and

(xi) any and all additional amounts owed by the City in connection with the Lease Purchase Agreement.

Rentals and Additional Rentals, Payable without Abatement or Set-Off; City Obligations, Assignments of Rentals, and Certain Additional Rentals. Subject to the provisions of the Lease Purchase Agreement relating to the term thereof and annual appropriation, the City covenants and agrees with and for the express benefit of the Corporation 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 Convention Center Property shall have been started or completed and shall be sufficient to provide all funds required for debt service on the Bonds, for funding of the Bond Reserve Fund, and for all other amounts required under the Indenture.

The obligation of the City to pay Rentals and Additional Rentals is subject to the provisions described under "**Term of Lease Purchase Agreement; Termination; Annual Appropriation Required**" herein 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.

Impositions. The City shall, subject to the provisions described under "**Term of Lease Purchase Agreement; Termination; Annual Appropriation Required**" herein, 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 Convention Center Property or the Corporation's or the City's interest in the Convention Center 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 any Credit Facility Provider or encumber the Corporation's title to the Convention Center Property (all of the foregoing being in the Lease Purchase Agreement referred to as "*Impositions*").

Liability Insurance: Indemnification. The City shall obtain and maintain or shall cause to be obtained and maintained in force at all times during the Lease Term commercial insurance coverage 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 Convention Center Property or any part thereof, such insurance coverage to be in an amount not less than $1,000,000 combined single limit for bodily injury (including death) and property damage or loss, with excess liability coverage in an amount not less than $20,000,000, subject to reasonable loss deductible clauses. The policies of said insurance shall contain a provision that such insurance may not be canceled without at least 30 days' advance written notice to the Corporation, the Trustee, any Credit Facility Provider, and the City. Such policies or copies or certificates thereof shall be furnished to the Corporation, the Trustee, any Credit Facility Provider, and the City. The proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid. The Corporation, the Trustee, the Credit Facility Provider, and the City shall each be named as additional insureds in any such insurance policy. The City further agrees to indemnify the Corporation, the Trustee, and the Credit Facility Provider, as applicable, 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 fullest extent permitted by applicable State law.

Property Insurance. The City shall obtain and maintain or shall cause to be obtained and maintained in force at all times during the Lease Term commercial property insurance coverage insuring against loss or damage by fire, lightening, earthquake, and all other risks covered by the extended coverage insurance endorsement then in use in the State for the Convention Center Property in an amount not less than the full replacement value of Convention Center Property less the standard exclusions (which amount shall be as approved by the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder). Any such insurance may be subject to reasonable deductibles. The Corporation, the Trustee, such Credit Facility Provider, and the City shall each be named as loss payees in any such insurance policy.

Workers' Compensation Insurance. The City agrees to maintain throughout the Lease Term, in connection with the Convention Center Property, its status as a qualified self-insurer under Chapter 287 of the Missouri Revised Statutes, as amended, with regard to Workers' Compensation Insurance or, with the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, similar reasonable and customary insurance.

Assignment, Etc., by the Corporation. Pursuant to the Granting Clauses of the Indenture, the Corporation is concurrently assigning the Lease Purchase Agreement and all the rights and interests of the Corporation thereunder, including pledging and granting a security interest in all moneys receivable thereunder (except for its rights to receive payments described under "**Additional Rentals**" herein and its rights to indemnification thereunder) and in the Convention Center Property in connection with the Series 2005 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds to the Trustee as security for payment of the principal of, premium, if any, and interest on such Bonds and any Additional Bonds. The City consents to such assignments of the Lease Purchase Agreement and the Rentals and such Additional Rentals receivable thereunder and agrees that, subject to the provisions described under "**Term of Lease Purchase Agreement; Termination; Annual Appropriation Required**" herein, as to the Trustee, its obligation to make such payments shall be absolute and unconditional and without any defense or right of abatement, diminution, counterclaim, or set-off arising out of any breach by the Corporation or the Trustee of any obligation to the City.

Assignment, Subleasing, Management Contracts, and Licensing by the City. The Lease Purchase Agreement may not be assigned by the City without the prior written consent of the Corporation and any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder. However, the Convention Center Property may be subleased by the City, in whole or in part, including a long-term contract for the use of or provision of services at the Convention Center Property (a "*Sublease*") and the City may enter into a contract for operation and/or management of the Convention Center Property (a "*Management Contract*") with the consent of the Corporation and the Trustee, subject, however, to the prior written consent of such Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder. In addition to the receipt of the above consents, each such assignment (the "*Assignment*"), Sublease, and Management Contract must meet certain conditions set forth in the Lease Purchase Agreement. Such conditions need not be satisfied with regard to a short-term lease or other agreement for short-term use of the Convention Center Property for trade shows, conventions, or other purposes in the ordinary course of its operation as a municipal convention center.

The City, subject to the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, may grant licenses to use all or any portion of the Convention Center Property in the normal course of business without the consent of the Corporation.

Purchase or Sale of Certain Portions of the Convention Center Property.

(a) So long as the City is not in Default under the Lease Purchase Agreement and upon the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, the City reserves the right at any time to either (i) purchase from the Corporation title to any portion of the Convention Center Property or (ii) surrender possession of any portion of such Convention Center Property and direct the Corporation to sell or dispose of any portion of such Convention Center Property, either by negotiated sale or by public sale, as the City shall direct.

The proceeds of sale shall be deposited by the Corporation with the Trustee at the option of the City for credit: (1) to the Series 2005 Non-restricted Subaccount of the Series 2005 Bond Account, the Series 2009A Non-restricted Subaccount of the Series 2009A Bond Account, the Series 2010A Bond Account, the Series 2015 Bond Account and the Series 2020 Bond Account, in proportion to the Outstanding Bonds of each such Series to the total Outstanding principal amount of each such Series, or (2) if no Parity Bonds are Outstanding, to the Series 2005 Non-restricted Subaccount, or (3) if no Parity Bonds or Series 2005B Bonds are Outstanding, to the Series 2017 Bond Account, and used to redeem such Bonds of the respective Series at the earliest opportunity pursuant to Article III of the Indenture.

(b) If the City elects to purchase or dispose of any portion of the Convention Center Property upon the conditions described in subsection (a) above, the following procedures set forth in the Lease Purchase Agreement shall be followed.

(c) No sale or disposition of a portion of the Convention Center Property pursuant to this section shall entitle the City to any reimbursement of any Rentals or Additional Rentals from the Corporation, the Trustee, the Bondholders, or any Credit Facility Provider, nor shall the City be entitled to any abatement or diminution in Rentals or Additional Rentals under the Lease Purchase Agreement, except such diminution as results from redemption of any Series of Bonds, as the case may be, from the proceeds of such disposition pursuant to subsection (a) of this section and Article III of the Indenture.

(d) The option granted to the City under this section shall remain prior and superior to the Indenture but subordinate to the Deed of Trust provided that all options in the Lease Purchase Agreement granted shall terminate 90 days following the termination of the Lease Purchase Agreement.

Release of Certain Land from and Addition of Certain Land to Lease Purchase Agreement. Notwithstanding any other provisions of the Lease Purchase Agreement, the parties to the Lease Purchase Agreement reserve the right at any time and from time to time upon mutual consent and upon the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, to amend the Lease Purchase Agreement, without the consent of Bondholders, for the purpose of effecting the release of and removal from the Lease Purchase Agreement and the leasehold estate created under the Lease Purchase Agreement and/or the Deed of Trust of any part or parts of the real estate which has not been improved pursuant to the provisions of the Lease Purchase Agreement or for the purpose of effecting the addition to the Lease Purchase Agreement and the leasehold estate created under the Lease Purchase Agreement and the deed of trust of any additional real estate; provided, that if at the time any such amendment is made any of the Bonds are Outstanding and unpaid, there shall be deposited with the Trustee certain documents as set forth in the Lease Purchase Agreement.

No such release or addition shall entitle the City to any abatement or diminution of the Rentals payable under the Lease Purchase Agreement or the Additional Rentals payable under the Lease Purchase Agreement, nor shall any such release in any other way whatsoever affect the Lease Purchase Agreement or the Indenture with respect to the remaining parts of the Convention Center Property, and all the terms and provisions of the Lease Purchase Agreement and the Indenture shall remain in full force and effect with respect to the remaining part of the Convention Center Property as though no such release had been effected.

Removal of Convention Center Equipment. The City shall have the right, provided the City is not in Default in making Rentals or Additional Rentals under the Lease Purchase Agreement, to remove from the Convention Center Property and (on behalf of the Corporation) sell, exchange, or otherwise dispose of, without responsibility or accountability to the Corporation or the Trustee with respect thereto, any items of machinery and equipment which constitute a part of the Convention Center Equipment and which have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary or which, in the sound discretion of the City, are otherwise no longer useful to the City in its operations conducted on or in the Convention Center Property, provided that, if the original cost of any single item of Convention Center Equipment to be sold, exchanged, or disposed of exceeds $25,000 or if the aggregate original cost of such Convention Center Equipment to be sold, exchanged, or disposed of in any Fiscal Year exceeds $200,000, then with respect to the proposed removal of such items of Convention Center Equipment the City shall obtain the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall meet certain other conditions set forth in the Lease Purchase Agreement.

In all cases, the City shall pay all of the costs and expenses of any such removal and shall immediately repair at its expense all damage to the Convention Center Property caused thereby. The City's rights under this section to remove from the Convention Center Property machinery and equipment constituting a part of the Convention Center Equipment is intended only to permit the City to maintain an efficient operation by the removal of machinery and equipment which is no longer suitable to the City's use of the Convention Center Property for any of the reasons set forth in this section, and such right is not to be construed to permit a removal under any other circumstances and specifically is not to be construed to permit the City to make a wholesale removal of the Convention Center Equipment.

Maintenance, Repairs, and Modifications. The City shall, at its own expense, maintain, preserve and keep the Convention Center Property in good repair and condition, and shall from time to time make all repairs, replacements, and improvements necessary to keep the Convention Center 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, with the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, to make additions, modifications, and improvements to the Convention Center Property or any part thereof as the City from time to time may deem necessary or desirable for its municipal purposes; provided, however, the City shall not make any additions, modifications, or improvements which will adversely affect the operation of the Convention Center Property. Such additions, modifications, and improvements shall not in any way damage the Convention Center Property nor cause it to be used for purposes other than those authorized under the provisions of municipal, state, and federal law; and the Convention Center 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.

No such addition, modification, or improvement to the Convention Center Property shall entitle the City to any reimbursement of any Rentals or Additional Rentals from the Corporation, the Trustee, or the Bondholders, nor shall the City be entitled to any abatement or diminution in Rentals or Additional Rentals under the Lease Purchase Agreement, except such diminution as results from redemption of Bonds pursuant to Article III of the Indenture.

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 Convention Center Property (except for Permitted Encumbrances), other than the respective rights of the Corporation and the City as provided in the Lease Purchase Agreement provided if any such lien is established the City shall notify the Corporation, the Trustee, and any Credit Facility Provider of the City's intention to do so.

City's Option to Purchase Corporation's Interest. The City shall have the option to purchase the Corporation's fee interest in the Convention Center Property and to demand that the Corporation convey to the City title to all of the Convention Center Property, subject to Permitted Encumbrances and to terminate the Lease Purchase Agreement at any time during the Lease Term (subject to the requirements described in the Lease Purchase Agreement) upon payment of the purchase price described below and upon certain additional conditions set forth in the Lease Purchase Agreement.

If the City receives notice of an Event of Default pursuant to subsection (a) or subsection (b) under "**Summary of Certain Provisions of the Indenture - Events of Default**" herein or if an Event of Nonappropriation under the Lease Purchase Agreement has occurred, the City shall also have the option to purchase the Corporation's fee interest in the Convention Center Property and to terminate the Lease Purchase Agreement upon payment of the purchase price described below and upon certain additional conditions set forth in the Lease Purchase Agreement.

Purchase Price. The purchase price payable by the City in the event of its exercise of either of the options granted as described under "**City's Option to Purchase Corporation's Interest**" herein shall be the sum of the following: (i) an amount of money which, when added to the amounts on deposit in the Bond Fund and the Bond Reserve Fund will be sufficient to pay in full the Bonds then Outstanding or provide for their payment as provided in Article XIII of the Indenture; plus (ii) an amount of money equal to the Trustee's and Paying Agents' fees and expenses under the Indenture and the Escrow Agent's fees and expenses under the Escrow Deposit Agreement, if any, accrued and to accrue until such redemption of the Bonds; plus (iii) an amount equal to all of the obligations of the City and the Corporation under the Tax Agreements; plus (iv) reasonable costs incident to the redemption of the Bonds; plus (v) the sum of $10.00.

Relative Position of Option and Indenture. The option granted to the City in the Lease Purchase Agreement shall remain prior and superior to the Indenture but subordinate to the Deed of Trust and may be exercised whether or not the City is in Default under the Lease Purchase Agreement, provided that such Default will not result in non-fulfillment of any condition to the exercise of any such option and further provided that all options in the Lease Purchase Agreement granted shall terminate 90 days following the termination of the Lease Purchase Agreement.

No Obligation to Purchase the Convention Center Property. The City shall be under no obligation whatsoever to exercise its option to purchase the Convention Center Property.

Damage, Destruction, and Condemnation. Unless the City shall have exercised its option to purchase the Corporation's interest under the Lease Purchase Agreement and terminate the Lease Purchase Agreement as provided in Article X of the Lease Purchase Agreement, if (i) all the Convention Center Property is destroyed or is damaged by fire or other casualty or (ii) title to or the temporary use of the Convention Center Property or the interest of the City or the Corporation in the Convention Center 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 and with the consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, cause the net proceeds of any insurance or condemnation award to be deposited into the Project Fund to be applied to the prompt repair, restoration, modification, or improvement of the Convention Center 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 Convention Center Property shall be transferred to the Bond Fund and used in accordance with Section 507 of the Indenture.

If the City determines, with the consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, that the repair, restoration, modification, or improvement of the Convention Center 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, and such net proceeds (i) shall be deposited into the Bond Fund to be applied to the payment of the Outstanding Bonds called for redemption; (ii) shall be used to pay the fees and expenses of the Corporation and the Trustee, together with all other amounts due under the Indenture and under the Lease Purchase Agreement as described under "**Additional Rentals**" herein, and (iii) shall be used to pay all amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Agreements.

Insufficiency of Net Proceeds. If the net proceeds are insufficient to pay in full the cost of any repair, restoration, modification, or improvement of the Convention Center Property in accordance with Section 11.1, subject to appropriation of sufficient funds, the City shall complete the work and pay any cost in excess of the amount of the net proceeds, and the City agrees that if by reason of any such insufficiency of the net proceeds, the City shall make any payments pursuant to the provisions in this Section, the City shall not be entitled to any reimbursement therefor from the Corporation or any diminution of any amount payable under the Lease Purchase Agreement.

Event of Nonappropriation. In the event that the Board of Aldermen does not budget and appropriate, specifically with respect to the Lease Purchase Agreement, on or before June 30 (or any other date later adopted by the City as the end of its Fiscal Year) of each year, moneys sufficient to pay all Rentals and the reasonably estimated Additional Rentals coming due for the next succeeding Fiscal Year, an Event of Nonappropriation shall be deemed to have occurred. Notwithstanding the foregoing, no Event of Nonappropriation shall be deemed to have occurred under the Lease Purchase Agreement if, during the Fiscal Year subsequent to that in which an event described in the preceding sentence occurs, Rentals and Additional Rentals are timely paid under the Lease Purchase Agreement, and further provided that on or before the last day of such Fiscal Year the Board of Aldermen shall budget and appropriate, specifically with respect to the Lease Purchase Agreement moneys sufficient to pay all Rentals and Additional Rentals (or reasonable estimates thereof as to those Additional Rentals which have not been paid) coming due for such Fiscal Year. If an Event of Nonappropriation shall occur and be continuing, upon receipt of a certificate from a City Representative 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 Nonappropriation with respect to the City, the Trustee shall immediately notify the Corporation of such occurrence.

If an Event of Nonappropriation shall occur, the City shall not be obligated to make payment of the Rentals or Additional Rentals or any other payment provided for in the Lease Purchase Agreement which accrue beyond the last day of the Fiscal Year for which Rentals or Additional Rentals were appropriated, 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 accrued during such time when the City continues to occupy the Convention Center Property. The Trustee shall, upon the occurrence of an Event of Nonappropriation, 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 Bondholders and any Credit Facility Provider, 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 Nonappropriation as provided in the Lease Purchase Agreement shall be held by the Trustee under the Indenture for the benefit of the Bondholders and any Credit Facility Provider as set forth in the Indenture until the Bonds and such Credit Facility Provider are paid in full.

Upon the occurrence and continuance of any Event of Nonappropriation, the Trustee may, subject to the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or shall, at the prior written direction of such Credit Facility Provider, give notice to the City to vacate the Convention Center 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 shall, without any further demand or notice, (i) terminate the Lease Purchase Agreement, re-enter the Convention Center Property, eject all parties in possession thereof therefrom, and sublease the Convention Center Property or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Convention Center Property.

Remedies Regarding City Defaults. Notwithstanding anything in the Lease Purchase Agreement to the contrary, the Trustee shall be entitled to sublease the Convention Center Property 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.

Non-Condemnation Covenant. In the Lease Purchase Agreement, the City covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds remain Outstanding and unpaid, the City will not exercise or cause to be exercised the power of condemnation with respect to the Corporation's interest in the Convention Center Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Corporation's interest in the Convention Center Property, the appraised value of the Corporation's interest in the Convention Center Property shall not be less than the greater of (i) if such Bonds are then subject to redemption, the principal and interest components of the Bonds Outstanding through the date of their redemption, or (ii) if such Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Indenture.

Events of Default Defined. The following shall be "Events of Default" under the Lease Purchase Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in the Lease Purchase Agreement, any one or more of the following events: (a) failure by the City to pay any Rentals or Additional Rentals in the amounts and at the times specified in the Lease Purchase Agreement; (b) failure by the City to observe or perform any covenant, condition, or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this section, for a period of thirty (30) 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, subject to the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, 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 shall 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; (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 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 immediately vacate the Convention Center Property upon request as described under "**Event of Nonappropriation**" herein after an Event of Nonappropriation occurs; (e) the City shall vacate or abandon the Convention Center Property, and the same shall remain uncared for and unoccupied for a period of 60 consecutive days; (f) the Trustee shall receive written notice from the Credit Facility Provider stating that an "Event of Default" has occurred under any Credit Facility, provided that the Credit Facility Provider has not failed, has not ceased or is not otherwise unable to act under, or has not wrongfully dishonored a claim against or failed to make a payment under the applicable Credit Facility.

Remedies on Default. Whenever any Event of Default referred to in Section 12.1 shall have happened and be continuing, the Corporation or the Trustee shall have the right, at its option and subject to prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and without any further demand or notice, to take and shall take upon the prior written direction of such Credit Facility Provider, 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) Give the City written notice of intention to terminate the Lease Purchase Agreement on a date specified in such notice, which date shall not be earlier than 30 days after such notice is given, and if all Defaults have not then been cured, on the date so specified, the City's rights to possession of the Convention Center Property shall cease and the Lease Purchase Agreement shall thereupon be terminated, and the Corporation or the Trustee may reenter and take possession of the Convention Center Property; or

(c) Without terminating the Lease Purchase Agreement, reenter the Convention Center Property or take possession thereof pursuant to legal proceedings or pursuant to any notice provided for by law, and having elected to reenter or take possession of the Convention Center Property without terminating the Lease Purchase Agreement, the Corporation or the Trustee shall use reasonable diligence to relet the Convention Center Property, or parts thereof, for such term or terms and at such rental and upon such other provisions and conditions as the Corporation or the Trustee may deem advisable, with the right to make alterations and repairs to the Convention Center Property, and no such reentry or taking of possession of the Convention Center Property by the Corporation or the Trustee shall be construed as an election on the part of the Corporation or the Trustee to terminate the Lease Purchase Agreement, and no such reentry or taking of possession by the Corporation or the Trustee shall relieve the City of its obligation to pay Rentals or Additional Rentals (at the time or times provided in the Lease Purchase Agreement), or of any of its other obligations under the Lease Purchase Agreement, all of which shall survive such reentry or taking of possession, and the City shall continue to pay the Rentals and Additional Rentals specified in the Lease Purchase Agreement until the end of the Lease Term, whether or not the Convention Center Property shall have been relet, less the net proceeds, if any, of any reletting of the Convention Center Property after deducting all of the reasonable expenses of the Corporation and the Trustee in or in connection with such reletting, including without limitation all repossession costs, brokerage commissions, legal expenses, expenses of employees, alteration costs, and expense of preparation for reletting. Said net proceeds of any reletting shall be deposited in the Bond Fund and shall be applied as provided in the Indenture.

Having elected to reenter or take possession of the Convention Center Property without terminating the Lease Purchase Agreement, the Corporation or the Trustee may, with the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder (subject, however, to any restrictions in the Indenture against termination of the Lease Purchase Agreement), and shall at the written direction of such Credit Facility Provider, by notice to the City given at any time thereafter while the City is in Default in the payment of Rentals or Additional Rentals or in the performance of any other obligation under the Lease Purchase Agreement, elect to terminate the Lease Purchase Agreement on a date to be specified in such notice, which date shall be not earlier than 30 days after reentry under subparagraph (c) above, and if all Defaults shall not have been cured, on the date so specified the Lease Purchase Agreement shall thereupon be terminated. If in accordance with any of the foregoing provisions of this Article the Corporation or the Trustee shall have the right to elect to reenter and take possession of the Convention Center Property, the Corporation or the Trustee may, with the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall at the written direction of such Credit Facility Provider, enter and expel the City and those claiming through or under the City and remove the property and effects of both or either without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or for preceding breach of covenant. The Corporation or the Trustee may take whatever action at law or in equity which may appear necessary or desirable to collect rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the City under the Lease Purchase Agreement, or any right of the Corporation or the Trustee pursuant to this subsection.

(d) Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, the Corporation or the Trustee may, at its option and with the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall at the written direction of such Credit Facility Provider, by notice in writing to the City and such Credit Facility Provider, terminate the City's right of possession under the Lease Purchase Agreement as to any one or more items of the Convention Center Equipment, whereupon all right and interest of the City to or in the use of such items shall terminate, and the Corporation or the Trustee may, with the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall at the written direction of such Credit Facility Provider, cause the City, upon the written demand of the Corporation or the Trustee, at the City's expense, to promptly return any and all such items of the Convention Center Equipment to the Corporation or the Trustee at a site designated by the Corporation or the Trustee and in good condition, and whether or not the Lease Purchase Agreement has been terminated, the Corporation or the Trustee may, at its option and with the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall at the written direction of such Credit Facility Provider, enter upon the premises where any such items of Convention Center Equipment are located and take immediate possession and remove such items of the Convention Center Equipment by summary proceedings or otherwise, or may with the prior written consent of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and shall at the prior written direction of such Credit Facility Provider, cause the City, at the City's expense, to store, maintain, surrender, and deliver possession of such items of the Convention Center Equipment to the Corporation or the Trustee at the site specified by such Credit Facility Provider, all without liability to the City for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise.

(e) 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 Term of the Lease Purchase Agreement, or enforce performance and observance of any obligation, agreement, or covenant of the City under the Lease Purchase Agreement.

Limitations on Remedies. Notwithstanding any provision of the Lease Purchase Agreement to the contrary, a judgment requiring a payment of money may be entered against the City by reason of an Event of Default under the Lease Purchase Agreement only as to the following liabilities: (a) the portion of Rentals and Additional Rentals which would otherwise have been payable under the Lease Purchase Agreement, allocable to any period in which the City continues to occupy the Convention Center Property; and (b) Rentals, Additional Rentals, or other obligations under the Lease Purchase Agreement which would otherwise have been payable by the City under the Lease Purchase Agreement subsequent to termination of the Lease Purchase Agreement. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation only to the extent that the City fails to vacate the Convention Center Property as required by the Lease Purchase Agreement and only as to the liabilities described in this Section of the Lease Purchase Agreement.

Performance of the City's Obligations. If the City shall fail to make any payment or to keep or perform any of its obligations as provided in the Lease Purchase Agreement, then the Corporation, any Credit Facility Provider in the Corporation's name, or the Trustee, may (but shall not be obligated so to do) upon the continuance of such failure on the City's part for 60 days after notice of such failure is given the City by the Corporation, such Credit Facility Provider, or the Trustee, and without waiving or releasing the City from any obligation under the Lease Purchase Agreement, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid by the Corporation, such Credit Facility Provider or the Trustee, and all necessary incidental costs and expenses incurred by the Corporation, such Credit Facility Provider, or the Trustee in performing such obligations shall be deemed Additional Rentals and shall be paid by the City to the Corporation, such Credit Facility Provider, or the Trustee, as applicable, on demand, and if not so paid by the City, the Corporation, or the Trustee shall have the same rights and remedies as are described under "**Remedies on Default**" herein in the case of Default by the City in the payment of Rentals.

Rights and Remedies Cumulative. The rights and remedies reserved by the Corporation and the City under the Lease Purchase Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Corporation and the City shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of the Lease Purchase Agreement, notwithstanding availability of an adequate remedy at law, and each party waives the right to raise such defense in any proceeding in equity.

No Remedy Exclusive. No remedy in the Lease Purchase Agreement 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 this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Amendments. Except as otherwise provided in the Lease Purchase Agreement, the Deed of Trust, or 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 Article XIII thereof, the Lease Purchase Agreement may not be effectively amended, changed, modified, altered, or terminated without the concurring written consent of the Trustee and the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, given in accordance with the provisions of the Indenture except as provided in Article XII of the Indenture. In addition, as long as any Credit Facility shall be in effect and the Credit Facility Provider shall be in compliance with any payment obligations thereunder, any provision of the Deed of Trust expressly recognizing or granting rights in or to the Credit Facility Provider may not be amended in any manner which affects the rights of the Credit Facility Provider thereunder without the prior written consent of the Credit Facility Provider. Any rating agency rating the Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Credit Facility Provider shall be provided with a full transcript of all proceedings relating to the execution of any supplement or amendment.

Merger, Consolidation, Transfer of Assets, Etc. As long as any of the Bonds remain Outstanding and unpaid, or until provision for the payment thereof has been made as provided in Article XIII of the Indenture, the Corporation shall maintain their respective corporate existences and shall not dissolve or otherwise dispose of all or a major portion of their assets without the approval of the City, the Trustee, and the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder.

City's Financial Reports. So long as any of the Bonds are Outstanding, the City shall deliver to the Trustee, as soon as available, a copy of the City's annual audited financial statements. Such audited financial statements will include the financial transactions of the Corporation in accordance with generally accepted accounting principles.

Rights of the Credit Facility Provider. Notwithstanding anything to the contrary in the Lease Purchase Agreement no event, except an event described in subsection (a) or subsection (b) under "**Summary of Certain Provisions of the Indenture - Events of Default**" herein, shall constitute an Event of Default under the Lease Purchase Agreement until such event is declared by the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, to be an Event of Default. In addition, the Trustee and the Corporation shall exercise their remedies, and their rights to give waivers and rescind acts provided for in the Lease Purchase Agreement solely at the direction of such Credit Facility Provider and only if and as directed in writing by such Credit Facility Provider; and provided, further, that such direction shall not be otherwise than in accordance with the provisions of law and of the Lease Purchase Agreement, 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 such direction would materially prejudice the rights of the Bondholders.

Subordination of Agreement to Deed of Trust. The Lease Purchase Agreement is and shall continue to be subject and subordinate to the lien of the Deed of Trust (and to all extensions, renewals, or modifications thereof) and all other security agreements, financing statements, or other security interests given by the Corporation to or for the benefit of the Trustee and any Credit Facility Provider or either of them to secure the payment of the principal of and interest on the Bonds.

Assignment of Revenues. Pursuant to the Indenture, the Corporation shall assign and pledge any rents, revenues, and receipts receivable by it under the Lease Purchase Agreement, to the Trustee as security for payment of the principal of, interest and premium, if any, on the Parity Bonds and the City consents to such pledge and assignment.

Summary of Certain Provisions of the Indenture

The following is a summary of certain provisions of the Indenture and is qualified in its entirety by reference thereto.

Series 2020 Bonds. "St. Louis Municipal Finance Corporation, Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects)" (the "*Series 2020 Bonds*"). The Series 2020 Bonds shall be issued in the aggregate principal amount of $99,790,000. The proceeds from the Series 2020 Bonds shall be used (a) to pay the Costs of the Series 2020 Project, (b) to pay capitalized interest on the Series 2020 Bonds, (c) to fund the purchase of a debt service reserve policy and the purchase of credit enhancement for the Series 2020 Bonds, and (d) to pay the Costs of Issuance in connection with the issuance and sale of the Series 2020 Bonds, including the purchase of credit enhancement. The Series 2020 Bonds consist of Bonds, the principal of which are payable solely at maturity, or earlier redemption or acceleration. The form of the Series 2020 Bonds and the Certificate of Authentication thereon shall be in substantively the form set out in **Exhibit A** to the Indenture.

Nature of Obligations. Each Series of Bonds and the interest thereon shall be special obligations of the Issuer payable solely out of any Credit Facility in effect with respect to such Series, and out of the Rentals and certain Additional Rentals, and are secured by a pledge and assignment of the Trust Estate to the Trustee and in favor of the Bondholders, as provided in the Indenture and no incorporator, member, agent, employee, director, or officer of the Issuer 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 Issuer or the City under the Indenture or thereunder. 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.

The Bonds are further secured by a lien on and security interest in the Convention Center Property pursuant to the Deed of Trust. Under certain Events of Default described in the Indenture, the therein-named mortgage trustee shall, if directed by the Trustee, foreclose on the Deed of Trust and apply the proceeds therefrom in accordance with Article IX of the Indenture.

The Bonds of such Series may be issuable as Compound Interest Bonds or Current Interest Bonds or a combination of both, the terms to be provided in the Supplemental Indenture applicable to such Series.

Method and Place of Payment of the Bonds; Interest Rights Preserved. The principal of and redemption premium, if any, and interest (computed on the basis of a 360-day year consisting of twelve 30-day months) or Accreted Value of and redemption premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Payment of the principal of and redemption premium, if any, or Accreted Value of and redemption premium, if any, shall be made to the persons in whose names such Bonds are registered upon the presentation and surrender of such Bonds at their respective Maturities or Redemption Dates at the principal corporate trust office of the Paying Agent. Payment of the interest on each Bond shall be made by the Paying Agent on each Interest Payment Date to the Registered Owner thereof at the close of business on the Record Date next preceding said Interest Payment Date by check or draft mailed to such Bondholder at his address as it appears on the Bond Register. Upon written request to the Paying Agent by the Holder, as of the Record Date, of at least $1,000,000 principal amount of the Bonds, principal of and interest on the Bonds payable subsequent to the Record Date on or after which such notice is received shall be made by wire transfer to an account designated by such Holder or in such other manner as such Bondholder and the Paying Agent may determine.

Registration, Transfer, and Exchange of Bonds. Pursuant to the Indenture, the Trustee is appointed Bond Registrar for the purpose of registering and transferring Bonds and as such shall keep the Bond Register as provided in the Indenture. All of the Bonds and all transfers and all exchanges thereof shall be fully registered as to principal and interest in the Bond Register.

Subject to any restrictions imposed by any Supplemental Indenture relating to global bond certificates in the event Bonds are issued in book-entry only form, Bonds may be transferred in the Bond Register only upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Indenture or by the Supplemental Indenture authorizing such Bonds in an aggregate principal amount equal to the principal amount of such Bond, of the same Series and Stated Maturity and bearing interest at the same rate.

Bonds, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer duly executed by the Registered Owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and Stated Maturity, of any denomination or denominations authorized by the Indenture, and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or transferred as provided in the Indenture, the Issuer shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. No service charge shall be made to any Bondholder for registration, transfer, or exchange of Bonds, but the Issuer or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such transfer or exchange shall be completed.

Neither the Issuer nor the Trustee shall be required (i) to issue, transfer, or exchange any Bond during a period beginning at the opening of business 15 days preceding the date of mailing a notice of redemption for Bonds selected for redemption under the Indenture and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

Persons Deemed Owners of Bonds. The person in whose name any Bond shall be registered as shown in the Bond Register shall be deemed and regarded by the Issuer, the Trustee, and the Paying Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof or on account thereof and for all purposes, and none of the Issuer, the Trustee, or the Paying Agent shall be affected by notice to the contrary. Payment of or on account of the principal of, and redemption premium, if any, and interest on any 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 effective to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid and to that extent only.

Additional Bonds. So long as (x) no event has occurred and is continuing which, with the passage of time or otherwise, would become an Event of Default under the Indenture or the Lease Purchase Agreement (unless such Additional Bonds are Refunding Bonds or are being issued to cure such event), and (y) the Bond Reserve Fund is fully funded at the Bond Reserve Fund Requirement (including with respect to such Additional Bonds) upon the issuance of such Additional Bonds, except as permitted by the Credit Facility Provider (so long as the Credit Facility Provider is not in default in its payment obligations under the Credit Facility), Additional Bonds may be issued under and equally and ratably secured by the Indenture on a parity with the Parity Bonds, at any time and from time to time with prior written consent of the Credit Facility Provider, if any, upon compliance with the conditions provided in this Section, for the purpose of providing funds (i) to pay the cost of completing an Additional Project, such cost to be evidenced by a certificate signed by a City Representative and a Corporation Representative, (ii) to pay all or any part of the cost of the acquisition, purchase, construction, installation, or equipping of additions to or expansions of or remodeling or modification or rehabilitation of the Convention Center Property and to pay the costs of acquisition and installation of additional equipment and the costs of acquisition of additional rolling stock related to the Convention Center Property and (iii) for refunding all or any part of the Outstanding Parity Bonds issued for the purpose of refunding such Parity Bonds, 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.

Before any Additional Bonds shall be issued, the Issuer shall adopt a resolution authorizing the issuance of such Additional Bonds, which Resolution shall satisfy the conditions set forth in the Indenture and shall provide for such other matters as are appropriate because of the issuance of such Additional Bonds that, in the judgment of the Trustee, is not to the prejudice of the Issuer or the Registered Owners of the Bonds previously issued.

Except as to any difference in the date, the Stated Maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of the Indenture as the Parity Bonds. No Refunding Bonds shall be issued to refund all or a portion of Bonds Outstanding unless such Outstanding Bonds shall be deemed defeased under the Indenture upon completion of such refunding and the debt service due in any year shall be no greater than such debt service would have been without the refunding of such Outstanding Bonds.

Nothing in the Indenture shall prohibit the Issuer from issuing bonds for any purpose other than pursuant to the provisions of the Indenture and payable from sources other than the Trust Estate. Except as provided in this Section, the Issuer shall not otherwise issue any obligations on a parity with the Parity Bonds secured by the Indenture, but the Issuer may, with prior written consent of each applicable Credit Facility Provider, if there shall be in effect a Credit Facility, issue other obligations specifically subordinate and junior to the Parity Bonds.

Notwithstanding anything in the foregoing to the contrary, so long as any Bonds insured by any Credit Facility Provider remain Outstanding or any amounts are owed to any Credit Facility Provider by the Issuer or the City, the Issuer shall not without the prior written consent of such Credit Facility Provider issue or incur indebtedness payable from or secured in whole or in part by the Rentals that permits or requires the holder thereof to tender such indebtedness for purchase prior to the stated maturity thereof, unless immediately after such issuance or incurrence, the amount of such tender indebtedness is equal to or less than thirty percent (30%) of the total Outstanding principal amount of Bonds or other indebtedness payable from Rentals.

Any subsidy payments received by the City or the Issuer as a consequence of any Additional Bonds issued as Recovery Zone Economic Development Bonds or Build America Bonds under the American Recovery and Reinvestment Act of 2009, as amended, or other program providing for debt service subsidies with respect to Bonds ("*Federal Subsidy*") shall not constitute an offset to debt service for purposes of the Indenture, including for purposes of determining the Bond Reserve Fund Requirement of Maximum Annual Debt Service (as such terms are used in the Indenture and the Lease Purchase Agreement). The Issuer's obligation to pay principal and interest on any Bonds insured by AGM shall not be net of the Federal

Subsidy so that if such Federal Subsidy is suspended, reduced, or terminated, the Issuer shall remain obligated for the full amount of principal and interest on such Bonds insured by AGM, and the City shall be obligated to pay Rentals with respect thereto.

Creation of Funds and Accounts with respect to the Series 2020 Bonds. In the Indenture, there are created and ordered to be established in the custody of the Trustee:

1. Series 2020 Costs of Issuance Account within the Costs of Issuance Fund.

2. Series 2020 Project Account within the Project Fund.

3. Series 2020 Reserve Account within the Bond Reserve Fund.

4. Series 2020 Bond Account within the Bond Fund and within such account, a separate and distinct subaccount designated Series 2020 Capitalized Interest Subaccount.

5. Series 2020 Rebate Account within the Rebate Fund.

Application of Funds - Series 2020 Bonds.

Series 2020 Bond Account. The Trustee shall deposit into the Series 2020 Bond Account (i) all accrued interest received in connection with the sale of the Series 2020 Bonds; (ii) all amounts to be deposited in the Bond Fund pursuant to the Lease Purchase Agreement corresponding to the payments of principal of, redemption premium, if any, and interest on the Series 2020 Bonds; (iii) all interest and other income derived from investments of funds on deposit in the Series 2020 Bond Account; (iv) the amounts to be deposited in the Series 2020 Bond Account pursuant to the Indenture; and (v) all other moneys received by the Trustee which the Trustee is directed to deposit in the Series 2020 Bond Account.

Series 2020 Capitalized Interest Subaccount. Moneys on deposit in the Series 2020 Capitalized Interest Subaccount shall be used to pay capitalized interest on the Series 2020 Bonds through October 1, 2021 upon receipt by the Trustee of a requisition certificate in substantially the form attached to the Indenture as **Exhibit K** signed by a City Representative. Following all such disbursements, any amounts remaining in the Series 2020 Capitalized Interest Subaccount shall be either (i) subject to the favorable opinion of Bond Counsel, transferred to the City to be used to pay for any capital improvement projects of the City, or (ii) transferred to the Series 2020 Bond Account to be used to make payments on the Series 2020 Bonds, as may be directed by the City in a Written Request to the Trustee.

Moneys on deposit in the Series 2020 Bond Account may be used to purchase Series 2020 Bonds in the open market prior to their Stated Maturity, provided all Series 2020 Bonds at the time Outstanding are called for redemption or so purchased and sufficient funds are available therefor. Moneys on deposit in the Series 2020 Bond Account shall be used to pay and retire the Series 2010A Bonds last becoming due unless such Series 2020 Bonds and all interest thereon are otherwise paid.

Series 2020 Costs of Issuance Account. The funds deposited in the Series 2020 Costs of Issuance Account shall be disbursed by the Trustee to pay the Costs of Issuance of the Series 2020 Bonds, upon receipt by the Trustee of requisition certificates in substantially the form attached to the Indenture as **Exhibit K** signed by a City Representative. Upon the earlier of the Trustee's receipt of a Written Request by the City or six (6) months after the date of the delivery of the Series 2020 Bonds, any amount remaining in the Series 2020 Costs of Issuance Account shall be transferred by the Trustee to the Series 2020 Project Account, without further authorization.

In paying any requisition under this section, the Trustee may rely as to the completeness and accuracy of all statements in such requisition certificate and shall not be required to make any independent investigation in connection therewith and the execution of such requisition certificate by such City Representative shall be deemed an irrevocable determination that all conditions precedent to the payment of the amount designated in such requisition certificate from the Series 2020 Costs of Issuance Account have been satisfied.

Series 2020 Project Account. Subject to the provisions described under "*Disbursements from the Project Fund*" herein, funds on deposit in the Series 2020 Project Account shall be used to pay a portion of the Costs of the Series 2020 Project in accordance with the Financing Agreement upon receipt by the Trustee of requisition certificates in substantially the form attached to the Indenture as **Exhibit K** signed by a City Representative. Following all such disbursements, any amounts remaining in the Series 2020 Project Account shall be either (i) subject to the approval of Bond Counsel, transferred to the City to be used to pay for any capital improvement projects of the City, or (ii) transferred to the Series 2020 Bond Account to be used to make payments on the Series 2020 Bonds, as may be directed by the City in a Written Request to the Trustee.

In paying any requisition described above, the Trustee may rely as to the completeness and accuracy of all statements in such requisition certificate and shall not be required to make any independent investigation in connection therewith, and the execution of such requisition certificate by such City Representative shall be deemed an irrevocable determination that all conditions precedent to the payment of the amount designated in such requisition certificate from the Series 2020 Project Account have been satisfied.

Series 2020 Rebate Account. There shall be deposited in the Series 2020 Rebate Account such amounts as are required to be deposited therein pursuant to the Series 2020 Tax Compliance Agreement. All amounts on deposit at any time in the Series 2020 Rebate Account shall be held by the Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America, and the Corporation, the City, and any owners of the Series 2020 Bonds shall have no rights in or claim to such money. All amounts held in the Series 2020 Rebate Account shall be governed by this Section and by the Series 2020 Tax Compliance Agreement.

Pursuant to the Series 2020 Tax Compliance Agreement, the Trustee shall remit all required rebate installments and a final rebate payment to the United States. Neither the Trustee nor the Corporation shall have any obligation to pay any amounts required to be rebated pursuant to this Section and the Series 2020 Tax Compliance Agreement other than from moneys held in the Series 2020 Rebate Account created under the Indenture or from other moneys provided by the City. Any moneys remaining in the Series 2020 Rebate Account after redemption and payment of all of the Series 2020 Bonds and payment and satisfaction of any rebatable arbitrage shall be paid to the City.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Series 2020 Tax Compliance Agreement shall survive the defeasance or payment in full of the Series 2020 Bonds until all rebatable arbitrage shall have been paid.

Series 2020 Reserve Account. The Trustee shall deposit into the Series 2020 Reserve Account (i) the Series 2020 Reserve Policy; (ii) all amounts to be deposited in the Series 2020 Reserve Account pursuant to the Lease Purchase Agreement derived from any funds of the City other than Hotel Tax Revenues; (iii) all interest and other income derived from investments of funds on deposit in the Series 2020 Reserve Account; and (iv) all other moneys received by the Trustee which the Trustee is directed by the City or the Corporation to deposit in the Series 2020 Reserve Account. Funds on deposit in the Series 2020 Reserve Account shall be applied as described under "*Disbursements from the Bond Reserve Fund*" herein.

Disbursements from the Project Fund. Moneys in the Project Fund shall be expended in accordance with one or more Supplemental Indentures authorizing such Series of Bonds, and the Trustee shall disburse such moneys in accordance with such provisions. Notwithstanding the foregoing, upon the occurrence and continuance of any Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in any account of the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the applicable Series of Bonds in accordance with the Indenture.

Disbursements from the Bond Reserve Fund. Funds on deposit in any account of the Bond Reserve Fund shall be used and applied by the Trustee solely, *first*, to prevent a default in the event moneys on deposit in the corresponding account of the Bond Fund shall be insufficient to pay the principal of and interest on the applicable Series of Bonds as the same become due, and *second*, if there shall be in effect a Credit Facility for such Series of Bonds, to reimburse the Credit Facility Provider for payments made pursuant to such Credit Facility as required therein. The Trustee may disburse and expend moneys from any account of the Bond Reserve Fund for such purpose whether or not the amount in the Bond Reserve Fund at that time equals the applicable Bond Reserve Fund Requirement. Moneys on deposit in any account of the Bond Reserve Fund may be used to pay Bonds of a Series called for redemption or to purchase Bonds of such Series in the open market, prior to their Stated Maturity, provided all of such Series of Bonds at the time Outstanding are called for redemption or purchased and sufficient funds are available therefor. Moneys on deposit in any account of the Bond Reserve Fund shall be used to pay and retire the applicable Bonds last becoming due unless such Bonds and all interest thereon are otherwise paid.

So long as the sum on deposit in the Bond Reserve Fund shall aggregate an amount equal to or greater than the applicable Bond Reserve Fund Requirement, no further deposits to said Bond Reserve Fund shall be required. If, however, the Trustee is ever required to withdraw funds from any account of the Bond Reserve Fund to prevent a default as in the Indenture provided and the withdrawal of such funds reduces the amount on deposit in such account of the Bond Reserve Fund to less than the applicable Bond Reserve Fund Requirement, the City shall in accordance with the provisions described under "**Additional Rentals**" herein, make up such deficiency by making monthly payments of Additional Rent, commencing on the 15th day of the calendar month following the date of such withdrawal and continuing on the 15th 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 such account of the Bond Reserve Fund again aggregates a sum equal to the applicable Bond Reserve Fund Requirement.

Permitted Investments in the Bond Reserve Fund shall be evaluated by the Trustee quarterly at the market value thereof, exclusive of accrued interest, 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 Bond Reserve Fund shall aggregate an amount less than the Bond Reserve Fund Requirement (by reason of such evaluation and not by reason of any withdrawal) the City shall make up such deficiency as Additional Rental no later than the next evaluation date.

In the event that the amount on deposit in any account of the Bond Reserve Fund is less than the applicable Bond Reserve Fund Requirement, investment earnings on funds on deposit in the Bond Reserve Fund shall remain on deposit in the Bond Reserve Fund. At such time as the sum on deposit in any account of the Bond Reserve Fund shall aggregate an amount equal to or greater than the applicable Bond Reserve Fund Requirement, investment earnings on funds on deposit in such account of the Bond Reserve Fund shall be deposited into the applicable account of the Bond Fund.

After payment in full of the principal of, premium, if any, and interest on the Bonds (or provision has been made for the payment thereof as specified in the Indenture), and the fees, charges, and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture, the Lease Purchase Agreement, and the Credit Facility, if any, all amounts remaining in the Bond Reserve Fund shall be paid to the City.

Payments Due on Saturdays, Sundays, and Holidays. In any case where the Maturity of principal of or Accreted Value, or redemption premium, if any, or interest on, any Bonds or the days fixed for redemption of any Bonds shall be a Saturday, a Sunday, a legal holiday, a day on which banking institutions in the States of Missouri or New York are authorized by law to close or a day on which the New York Stock Exchange is closed, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding day not a Saturday, a Sunday, a legal holiday, a day upon which such banking institutions are authorized by law to close or a day on which the New York Stock Exchange is closed 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.

Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal therein becomes due, either at its Maturity or otherwise, or at the Redemption Date thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer 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 date when such Bond becomes due, whether by Maturity or otherwise, the Trustee shall repay to the City the funds theretofore held by it for payment of such Bond, 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.

Consent of Credit Facility Provider. As long as any Credit Facility shall be in effect and the applicable Credit Facility Provider shall be in compliance with any payment obligations thereunder, any provision of the Indenture expressly recognizing or granting rights in or to such Credit Facility Provider may not be amended in any manner which affects the rights of such Credit Facility Provider under the Indenture without the prior written consent of such Credit Facility Provider.

No contract shall be entered into or any action taken by which the rights of any Credit Facility Provider or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of each Credit Facility Provider affected thereby.

Consent of Credit Facility Provider and Bondholders. Unless otherwise provided in this Article, as long as any Credit Facility shall be in effect and the applicable Credit Facility Provider shall be in compliance with any payment obligations thereunder, (i) the consent of Ambac shall be required (in addition to Bondholder consent, when required) for the execution and delivery of any Supplemental Indenture or any amendment, supplement, or change to or modification of the Lease Purchase Agreement or the Deed of Trust; (ii) the consent of the Credit Facility Providers shall be required for the removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent; and (iii) the consent of the Credit Facility Providers shall be required for the initiation or approval of any action not described in clauses (i) or (ii) above which requires Bondholder consent. In addition, any reorganization or liquidation plan with respect to the Corporation or the City must be acceptable to such Credit Facility Provider, and in the event of any reorganization or liquidation, such Credit Facility Provider shall have the right to vote on behalf of all Bondholders who hold Bonds insured by the Credit Facility Provider absent any default by such Credit Facility Provider under the applicable Credit Facility.

Consent of Credit Facility Provider Upon Default. Anything in the Indenture to the contrary notwithstanding, as long as any Credit Facility shall be in effect for a Series of Bonds and the applicable Credit Facility Provider shall be in compliance with any payment obligation thereunder, upon the occurrence and continuance of an Event of Default under the Indenture, such Credit Facility Provider shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of such Bondholders under the Indenture, including, without limitation: (i) the right to accelerate the principal of the applicable Series of Bonds as provided in the Indenture, (ii) the right to annul any declaration of acceleration, and (iii) the right to approve all waivers of Events of Default.

Acceleration Rights. Upon the occurrence of an Event of Default and as long as any Credit Facility shall be in effect for a Series of Bonds and the applicable Credit Facility Provider shall be in compliance with any payment obligation thereunder, the Trustee may, with the prior written consent of such Credit Facility Provider, and shall, at the direction of such Credit Facility Provider or no less than 25% of the Bondholders with the consent of such Credit Facility Provider, by written notice to the Issuers and such Credit Facility Provider, declare the principal of such Bonds to be immediately due and payable, whereupon the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in such Bonds to the contrary notwithstanding.

In the event the principal and/or Accreted Value of a Series of the Bonds is accelerated, the applicable Credit Facility Provider may elect, in its sole discretion, to pay the accelerated principal and/or Accreted Value, and interest accrued thereon, to the date of such acceleration (to the extent unpaid by the Issuer) and the Trustee shall accept such amounts. Upon payment of such accelerated principal and/or Accreted Value, and interest accrued thereon, to the acceleration date as provided above, the Credit Facility Provider's obligation under such Credit Facility with respect to such Bonds shall be fully discharged.

Provisions Relating to the Trustee. The Trustee (or Paying Agent) may be removed at any time by the Corporation at the direction of the City and with the consent of each Credit Facility Provider as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and may be removed at the request of such Credit Facility Providers for any breach of the trust set forth in the Indenture. Notwithstanding any provision in the Indenture to the contrary, upon any removal or resignation of the Trustee pursuant to the Indenture, a successor Trustee (or Paying Agent) shall be appointed by the Corporation, at the direction of and with the consent of the City and the Credit Facility Providers, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder.

Any entity into which the Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion, or consolidation to which it shall be a party or any entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of this Section, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding. Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Missouri, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $75,000,000 and acceptable to the Credit Facility Providers, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder. Any successor Paying Agent, if applicable, shall not be appointed unless such Credit Facility Providers approve such successor in writing.

Notwithstanding any other provision of the Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Indenture, the Trustee (or Paying Agent) shall consider the effect on the Bondholders as if there were no Ambac Bond Insurance Policy or other Credit Facility.

Notwithstanding any other provision of the Indenture, no removal, resignation, or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to the Credit Facility Providers, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, shall be appointed.

Control Rights of AGC and AGM.

AGC shall be deemed to be the Holder of all of the Series 2009A Bonds for purposes of (a) exercising all remedies and directing the Trustee to take actions or for any other purposes following an Event of Default, and (b) granting any consent, direction, or approval or taking any action permitted by or required under the Indenture, to be granted or taken by the Holders of the Series 2009A Bonds. Upon the occurrence and continuance of an Event of Default, AGC shall be entitled (a) to control and direct the enforcement of all rights and remedies granted to the Holders of the Series 2009A Bonds, or the Trustee for the benefit of the Holders of such Bonds under the Indenture, including, without limitation, (i) the right to accelerate the principal of such Bonds as described in the Indenture, including as described under "**Acceleration Rights**" herein, and (ii) the right to annul any declaration of acceleration, and (b) to approve all waivers of Events of Default.

AGM shall be deemed to be the Holder of all of the Series 2010A Bonds, the Insured Series 2015 Bonds, the Insured Series 2017 Bonds and the Series 2020 Bonds for purposes of (a) exercising all remedies and directing the Trustee to take actions or for any other purposes following an Event of Default, and (b) granting any consent, direction, or approval or taking any action permitted by or required under the Indenture, to be granted or taken by the Holders of the Series 2010A Bonds, the Holders of the Insured Series 2015 Bonds the Holders of the Insured Series 2017 Bonds and the Holders of the Series 2020 Bonds. Upon the occurrence and continuance of an Event of Default, AGM shall be entitled (a) to control and direct the enforcement of all rights and remedies granted to the Holders of the Series 2010A Bonds, the Holders of Insured Series 2015 Bonds, the Holders of the Insured Series 2017 Bonds, the Holders of the Series 2020 Bonds or the Trustee for the benefit of the Holders of such Bonds under the Indenture, including, without limitation, (i) the right to accelerate the principal of such Bonds as described in the Indenture, including as provided as described under "**Acceleration Rights**" herein, and (ii) the right to annul any declaration of acceleration, and (b) to approve all waivers of Events of Default. In the event that any proceeding by or against the Corporation or the City is commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation, or similar law (an "*Insolvency Proceeding*"), the Trustee, each Holder of an Insured Series 2015 Bond, each Holder of an Insured Series 2017 Bond and each Holder of a Series 2020 Bond shall appoint AGM as their agent and attorney-in-fact and agree that AGM may, at any time during the continuation of such Insolvency Proceeding, direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "*Claim*"), (B) the direction of any appeal or any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee, each Holder of an Insured Series 2015 Bond, each Holder of an Insured Series 2017 Bond and each Holder of a Series 2020 Bond agrees to delegate and assign to AGM, to the fullest extent permitted by law, the rights of the Trustee, each Holder of an Insured Series 2015 Bond, each Holder of an Insured Series 2017 Bond and each Holder of a Series 2020 Bond in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to such Holders shall expressly include mandamus.

Reimbursement of Credit Facility Providers. The Corporation shall pay or reimburse any Credit Facility Provider any and all charges, fees, costs, and expenses that such Credit Facility Provider may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the Indenture, the Lease Purchase Agreement, or the Deed of Trust; (ii) the pursuit of any remedies under the Indenture, the Lease Purchase Agreement, or the Deed of Trust, or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to, or related to the Indenture, the Lease Purchase Agreement, or the Deed of Trust whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture, the Lease Purchase Agreement, or the Deed of Trust or the transactions contemplated thereby, other than costs resulting from the failure of such Credit Facility Provider to honor its obligations under any Credit Facility. The Credit Facility Providers shall be entitled to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of the Indenture, the Lease Purchase Agreement, or the Deed of Trust.

Moneys to be Held in Trust. Except as otherwise specifically provided in the Indenture, 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 any applicable Supplemental Indenture and the Lease Purchase Agreement, and, until used or applied as in the Indenture provided, shall constitute part of the Trust Estate and be subject to the lien of the Indenture. 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. Moneys held in the Project Fund, the Costs of Issuance Fund, the Bond Fund, and the Bond Reserve Fund, if any, or any account or subaccount created therein by the Indenture shall, pursuant to written direction signed by the City Treasurer or his designee and in accordance with the Tax Agreements, as applicable, be invested and reinvested by the Trustee in Permitted Investments which mature or are subject to redemption by the holder prior to the date such funds will be needed provided, however, that, amounts in the Bond Fund shall be invested in direct noncallable obligations of the United States of America or non-callable obligations the timely payment of the principal of and interest in which is fully and unconditionally guaranteed by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to such direct obligations or guarantee. 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 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 and the Trustee shall transfer excess monies in the Bond Reserve Fund to the Bond Fund after each quarterly valuation. The Trustee may make any and all investments permitted by this Section through its own bond department or short-term investment department at the direction of the City Representative.

Events of Default. If any one or more of the following events occur, it is by the Indenture defined as and declared to be and to constitute an "Event of Default": (a) Default by the Issuer in the due and punctual payment of any interest on any Bond; or (b) Default by the Issuer 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; or (c) Default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer 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 by the Indenture secured, and the continuance thereof for a period of 60 days after written notice given to the Issuer, any Credit Facility Provider, and the City by the Trustee or to the Issuer, the City, and the Trustee by any Credit Facility Provider (so long as such Credit Facility Provider is not in default in its payment obligations under the applicable Credit Facility), or to the Trustee, the City, such Credit Facility Provider, and the Issuer by the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within said 60-day period, the Trustee may, with the prior written consent of such Credit Facility Provider, and shall at the prior written direction of such Credit Facility Provider, consent in writing to an extension of such time prior to its expiration. Upon receipt of notice of any Event of Default under this subsection the City shall have the rights described under "**Opportunity of City to Purchase Corporation's Interest in Event of Default and to Cure Defaults**" herein; or (d) An Event of Default under Section 12.1 of the Lease Purchase Agreement; or (e) An Event of Default under Article III of the Deed of Trust; or (f) The filing by the City or the Issuer of a voluntary petition in bankruptcy, or failure by the City or the Issuer to promptly lift any execution, garnishment, or attachment of such consequence as would impair the ability of the City or the Issuer to carry on its operations, or adjudication of the City as a bankrupt, or assignment by the City or the Issuer for the benefit of creditors, or the entry by the City or Issuer into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City or the Issuer in any proceedings instituted under the provisions of the Federal Bankruptcy Law, or under any similar acts which may hereafter be enacted.

The Trustee shall give notice of any Event of Default to the Issuer, the City, and any Credit Facility Provider within thirty (30) days of the Trustee's knowledge thereof (provided immediate notice shall be given to any Credit Facility Provider for a payment default) or to the Trustee, the City, any Credit Facility Provider, and the Issuer by the Registered Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, and the City, upon receipt of such notice, shall have the rights described under "**Opportunity of City to Purchase Corporation's Interest in Event of Default and to Cure Defaults**" herein.

Acceleration of Maturity in Event of Default. Subject to the provisions described under "**Rights of Credit Facility Provider**" herein, if an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the Issuer and the City, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable and the Trustee shall immediately demand payment pursuant to the applicable Credit Facility, if any, in an amount equal to the principal of and accrued interest (or Accreted Value of any Compound Interest Bonds) on the Bonds on the payment date established by the Trustee for acceleration. If the payment of the Bonds is accelerated under this Section, each Bond shall be payable in the principal amount thereof and accrued interest thereon (or Accreted Value if there shall be issued Compound Interest Bonds).

Foreclosure under Deed of Trust in Event of Default. Subject to the provisions described under "**Rights of Credit Facility Provider**" herein, if an Event of Default shall have occurred and if the Maturity of the Bonds shall have been accelerated pursuant to the terms of the Indenture, (1) the Credit Facility Provider may, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or (2) the Trustee (a) may, with the prior written consent of such Credit Facility Provider, and (b) shall, upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, direct the mortgage trustee named in the Deed of Trust to foreclose the lien on the Convention Center Property created and vested by the Deed of Trust either by sale at public auction or by proceedings in equity, and the Trustee, such Credit Facility Provider, or the Holder or Holders of any of the Bonds then Outstanding may become the purchaser at any foreclosure sale of the highest bidder. The Trustee shall receive the proceeds of any sale and shall pay the same in accordance with the provisions described under "**Application of Moneys in Event of Default**".

In the event of a foreclosure by public sale, the Trustee shall or shall cause the mortgage trustee named in the Deed of Trust to execute and deliver a deed or deeds of conveyance of the Convention Center Property to the purchaser or purchasers thereof, and any statement or recital of fact in such deed in relation to the nonpayment of the Bonds, default, existence of the Bonds, notice of advertisement, sale, receipt of money, and the happening of any event whereby a successor trustee may be appointed as in the Indenture provided, shall be prima facie evidence of the truth of such statement or recital. The Trustee shall receive the proceeds of sale and pay the same in accordance with the provisions described under "**Application of Moneys in Event of Default**".

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 Issuer, 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 Issuer pertaining thereto, and including the rights and the position of the Issuer under the Lease Purchase Agreement and to collect, receive, and sequester the Rentals 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 charges of the Trustee under the Indenture, and the Trustee shall apply the remainder of the moneys so received in accordance with provisions described under "**Application of Moneys in Event of Default**". The collection of such Rentals, revenues, and other 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 and all defaults cured, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors or assigns, the same rights, however, to exist upon any subsequent Event of Default.

The City shall give notice to the Issuer with a copy to the Trustee as early as practicable and in any case no later than three (3) Business Days following the date on which the budget for any 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 for such Fiscal Year. Notice that sufficient funds have been appropriated for such Fiscal Year shall be accompanied by evidence satisfactory to the Issuer 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 Additional Rentals as shall be required for such Fiscal Year by the terms of the Lease Purchase Agreement. If the Trustee does not receive such notice prior to June 30 (or such future date as the City may adopt as the end of its Fiscal Year) of such Fiscal Year, the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made. 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 day of receipt by the Trustee of such notice. Subject to the provisions described under "**Event of Nonappropriation**" herein, failure of the City to budget and appropriate prior to June 30 (or such future date as the City may adopt as the end of its Fiscal Year) of any Fiscal Year funds in the minimum amount equal to the Rentals and a reasonable estimate of Additional Rentals for the next succeeding Fiscal Year, shall constitute an Event of Nonappropriation.

Upon the occurrence and continuance of any Event of Non-Appropriation, the Trustee may, subject to the prior written consent of any Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or shall, at the prior written direction of such Credit Facility Provider, give notice to the City to vacate the Convention Center Property immediately (but in no event earlier than the expiration of the then current Fiscal Year for which the City has appropriated monies sufficient to pay all Rentals and Additional Rentals due for such Fiscal Year) and shall, without any further demand or notice, (i) terminate the Lease Purchase Agreement, re-enter the Convention Center Property and eject all parties in possession thereof therefrom, and sublease the Convention Center Property or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Convention Center Property and the Convention Center Equipment.

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 Issuer as in the Indenture set forth or to enforce or realize upon any of the rights, powers, liens, or interests granted by the Indenture 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 or other applicable laws and require the Issuer to assemble any collateral covered by the Indenture and make it available to the Trustee at a place to be designated by the Trustee which is reasonably convenient to such parties.

Exercise of Rights and Powers. Subject to the provisions described under "**Rights of Credit Facility Provider**" herein, if an Event of Default shall have occurred and be continuing, and if requested so to do by the Holders of 25% 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. All rights of action under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholder, and any recovery or judgment shall, subject to the provisions described under "**Application of Moneys in Event of Default**" herein, be for the equal benefit of all the Registered Owners of the Outstanding Bonds.

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 (and further subject to the provisions described under "**Rights of Credit Facility Provider**" herein): (a) a default has occurred of which the Trustee has been notified as provided in the Indenture or the Trustee is deemed to have notice as provided in the Indenture; (b) such default shall have become an Event of Default; (c) the Holders of 25% 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 (d) the Trustee shall thereafter fail or refuse to exercise the powers in the Indenture granted or to institute such action, suit, or proceeding in its own name; and such notification, request, and provision of indemnity are by the Indenture 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 in the Indenture provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner in the Indenture 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 Issuer to pay the principal of, and 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 in the Indenture and in such Bond expressed.

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 or pursuant to the Deed of Trust, shall, after payment of the (i) cost and expenses of the proceedings resulting in the collection of such moneys and (ii) of the expenses, liabilities, and advances incurred or made by the Trustee, be deposited in the Bond Fund and any other bond fund created for the payment of Bonds and all moneys so deposited in the Bond Fund or such other bond 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 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 subsection (b) of this Section 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 subsection (a) of this Section.

(d) If there shall be in effect a Credit Facility, to the Credit Facility Provider any amounts due and owing thereunder.

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.

Notwithstanding any provision in the Indenture contained, no Series 2005B Bond may be redeemed pursuant to this section unless provision for payment of all Outstanding Parity Bonds has been made as provided in this section. Notwithstanding any provision in the Indenture contained, no Series 2017 Bond may be redeemed pursuant to this section unless provision for payment of all Outstanding Parity Bonds and all Outstanding Series 2005B Bonds has been made as provided in this section.

Remedies Cumulative. No remedy conferred by the Indenture upon or reserved to the Trustee, to any Credit Facility Provider, 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, to such Credit Facility Provider, 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.

Opportunity of City to Purchase Corporation's Interest in Event of Default and to Cure Defaults. Upon receipt of notice by the City of an Event of Default pursuant to subsection (a) or subsection (b) described under "**Summary of Certain Provisions of the Indenture - Events of Default**" herein, the Corporation has, as described under "**Summary of Certain Provisions of the Lease Purchase Agreement - Event of Nonappropriation**" herein, granted the City an option to purchase the Corporation's interest in the Convention Center Property under the Lease Purchase Agreement.

Upon receipt of notice by the City of an Event of Default pursuant to subsection (c) described under "**Events of Default**" herein, the Corporation by the Indenture grants the City full authority for 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.

Rights of Credit Facility Provider. Notwithstanding anything to the contrary in the Indenture, if there shall be in effect a Credit Facility, no event, except for an event described in subsection (a) or subsection (b) under "**Events of Default**" herein shall constitute an Event of Default under the Indenture until such event is used by the Credit Facility Provider as the basis for the declaration of an Event of Default under the applicable Credit Facility and, if the Credit Facility is a Letter of Credit, delivery of a Bank Notice to the Trustee occurs. In addition, the Trustee shall exercise its remedies and its right to give waivers and rescind acts provided for in the Indenture solely at the direction of the Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, and not at the direction of the Bondholders of the applicable Series of Bonds, only if and as directed in writing by such Credit Facility Provider; and provided, further, that such direction shall not be otherwise than in accordance with the provisions of law and of 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 such direction would materially prejudice the rights of the Bondholders. Notwithstanding anything to the contrary in the Indenture, any Credit Facility Provider shall only be entitled to its rights under the Indenture and the Lease Purchase Agreement, including without limitation its rights of consent, so long as such Credit Facility Provider has not failed to satisfy its obligations under the applicable Credit Facility. References in the Indenture to the Credit Facility Provider shall have no application when no Credit Facility is in effect.

Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is required to take notice or if notice of default be given as provided under the Indenture, then the Trustee shall give written notice thereof by first class mail, postage prepaid, to (a) the Holders of all Bonds then Outstanding at their respective addresses appearing on the Bond Register and (b) within 30 days of the Trustee's knowledge thereof, to any Credit Facility Provider.

Intervention by the Trustee. In any judicial proceeding to which the Issuer 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 any Credit Facility Provider, as long as any Credit Facility shall be in effect and such Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, or the Registered Owners of at least 25% of the aggregate principal amount of applicable Series of Bonds then Outstanding, provided that the Trustee shall first have been provided such reasonable indemnity as it may require against the costs, expenses, and liabilities which it may incur in or by reason of such proceeding.

Supplemental Indentures Not Requiring Consent of Bondholders. The Corporation and the Trustee may from time to time, with the approval of the City and Ambac (as long as any Ambac Bond Insurance Policy or Ambac Surety Bond shall be in effect and Ambac shall be in compliance with any payment obligation thereunder) 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 in the Indenture which may be inconsistent with any other provision in the Indenture; (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 or the Trustee or either of them; (c) To more precisely identify the Convention Center Property or to substitute or add property thereto or release property therefrom; (d) To subject to the Indenture additional revenues, properties, or collateral; (e) To issue the initial Series of Bonds; (f) To issue Additional Bonds; (g) To make any other change, which in the sole determination of the Trustee, does not materially adversely affect the Bondholders, including, without limitation, to facilitate the use of any Alternate Security, including any insurance policy, letter of credit, or surety bond; in making such determination the Trustee may rely on the opinion of such Counsel as it may select; and (h) To evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee.

Supplemental Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures covered by the provisions described under "**Supplemental Indentures Not Requiring Consent of Bondholders**" herein, the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding, the City, and any Credit Facility Provider (so long as there shall be in effect a Credit Facility and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder) 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, the Authority, 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 the Holders of Bonds then Outstanding and such Credit Facility Provider, if there shall be in effect a Credit Facility, shall be required for (a) an extension of the Maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of Bonds the Holders of which are required to consent to any such Supplemental Indenture.

If at any time the Issuer shall request, with the consent of the City, the Trustee, and any Credit Facility Provider, if there shall be in effect a Credit Facility, to enter into any such Supplemental Indenture for any of the purposes of this section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Bondholder at his or her address as shown by the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of not less than the requisite aggregate principal amount of the Bonds and Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as in the Indenture provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, of the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee of the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

City's Consent to Supplemental Indentures. Any Supplemental Indenture that affects any rights or obligations of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of a Supplemental Lease Purchase Agreement executed by the City in connection with the issuance of Additional Bonds under the Indenture shall be deemed to be the consent of the City to the execution of a Supplemental Indenture pursuant to the provisions described under "**Additional Bonds**" herein. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to the provisions described under "**Additional Bonds**" herein) together with a copy of the proposed Supplemental Indenture to be mailed to the City at least 90 days prior to the proposed date of execution and delivery of any such Supplemental Indenture. Notwithstanding the provisions of the immediately preceding sentence, the City's right to consent to a Supplemental Indenture shall terminate for so long as an Event of Default has occurred and is continuing under the Lease Purchase Agreement.

Supplemental Lease Purchase Agreements Not Requiring Consent of Bondholders. The Issuer and the Trustee shall, without the consent of or notice to the Bondholders but with the prior written consent of Ambac (as long as any Ambac Bond Insurance Policy or Ambac Surety Bond shall be in effect and Ambac shall be in compliance with any payment obligation thereunder), consent to the execution of any Supplemental Lease Purchase Agreement, as may be required (i) by the Lease Purchase Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with the issuance of Additional Bonds, or (iv) 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, including, without limitation, to facilitate the use of any Alternate Security, including any insurance policy, letter of credit, or surety bond; in making such determination the Trustee may rely on the opinion of such Counsel as it may select.

Supplemental Lease Purchase Agreements Requiring Consent of Bondholders. Except for Supplemental Lease Purchase Agreements as described under "**Supplemental Indentures Not Requiring**

Consent of Bondholders" herein, neither the Issuer nor the Trustee shall consent to the execution of any Supplemental Lease Purchase Agreement without the mailing of notice and the obtaining of the written approval or consent of (i) the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding and (ii) any Credit Facility Provider (so long as there shall be in effect a Credit Facility and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder), given and obtained as described under "**Supplemental Indentures Not Requiring Consent of Bondholders**" herein, provided that the consent of all the Holders of Bonds and such Credit Facility Provider shall be required for (a) the creation of any lien ranking superior to or on a parity with the lien of the Indenture, unless otherwise permitted, or (b) a reduction in the aggregate principal amount of Bonds the Holders of which are required to consent to any Supplemental Lease Purchase Agreement. If at any time the Issuer and the City shall request the consent of the Trustee to any such proposed Supplemental Lease Purchase Agreement, the Trustee shall cause notice of such proposed Supplemental Lease Purchase Agreement to be mailed in the same manner as described under "**Supplemental Indentures Requiring Consent of Bondholders**" herein, with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Purchase Agreement or Supplemental Lease Purchase Agreement and shall state that copies of the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders.

Satisfaction and Discharge of 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 and any amounts due and owing to any Credit Facility Provider under the applicable Credit Facility, and such Credit Facility shall have been returned to such Credit Facility Provider for cancellation in its entirety, if required by the terms of such Credit Facility, then the right, title, and interest of the Trustee in respect of the Indenture 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 Issuer 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 Bond Fund required to be paid to the City and except funds or securities in which such funds are invested by the Trustee for the payment of the principal of, and redemption premium, if any, and interest on, the Bonds.

Bonds Deemed to be Paid. Bonds shall be deemed to be paid within the meaning of this Article 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.

With respect to any deposit described in clause (ii) above,

(a) the Trustee shall have received the following:

1. except in the case of a deposit under clause (ii)(a), a verification report of a nationally recognized independent certified public accounting firm acceptable to any Credit Facility Provider insuring the Bonds being defeased, as to the adequacy of the escrow to fully pay the Bonds deemed to be paid in full on the maturity or redemption date; provided that such verification report shall be acceptable in form and substance and addressed to the Issuer, the Trustee, and such Credit Facility Provider insuring the Bonds being defeased,

2. with respect to moneys used as provided in this section which moneys are not paid to the Trustee pursuant to a Credit Facility, an opinion of nationally recognized counsel experienced in bankruptcy matters, acceptable to Moody's, that the application of such moneys to make payments with regard to the Bonds will not constitute a voidable preference under Section 547 of Title 11 of the United States Code in the Event of Bankruptcy of the City or the Issuer,

3. an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding under the Indenture; provided that such opinion shall be acceptable in form and substance and addressed to the Issuer, the Trustee, and any Credit Facility Provider insuring the Bonds being defeased,

(b) the Issuer and the Trustee shall have entered into an escrow deposit agreement (which shall be acceptable in form and substance to any Credit Facility Provider insuring the Bonds being defeased), and

(c) the Trustee shall deliver to the Issuer a certificate of discharge with regards to such Bonds being defeased.

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 the foregoing, in the case of Bonds which by their terms may be redeemed prior to the Stated Maturities thereof, no deposit under clause (ii) of the first paragraph of this section shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any other provision of the Indenture, (a) all moneys or Defeasance Obligations set aside and held in trust pursuant to this section 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 and (b) in the event that the principal and/or interest due on the Bonds shall be paid by any Credit Facility Provider pursuant to the applicable Credit Facility, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Trust Estate and all covenants, agreements, and other obligations of the Issuer to the Registered Owners shall continue to exist and shall run to the benefit of the Credit Facility Provider, and the Credit Facility Provider shall be subrogated to the rights of such Registered Owners until the Bonds are paid by the Issuer in accordance with the Indenture.

Consents and Other Instruments by Bondholders. Any consent, request, direction, approval, objection, or other instrument required by the Indenture 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 certain actions as set forth in the Indenture.

Summary of Certain Provisions of the Deed of Trust

The following is a summary of certain provisions of the Deed of Trust and is qualified in its entirety by reference thereto.

Title to Mortgaged Property and Lien; Truth of Recitals. The Grantor represents and warrants that it is the lawful owner and is lawfully seized and possessed of a good and indefeasible title and estate in fee simple to that portion of the Mortgaged Property which constitutes real property as described in **Exhibit A** to the Deed of Trust free and clear of all liens, charges, or encumbrances whatever, except Permitted Encumbrances, that it will forever warrant and defend the title to the Mortgaged Property and every part thereof unto Mortgage Trustee against the claims and demands of all persons whomsoever, except the claims and demands provided for in the Permitted Encumbrances, and that it has full power and lawful authority to execute and deliver the Deed of Trust. Grantor is well and truly seized of the property (other than real property) that constitutes Mortgaged Property free and clear of any liens and encumbrances except for Permitted Encumbrances or as is expressly set forth in the Deed of Trust.

Payment of Amounts Payable Under the Indenture. Grantor will duly and punctually pay or cause to be paid all amounts payable under the Indenture at the dates and the places and in the manner mentioned in the Indenture and in the Deed of Trust, according to the true intent and meaning thereof and of the Deed of Trust.

Maintenance of Lien; Recording. Grantor will, at its expense, take all necessary action to maintain and preserve or will cause to be maintained and preserved the lien and security interest of the Deed of Trust so long as the Indenture is in effect. Grantor irrevocably authorizes the Trustee at any time and from time to time to file financing or continuation statements and/or amendments thereto, without the signature of Grantor, and Grantor shall execute and deliver such other instruments and documents as may be requested by Mortgage Trustee to perfect, confirm, and further evidence the security interest and assignments granted and shall pay the fees incurred in filing all such financing statements or other instruments or documents. In addition to all other rights and remedies granted under the Deed of Trust, Mortgage Trustee shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Missouri (the "*UCC*") with respect to any of the items specified above as part of the Mortgaged Property which constitute property within the purview of the UCC.

Further Assurances; After-Acquired Property. All right, title, and interest of Grantor in and to all improvements, betterments, renewals, substitutions, and replacements of the Mortgaged Property or any part thereof hereafter constructed or acquired by Grantor, which shall become a part of the Mortgaged Property, immediately upon such construction or acquisition, and without any further mortgaging, conveyance, or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien of the Deed of Trust as fully and completely and with the same effect as though now owned by Grantor, but at any and all times Grantor will execute and deliver to the Beneficiaries and Mortgage Trustee any and all such further assurances, mortgages, conveyances, or assignments therefor and other instruments with respect thereto as either Beneficiary or the Mortgage Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of the Deed of Trust.

Compliance with Environmental Laws. In the Deed of Trust, Grantor represents and warrants that, to the best of Grantor's knowledge, after due inquiry, the Mortgaged Property complies in all material respects with all applicable federal, state, regional, county, or local laws, statutes, rules, regulations, or ordinances.

Taxes, Charges, and Assessments. Grantor covenants and agrees, subject to the provisions described under "**Permitted Contests**" herein, to pay or cause to be paid (when the same shall become due or payable): (a) all taxes and charges on account of the use, occupancy, or operation of the Mortgaged Property, including but not limited to all sales, use, occupation, real and personal property taxes, tax equivalents, all permit and inspection fees, occupation and license fees, and all water, gas, electric, light, power, or other utility charges assessed or charged on or against the Mortgaged Property or on account of Grantor's use or occupancy thereof or the activities conducted thereon or therein; and (b) all taxes, tax equivalents, assessments, and impositions general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed, or assessed upon all or any part of the Mortgaged Property, or the interest of Grantor or the Beneficiaries or Mortgage Trustee or any of them in and to the Mortgaged Property.

Liens. Subject to the provisions described under "**Permitted Contests**" herein, Grantor will not create or permit to be created or remain and Grantor will, at its cost and expense, promptly discharge or cause to be discharged all liens, encumbrances, and charges of which Grantor has notice on the Mortgaged Property or any part thereof other than Permitted Encumbrances.

Compliance with Orders, Ordinances, Etc. Subject to the provisions described under "**Permitted Contests**" herein, Grantor will, at its sole cost and expense, comply or cause the City to comply with all present and future laws, ordinances, orders, decrees, rules, regulations, and requirements of every duly constituted governmental authority, commission, and court and the officers thereof of which it has notice, and the failure to comply with which would materially and adversely affect the Mortgaged Property or the use, occupancy, or condition thereof. Grantor will not use or permit to be used the Mortgaged Property or any part thereof in any manner inconsistent with the rights of Mortgage Trustee or Beneficiaries, or in violation of the provisions of the Indenture, the Lease Purchase Agreement, any insurance policy, or any rules or a regulations of insurance underwriters.

Permitted Contests. Grantor shall not be required to pay any tax, charge, assessment, imposition, or encumbrance or other matter required to be removed as described above, nor to comply with any law, ordinance, rule, decree, order, regulation, or requirement or other matter described above, so long as Grantor shall contest or cause to be contested or take or cause to be taken other appropriate action, in good faith and at its sole cost and expense, to dispute the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien, or encumbrance or other matter so contested, and the sale, forfeiture, or loss of the Mortgaged Property or any part thereof to satisfy the same; provided, that no such contest or action shall be significantly contrary to the interests of the Beneficiaries or Mortgage Trustee or, in the opinion of any of the Beneficiaries result in the forfeiture or loss of the Mortgaged Property by the Grantor or jeopardize the lien or priority of the lien of the Deed of Trust, or subject the Beneficiaries or the Mortgage Trustee to any liability unless Grantor properly indemnifies the Beneficiaries and Mortgage Trustee to their satisfaction.

Repairs, Maintenance, and Alterations. Grantor will at its own cost and expense keep or cause to be kept the Mortgaged Property in good condition, repair, and working order, reasonable wear and tear excepted, and in as reasonably safe condition as its operation will permit and will make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary as well as extraordinary, and foreseen as well as unforeseen, including any repairs required by any law, ordinance, or regulation, and all necessary replacements or renewals. Grantor will not commit or cause or permit to be committed any waste with respect to the Mortgaged Property. Grantor agrees to keep and maintain or cause to be kept and maintained all grounds, sidewalks, roads, parking, and landscape areas which are part of the Mortgaged Property in good and neat order and repair and not to commit, suffer, or permit any act to be done in or upon the Mortgaged Property in violation of any law, ordinance, or regulation. Grantor shall have the right from time to time at its sole cost and expense to make additions, alterations, and changes, whether structural or nonstructural (hereinafter collectively referred to as "alterations") in or to the Mortgaged Property, subject, however, in all cases to the certain conditions set forth in the Deed of Trust. With respect to any repairs, construction, restoration, replacement, or alterations performed upon the Mortgaged Property by Grantor during the term of the Deed of Trust, in accordance with or as required by any provisions of the Deed of Trust, Grantor agrees to at all times comply with the provisions of the Indenture.

Property and Casualty Insurance. The Grantor agrees to at all times comply or cause the City to comply with the provisions of the Lease Purchase Agreement relating to maintenance of insurance. In the event Grantor shall fail to maintain or cause to be maintained the full insurance coverage required by the Deed of Trust or shall fail to keep the Mortgaged Property in good repair and operating condition, Mortgage Trustee or either of the Beneficiaries may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore shall become an additional obligation of Grantor, which amounts, together with interest thereon from the date of payment by such party at the rate of 2% per annum over and above the interest rate announced from time to time by the Trustee as its "prime rate" on commercial loans (or such lower maximum amount permitted by law), Grantor agrees to pay on demand to the party advancing same.

Third Party's Right to Perform Grantor's Covenants. In the event Grantor shall fail to (i) perform or cause to be performed any covenant as described under "**Taxes, Charges, and Assessments**" herein, (ii) remove or cause to be removed any lien, encumbrance, or charge described under "**Liens**" herein, (iii) maintain or cause to be maintained the Mortgaged Property in good repair as described under "**Repairs, Maintenance, and Alterations**" herein, (iv) procure the insurance required as described under "**Property and Casualty Insurance**" herein, or (v) fail to make or cause to be made any other payment or perform or cause to be performed any other act required to be performed under the Deed of Trust, then and in each such case (unless the same is being contested or other appropriate action is being taken with respect thereto as described under "**Permitted Contests**" herein) any of the Beneficiaries or the Mortgage Trustee, upon not less than 10 days prior written notice to Grantor (except in the case of an emergency, in which case no advance notice shall be required), may (but shall not be obligated to) remedy such default for the account of Grantor and make advances for that purpose. No such performance or advance shall operate to release Grantor from any such default and any sums so advanced by such Beneficiary or Mortgage Trustee shall be repayable by Grantor on demand and shall bear interest at the rate of 2% per annum over and above the interest rate announced from time to time by the Trustee as its "prime rate" on commercial loans (or such lower maximum amount as may be required by law), from the date of the advance until repaid.

No Sale of Mortgaged Property. Except for Permitted Encumbrances and as in the Deed of Trust or in the Indenture or the Lease Purchase Agreement specifically provided, Grantor will not sell, encumber, lease, transfer, or assign or otherwise dispose of the Mortgaged Property or any interest therein, including the rents, income, or profits from the Mortgaged Property without the prior written consent of (i) Credit Facility Provider, as long as any Credit Facility shall be in effect and so long as Credit Facility Provider has not failed, has not ceased, or is not otherwise unable to act under, or has not wrongfully dishonored a claim against or failed to make a payment under the Credit Facility, or (ii) the Trustee if there is no Credit Facility in effect or if Credit Facility Provider has failed, has ceased, or is otherwise unable to act under, or has wrongfully dishonored a claim against or failed to make a payment under the Credit Facility.

Liability of a Third Party. In the event any part of the Mortgaged Property shall be destroyed or damaged by any party or by any cause whereby Grantor becomes entitled to indemnity therefor from any third person or persons, Grantor, for the considerations named, does sell, assign, and transfer to Mortgage Trustee pursuant to the Deed of Trust all of such sum or sums so due from any such third person or persons, and Mortgage Trustee is authorized to receive, collect, and sue for the same and Grantor authorizes and directs that such sum or sums be paid to Mortgage Trustee. Any and all sums received by Mortgage Trustee under the Deed of Trust, after deducting therefrom the reasonable charge or expenses paid or incurred in connection with the collection and disbursement of said moneys, may be used and applied at the option of Credit Facility Provider, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder, either for the purpose of paying the cost of repair, restoration, or replacement of the Mortgaged Property damaged or destroyed, or applied to the prepayment, or partial prepayment, of the Bonds secured by the Deed of Trust.

Title Insurance. Concurrently with the execution of the Deed of Trust, the Grantor shall deliver to the Trustee an endorsement to the A.L.T.A. Loan Title Insurance Policy (Revised 1992) previously issued to the Trustee and Ambac with respect to the Mortgaged Property written by an insurance company acceptable to and in a form and an amount approved by the Mortgage Trustee and the Beneficiaries, containing as exceptions only Permitted Encumbrances, and eliminating all standard exceptions, except for certain items described in the Deed of Trust.

Events of Default. An "event of default" under the Deed of Trust shall be: (a) the occurrence of any event of default under the Indenture or the Lease Purchase Agreement; or (b) other than a default under subsection (a) above, the failure of Grantor to do, perform, or observe or cause to be done, performed, or observed any term, covenant, condition, or provision of the Deed of Trust which Grantor is to perform, within 30 days after written notice thereof to Grantor by the Mortgage Trustee or either Beneficiary, or the breach by Grantor of any covenant set forth in the Deed of Trust, or any representation or warranty of the Grantor in the Deed of Trust proves to be untrue.

Mortgage Trustee's Powers. During the continuance of any such event of default, the Mortgage Trustee with or without entry, personally or by attorney, may proceed to protect and enforce his or her rights and the rights of the Beneficiaries by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained in the Deed of Trust, or in aid of the execution of any power in the Deed of Trust granted, or for any foreclosure under the Deed of Trust, or for the enforcement of any other appropriate legal or equitable remedy, as the Mortgage Trustee shall deem most effectual to protect and enforce any of the rights or duties under the Deed of Trust.

Mortgage Trustee May Enter and Take Possession, Operate, and Apply Income. During the continuance of any such event of default under the Deed of Trust, the Mortgage Trustee personally or by his or her agents or attorneys, may enter into and upon all or any part of the Mortgaged Property and each and every part thereof, and may exclude Grantor, its agents, and servants wholly therefrom; and having and holding the same, may use, operate, manage, and control the Mortgaged Property for any lawful purpose and upon every such entry, the Mortgage Trustee at the expense of Grantor from time to time, either by purchase, repairs, or construction, may maintain and restore the Mortgaged Property whereof it shall become possessed as aforesaid, and may insure and reinsure the same as may seem to him or to her to be judicious; and likewise, from time to time at the expense of Grantor, the Mortgage Trustee may make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments, and improvements thereto and thereon as to him or her may seem judicious; and the Mortgage Trustee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits, and income of the same and every part thereof; and after deducting the expenses of operations, maintenance, repairs, renewals, replacements, alterations, additions, betterments, and improvements, and all payments which may be made for taxes, assessments, insurance, and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as all advances by the Mortgage Trustee and reasonable compensation for the services of the Mortgage Trustee and for all counsel and agents and clerks and other employees by him or her or her properly engaged and employed, the Mortgage Trustee shall cause to be deposited the moneys arising as aforesaid as provided in the Indenture.

Foreclosure and Sale of Mortgaged Property. Upon the occurrence of any event of default under the Deed of Trust, the Mortgage Trustee, at the request of either Beneficiary (except that the Trustee may not make such request absent the prior written consent of the Credit Facility Provider, so long as there is a Credit Facility in effect and so long as the Credit Facility Provider has not failed, has not ceased, or is not otherwise unable to act under, or has not wrongfully dishonored a claim against or failed to make a payment under such Credit Facility,) shall proceed to sell, either by himself or herself or by agent or attorney, the Mortgaged Property and every part thereof at public sale at auction or outcry at the customary time and place of sale then used for such purposes in the City of St. Louis, State of Missouri, to the highest bidder for cash after first giving notice as required by law. Upon such sale or sales made by Mortgage Trustee under the power in the Deed of Trust granted or upon any sale or sales under or by virtue of any judicial proceedings: (i) the whole of the Mortgaged Property, real, personal and mixed, may be sold in one parcel as an entirety, or the Mortgaged Property may be sold in separate parcels as may be determined by Mortgage Trustee in his or her discretion; and (ii) Mortgage Trustee shall receive the proceeds of such sale or sales and shall execute and deliver deed or deeds or other appropriate instruments of conveyance, assignment, or transfer of the property sold to the purchaser or purchasers thereof.

Sale to Accelerate Amounts Payable Under the Indenture. In the event of any sale described under "**Foreclosure and Sale of Mortgaged Property**" herein, the amounts payable under the Indenture, if not previously due, immediately thereupon shall become due and payable, anything in the Indenture and the Deed of Trust or any other document to the contrary notwithstanding.

Application of Proceeds of Sale. The purchase money, proceeds, or avails of any such sale, together with any other sums which then may be held by the Mortgage Trustee under the Deed of Trust as part of the Mortgaged Property or the proceeds thereof, whether under the provisions of this Article or otherwise, shall be applied pursuant to the terms of the Indenture.

Purchase of Mortgaged Property. Upon any sale described under "**Foreclosure and Sale of Mortgaged Property**" herein of all or of any portion of the Mortgaged Property pursuant to judicial proceedings, either Beneficiary, the City, or any Bondholder may bid for and purchase the property being sold, and upon compliance with the terms of sale, such Beneficiary, the City, or Bondholder may hold, retain, possess, and dispose of such property in its own absolute right without further accountability. Either Beneficiary may make payment for such Mortgaged Property by presenting to the Mortgage Trustee the Indenture or Credit Facility secured by the Deed of Trust so that there may be endorsed as paid thereon the amount of such bid which is to be applied to the payment of such Indenture or Credit Facility, as the case may be.

Mortgage Trustee Entitled to Appointment of Receiver. Grantor further agrees that upon the happening of any event of default and thereafter during the continuance of such event of default unless the same shall have been waived as hereinbefore provided, the Mortgage Trustee shall be entitled as a matter of right, if the Trustee shall so elect, (i) forthwith and without declaring the amounts payable under the Indenture to be due and payable, or (ii) after declaring the same to be due and payable, or (iii) upon the filing of any suit to foreclose the Deed of Trust or to enforce the specific performance of the Deed of Trust or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Beneficiaries or the Mortgage Trustee to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits, and income thereof, with such powers as the court making such appointment shall confer, which may comprise any or all of the powers which the Mortgage Trustee is authorized to exercise by the provisions of the Deed of Trust.

Rights of Credit Facility Provider. Notwithstanding anything to the contrary in the Deed of Trust, no event, except an event described in subsection (a) or subsection (b) under "**Summary of Certain Provisions of the Indenture - Events of Default**" herein, shall constitute an event of default under the

Deed of Trust until such event is declared by Credit Facility Provider to be an event of default under the Deed of Trust, as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder. In addition, the Mortgage Trustee and the Trustee shall exercise their remedies and their rights to give waivers and rescind acts provided for in the Deed of Trust solely at the direction of Credit Facility Provider and only if and as directed in writing by Credit Facility Provider; and provided, further, that such direction shall not be otherwise than in accordance with the provisions of law and of the Deed of Trust, 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 such direction would materially prejudice the rights of the Bondholders. Credit Facility Provider shall only be entitled to its rights under the Deed of Trust and the Indenture, including without limitation its rights of consent, so long as there is a Credit Facility in effect and so long as such party has not failed, has not ceased or is not otherwise unable to act under, or has not wrongfully dishonored a claim against or failed to make a payment under such Credit Facility.

Amendments. Grantor, Mortgage Trustee, and the Beneficiaries may from time to time enter into amendments, changes, and modifications of the Deed of Trust as shall be mutually agreeable, but only with the consent of the Trustee and the City, and if required by the terms of the Indenture, the consent of the holders of the requisite aggregate principal amount of the Bonds then outstanding and the Credit Facility Provider (as long as any Credit Facility shall be in effect and the Credit Facility Provider associated with such Credit Facility shall be in compliance with any payment obligation thereunder). As long as a Credit Facility shall be in effect and the Credit Facility Provider shall be in compliance with any payment obligation thereunder, any provision of the Deed of Trust expressly recognizing or granting rights in or to such Credit Facility Provider may not be amended in any manner which affects the rights of such party under the Deed of Trust without the prior written consent of such Credit Facility Provider.

Defeasance. If Grantor shall pay and discharge or provide, in a manner satisfactory to the Beneficiaries, for the payment and discharge of the whole amount of all sums payable under the Deed of Trust, including all sums owing and other obligations under the Indenture, or shall make arrangements satisfactory to the Beneficiaries for such payment and discharge, and if all sums owing under the Indenture are paid and all other obligations under the Indenture are satisfied, then and in that case all property, rights, and interest by the Deed of Trust conveyed, assigned, or pledged shall revert to Grantor, and the estate, right, title, and interest of the Mortgage Trustee and Beneficiaries therein shall thereupon cease, terminate, and become void; and the Deed of Trust, and the covenants of Grantor contained in the Deed of Trust, shall be discharged and the Beneficiaries in such case on demand of Grantor and at Grantor's cost and expense, shall execute and deliver to Grantor a proper instrument or proper instruments acknowledging the satisfaction and termination of the Deed of Trust and shall convey, assign, and transfer or cause to be conveyed, assigned, or transferred, and shall deliver or cause to be delivered to Grantor, all property, including money, then held by the Beneficiaries under the Deed of Trust, to be applied by Grantor as provided in the Indenture.

Personal Property. The Deed of Trust is intended to be a security agreement under Article 9 of the UCC in effect in the State of Missouri. Without limiting the generality of the forgoing, Grantor grants and transfers to Beneficiaries a security interest in the Personal Property to secure the Obligations. Upon a default by Grantor, either Beneficiary shall, at its option and without notice or demand, be entitled to enter upon the Mortgaged Property to take immediate possession of the Personal Property. Upon request of either Beneficiary, Grantor shall assemble and make the Personal Property available to Beneficiaries at a place designated by Beneficiaries that is reasonably convenient to such parties. Beneficiaries may propose to retain the Personal Property in partial satisfaction of the indebtedness secured by the Deed of Trust or sell all or any portion of the Personal Property at public or private sale in accordance with the UCC or in accordance with the foreclosure advertisement and sale provisions under the Deed of Trust. Grantor agrees that a commercially reasonable manner of disposition of the Personal Property upon a default shall include, without limitation and at the option of Beneficiaries, the sale of the Personal Property, in whole or in part, concurrently with a foreclosure sale of the Mortgaged Property in accordance with the provisions of the Deed of Trust. In the further event Beneficiaries shall dispose of any or all of the Personal Property after default, the proceeds of disposition shall be applied pursuant to the terms of the Indenture. The Deed of Trust is intended to be a security agreement pursuant to the UCC covering any part of the items or types of Personal Property that may be subject to a security interest pursuant to the UCC and Grantor grants the Beneficiaries a security interest in such items or types of Property.

Deed of Trust Constitutes Construction Mortgage. To the extent applicable, the Deed of Trust, with respect to the proceeds of the Series 2009A Bonds, the Series 2010A Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the Series 2020 Bonds secures an obligation for the construction of improvements on the Mortgaged Property, constitutes a construction mortgage for the purpose of Article Nine of the UCC and is entitled to all of the benefits afforded construction mortgages thereunder.

Nonrecourse. Notwithstanding anything in the Deed of Trust to the contrary, neither the Grantor nor its directors, officers, agents, or employees shall be personally liable to pay the obligations of the Grantor under the Deed of Trust but rather the Mortgage Trustee and the Beneficiaries shall recover any unpaid liability under the Deed of Trust out of the rents and revenues of the Mortgaged Property and pursuant to the collateral under the Deed of Trust, the Indenture, and the Credit Facility; provided, however, that nothing in the foregoing provisions shall be or be deemed to be a release or impairment of the obligations under the Indenture or of the lien of the Deed of Trust or shall preclude the Mortgage Trustee or either Beneficiary from foreclosing on or proceeding with respect to the Deed of Trust in case of any default, or from enforcing any and all rights under or by virtue thereof.

Indenture to Control. Nothing in the Deed of Trust contained shall be construed to limit or impair a right or remedy granted the Trustee, Mortgage Trustee, or Credit Facility Provider under the Indenture, and in the event such right or remedy granted in the Deed of Trust is more restrictive (as determined by Credit Facility Provider in its sole discretion) than that contained in the Indenture, then the related provision of such Indenture shall be determining and shall control.

APPENDIX E

BOOK-ENTRY SYSTEM

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APPENDIX E
BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 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. Initially, one fully-registered certificate will be issued for each Maturity of the Series 2020 Bonds, in the aggregate principal amount of each Maturity of the Series 2020 Bonds, and will be deposited with DTC.

So long as Cede & Co., as nominee of DTC, is the Registered Owner of the Series 2020 Bonds, the Beneficial Owners of the Series 2020 Bonds will not receive or have the right to receive physical delivery of the Series 2020 Bonds, and references herein to the Bondholders or Registered Owners of the Series 2020 Bonds mean the Cede & Co. or such other DTC nominee and not the Beneficial Owners of the Series 2020 Bonds.

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.

Purchase of Ownership Interests. Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 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 2020 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 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2020 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 2020 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 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 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 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption. Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2020 Bonds to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer, as issuer, 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 2020 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 2020 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 Issuer 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 Issuer, 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 2020 Bonds to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Issuer 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 securities depository with respect to the Series 2020 Bonds at any time by giving notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and the Book-Entry System has been obtained from sources that the Issuer*, the City, and the Underwriters believe to be reliable, but none of the* Issuer*, the City, or the Underwriters takes any responsibility for the accuracy of such information, and the DTC Participants and the Beneficial Owners should not rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

THE ISSUER, 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 2020 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 2020 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 2020 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 DIRECT PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE INDIRECT PARTICIPANTS AND 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 F

FORM OF OPINION OF CO-BOND COUNSEL

October __, 2020

St. Louis Municipal Finance Corporation
St. Louis, Missouri

Siebert Williams Shank & Co., LLC,
as Representative of the Underwriters
St. Louis, Missouri

The City of St. Louis, Missouri
St. Louis, Missouri

UMB Bank, N.A., as Trustee
St. Louis, Missouri

Assured Guaranty Municipal Corp.
New York, New York

Re: $99,790,000
St. Louis Municipal Finance Corporation
Leasehold Revenue Bonds, Series 2020
(Convention Center Expansion and Improvement Projects)

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the St. Louis Municipal Finance Corporation (the "*Corporation*") of the above-referenced bonds (the "*Series 2020 Bonds*") pursuant to a Resolution adopted by the Corporation on August 24, 2020 (the "*Resolution*"). In such capacity, we have examined such laws and such certified proceedings and other documents and materials as we have deemed necessary to enable us to render this opinion, including the following documents (collectively, the "*Transaction Documents*"):

a. Eleventh Supplemental and Restated Indenture of Trust (the "*Indenture*"), dated as of October 1, 2020, between the Corporation and UMB Bank, N.A., as trustee (the "*Trustee*");

b. Tenth Supplemental and Restated Lease Purchase Agreement (the "*Lease*"), dated as of October 1, 2020, between the Corporation and The City of St. Louis, Missouri (the "*City*");

c. Tenth Supplemental and Restated First Deed of Trust, Security Agreement and Assignment, dated as of October 1, 2020, by the Corporation for the benefit of the Trustee, Ambac Assurance Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., and the deed of trust trustee named therein;

d. Bond Purchase Agreement, dated October 14, 2020, by and among the Corporation, the City, and Siebert Williams Shank & Co., LLC, as representative of the Underwriters named therein;

e. Continuing Disclosure Agreement, dated as of October 1, 2020, by and between the City and UMB Bank, N.A., as Dissemination Agent; and

f. Tax Compliance Agreement (the *"Tax Compliance Agreement"*), dated as of October 1, 2020, among the City, the Corporation, and the Trustee.

As to questions of fact material to this opinion, we have relied upon representations of the Corporation contained in the Resolution and 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 (i) various issues with respect to the City in connection with the Series 2020 Bonds are addressed in the opinion of the City Counselor of the City; and (ii) various issues with respect to the Corporation in connection with the Series 2020 Bonds are addressed in the opinion of the Corporation's counsel. 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 or the other Transaction Documents.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Series 2020 Bonds have been duly authorized, executed, and delivered by the Corporation and, when duly authenticated and delivered by the Trustee, will be valid and binding limited obligations of the Corporation payable in accordance with the Indenture, will be entitled to the benefits and security of the Indenture, and will evidence proportionate interests in the right to receive Rentals (as defined in the Indenture) from the City pursuant to the Lease. Neither the Lease nor the Series 2020 Bonds constitute 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 State, the City, or the Corporation is pledged to the payment of the Rentals or any other payments under the Lease or to the payment of the Series 2020 Bonds.

2. Interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of Missouri under Chapter 143 of the Revised Statutes of Missouri, as amended. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax. 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 2020 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and State of 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 2020 Bonds to be included in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Series 2020 Bonds. We express no opinion as to whether the interest on the Series 2020 Bonds is exempt from the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended. The Series 2020 Bonds are not "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

Except as stated in paragraph 2 above, we express no opinion regarding any other federal or state tax consequences with respect to the Series 2020 Bonds.

It is to be understood that the rights of the Owners of the Series 2020 Bonds and the enforceability of the Series 2020 Bonds, the Resolution, and the Transaction Documents may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws 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 2020 Bonds, and we express no opinion relating thereto. This opinion is delivered to you for your use only and it may not be relied upon by any third party for any purpose whatsoever without our prior written consent.

This letter expresses our legal opinion as to the matters set forth above and is based upon our professional knowledge and judgment at this time; however, it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein.

By rendering this opinion, we do not undertake to advise you further of any changes in law or fact which may occur or come to our attention after the date hereof.

Very truly yours,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated as of October 1, 2020

by and between

THE CITY OF ST. LOUIS, MISSOURI

and

UMB BANK, N.A.,
AS DISSEMINATION AGENT

$99,790,000

ST. LOUIS MUNICIPAL FINANCE CORPORATION
LEASEHOLD REVENUE BONDS, SERIES 2020
(CONVENTION CENTER EXPANSION AND IMPROVEMENT PROJECTS)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of October 1, 2020 (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 by the City and the Dissemination Agent in connection with the issuance by the St Louis Municipal Finance Corporation (the "*Corporation*") of its (i) $99,790,000 Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects) (the "*Series 2020 Bonds*") under and pursuant to the Eleventh Supplemental and Restated Indenture of Trust, dated as of October 1, 2020 (as amended from time to time, the "*Indenture*"), 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 Series 2020 Bonds and in order to assist the Participating Underwriters in complying with the Rule (all as defined below). 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:

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 Series 2020 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 Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020 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.

"*Financial Obligation"* shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with 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 October 14, 2020, relating to the issuance and sale of the Series 2020 Bonds.

"Participating Underwriter" means any of the original underwriter(s) of the Series 2020 Bonds required to comply with the Rule in connection with the offering of the Series 2020 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.

2. Provision of Annual Reports The City shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days (if the 210th 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, 2021, 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 comprising a package, 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 three (3) 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 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 in Subsection A above, the Dissemination Agent shall send a notice to each Repository in substantially the form of **Exhibit A** attached 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 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.

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**,** 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 the tables in the Official Statement under the captioned heading "ANTICIPATED SOURCES OF CITY REVENUES AVAILABLE FOR APPROPRIATION – Hotel Tax" and " - Restaurant Gross Receipts Taxes."

C. Financial information and operating data of the City updated for the prior Fiscal Year in substantially the scope and form contained in Appendix A to the Official Statement under the captioned headings:

(a) "ECONOMIC AND DEMOGRAPHIC DATA – Population Statistics," "– Tourism," "– Employment," "– Major Taxpayers," "– Development," and "– Sports Related Economic Development," and

(b) "GENERAL REVENUE RECEIPTS – Earnings Tax," "– Payroll Taxes," "– Franchise Tax," "– Sales and Use Tax," "– Gross Receipts Tax," "– Other Taxes," and "– License Fees."

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 Series 2020 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 Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 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 Series 2020 Bonds, if material;
12. bankruptcy, insolvency, receivership or similar event of an Obligated Person;

13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, 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;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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 Material Listed Events within the timeframe set forth in Subsection A above with the Repository, 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 Series 2020 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 Series 2020 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 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 Series 2020 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 the 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 the 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 the 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 Series 2020 Bonds, or the type of business conducted;

B. The undertaking, as amended or taking into account such waiver, would, 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 Series 2020 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 Opinion of Co-Bond Counsel for the Series 2020 Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Series 2020 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 4A 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, any Bondholder or Beneficial Owner of the Series 2020 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 Series 2020 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 Agent 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 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 Series 2020 Bonds. The City shall pay the fees, charges, and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 11. Termination. This Continuing Disclosure Agreement may be terminated by either party upon fifteen (15) days written notice. In the event of termination, the City shall (i) enter into a new continuing disclosure agreement with a successor dissemination agent or (ii) assume all responsibilities of the Dissemination Agent under this Continuing Disclosure Agreement for the benefit of the Bondholders and the Beneficial Owners from time to time of the Series 2020 Bonds.

Section 12. **Notices**. Any notices or communications to or between any of 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: Kelley Anderson, Esq., Special Assistant to the Comptroller Telephone: (314) 612-1467 Facsimile: (314) 622-4026
With a copy to:	The City of St. Louis, Missouri City Hall West 1520 Market Street, Room 3005 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) 612-8492 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 13. **Beneficiaries.** This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and Bondholders and the Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

Section 14. **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 15. **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 16. **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 17. 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 18. 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.

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:___________________________________
Lyda Krewson, Mayor

By:___________________________________
Darlene Green, Comptroller

[SEAL]

ATTEST

By:___________________________________
Dionne Flowers, Register

APPROVED AS TO FORM:

By:___________________________________
Michael A. Garvin, 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: ____________________________________
Authorized Officer

[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:	$99,790,000 Leasehold Revenue Bonds, Series 2020 (Convention Center Expansion and Improvement Projects)
Date of Issuance:	October __, 2020

NOTICE IS HEREBY GIVEN that the City has not filed an Annual Report with respect to the above-named Series 2020 Bonds as required by the Continuing Disclosure Agreement dated as of October 1, 2020, between the City and UMB Bank, N.A., as Dissemination Agent. [The City has informed the Dissemination Agent that the City anticipates that the Annual Report will be filed by _____________.]

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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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

$99,790,000 • ST. LOUIS MUNICIPAL FINANCE CORPORATION • LEASEHOLD REVENUE BONDS, SERIES 2020
(CONVENTION CENTER EXPANSION AND IMPROVEMENT PROJECTS)

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