LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Basic Financial Statements and Supplementary Information

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

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KPMG LLP
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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 Lambert – St. Louis International Airport, an enterprise fund of the City of St. Louis, Missouri, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Lambert – St. Louis International Airport'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 an opinion on these financial statements based on our audits. We conducted our audits 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.

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 opinion.

KPMG

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lambert – St. Louis International Airport, as of June 30, 2014 and 2013, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in note 1 to the basic financial statement, the basic financial statements present only the financial position and the changes in financial position and cash flows of Lambert – St. Louis International Airport, an enterprise fund of the City of St. Louis, Missouri, and do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri as of June 30, 2014 and 2013, and changes in its financial position or, where applicable, cash flows, for the years then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Effective July 1, 2012 Lambert – St. Louis International Airport implemented Government Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 20 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 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lambert – St. Louis International Airport's basic financial statements. The supplementary information included in schedules I through X is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information included in schedules I through X is the responsibility of management and was 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 supplementary information included in schedules I through X is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

KPMG LLP

St. Louis, Missouri
December 23, 2014

The following discussion and analysis of the activity and financial performance of Lambert – St. Louis International Airport (the Airport) has been prepared by Airport management to provide the reader with an introduction and overview to the basic financial statements of the Airport for the fiscal years ended June 30, 2014 and 2013. Following this discussion and analysis are the basic financial statements of the Airport including the notes which are essential to a full understanding of the data contained within the basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Statements

The Airport’s basic financial statements are prepared on an accrual basis in accordance with the U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Airport is structured as an enterprise fund owned and operated by the City of St. Louis, Missouri with revenues recognized when earned. Expenses are recognized when incurred. Capital assets are capitalized and (other than land, construction in progress, and easements) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction activities. Refer to Note 1 of the basic financial statements for a summary of the Airport’s significant accounting policies.

Summary of Airport Activity

Air travel was slightly down in 2014 when compared to 2013. Enplaned passengers were down by 3.3 percent and aircraft landings and takeoffs were down 4.7 percent from fiscal year 2013. Activity at the Airport during fiscal years 2014, 2013, and 2012 is as follows:

	2014	2013	Change
Enplaned passengers	6,177,145	6,386,474	(3.3%)
Aircraft landings and takeoffs	82,297	86,401	(4.7%)
Landed weight (in thousands of pounds)	7,843,688	8,254,612	(5.0%)
Mail and cargo (in tons)	67,064	75,805	(11.5%)

	2013	2012	Change
Enplaned passengers	6,386,474	6,353,591	0.5%
Aircraft landings and takeoffs	86,401	86,578	(0.2%)
Landed weight (in thousands of pounds)	8,254,612	8,198,391	0.7%
Mail and cargo (in tons)	75,805	75,988	(0.2%)

(Continued)

Financial Highlights

The following represents the significant financial activity at the Airport in fiscal years 2014, 2013, and 2012 and the reasons for any fluctuations between the years:

- Fiscal year 2014 operating revenues increased 1.5% from $139,427 in fiscal year 2013 to $141,529 in fiscal year 2014 as a result of an increase in concessions, parking, and lease revenues. Fiscal year 2013 operating revenues increased 6% from $131,522 in fiscal year 2012 to $139,427 in fiscal year 2013 as a result of increased Airfield and Terminal and Concourse revenues related to an increase in enplaned passengers and landed weights.

- Fiscal year 2014 operating expenses increased 3.5% from $132,127 in fiscal year 2013 to $136,793 in fiscal year 2014 as a primary result of an increase in supplies, workmen's compensation expenses, and contractual services related to banking fees, education and training, communication expenses, as well as facility and grounds expenses. Fiscal year 2013 operating expenses increased 1.9% from $129,687 in fiscal year 2012 to $132,127 in fiscal year 2013 as a primary result of an increase of communications and utilities.

- The net result of the impact to operating revenues and expenses, as discussed above, is that the fiscal year 2014 operating income decreased 35.1% to $4,736 from $7,300 in fiscal year 2013. The fiscal year 2013 operating income increased 297.8% to $7,300 from $1,835 in fiscal year 2012.

- Fiscal year 2014 nonoperating expenses, net decreased to $11,592 from $12,216 in fiscal year 2013 resulting from a decrease in interest expense. Fiscal year 2013 nonoperating expenses, net decreased to $12,216 from $13,439 in fiscal year 2012 resulting primarily from the implementation of GASB No. 65, *Items Previously Reported as Assets and Liabilities*.

- Capital contributions received in the form of grants from the federal government decreased to $16,318 in fiscal year 2014 from $21,615 in fiscal year 2013. Capital contributions received in the form of grants from the federal government increased to $21,615 in fiscal year 2013 from $10,050 in fiscal year 2012. The amount of grants received in all noted fiscal years is a result of the in-line baggage screening system primarily completed in fiscal year 2013.

- As a result of the preceding items, net position in fiscal year 2014 increased to $1,081,888 from $1,071,152 in fiscal year 2013. Net position in fiscal year 2013 decreased to $1,071,152 from $1,071,301 in fiscal year 2012.

(Dollars in thousands, unless otherwise indicated)

Financial Position Summary

Net position may serve over time as a useful indicator of the Airport’s financial position. The Airport’s assets and deferred outflow of resources exceeded liabilities by $1,081,888 at June 30, 2014.

A condensed summary of the Airport’s net position at June 30, 2014 and 2013 is shown below:

	2014	2013	$ Change	% Change
Assets:				
Current and other assets	$ 302,165	309,087	(6,922)	(2.2%)
Capital assets	1,631,687	1,650,486	(18,799)	(1.1%)
Deferred outflow of resources	18,370	21,173	(2,803)	(13.2%)
Total assets and deferred outflow of resources	1,952,222	1,980,746	(28,524)	(1.4%)
Liabilities:				
Long-term liabilities	775,640	818,616	(42,976)	(5.2%)
Other liabilities	94,694	90,978	3,716	4.1%
Total liabilities	870,334	909,594	(39,260)	(4.3%)
Net position:				
Invested in capital assets	884,818	868,452	16,366	1.9%
Restricted	131,196	132,682	(1,486)	(1.1%)
Unrestricted	65,874	70,018	(4,144)	(5.9%)
Total net position	$ 1,081,888	1,071,152	10,736	1.0%

A portion of the Airport’s net position (81.8% at June 30, 2014) represents its investment in capital assets (e.g., land, easements, pavings, buildings and facilities, roads, runways, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors to the Airport; consequently, these assets are not available for future spending. Although the Airport’s investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations since it is unlikely the capital assets themselves will be liquidated to pay liabilities.

An additional portion of the Airport’s net position (12.1% at June 30, 2014) represents net position that are subject to external restrictions on how they can be used. These assets can be used for any lawful Airport use including debt service, capital restoration, or expenditure subject to the restrictions of the Passenger Facility Charge Program and the Airport Improvement Program.

The remaining portion of the Airport’s net position (6.1% at June 30, 2014) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport’s ongoing obligations.

(Continued)

(Dollars in thousands, unless otherwise indicated)

In fiscal 2014, the increase in capital assets was primarily attributable to ongoing capital asset projects, including the Airport Experience Program and storm damage replacements. The decrease in long-term debt outstanding was attributable to payments made on outstanding debt.

A condensed summary of the Airport's net position at June 30, 2013 and 2012 is shown below:

		2013	2012	$ Change	% Change
Assets:					
Current and other assets	$	309,087	363,786	(54,699)	(15.0%)
Capital assets		1,650,486	1,635,950	14,536	0.9%
Deferred outflow of resources		21,173	-	21,173	100.0%
Total assets and deferred outflow of resources		1,980,746	1,999,736	(18,990)	(0.9%)
Liabilities:					
Long-term liabilities		818,616	835,573	(16,957)	(2.0%)
Other liabilities		90,978	92,862	(1,884)	(2.0%)
Total liabilities		909,594	928,435	(18,841)	(2.0%)
Net position:					
Invested in capital assets		868,452	864,680	3,772	0.4%
Restricted		132,682	133,941	(1,259)	(0.9%)
Unrestricted		70,018	72,680	(2,662)	(3.7%)
Total net position	$	1,071,152	1,071,301	(149)	0.0%

A portion of the Airport's net position (81.1% at June 30, 2013) represents its investment in capital assets (e.g., land, easements, pavings, buildings and facilities, roads, runways, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors to the Airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations since it is unlikely the capital assets themselves will be liquidated to pay liabilities.

An additional portion of the Airport's net position (12.4% at June 30, 2013) represents net position that are subject to external restrictions on how they can be used. These assets can be used for any lawful Airport use including debt service, capital restoration, or expenditure subject to the restrictions of the Passenger Facility Charge Program and the Airport Improvement Program.

The remaining portion of the Airport's net position (6.5% at June 30, 2013) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport's ongoing obligations.

(Dollars in thousands, unless otherwise indicated)

In fiscal 2013, the increase in capital assets was primarily attributable to the Airport Experience Program and storm damage replacements. The decrease in long-term debt outstanding was attributable to payments made on outstanding debt and the issuance of the 2013 Series Refunding Revenue Bonds, which refunded the 2003A Series Revenue Bonds.

Summary of Revenues, Expenses, and Changes in Fund Net Position

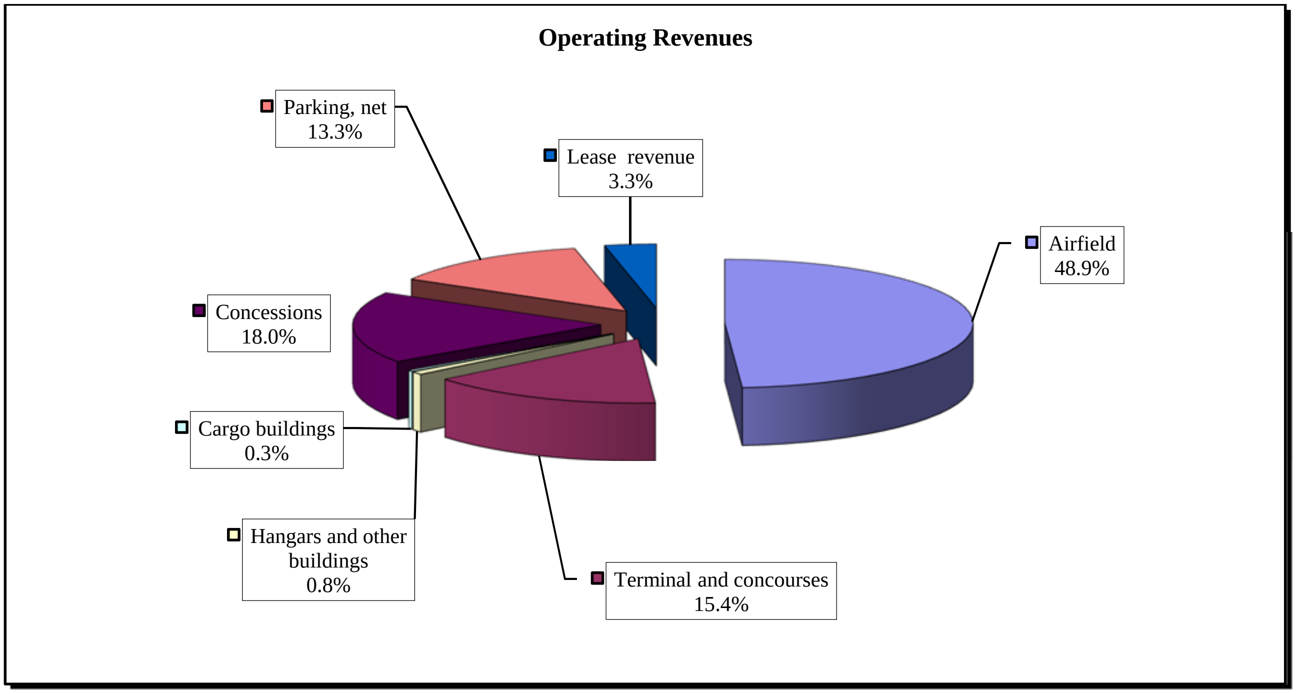
The Airport's revenues, expenses, and changes in fund net position for the fiscal years ended June 30, 2014, 2013, and 2012 are summarized as follows:

		2014	2013	$ Change	% Change
Operating revenues	$	141,529	139,427	2,102	1.5%
Operating expenses		136,793	132,127	4,666	3.5%
Operating income		4,736	7,300	(2,564)	(35.1%)
Nonoperating expenses, net		(11,592)	(12,216)	624	(5.1%)
Loss before capital contributions, transfers, and extraordinary items, net		(6,856)	(4,916)	(1,940)	39.5%
Capital contributions		16,318	21,615	(5,297)	(24.5%)
Transfers out		(6,328)	(6,607)	279	(4.2%)
Extraordinary item – Natural disaster		2,730	4,300	(1,570)	(36.5%)
Extraordinary item – Settlement proceeds		4,872	-	4,872	100.0%
Increase in net position		10,736	14,392	(3,656)	(25.4%)
Cumulative effect of change in accounting principle		-	(14,541)	14,541	(100.0%)
Net position, end of year	$	1,081,888	1,071,152	10,736	1.0%

		2013	2012	$ Change	% Change
Operating revenues	$	139,427	131,522	7,905	6.0%
Operating expenses		132,127	129,687	2,440	1.9%
Operating income		7,300	1,835	5,465	297.8%
Nonoperating expenses, net		(12,216)	(13,439)	(335)	2.5%
Loss before capital contributions, transfers, and extraordinary item, net		(4,916)	(11,604)	5,130	(44.2%)
Capital contributions		21,615	10,050	11,565	115.1%
Transfers out		(6,607)	(6,097)	(510)	8.4%
Extraordinary item – Natural disaster		4,300	-	4,300	100.0%
Change in net position		14,392	(7,651)	20,485	(267.7%)
Cumulative effect of change in accounting principle		(14,541)	-	(14,541)	(100.0%)
Net position, end of year	$	1,071,152	1,071,301	(149)	(0.0%)

Revenues

The following chart shows the major sources of operating revenues, and their percentage share of total operating revenues, for the year ended June 30, 2014:



(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2014:

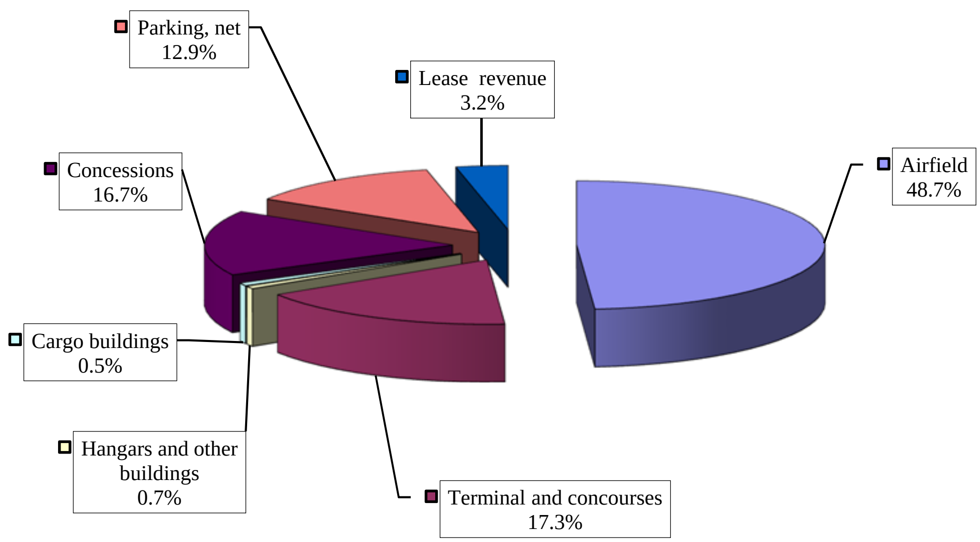
	2014	% of total	$ Change from 2013	% Change from 2013
Operating revenues:				
Aviation revenue:				
Airfield	$ 69,187	41.1%	$ 1,417	2.1%
Terminal and concourses	21,604	12.8	(2,630)	(10.9)
Hangars and other buildings	1,093	0.6	139	14.6
Cargo buildings	482	0.3	(251)	(34.2)
Concessions	25,538	15.2	2,198	9.4
Parking, net	18,885	11.2	947	5.3
Lease revenue	4,740	2.8	282	6.3
Total operating revenue	141,529	84.1	2,102	1.5
Nonoperating revenues:				
Intergovernmental revenue	706	0.4	(45)	(6.0)
Investment revenue	1,569	0.9	(568)	(26.6)
Passenger facility charges	24,111	14.3	(949)	(3.8)
Other nonoperating revenue, net	287	0.2	168	100
Total nonoperating revenue	26,673	15.9	(1,394)	(5.0)
Total revenues	$ 168,202	100%	708	0.4%

(Continued)

Revenue

The following chart shows the major sources of operating revenues, and their percentage share of total operating revenues, for the year ended June 30, 2013:

Operating Revenues



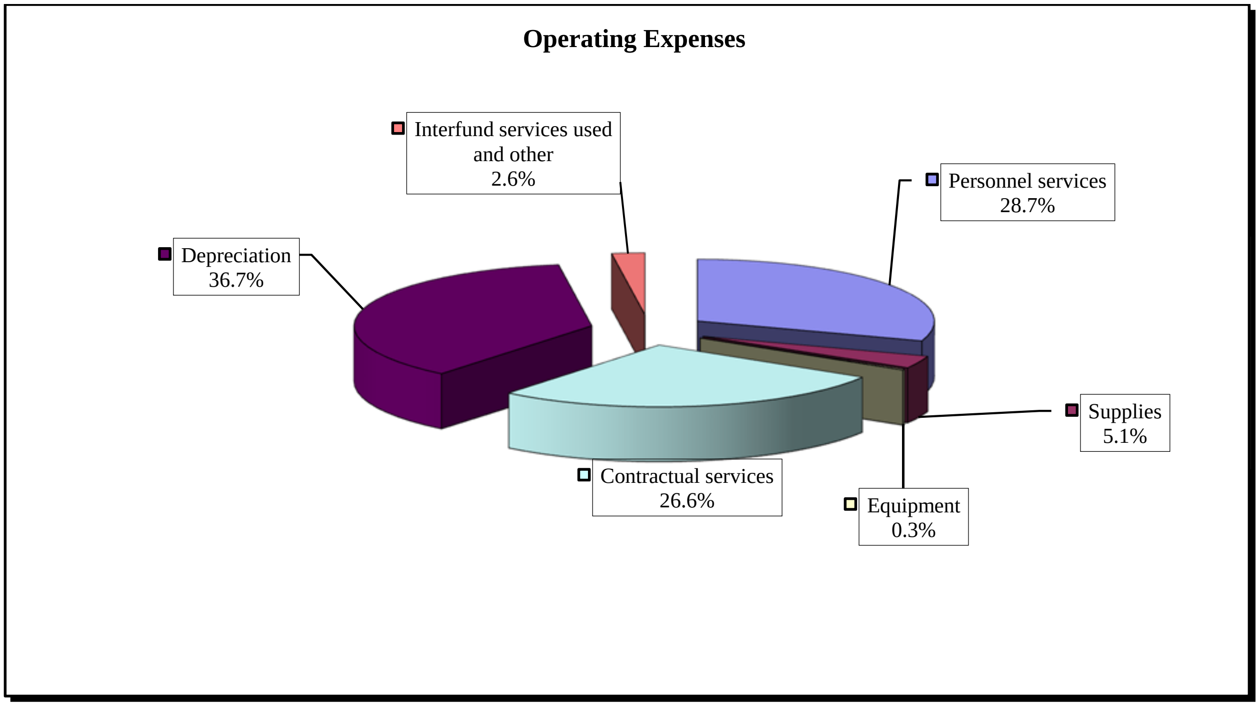
(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2013:

	2013	% of total	$ Change from 2012	% Change from 2012
Operating revenues:				
Aviation revenue:				
Airfield	$ 67,770	40.5%	$ 3,540	5.5%
Terminal and concourses	24,234	14.5	1,771	7.9
Hangars and other buildings	954	0.6	73	8.3
Cargo buildings	733	0.4	(223)	(23.3)
Concessions	23,340	13.9	1,730	8.0
Parking, net	17,938	10.7	998	5.9
Lease revenue	4,458	2.7	16	0.4
Total operating revenue	139,427	83.2	7,905	6.0
Nonoperating revenues:				
Intergovernmental revenue	751	0.4	(318)	(29.7)
Investment revenue	2,137	1.3	390	22.3
Passenger facility charges	25,060	15.0	(484)	(1.9)
Other nonoperating revenue, net	119	0.1	31	35.2
Total nonoperating revenue	28,067	16.8	(381)	(1.0)
Total revenues	$ 167,494	100.0%	$ 7,524	4.8%

Expenses

The following chart shows the major sources of operating expenses, and their percentage share of total operating expenses, for the year ended June 30, 2014:



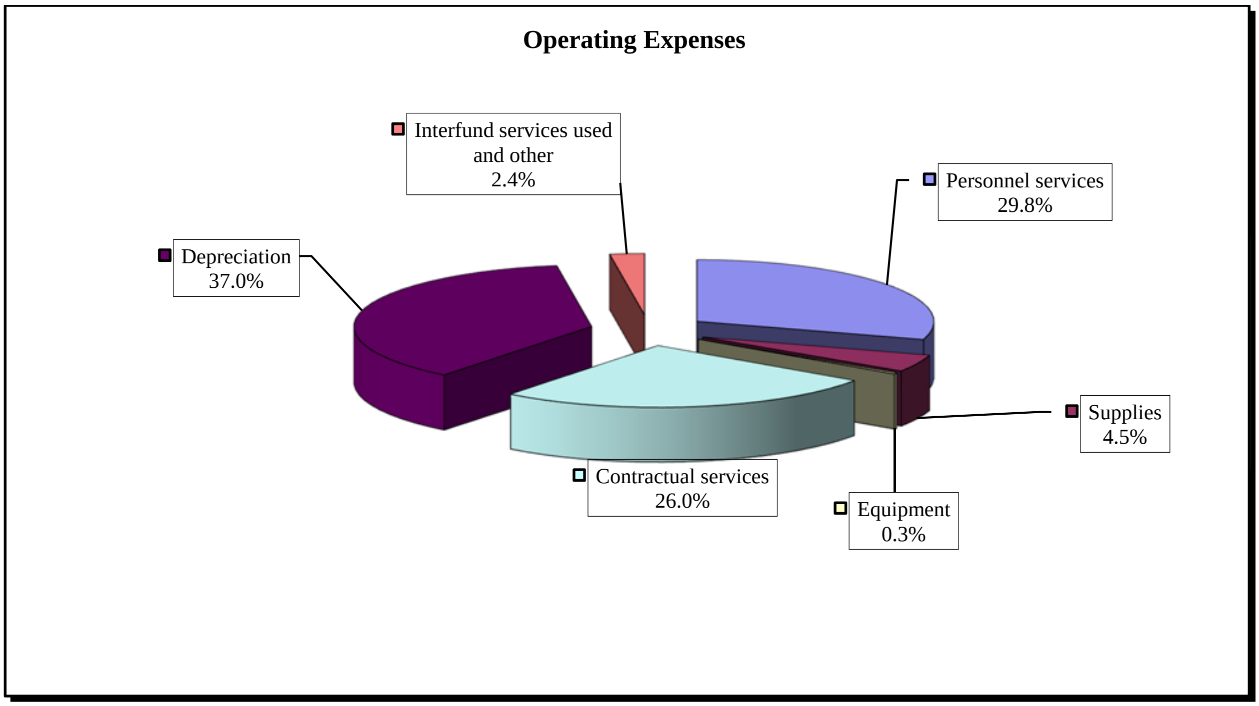
(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating expenses, and their percentage share of total Airport operating and nonoperating expenses, for the year ended June 30, 2014:

	2014	% of total	$ Change from 2013	% Change from 2013
Operating expenses:				
Personnel services	$ 39,226	22.4%	(82)	(0.2%)
Supplies	6,939	4.0%	984	16.5%
Equipment	351	0.2%	(29)	(7.6%)
Contractual services	36,380	20.8%	1,989	5.8%
Depreciation	50,269	28.7%	1,379	2.8%
Interfund services used	3,557	2.0%	451	14.5%
Other operating expenses	71	0%	(26)	(26.8%)
Total operating expenses	136,793	78.1%	4,666	3.5%
Nonoperating expenses:				
Interest expense	38,265	21.9%	(2,018)	(5.0%)
Total nonoperating expenses	38,265	21.9%	(2,018)	(5.0%)
Total expenses	$ 175,058	100%	2,648	1.5%

Expenses

The following chart shows the major sources of operating expenses, and their percentage share of total operating expenses, for the year ended June 30, 2013:



(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating expenses, and their percentage share of total Airport operating and nonoperating expenses, for the year ended June 30, 2013:

	2013	% of total	$ Change from 2012	% Change from 2012
Operating expenses:				
Personnel services	$ 39,308	22.8%	$ 140	0.4%
Supplies	5,955	3.5%	1,716	40.5%
Equipment	380	0.2%	103	37.2%
Contractual services	34,391	19.9%	(800)	(2.3%)
Depreciation	48,890	28.4%	1,075	2.2%
Interfund services used	3,106	1.8%	210	7.3%
Other operating expenses	97	0.0%	(4)	(4.0%)
Total operating expenses	132,127	76.6%	2,440	1.9%
Nonoperating expenses:				
Interest expense	40,283	23.4%	158	0.4%
Total nonoperating expenses	40,283	23.4%	158	0.4%
Total expenses	$ 172,410	100.0%	$ 2,598	1.5%

Fiscal year 2014 operating revenues increased 1.5%, or $2,102. This results primarily from Concessions revenue increase of $2,198, an increase in Airfield revenue of $1,417, and a decrease in Terminal and Concourses revenues of $2,630. In addition, nonoperating revenues decreased 5.0%, or $1,394, due primarily to a decrease in Passenger Facility Charges revenue.

Fiscal year 2013 operating revenues increased 6.0%, or $7,905. This results primarily from Terminal and Concourse revenue increase of $1,771 and an increase in Airfield revenue of $3,540. In addition, nonoperating revenues decreased 1.0%, or $381, due primarily to a decrease in Passenger Facility Charges revenue.

Fiscal year 2014 operating expenses increased 3.5%, or $4,666, due to increases in Contractual Services and Depreciation.

Fiscal year 2013 operating expenses increased 1.9%, or $2,440, due to increases in Supplies and Depreciation.

Airline Use Rates and Charges

As of June 30, 2014, the Airport was served by 13 signatory airlines, which have use agreements, of which two are cargo carriers. Sixteen airlines have operating agreements, fifteen are designated as affiliates, and one of which is a cargo carrier. An individual airline that signed a Use and Lease Agreement with the Airport has a contract that establishes how the airlines are assessed annual rates and charges for their use of the Airport. These agreements will expire on June 30, 2016.

(Dollars in thousands, unless otherwise indicated)

Landing and rental fees are calculated on operating and maintenance expenses and are charged to the airlines based upon landing weights or square footage utilized. The amount charged is adjusted based upon actual expenses and actual landed weight. Nonaffiliated airlines with operating agreements and carriers landing without an Airport Agreement are assessed 125% of the landing fee rate assessed carriers with use agreements.

Capital Acquisitions and Construction Activities

During fiscal year 2014, the Airport expended $29,015 on capital activities related to construction in progress. During 2014, completed projects totaling approximately $57,355 were closed from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	$	38,379
Runway improvements		16,576
Roadway improvements		366
Airport Office Building, Banshee Buildings and others		2,034

During fiscal year 2013, the Airport expended $60,552 on capital activities related to construction in progress. During 2013, completed projects totaling approximately $28,268 were closed from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	$	12,616
Runway improvements		13,118
Miscellaneous equipment		12
Roadway improvements		2,024
Airport Office Building, Banshee Buildings and others		498

Capital asset acquisitions and improvements exceeding $10,000 (in dollars) are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal grants, State of Missouri grants, passenger facility charges, debt issuances, and Airport operating revenues. Additional information on the Airport's capital assets and commitments can be found in the notes to the basic financial statements.

Passenger Facility Charges (PFC)

The Airport initially received approval from the FAA to impose a passenger facility charge of $3.00 (in dollars) per enplaned passenger beginning December 1, 1992, not to exceed $131,453, principally to finance the Airport Capital Improvement Program. On December 1, 2001, the Airport received approval to increase the PFC $4.50 (in dollars) per enplaned passenger. The current limitation on passenger facility charges to be collected is $1,006,700.

(Continued)

The PFC is withheld by the respective airline for each ticket or transfer in St. Louis and remitted to the Airport one month after collection, less a $0.11 (in dollars) per ticket operating fee by the airline. PFC revenue is classified as nonoperating revenue.

Long-Term Debt Administration

At June 30, 2014, the Airport had the following bond series outstanding:

Revenue Bonds, Series 1997B, dated August 15, 1997, maturing annually from fiscal year 2001 through 2015 with interest coupon of 6.00%

- Balance outstanding at June 30, 2014 - $ 5,910

Revenue Refunding Bonds, Series 2005, dated July 7, 2005, maturing annually from fiscal year 2013 through 2032 with interest coupon of 5.50%

- Balance outstanding at June 30, 2014 - $ 263,065

Revenue Refunding Bonds, Series 2007A, dated January 23, 2007, maturing annually from fiscal year 2013 through 2033 with interest coupons ranging from 4.25% to 5.25%

- Balance outstanding at June 30, 2014 - $ 209,180

Revenue Refunding Bonds, Series 2007B, dated April 3, 2007, maturing annually from fiscal year 2016 through 2028 with interest coupon of 5.00%

- Balance outstanding at June 30, 2014 - $ 104,735

Revenue Bonds, Series 2009A, dated July 14, 2009, maturing annually from fiscal year 2024 through 2035 with interest coupons ranging from 5.125% to 6.625%

- Balance outstanding at June 30, 2014 - $ 107,240

Revenue Refunding Bonds, Series 2011AB, dated June 30, 2011, maturing annually from fiscal year 2012 through 2016 with interest coupon of 5.00%

- Balance outstanding at June 30, 2013 - $ 13,185

Revenue Refunding Bonds, Series 2012, dated June 30, 2012, maturing annually from fiscal year 2013 through 2033 with interest coupons ranging from 3.00% to 5.00%

- Balance outstanding at June 30, 2014 - $ 29,375

Revenue Refunding Bonds, Series 2013, dated June 30, 2013, maturing annually from fiscal year 2014 through 2019 with interest coupons ranging from 2.00% to 5.00%

- Balance outstanding at June 30, 2014 - $ 31,460

Credit Ratings

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., have assigned ratings of "A3" and "A-" respectively, on the basis of the credit of the Airport.

Requests for Information

These basic financial statements are designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any information provided in this report should be addressed to the Office of the Airport Assistant Director for Finance and Accounting, Lambert – St. Louis International Airport, P. O. Box 10212, St. Louis, Missouri, 63145.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheets

June 30, 2014 and 2013

(Dollars in thousands)

Assets		**2014**	**2013**
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	$	66,461	49,555
Accounts receivable, net		7,072	7,376
Supplies and materials		2,579	2,245
Other current assets		767	558
Total unrestricted assets		76,879	59,734
Restricted assets:			
Cash and cash equivalents		48,644	17,867
Investments		9,713	33,051
Insurance recovery receivable		2,800	4,300
Accrued interest receivable		183	88
Passenger facility charges receivable		2,430	3,638
Government grants receivable		1,487	121
Total restricted assets		65,257	59,065
Total current assets		142,136	118,799
Noncurrent assets:			
Unrestricted:			
Investments		29,781	44,256
Restricted:			
Cash and cash equivalents		14,026	36,031
Investments		114,533	108,312
Capital assets, net		1,631,687	1,650,486
Other assets		1,689	1,689
Total noncurrent assets		1,791,716	1,840,774
Deferred outflow of resources		18,370	21,173
Total assets and deferred outflow of resources	$	1,952,222	1,980,746

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheets

June 30, 2014 and 2013

(Dollars in thousands)

Liabilities and Net Position	**2014**	**2013**
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	$ 20,147	14,718
Unearned revenue and other current liabilities	1,579	717
Due to the City of St. Louis, Missouri	6,460	5,364
Total payable from unrestricted assets	28,186	20,799
Payable from restricted assets:		
Current maturities of revenue bonds payable	37,560	30,465
Accrued interest payable	20,152	20,205
Contracts and retainage payable	8,796	19,509
Total payable from restricted assets	66,508	70,179
Total current liabilities	94,694	90,978
Noncurrent liabilities:		
Revenue bonds payable, net	761,351	803,754
Other long-term liabilities	14,289	14,862
Total noncurrent liabilities	775,640	818,616
Total liabilities	870,334	909,594
Net position:		
Invested in capital assets	884,818	868,452
Restricted:		
Bond reserve funds	96,937	95,625
Passenger facility charges	30,919	29,134
Capital restoration	3,340	7,923
Unrestricted	65,874	70,018
Total net position	1,081,888	1,071,152
Total liabilities and net position	$ 1,952,222	1,980,746

See accompanying notes to basic financial statements.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statements of Revenues, Expenses, and Changes in Fund Net Position

Years ended June 30, 2014 and 2013

(Dollars in thousands)

		2014	2013
Operating revenue:			
Aviation revenue:			
Airfield	$	69,187	67,770
Terminal and concourses		21,604	24,234
Hangars and other buildings		1,093	954
Cargo buildings		482	733
Concessions		25,538	23,340
Parking, net		18,885	17,938
Lease revenue		4,740	4,458
Total operating revenue		141,529	139,427
Operating expenses:			
Personnel services		39,226	39,308
Supplies		6,939	5,955
Equipment		351	380
Contractual services		36,380	34,391
Depreciation		50,269	48,890
Interfund services used		3,557	3,106
Other operating		71	97
Total operating expenses		136,793	132,127
Operating income		4,736	7,300
Nonoperating revenue (expenses):			
Intergovernmental revenue		706	751
Investment revenue		1,569	2,137
Interest expense		(38,265)	(40,283)
Passenger facility charges		24,111	25,060
Other, net		287	119
Total nonoperating expenses, net		(11,592)	(12,216)
Loss before capital contributions, transfers, and extraordinary items, net		(6,856)	(4,916)
Capital contributions		16,318	21,615
Transfers to the City of St. Louis, Missouri		(6,328)	(6,607)
Extraordinary item – Settlement Proceeds		4,872	—
Extraordinary item – Natural disaster		2,730	4,300
Total capital contributions, transfers, and extraordinary items, net		17,592	19,308
Increase in net position		10,736	14,392
Total net position, beginning of year		1,071,152	1,071,301
Cumulative effect of change in accounting principle		—	(14,541)
Total net position, beginning of year, adjusted		1,071,152	1,056,760
Total net position, end of year	$	1,081,888	1,071,152

See accompanying notes to basic financial statements.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statements of Cash Flows

Years ended June 30, 2014 and 2013

(Dollars in thousands)

		2014	2013
Cash flows from operating activities:			
Receipts from customers and users	$	141,113	132,882
Payments to suppliers of goods and services		(38,664)	(40,763)
Payments to or on behalf of employees		(39,536)	(39,374)
Payments for interfund services used		(2,563)	(2,708)
Net cash provided by operating activities		60,350	50,037
Cash flows from noncapital financing activity:			
Transfers to other funds of the City of St. Louis, Missouri		(6,328)	(6,607)
Net cash used in noncapital financing activity		(6,328)	(6,607)
Cash flows from capital and related financing activities:			
Cash collections from passenger facility charges		25,319	24,946
Receipt of federal financial assistance		15,659	27,687
Acquisition and construction of capital assets		(42,184)	(64,610)
Insurance recoveries		2,730	3,000
Proceeds from the sale of surplus property		287	2,123
Cash paid for bond refunding		—	(41,819)
Proceeds from issuance of bond		—	34,839
Principal paid on revenue bond maturities		(30,465)	(30,655)
Interest paid on revenue bonds		(40,357)	(41,804)
Net cash used in capital and related financing activities		(69,011)	(86,293)
Cash flows from investing activities:			
Purchases of investments		(321,678)	(285,232)
Proceeds from sales and maturities of investments		357,124	355,149
Investment income		2,491	2,528
Net cash provided by investing activities		37,937	72,445
Net increase in cash and cash equivalents		22,948	29,582
Cash and cash equivalents:			
Beginning of year:			
Unrestricted		49,555	37,737
Restricted		53,898	36,134
		103,453	73,871
End of year:			
Unrestricted		66,461	49,555
Restricted		62,670	53,898
	$	129,131	103,453
Reconciliation of operating gain to net cash provided by operating activities:			
Operating income	$	4,736	7,300
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation		50,269	48,890
Changes in assets and liabilities:			
Accounts receivable, net		(926)	(6,404)
Supplies and materials		(334)	190
Other assets		(209)	193
Accounts payable and accrued expenses		5,429	(290)
Unearned revenue		862	236
Due to/from the City of St. Louis, Missouri		1,096	495
Other long-term liabilities		(573)	(573)
Total adjustments		55,614	42,737
Net cash provided by operating activities	$	60,350	50,037
Supplemental disclosures for noncash financing activities:			
Unrealized loss on investments	$	(1,019)	(340)
Stock received for bankruptcy settlement		4,682	—

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

The Lambert – St. Louis International Airport (the Airport) is owned and operated by the City of St. Louis, Missouri (the City). The Airport is an enterprise fund of the City, and therefore, the basic financial statements of the Airport are not intended to present the financial position, changes in financial position, and cash flows of the City as a whole in conformity with U.S. generally accepted accounting principles.

(a) Basis of Accounting

Governmental enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Airport prepares its financial statements in accordance with U.S. generally accepted accounting principles for governmental enterprise funds, which are similar to those for private business enterprises. Accordingly, the economic resource measurement focus and the accrual basis of accounting are used whereby revenues are recorded when earned and expenses are recorded when incurred.

In reporting its financial activity, the Airport applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish accounting and financial reporting standards that reclassify and recognize, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In adopting this standard, the Airport recognized the effect of a change in accounting principle as of July 1, 2012, which decreased net position by $14,541 for prior period's capitalized bond issue costs, which were previously reported as "Deferred bond issue costs, net" on the Balance Sheet. Future bond issue costs will be included in interest expense when incurred. The Airport also changed the classification of the difference between the carrying value of defeased debt offsetting new debt, "Deferred amounts due on refunding" to a deferred outflow of resources from long-term debt. The pronouncement also limited the use of the term deferred to deferred outflows of resources.

Enterprise 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 an enterprise fund's ongoing operations. Revenues from airlines, concessions, and parking are reported as operating revenues. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. All expenses related to operating the Airport are reported as operating expenses. Interest expense, financing costs, and losses on the disposal of capital assets are reported as nonoperating expenses.

(b) Accounts Receivable

Accounts receivable at June 30, 2014 and 2013 consist of $7,072 and $7,376, respectively, due from air carriers and concessionaires with operations at the Airport. Such amounts are recorded net of allowances for uncollectible accounts of $95 and $104 at June 30, 2014 and 2013, respectively.

(c) Supplies and Materials

Supplies and materials represent items used in support of operations and maintenance of the Airport. Supplies and materials amounts are recorded at cost using a method that approximates the first-in, first-out method.

(d) Passenger Facility Charges (PFCs)

The Airport collects a $4.50 (in dollars) facility charge per enplaned passenger to fund approved FAA projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an $0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction, and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2014 and 2013 were $2,430 and $3,638, respectively. These amounts were collected during July and August of 2014 and 2013, respectively.

(e) Capital Assets

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

Airport management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred (note 12). Such events or changes in circumstances that were considered by Airport 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.

(f) Interest Expense

Bond discounts and bond premiums are recorded as reductions of or additions to the related debt obligation as appropriate. Such amounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bond issuance costs were treated the same, but have been revised in accordance with GASB 65, which states that this cost should be recognized as an outflow of resources and expensed rather than amortized. Fiscal year 2013 has been restated to reflect this adoption of accounting principle. See note (1)(a) and (6).

(g) Other Assets

Other assets, as of June 30, 2014 and 2013, comprise an advance of $1,689 provided to the Airport's parking contractor and will be repaid to the Airport at the conclusion of the parking contract.

(h) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2014 and 2013 comprise $5,082 and $5,228, respectively, of accrued salaries and benefits; $14,223 and $8,678, respectively, due to vendors and contractors; and $842 and $812, respectively, of other accrued expenses.

(i) Vacation and Sick Leave Benefits

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave. Employees 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 accompanying financial statements within other long-term liabilities representing one-half of the accumulated sick leave balances for those employees who will be eligible to retire within five years. The liability totaled $1,639 and $1,781 as of June 30, 2014 and 2013, respectively, and is included in other long-term liabilities.

The vacation liability reflects amounts attributable to employee services already rendered and are cumulative. The liability totaled $3,105 and $3,252 as of June 30, 2014 and 2013, respectively, and is included in accounts payable and accrued expenses.

(j) Capital Contributions and Intergovernmental Revenue

Capital contributions represent government grants and other aid used to fund capital projects. Generally, capital contributions are recognized when the related expenditure is made and amounts become subject to claim for reimbursement. Certain Airport Improvement Program grants include look-back provisions, which allow the Airport to seek reimbursement for expenditures incurred prior to the respective Airport Improvement Program grant award date. In such circumstances, the Airport recognizes capital contributions for such grants upon meeting both the applicable eligibility requirements established by GASB Statement No. 33, *Accounting for Nonexchange Transactions*, and upon the designation of expenditures as eligible Airport Improvement Program expenditures as evaluated through the report date of the accompanying financial statements. Amounts received from other governments that are not restricted for capital purposes are reflected as nonoperating intergovernmental revenue.

(k) Statements of Cash Flows

For purposes of the statements of cash flows, "cash and cash equivalents" is defined as all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

(l) Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(m) Reclassifications

Certain prior year amounts have been reclassified to conform to current year amounts.

(2) Cash and Investments

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.

The Airport deposits all cash with the Office of the Treasurer of the City, which maintains all banking relationships for the Airport. Additionally, all investment decisions are made by the City Treasurer and the City's agents.

Certificates of deposit are defined as investments for balance sheet 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 and cash equivalents on the balance sheet, but as investments for custodial risk disclosure.

The Airport's current assets contemplate the exclusion of resources that are restricted as to withdrawal or use for other than current operations, are designated for expenditure in the acquisition or construction of noncurrent assets, or are segregated for the liquidation of long-term debts (except for maturing debt that is recorded as a current liability).

(Dollars in thousands, unless otherwise indicated)

As of June 30, 2014 and 2013, the Airport had the following cash deposits and investments:

		2014	2013
Federal Home Loan Bank	$	47,075	51,190
Federal National Mortgage Association		17,003	26,138
Federal Home Loan Mortgage Corporation		31,944	29,516
Federal National Mortgage Pool		2,511	14,545
Federal Farm Credit Discount Notes		—	2,498
Federal Agricultural Mortgage Corp.		—	17,239
U.S. Treasury Bills and Notes		54,446	43,459
Government Backed Trusts		1,048	1,034
Money Market Mutual Funds		50,171	39,509
Certificates of deposit		—	23,830
Other cash deposits		51,055	40,114
Commercial Paper		27,905	—
	$	283,158	289,072

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 United States Government or any agency or instrumentality thereof; bonds of the State of Missouri, the City of St. Louis, Missouri, 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 United States Treasury obligations or obligations of the United States 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.

(a) Interest Rate Risk

The Airport seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the City Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years, and up to 30 years with the approval of the Treasurer.

(Dollars in thousands, unless otherwise indicated)

The investments had the following maturities on June 30, 2014:

		Investment maturities (in years)		
	Fair value	Less than 1	1–5	6–10
Federal Home Loan Bank	$ 47,075	13,414	33,661	—
Federal National Mortgage				—
Association	17,003	3,241	13,762	—
Federal Home Loan Mortgage Corporation	31,944	22,530	9,414	—
Commercial Paper	27,905	27,905	—	—
U.S. Treasury Bills and Notes	54,446	119	54,327	—
Federal National Mortgage Pool	2,511	2,511	—	—
Government Backed Trusts	1,048	1,048	—	—
Money Market Mutual Funds	50,171	50,171	—	—
	$ 232,103	120,939	111,164	—

The investments had the following maturities on June 30, 2013:

		Investment maturities (in years)		
	Fair value	Less than 1	1 – 5	6 – 10
Federal Home Loan Bank	$ 51,190	48,756	2,434	—
Federal National Mortgage Association	26,138	5,967	20,171	—
Federal Home Loan Mortgage Corporation	29,516	25,169	4,347	—
Federal Farm Credit Discount Notes	2,498	2,498	—	—
Federal Agricultural Mortgage Corporation	17,239	17,239	—	—
U.S. Treasury Bills and Notes	43,459	38,799	4,660	—
Federal National Mortgage Pool	14,545	14,545	—	—
Government Backed Trusts	1,034	—	1,034	—
Money Market Mutual Funds	39,509	39,509	—	—
	$ 225,128	192,482	32,646	—

(b) Credit Risk

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, unless otherwise indicated)

The investments had the following ratings on June 30, 2014:

	Fair value	Investment Ratings (Standard and Poor's) AAA	A-1+	A-1	AA+	Not Rated
Federal Home Loan Bank	$ 47,075	—	—	—	46,576	499
Federal National Mortgage Association	17,003	—	—	—	17,003	—
Federal Home Loan Mortgage Corporation	31,944	—	—	—	24,621	7,323
Commercial Paper	27,905	—	8,952	18,953	—	—
Federal National Mortgage Pool	2,511	—	—	—	—	2,511
U.S. Treasury Bills and Notes*	54,446	—	—	—	—	54,446
Government Backed Trusts	1,048	—	—	—	1,048	—
Money Market Mutual Funds	50,171	50,171	—	—	—	—
	$ 232,103	50,171	8,952	18,953	89,248	64,779

* The Airport's investments in U.S. Treasury Bills and Notes are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

The investments had the following ratings on June 30, 2013:

	Fair value	Investment Ratings (Standard and Poor's) AAA	A-1+	AA+	Not Rated
Federal Home Loan Bank	$ 51,190	—	12,923	38,267	—
Federal National Mortgage Association	26,138	—	2,962	23,176	—
Federal Home Loan Mortgage Corporation	29,516	—	25,170	4,346	—
Federal Farm Credit Discount Notes	2,498	—	—	2,498	—
Federal National Mortgage Pool	14,545	—	—	—	14,545
U.S. Treasury Bills and Notes*	43,459	—	—	—	43,459
Government Backed Trusts	1,034	—	—	1,034	—
Money Market Mutual Funds	39,509	39,509	—	—	—
Federal Agricultural Mortgage Corporation	17,239	—	—	—	17,239
	$ 225,128	39,509	41,055	69,321	75,243

* The Airport's investments in U.S. Treasury Bills and Notes are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

(c) Custodial Credit Risk

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

(Dollars in thousands, unless otherwise indicated)

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 U.S. or an agency or instrumentality of the U.S., bonds of the State of Missouri, or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2014 and 2013, all Airport investments and all collateral securities pledged against Airport deposits are held by the counterparty's trust department or agent in the City's name.

(d) Concentration of Credit Risk

The Investment Policy of the City provides that, with the exception of U.S. Treasury Securities, 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. The Airport has no separate policy related to the concentration of credit risk, and the Airport's concentration of credit risk is considered in conjunction with the review of the concentration of credit risk for the City's total investment portfolio.

At June 30, 2014, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal Home Loan Bank	20.28%
Federal National Mortgage Assoc.	7.33
Federal Home Loan Mortgage Corp.	13.76
Commercial Paper	12.02
U.S. Treasury Bills and Notes	23.46
Federal National Mortgage Pool	1.08
Government Backed Trusts	0.45
Money Market Mutual Funds	21.62
	100.00%

(Dollars in thousands, unless otherwise indicated)

At June 30, 2013, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal Home Loan Bank	22.74%
Federal National Mortgage Assoc.	11.61
Federal Home Loan Mortgage Corp.	13.11
Federal Farm Credit Discount Notes	1.11
U.S. Treasury Bills and Notes	19.30
Federal National Mortgage Pool	6.46
Government Backed Trusts	0.46
Money Market Mutual Funds	17.55
Federal Agricultural Mortgage Corp.	7.66
	100.00%

(3) Restricted Assets

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2014 and 2013:

		2014	2013
Airport Bond Fund:			
Debt Service Account	$	58,357	50,919
Debt Service Reserve Account		38,396	44,618
Airport Renewal and Replacement Fund		3,500	3,500
Passenger Facility Charge Fund		28,488	25,496
Airport Debt Service Stabilization Fund		38,211	38,211
Airport Construction Fund		17,999	30,508
Drug Enforcement Agency Funds		1,965	2,009
	$	186,916	195,261

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:

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

(b) 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.

(Continued)

(c) 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.

(d) Arbitrage Rebate Fund: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable

(e) Subordinated Indebtedness: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness

(f) 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.

(g) A subaccount 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 subaccount 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 subaccount 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.

(h) 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).

(i) 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.

(Dollars in thousands, unless otherwise indicated)

Passenger Facility Charge Fund and Drug Enforcement Agency Funds are restricted in accordance with program agreements.

(4) Capital Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2014:

	Balances, June 30, 2013	Additions	Retirements	Transfers	Balances, June 30, 2014
Capital assets being depreciated:					
Pavings	$ 990,503	—	—	16,942	1,007,445
Buildings and facilities	533,992	—	—	40,413	574,405
Equipment	78,816	3,271	(802)	—	81,285
	1,603,311	3,271	(802)	57,355	1,663,135
Less accumulated depreciation:					
Pavings	(404,461)	(30,674)	—	—	(435,135)
Buildings and facilities	(338,032)	(16,112)	—	—	(354,144)
Equipment	(54,484)	(3,483)	654	—	(57,313)
Total accumulated depreciation	(796,977)	(50,269)	654	—	(846,592)
Total capital assets being depreciated	806,334	(46,998)	(148)	57,355	816,543
Capital assets not being depreciated:					
Land	751,517	89	—	—	751,606
Construction in progress	89,129	29,015	(757)	(57,355)	60,032
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	844,152	29,104	(757)	(57,355)	815,144
	$ 1,650,486	(17,894)	(905)	—	1,631,687

(Dollars in thousands, unless otherwise indicated)

Following is a summary of the changes in capital assets for the year ended June 30, 2013:

	Balances, June 30, 2012	Additions	Retirements	Transfers	Balances, June 30, 2013
Capital assets being depreciated:					
Pavings	$ 975,361	—	—	15,142	990,503
Buildings and facilities	520,878	—	—	13,114	533,992
Equipment	74,582	4,366	(144)	12	78,816
	1,570,821	4,366	(144)	28,268	1,603,311
Less accumulated depreciation:					
Pavings	(374,411)	(30,050)	—	—	(404,461)
Buildings and facilities	(322,529)	(15,503)	—	—	(338,032)
Equipment	(51,289)	(3,337)	142	—	(54,484)
Total accumulated depreciation	(748,229)	(48,890)	142	—	(796,977)
Total capital assets being depreciated	822,592	(44,524)	(2)	28,268	806,334
Capital assets not being depreciated:					
Land	751,356	161	—	—	751,517
Construction in progress	58,496	60,552	(1,651)	(28,268)	89,129
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	813,358	60,713	(1,651)	(28,268)	844,152
	$ 1,635,950	16,189	(1,653)	—	1,650,486

Construction in progress as of June 30, 2014 consists of various improvements to the airfield and terminal buildings, as well as property purchased on which the Airport’s expansion facilities will be constructed.

The estimated useful lives of capital assets are as follows:

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

(Dollars in thousands, unless otherwise indicated)

(5) Change in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2014:

	Balance, June 30, 2013	Additions	Reductions	Balance, June 30, 2014	Due within one year
Revenue bonds payable (note 6)	$ 794,615	—	(30,465)	764,150	37,560
Unamortized discounts and premiums (note 6)	39,604	—	(4,843)	34,761	—
Net pension obligation (note 14)	1,733	—	(26)	1,707	—
Pension Funding Project (note 14)	5,254	—	(97)	5,157	103
Other long-term liabilities	438	—	(18)	420	—
Accrued vacation, compensatory, and sick time benefits	5,465	3,497	(3,827)	5,135	3,497
Unearned lease revenues	5,751	—	(281)	5,470	—
Total	$ 852,860	3,497	(39,557)	816,800	41,160

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2013:

	Balance, June 30, 2012	Additions	Reductions	Balance, June 30, 2013	Due within one year
Revenue bonds payable (note 6)	$ 833,960	31,460	(70,805)	794,615	30,465
Unamortized discounts and premiums (note 6)	41,116	3,379	(4,891)	39,604	—
Net pension obligation (note 14)	1,759	—	(26)	1,733	—
Pension Funding Project (note 14)	5,345	—	(91)	5,254	97
Other long-term liabilities	461	—	(23)	438	—
Accrued vacation, compensatory, and sick time benefits	5,636	3,684	(3,855)	5,465	3,682
Unearned lease revenues	6,031	—	(280)	5,751	—
Total	$ 894,308	38,523	(79,971)	852,860	34,244

(Continued)

(Dollars in thousands, unless otherwise indicated)

(6) Revenue Bonds Payable

Bonds outstanding at June 30, 2014 and 2013 are summarized as follows:

		2014	2013
Bond Series 1997B, interest rate of 6%, payable in varying amounts through 2015	$	5,910	11,515
Bond Series 2002, Series A, interest rates ranging from 4.00% to 5.25%, payable in varying amounts through 2014		—	1,760
Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032		263,065	263,695
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033		209,180	222,605
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028		104,735	104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.625%, payable in varying amounts through 2035		107,240	107,240
Bond Series 2011AB, interest rate of 5.00%, payable in varying amounts through 2016		13,185	20,210
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033		29,375	31,395
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019		31,460	31,460
		764,150	794,615
Less:			
Current maturities		(37,560)	(30,465)
Unamortized discounts and premiums		34,761	39,604
		(2,799)	9,139
	$	761,351	803,754

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

On June 30, 2013, the Airport issued $31,460 in Series 2013 Revenue Refunding Bonds payable in varying amounts from 2014 through 2019 with interest rates ranging from 2% to 5%. At June 30, 2013, $40,150 of 2003 A Series Revenue Refunding bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements.

The Airport completed the advance refunding to reduce its total debt services payments over the next five years by $10,383 and to obtain an economic gain (difference between the present value of the old and new debt services payments) of $3,365.

(Dollars in thousands, unless otherwise indicated)

Debt-Related Items Presented as Deferred Outflows of Resources

In accordance with GASB 65, the loss on bond defeasance has been recorded as a deferred outflow of resources, net of the accumulated amortization and will be recognized as a component of interest expense using the bonds outstanding method over the life of the new bonds or of the old bonds, whichever is less. The detail of the debt-related items recognized as deferred outflows of resources is presented below:

Debt-Related Deferred Outflow of Resources

		2014	2013
Loss on bond defeasance	$	18,370	21,173
Deferred outflow of resources	$	18,370	21,173

Management is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2014 and 2013.

As of June 30, 2014, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

		Principal	Interest	Total
Year(s) ending June 30:				
2015	$	37,560	39,457	77,017
2016		39,785	37,565	77,350
2017		38,400	35,551	73,951
2018		40,475	33,475	73,950
2019		42,585	31,283	73,868
2020–2024		194,245	126,127	320,372
2025–2029		209,930	73,670	283,600
2030–2034		151,875	19,616	171,491
2035		9,295	308	9,603
	$	764,150	397,052	1,161,202

In prior years, the Airport advance-refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements. At June 30, 2014 and 2013, $397,750 of these outstanding bonds related to 1992, 1997A, and 2001A Series is considered defeased, and $459,290 of these outstanding bonds related to the 1992, 1997A, 2001A, and 2003A Series is considered defeased.

(Dollars in thousands, unless otherwise indicated)

(7) Use Agreements and Leases with Signatory Air Carriers

Effective July 1, 2011, the Airport entered into long-term use and lease agreements with signatory air carriers that will expire on June 30, 2016. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

(a) Landing fees are calculated based on estimated operating and maintenance expenses of the airfield and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue – airfield.

(b) Rentals are calculated based on estimated operating and maintenance expenses of the terminal and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage utilized. Rental revenue is adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue – terminal and concourses, hangars and other buildings, or cargo buildings.

(c) Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal years 2014 and 2013, revenues from signatory air carriers accounted for 54.6% and 55.4%, respectively, 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 years ended June 30, 2014 and 2013:

	2014		
	Signatory	**Nonsignatory**	**Total**
Airfield	$ 57,261	11,926	69,187
Terminal and concourses	19,306	2,298	21,604
Hangars and other buildings	513	580	1,093
Cargo buildings	127	355	482
	$ 77,207	15,159	92,366

(Dollars in thousands, unless otherwise indicated)

		2013		
		Signatory	**Nonsignatory**	**Total**
Airfield	$	54,901	12,869	67,770
Terminal and concourses		21,597	2,637	24,234
Hangars and other buildings		384	570	954
Cargo buildings		291	442	733
	$	77,173	16,518	93,691

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.

(8) Use Agreement with Signatory Air Carriers – Southwest Airlines and American Airlines, Inc.

Southwest Airlines (Southwest) and American Airlines, Inc. (American) and represent the major air carriers providing air passenger service at the Airport.

Southwest provided 28% and 27% of the Airport's total operating revenues and 51% and 49% of total revenues from participating air carriers for the fiscal years ended June 30, 2014 and 2013, respectively. Accounts receivable at June 30, 2014 and 2013 contained $708 and $143, respectively, relating to amounts owed to the Airport by Southwest. These amounts include $274 of unbilled aviation revenues at June 30, 2014 and $414 of unbilled aviation revenue credits at June 30, 2013.

American provided 10% and 11% of the Airport's total operating revenues and 18% and 20% of total revenues from signatory air carriers for the fiscal years ended June 30, 2014 and 2013, respectively. Accounts receivable at June 30, 2014 and 2013 contained $544 and $1,002, respectively, relating to amounts owed to the Airport by American. These amounts include $191 of unbilled aviation revenue credits at June 30, 2014 and $95 of unbilled aviation revenues at June 30, 2013.

(Dollars in thousands, unless otherwise indicated)

(9) Operating Leases

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(s) ending June 30:		
2015	$	22,949
2016		20,926
2017		20,448
2018		20,246
2019		20,193
2020–2024		36,170
2025–2029		9,920
2030–2034		8,909
2035–2038		575
Total minimum future rentals	$	160,336

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $739 and $2,997 for the years ended June 30, 2014 and 2013, respectively.

Unearned lease revenues included in other long-term liabilities in the amount of $5,470 and $5,751 as of June 30, 2014 and 2013, respectively, represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under noncancelable arrangements that expire at various dates through September 2018. Expenses for operating leases and service agreements were $66 and $98 for the years ended June 30, 2014 and 2013, respectively. Future minimum payments are as follows:

Year ending June 30:		
2015	$	45
2016		37
2017		20
2018		7
2019		1
Total minimum future rentals	$	110

(10) Concessions Revenues

During fiscal years 2014 and 2013, revenues from concessionaires accounted for 18% and 17%, respectively, of total Airport operating revenues.

(Dollars in thousands, unless otherwise indicated)

Following is a summary of rental revenues received by type of concessionaire for the years ended June 30, 2014 and 2013:

		2014	2013
Advertising	$	1,387	1,429
Transportation services		1,135	1,129
Automobile rental		11,667	11,311
General merchandise sales		4,805	2,983
Food and catering services		4,624	4,465
Other		1,920	2,023
	$	25,538	23,340

(11) Parking Revenue, net

Parking revenues, net represents revenues collected in conjunction with the operations of the Airport parking facilities, net of related expenses. Gross parking revenue and parking expenses for the years ended June 30, 2014 and 2013 are as follows:

		2014	2013
Parking revenues	$	30,078	28,282
Parking expenses		(11,193)	(10,344)
Parking revenues, net	$	18,885	17,938

(12) Impairment of Capital Assets

Airport management performed an evaluation of capital assets, including whether prominent events or changes in circumstances affecting capital assets occurred, which may be indicative of impairment. As a result of evaluation of capital assets performed, and subsequent measurement of potential impairment losses, the Airport did not identify any impairments of capital assets during the years ended June 30, 2014 and 2013.

(13) Related-Party Transactions

During the years ended June 30, 2014 and 2013, the City charged the Airport $2,683 and $2,560, respectively, for services rendered by various City departments, which are included in the Airport's operating expenses as interfund services used.

Each year, the Airport pays the City a gross receipts tax equal to 5% of the Airport's gross receipts. During the years ended June 30, 2014 and 2013, gross receipts tax amounted to $6,328 and $6,607, respectively, and is reflected as transfers-out in the accompanying basic financial statements. As of June 30, 2014 and 2013, $4,600 and $3,184, respectively, remain unpaid.

(Continued)

(14) Retirement Plans

All employees of the Airport are covered by the following Citywide employee retirement plans. Financial information has been taken directly from the financial statements that were audited by other auditors and whose reports have been furnished to us. The employees of the Airport Fire Department are covered by the Firemen's Retirement System of St. Louis (FRS), a single-employer defined-benefit retirement plan. Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) and Judge Dierker's ruling (Board Bill 109) replaced the FRS with a new retirement system, The Firefighters' Retirement Plan (FRP). All other employees are covered by the Employees' Retirement System of the City of St. Louis (Employees' System), a cost-sharing, multiple-employer, public defined-benefit retirement plan. Each system is administered by a separate Board of Trustees, members of which are appointed by City officials and plan participants.

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

(a) System Description

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

The following disclosures are based on the September 30, 2013 financial statements and the October 1, 2013 actuarial valuation. The valuation as of October 1, 2013, reflects the changes attributable to Ordinances #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the FRS are as follows:

- FRS is frozen as of February 1, 2013. That is, benefits paid from FRS will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in FRS are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013 are not members of FRS.
- Vesting and eligibility service earned after February 1, 2013 in the newly established Firemen's Retirement Plan of St. Louis (FRP) will count toward vesting and eligibility service in FRS.
- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid form the newly established FRP to the extent that benefits do not depend on service earned prior to February 1, 2013.
- Employer contributions to the frozen FRS will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013 from "grandfathered" participants in FRS will be paid to the FRP.

- Grandfathered members with 20 or more years of service as of February 1, 2013 are eligible to retire with unreduced FRP 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 FRP benefits if retirement commences before age 55.

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

- Since benefits paid under FRS will no longer depend on future salary increases, future salary increase assumptions have been eliminatd 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 FRS frozen benefit relating to service and pay as of February 1, 2013 will be used to offset postretirement survivor benefits paid under FRP.
- 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 FRS 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 FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess FRS City contributions will be transferred from FRS to FRP equal to the FRP City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess FRS City contribution may be credited towards the FRS Entry Age Normal Agreement (Fireman's Retirement EAN Note). The valuation as of October 1, 2013 does not consider any transfer or credit of excess FRS contributions discussed above.

The FRS, 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.

(Continued)

(Dollars in thousands, unless otherwise indicated)

At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, are available to the member in a lump sum or in installments.

(b) Funding Policy

Firefighters contributed 8% of their salary to the FRS, 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 FRS.

(c) Annual Pension Cost

Contributions of $2,067 were made to the FRS by the Airport during the fiscal year ended June 30, 2014. The contribution consisted of $2,067 of normal cost, plus $0 in unfunded actuarial accrued liability amortization payments in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at October 1, 2013. The following were some of the significant actuarial assumptions used in the valuation of the Firemen's System:

Valuation date	October 1, 2013
Actuarial cost method	Entry Age – Frozen Initial Liability
Amortization method	30-year closed period from establishment
Remaining amortization period	Various
Asset valuation methods	3-year smoothed market
Inflation rate	3.000%, per year
Investment rate of return	7.625%
Projected salary increases	None
Projected post-retirement benefit increases:	
Under age 60:	
20–24 service years	1.50% per year
25–29 service years	2.25% per year
30 or more service years	3.00% per year
Over age 60	3.00% per year, maximum cumulative increase of 25%

Three year trend information – Airport portion of FRS

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	$ 2,067	100%	$ —
2013	2,118	100	—
2012	2,307	100	—

(Dollars in thousands, unless otherwise indicated)

(d) Funded Status

The funded status for the FRS as a whole as of October 1, 2013 and 2012 is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date		Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio		Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$	459,116	459,116	—	100.0%	$	34,266	—%
10/1/2012		427,124	453,529	(26,405)	94.2		36,013	73.3

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multi-year trend information about whether the actuarial value of plan assets for the Firemen's System as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Firefighter's Retirement Plan (FRP)

(a) System Description

The FRP administers a single-employer defined-benefit pension plan providing pension benefits to the City of St. Louis firemen.

The FRP 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 Retirement System of St. Louis (FRS) were frozen. The Firefighters' Retirement Plan of the City of St. Louis (FRP) 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 FRS counts toward benefit accruals under the FRP, but benefits attributable to such services are offset by the benefits payable by the FRS. Under the FRP, 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 FRS.

The FRP provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of

February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

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

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

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

(b) Funding Policy

A grandfathered member with at least 20 years of service as of February 1, 2013 contribute 8% of their salary, after tax. All other members contribute 9% of their salary, pretax. The City is required to contribute the remaining amounts necessary to fund FRP. 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 FRP made on or after the inception of the FRP 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 FRP by a grandfathered member with at least 20 years of service as of inception who receives a service retirement benefit are refundable without interest.

(Dollars in thousands, unless otherwise indicated)

An agreement between the City and FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess FRS City contributions will be transferred from FRS to FRP equal to the FRP City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess FRS City contribution may be credited towards the FRS Entry Age Normal Agreement (Fireman's Retirement EAN Note).

(c) Annual Pension Cost

There were no contributions made to the FRP by the Airport during the fiscal year ended June 30, 2014. The following were some of the significant actuarial assumptions used in the valuation of the FRP:

Valuation date	October 1, 2013
Actuarial cost method	Entry-age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30-year closed period from February 1, 2013
Asset valuation method	Market value
Inflation rate	3.000%
Investment rate of return	7.625%
Projected salary increases	Varies by age, ranging from 3.35% to 5.50%
Cost-of-living adjustments	For members hired after February 1, 2013, 3% per year with a maximum of 25% in increases

Trend information – Airport's portion of FRP

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	$ —	—%	$ *

* The net pension obligation for FRP was not pushed down from the City to the Airport for fiscal year 2014. The Airport's portion of the net pension obligation is estimated to be $894 for fiscal year 2014.

(Dollars in thousands, unless otherwise indicated)

(d) Funded Status

The funded status for the FRP as a whole as of October 1, 2013, the initial actuarial valuation date, is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$ 1,505	59,755	(58,250)	2.5%	$ 34,979	166.5%

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multiyear trend information about whether the actuarial value of plan assets for the FRP as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

(a) System Description

All nonuniformed employees of the Airport 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 to 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 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 20 years of creditable service; or at any age after 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 (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost-of-living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of September 30 for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

(b) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when 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 net assets are financed from plan additions. The Board of Trustees established the required employer-contributions-rate-based active member payroll of 15.56% effective July 1, 2013, and 14.27% of active member payroll effective July 1, 2012.

Employees who became members of the Employees' System prior to October 14, 1977, and continue 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.

(Dollars in thousands, unless otherwise indicated)

(c) *Annual Pension Cost*

The Airport's allocation of the City's annual pension cost and net pension obligation to the Employees' System for the years ended June 30, 2014 and 2013 are as follows:

		2014	2013
Annual required contribution	$	3,367	3,129
Interest on net pension obligation		139	141
Adjustment to annual required contribution		(154)	(156)
Annual pension cost		3,352	3,114
Contributions made		(3,378)	(3,140)
Decrease in net pension obligation		(26)	(26)
Net pension obligation, beginning of year		1,733	1,759
Net pension obligation, end of year	$	1,707	1,733

The net pension obligation of $1,707 and $1,733 as of June 30, 2014 and 2013, respectively, are reflected as other long-term liabilities in the accompanying financial statements. During fiscal year 2008, the City of St. Louis Municipal Finance Corporation issued $140,030, in Taxable Leasehold Revenue and Refunding Bonds Series 2007 (Pension Funding Project), of which $46,700 was used to fund the Employees System. While the Airport is not legally responsible for these bonds, $5,510 of the bond proceeds was allocated to the Airport. As of June 30, 2014 and 2013, $103 and $97, respectively, is recorded as accounts payable and accrued expenses, which reflects the portion of the liability due in one year. In addition, as of June 30, 2014 and 2013 a $5,054 and $5,157, respectively, liability is reflected as part of other long-term liabilities on the balance sheet and is payable to the City of St. Louis by June 30, 2037.

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

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar amount for unfunded liability, open
Remaining amortization period	30 years as of October 1, 2013
Asset valuation method	5-year smoothed market
Inflation rate	3.125%
Investment rate of return	8.00%
Projected salary increases	Varies by age, ranging from 3.500% to 7.017%
Cost-of-living adjustments	3.125% per year, simple with a 25% lifetime cap

(Dollars in thousands, unless otherwise indicated)

Three-year trend information – Airport's portion of ERS

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	$ 3,352	100.78%	$ 1,707
2013	3,114	100.83	1,733
2012	2,824	100.57	1,759

(d) Funded Status

The funded status for the Employees' System as a whole as of October 1, 2013 and 2012 is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$ 685,397	889,449	(204,052)	77.1%	$ 224,623	90.8%
10/1/2012	653,002	866,890	(213,888)	75.3	224,822	95.1

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multiyear trend information about whether the actuarial value of plan assets for the Employees' System as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(15) Commitments and Contingencies

At June 30, 2014, the Airport had outstanding commitments amounting to approximately $28,313 resulting primarily from contracts for construction projects. In addition, the Airport has $24,205 in outstanding commitments resulting from service agreements.

In connection with federal grant programs, the Airport is obligated to administer the related programs, 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 Airport to refund program moneys.

Finally, certain lawsuits were pending against the City that involved the Airport. In the opinion of Airport officials and legal counsel, these actions are not expected to have a material effect, individually or in the aggregate, on the financial position or results of operations of the Airport.

(16) Risk Management

The Airport 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 Airport participates in the Public Facilities Protection Corporation (PFPC), an internal service fund of the City of St. Louis, Missouri. The purpose of PFPC is to account for risks in which the City is self-insured, primarily workers' compensation, unemployment benefits, certain general liability, and various other claims and legal actions. All self-insured claims liabilities and payments are recorded in PFPC. The Airport reimburses PFPC for workers' compensation claims on a cost-reimbursement basis. During the years ended June 30, 2014 and 2013, expenses related to the Airport's participation in PFPC amounted to $874 and $547, respectively, and are reflected as interfund services used in the accompanying basic financial statements. At June 30, 2014 and 2013, the Airport owed PFPC $1,860 and $2,180, respectively, for unreimbursed workers' compensation claims.

The Airport purchases commercial insurance for other risks it considers significant, including general liability, public officials' liability, property damage, employee honesty bond, business auto, and insurance on its fine arts. Settled claims did not exceed commercial coverage in any of the last three years.

(17) Pledged Revenues

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of $764,150 in various long-term debt issuances, as outlined in note 6. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2014, the total principal and interest remaining to be paid on the bonds is $1,161,202. Principal and interest paid was $76,783 and $73,001 for the years ended June 30, 2014 and 2013, respectively. The pledged net revenue recognized for the year ended June 30, 2014 and 2013 was $91,932 and $91,157, respectively.

(18) Extraordinary Item – Natural Disaster

On April 22, 2011, the Airport sustained a direct hit on Concourse C, in Terminal 1, from an F-4 Tornado. There was also additional damage to other areas of Terminal 1 as well as the parking lots and surrounding areas of the Airport. As of June 30, 2014, most of the rebuilding of Concourse C and other damaged areas were complete. Concourse C was reopened on April 2, 2012. Representatives for Lexington Insurance Company and the Airport continue to work together to approve and process claims. In addition, the Federal Emergency Management Agency (FEMA) has approved a reimbursement of 75% of the Airport's $100 insurance deductible.

In addition, on May 31, 2013, the Airport sustained additional damage from another tornado. Lexington Insurance Company advanced the Airport $2,000 to cover storm-related repairs. In addition, the Airport received an additional $2,500 during fiscal year 2014.

On August 31, 2013, the Airport sustained additional damage from a wind storm. Lexington Insurance Company paid the Airport $230 in insurance proceeds during fiscal year 2014.

Extraordinary Item – Settlement Proceeds

American Airlines' parent AMR Corp. emerged from Chapter 11 Bankruptcy protection on December 9, 2013. The Airport had an unsecured claim for $4,568 that was granted under the Settlement Agreement. The Airport received preferred stock in FY 2014 and sold it for $4,758 in cash. This was a net increase of $190.

Additionally, in fiscal year 2014, the Treasurer's Office had its broker State Street arrange for the transfer and redemption of 1,650 shares of Delta Air Lines, Inc. (DAL) common stock in connection with the emerging of DAL from bankruptcy in 2007. The Airport received $114 in proceeds from the settlement of the shares.

(19) Subsequent Event

In July 2014, the annual required contribution for the FRS for the year ended September 30, 2013, as determined by the October 1, 2012 actuarial valuation, was recalculated by the FRS actuary, as mutually agreed to by the City and the FRS Plan. The recalculation recognized that all benefit accruals for years of service and salary increases after February 1, 2013 are frozen under the FRS. The calculation further recognized that the FRP plan would bear the liability for all benefit accruals based upon years of service or salary increases after February 1, 2013. The mutual agreement was that once the recalculation was performed, the FRS would transfer to the FRP $6,883. In July 2014, the FRS transferred $6,883 of cash to the FRP.

Schedule I

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Analysis of Cash and Investment Accounts

Year ended June 30, 2014

(Dollars in thousands)

	Unrestricted			Unrestricted Funds Designated		RestrictedHeld by trustee bond fund		Restricted Other restricted funds					
	Revenue fund	**Revenue fund subaccount**	**Operation and maintenance fund**	**Development fund (ADF)/ Debt Service Stabilization fund (DSSF)**	**Construction fund**	**Debt service account**	**Debt service reserve account**	**Renewal and replacement fund**	**Passenger facility charge fund**	**Stabilization fund**	**Construction fund**	**DEA fund**	**Total**
Balance at June 30, 2013	$ 14,139	2,398	7,195	70,019	60	50,919	44,618	3,500	25,496	38,211	30,508	2,009	289,072
Cash deposited with City Treasurer	156,118	—	—	—	—	—	—	—	25,319	—	—	—	181,437
Cash receipts	—	—	—	—	—	1,354	600	—	96	—	—	64	2,114
Transfer in accordance with ordinance	(142,049)	6,328	94,977	(12,254)	—	81,347	(6,184)	—	(22,423)	—	258	—	—
Vouchers and requisitions paid	(9,891)	—	(86,237)	—	(838)	—	—	—	—	—	(12,743)	(108)	(109,817)
Interest	—	—	—	—	—	(44,798)	(638)	—	—	—	(24)	—	(45,460)
Redemption of bonds	—	—	—	—	—	(30,465)	—	—	—	—	—	—	(30,465)
Payments to the City of 5% of gross receipts	—	(6,264)	—	—	—	—	—	—	—	—	—	—	(6,264)
Receipts from FAA and MoDOT	—	—	—	7,372	—	—	—	—	—	—	—	—	7,372
Capital appropriation	—	—	—	36,528	—	—	—	—	—	—	—	—	36,528
Capital expenditures	—	—	—	(41,359)	—	—	—	—	—	—	—	—	(41,359)
Balance at June 30, 2014	$ 18,317	2,462	15,935	60,306	(778)	58,357	38,396	3,500	28,488	38,211	17,999	1,965	283,158

See accompanying independent auditors' report.

Schedule II

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 1997B Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	6.00%	$	5,910
		$	5,910

See accompanying independent auditors' report.

Schedule III

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2005 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.50%	$	650
2015	5.50		15,880
2016	5.50		18,915
2017	5.50		20,075
2018	5.50		21,955
2019	5.50		21,705
2020	5.00		6,910
2021	5.00		4,765
2022	5.00		3,820
2023	5.00		2,395
2024	5.50		2,515
2025	5.50		2,655
2026	5.50		2,795
2027	5.50		24,545
2028	5.50		26,135
2029	5.50		27,570
2030	5.50		29,090
2031	5.50		30,690
		$	263,065

See accompanying independent auditors' report.

Schedule IV

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007A Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.00%	$	15,675
2015	5.00		3,725
2016	5.00		2,585
2017	5.00		2,645
2018	5.00		2,410
2019	4.00		2,530
2020	5.00		18,625
2021	5.00		22,150
2022	5.00		24,335
2023	5.00		20,865
2024	4.25–5.00		21,915
2025	5.00–5.25		22,935
2026	5.25		24,105
2027	4.25		3,700
2028	4.25		3,855
2029	4.25		4,015
2030	4.25		4,190
2031	4.25		4,365
2032	4.25		4,555
		$	209,180

See accompanying independent auditors' report.

Schedule V

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007B Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2015	5.00%	$	6,260
2016	5.00		6,545
2017	5.00		6,850
2018	5.00		6,760
2019	5.00		7,105
2020	5.00		7,460
2021	5.00		7,830
2022	5.00		8,220
2023	5.00		8,635
2024	5.00		9,065
2025	5.00		9,520
2026	5.00		9,995
2027	5.00		10,490
		$	104,735

See accompanying independent auditors' report.

Schedule VI

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2009A Revenue Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2015	—%	$	—
2016	5.125		3,195
2017	5.250		3,355
2018	5.375		3,535
2019	6.000		3,720
2020	6.125		3,945
2021	6.125		4,185
2022	6.125		4,445
2023	6.125		4,715
2024	6.125		5,005
2025	6.250		5,310
2026	6.250		5,645
2027	6.250		5,995
2028	6.250		6,370
2029	6.250		6,770
2030	6.625		7,190
2031	6.625		7,670
2032	6.625		8,175
2033	6.625		8,720
2034	6.625		9,295
		$	107,240

See accompanying independent auditors' report.

Schedule VII

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2011AB Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.00%	$	7,435
2015	5.00		5,750
		$	13,185

See accompanying independent auditors’ report.

Schedule VIII

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2012 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	**Interest rate**		**Principal maturity**
2014	4.00%	$	2,100
2015	5.00		2,180
2016	5.00		925
2017	5.00		990
2018	5.00		1,040
2019	3.00		1,090
2020	3.25		1,130
2021	5.00		1,165
2022	5.00		1,220
2023	5.00		1,280
2024	5.00		1,345
2025	4.00		1,415
2026	5.00		1,465
2027	4.25		1,545
2028	5.00		1,610
2029	4.25		1,690
2030	—		—
2031	—		—
2032	5.00		7,185
		$	29,375

See accompanying independent auditors’ report.

Schedule IX

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2013 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	2.00%	$	5,790
2015	4.00		5,990
2016	5.00		6,235
2017	5.00		6,560
2018	5.00		6,885
		$	31,460

See accompanying independent auditors' report.

Schedule X

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of Insurance

June 30, 2014

(Dollars in thousands)

Insurer		Amount	Expiration date	Character of coverage
AIG	$	350,000	10/1/2015	General Liability/Liability Prime/TRIA
Zurich		15,000	10/1/2015	Public official’s and employee’s liability
Lexington Insurance Company		891,511	10/1/2015	Property damage and business interruption
The Hartford Insurance Company		100	–	Employee Honesty Bond
Granite States Insurance Company		1,000	10/1/2015	Business auto and excess

See accompanying independent auditors’ report.