



PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Basic Financial Statements and Other Information

June 30, 2023

(With Independent Auditors' Report Thereon)

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

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KPMG LLP
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St. Louis, MO 63102-1761

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Parking Division of the City of St. Louis, Missouri (the Parking Division), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Parking Division's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Parking Division, as of June 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parking Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the Parking Division are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and each major fund of the City of St. Louis, Missouri that is attributable to the transactions of the Parking Division. They do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Pronouncement

As discussed in Note 1(n) to the basic financial statements in 2023, the Parking Division adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Agreements*. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Parking Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.



Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parking Division's basic financial statements. Schedule 1 and Schedule 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023 on our consideration of the Parking Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parking Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parking Division's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
October 27, 2023

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI

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

Management's Discussion and Analysis – Unaudited

June 30, 2023

(In thousands)

Our discussion and analysis of the Parking Division of the City of St. Louis, Missouri (Parking Division) for the City of St. Louis, Missouri's (the City) financial performance provides an overview of the Parking Division's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Parking Division's financial statements, which are attached.

The Parking Division

The Parking Division manages off-street parking, on-street parking meters, and on-street parking enforcement programs. Off-street parking includes seven operating parking garages and multiple surface parking lots. The on-street parking system comprises over 7,700 parking meters throughout downtown and in a number of key commercial and institutional districts outside of downtown. The on-street parking enforcement division enforces parking ordinances, primarily in the areas of the City, where parking meters are installed.

Using this Annual Report

The Parking Division is an enterprise fund, which is similar to a business-type activity in which the fees charged to customers are structured to cover the costs of the services provided. This annual report consists of a series of financial statements. The statements of net position and the statements of revenues, expenses, and changes in net position help answer the following question: Is the Parking Division fiscally better off or worse off than the year before? These statements are intended to account for all assets, deferred outflow of resources, liabilities, and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. These statements also include the activities of the City of St. Louis Parking Commission Finance Corporation (SLPCFC) as a blended component unit.

A condensed summary of the Parking Division's net position at June 30 is shown below:

			2023 vs 2022	
	2023	2022	Change	Percentage change
Assets:				
Current assets	\$ 11,809	12,036	(227)	(2)%
Capital assets	59,893	61,252	(1,359)	(2)
Other noncurrent assets	5,828	4,967	861	17
Deferred outflow of resources	<u>5,776</u>	<u>4,685</u>	<u>1,091</u>	<u>23</u>
Total assets and deferred outflow of resources	\$ <u>83,306</u>	<u>82,940</u>	<u>366</u>	<u>0.44 %</u>

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(In thousands)

	2023	2022	2023 vs 2022	
			Change	Percentage change
Liabilities:				
Current liabilities	\$ 8,187	7,465	722	10 %
Noncurrent liabilities	48,349	48,830	(481)	(1)
Deferred inflow of resources	3,976	5,056	(1,080)	(21)
Total liabilities and deferred inflow of resources	\$ 60,512	61,351	(839)	(1)%
Net position:				
Net investment in capital assets	\$ 15,108	12,377	2,731	22 %
Restricted – bond reserve funds	5,910	6,338	(428)	(7)
Unrestricted	1,776	2,874	(1,098)	(38)
Total net position	\$ 22,794	21,589	1,205	6 %

Total Assets and Deferred Outflow of Resources: Total current assets decreased from last year by \$227, mainly due to a decrease in unrestricted cash of \$3,388 and an increase in unrestricted investments of \$4,134. The \$1,359 decrease in capital assets is due to the disposal of single space meters that were upgraded from 2G to 4G. The increase of \$861 in other noncurrent assets is due to adoption of for Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements* (GASB 96) for Right of Use Subscription IT Assets. Deferred outflow of resources increased \$1,091 due to a \$1,438 increase relating to a net difference between the projected and actual earnings on the pension plan investments, offset by a constant decrease of \$347 annual bond amortization compared to prior year.

Total Liabilities and Deferred Inflow of Resources: Current liabilities increased \$722 due to an increase in accounts payable of \$415 and an increase in intergovernmental payables of \$276 for the 40% due to the general fund of \$800. Noncurrent liabilities decreased \$481 mainly due to bond principal payments of \$3,960, and amortization of bond premium/discounts of approximately \$187. The net pension liability increased \$2,963. The decrease in deferred inflow of resources was due to a \$897 decrease relating to a net difference between the projected and actual earnings on the pension plan investments, a \$163 decrease for the initial entries relating to Statement No. 87, *Leases* (GASB 87) for lessor obligations, and \$20 decrease annual bond amortization.

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(In thousands)

Financial highlights and analysis of the Parking Division				
2023 vs 2022				
	2023	2022	Change	Percentage change
Operating revenues	\$ 20,316	18,167 *	2,149	12 %
Operating expenses	16,822	16,381 *	441	3
Operating income (loss)	3,494	1,786	1,708	96
Nonoperating expenses, net	(1,495)	(606)	(889)	147
(Loss) income before transfers	1,999	1,180	819	69
Transfers-in	331	1,284	(953)	(74)
Transfers-out	(1,125)	(803)	(322)	40
Increase in net position	\$ 1,205	1,661	(456)	(27)%
Net position, end of year	\$ 22,794	21,589	1,205	6 %

* *The fiscal year 2022 financial highlights reflect a reclass of outsourcing costs for meter maintenance and ticket processing fees in accordance to Statement No. 34, Basic Financial Statements – Managements Discussion and Analysis – For State and Local Governments (GASB 34).*

Operating Revenues: Operating revenues increased 12% from fiscal year 2022 due to the public returning to more normal activity for on-street and garage parking since the pandemic. Meter revenue and parking ticket violations revenue have both increased from last year by 9% and 9%, respectively. Garage revenues also increased from last year by 18%.

Operating Expenses: Operating expenses increased 3% from fiscal year 2022. Personnel expenditures increased by 5% due to a salary increase of 4.5% for all full-time employees, offset by an average of 9 FTEs being open positions for the majority of the fiscal year. There was also a 9% decrease in contractual services due to reduced legal fees, professional services, tenant improvements and a new elevator maintenance contract. Operating services increased by 8% due to an increase in fleet maintenance, transaction fees for the mobile app for meters and CPI Index increases for outsourced services.

There was a 36% decrease interfund services used and a 34% increase in operating services for fleet repairs and Parkmobile transaction fees.

Nonoperating Expenses, Net: The current year's nonoperating expenses, net increased 147% due to a \$182 loss on retirement of single space meters due to 4G upgrade and an increase in interest revenue \$879.

Transfers-in: Transfers-in traditionally represent the funds received from the Taxable Increment Financing (TIF) Districts on the Argyle Garage and the Euclid/Buckingham Garage. The decrease in TIF revenues of \$953

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Management's Discussion and Analysis – Unaudited

June 30, 2023

(In thousands)

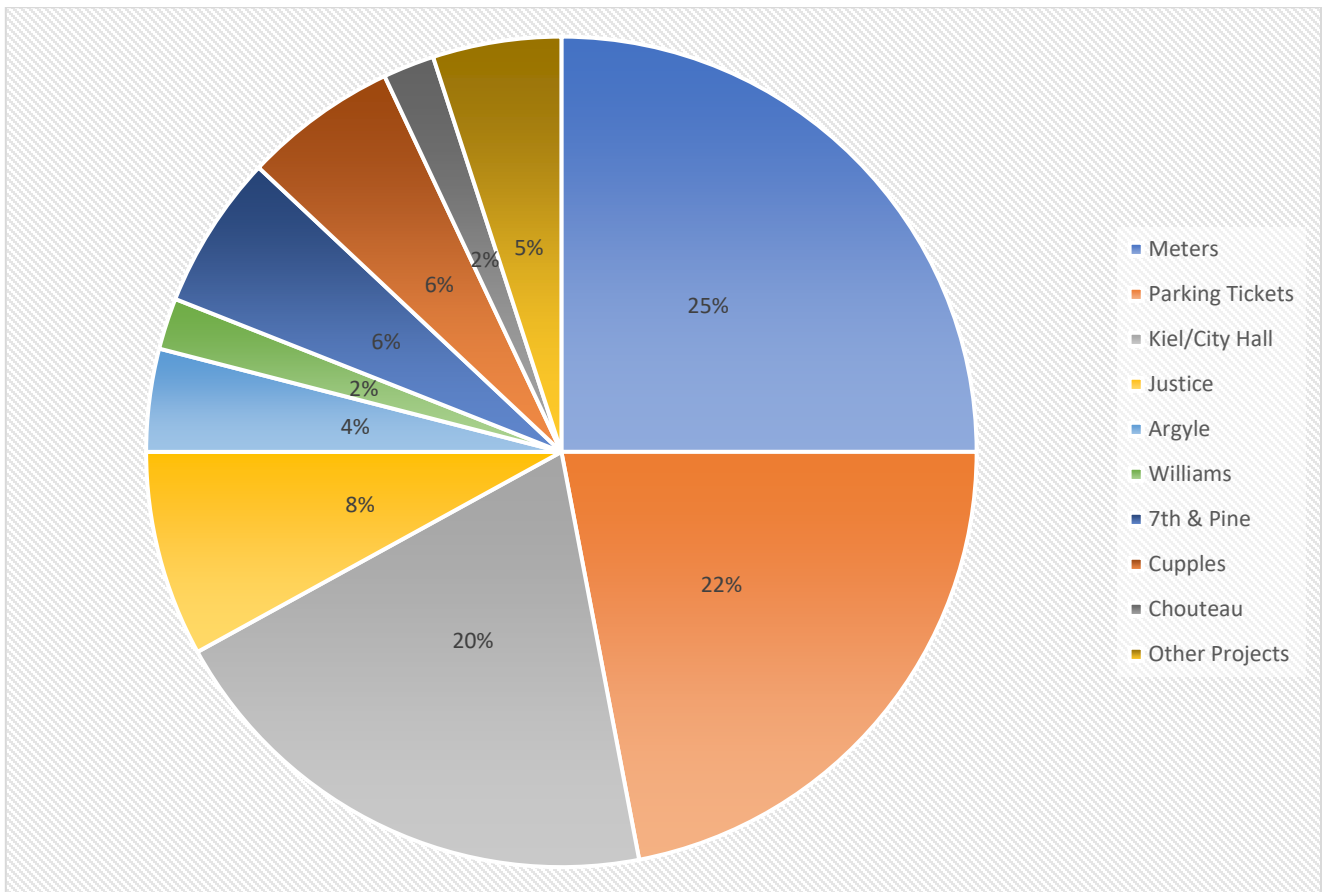
is associated with the payoff of the TIF principal in the 2006 Bond Series in Fiscal 2022. TIF revenues for the Argyle Garage no longer are received. TIF revenues of \$331 were received for Euclid/Buckingham.

Transfers-out: The Parking Division, per State Statutes, may transfer up to 40% of the increase in net position to the General Fund of the City. The Parking Division was able to contribute \$800 to the General Fund of the City for fiscal year 2023. In addition, the Parking Division did a transfer of \$325 to the Office of Financial Empowerment, a Special Revenue Fund for the City of St. Louis, per approval of the Parking Commission.

Net Position: The Parking Division's total net position increased 6% in fiscal year 2023.

Revenues, Expenses, and Changes in Net Position

The following chart shows the major sources of operating revenues and their percentage share of total operating revenues for the year ended June 30, 2023:



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(In thousands)

The following table summarizes all Parking Division operating revenues and their change from the previous year:

	2023 vs 2022			
	2023	2022	Change	Percentage change
Parking meters	\$ 5,175	4,732	443	9 %
Parking violation notices	4,537	4,163	374	9
Kiel Parking Project	3,999	3,297	702	21
7th & Pine Garage	1,148	1,102	46	4
Argyle Garage	910	718	192	27
Williams Lot	405	397	8	2
Justice Garage	1,687	1,202	485	40
Euclid/Buckingham Garage	233	279	(46)	(16)
Abrams Garage	175	173	2	1
Cupples Garage	1,144	1,030	114	11
Rental property (Chouteau Building)	441	401	40	10
Miscellaneous	462	673	(211)	(31)
Total operating revenues	\$ 20,316	18,167	2,149	12 %

Parking Meters: Gross parking meter revenue increased \$443. Meter upgrades attributed to increased revenues.

Parking Violation Notices: Gross parking violation notice revenues increased \$374. The number of tickets issued increased by 4% from fiscal year 2022 and the payment rate increased by 14%.

Kiel Parking Project: Revenue from the Kiel Garage Project increased \$702 or 21%, in fiscal year 2023. This is mainly due to the continued return of event revenue for hockey and baseball since the COVID-19 pandemic. Event revenues were up \$618 (27%.)

7th & Pine Garage: The revenues at the 7th & Pine Garage increased approximately \$46 or 4%, in fiscal year 2023. Monthly parking increased at this facility by \$63 (10%). Transient parking decreased by (\$6) (2%) due to discontinuing valet services. Rental revenues had an overall increase of 7%.

Argyle Garage: The revenues at the Argyle Garage increased by approximately \$192 or 27%, in fiscal year 2023. Monthly and Transient parking increased at this facility by \$16 (5%) and \$181 (62%), respectively. Argyle rental revenue remained consistent, with one vacancy.

Williams Lot: The revenues at Williams Lot increased by \$8 or 2%, in fiscal year 2023. This is mainly due to the continued return of event revenue for hockey and baseball since the COVID-19 pandemic. Event revenues

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Management's Discussion and Analysis – Unaudited

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(In thousands)

were up \$43 (12%.) Monthly revenues decreased by (\$35) or 7% due to the loss of its major company account for the entire fiscal year.

Justice Garage: The revenues at Justice Garage increased by \$485 or 40%, in fiscal year 2023. Monthly and Transient parking increased at this facility by \$84 (13%) and \$34 (26%), respectively. This garage has one rental space and it was leased in January, 2023, but will be abated until August, 2023.

Euclid/Buckingham Garage: The revenues at the Euclid/Buckingham Garage decreased by \$46 or 16%, in fiscal year 2023. Transient parking decreased at this facility by (\$50) (34%). Monthly parking increased by \$11 (9%).

Abrams Garage: The revenues at Abrams Garage increased by \$2 or 1% in fiscal year 2023. This is mainly due to the continued return of event revenue for the Stifel Theater that did not occur due to the COVID-19 pandemic. Event revenues were up \$3 (6%).

Cupples Garage: The revenues at Cupples increased by \$114 or 11%, in fiscal year 2023. This is mainly due to the continued return of event revenue for baseball that did not occur due to the COVID-19 pandemic. Event revenues were up \$113 (37%.) Monthly revenues decreased (\$9) (1%.) due to the loss of its major company account near fiscal year end.

Rental Property (Chouteau Building): The Chouteau Building is an office building located next to the Justice Garage. The building houses the executive, fiscal, and personnel offices of the Parking Division. Approximately 89% of the building's office space is leased to various professional businesses. In fiscal year 2023, lease revenues increased by \$40 or 10% due to all tenants paying full rent without any unscheduled abatements that occurred during the pandemic.

Miscellaneous: Miscellaneous revenues decreased (\$211) or 31%, mainly due to a decrease in meter contract revenue of (\$226) (42%).

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Management's Discussion and Analysis – Unaudited

June 30, 2023

(In thousands)

The following table summarizes the operating expenses for the current year compared to the prior year:

	2023	2022	2023 vs 2022	
			Change	Percentage change
Personnel services	\$ 6,618	6,298	320	5 %
Materials and supplies	310	263	47	18
Contractual services	1,357	1,493	(136)	(9)
Utilities	346	336	10	3
Insurance	277	246	31	13
Bank fees	431	430	1	—
Operating services	3,571	3,387 *	184	5
Noncapitalizable repairs	812	838	(26)	(3)
Interfund services used	103	161	(58)	(36)
Depreciation and amortization	2,997	2,929	68	2
	<u>\$ 16,822</u>	<u>16,381</u>	<u>441</u>	<u>3 %</u>

* The fiscal year 2022 financial highlights reflect a reclass of outsourcing costs for meter maintenance and ticket processing fees in accordance to GASB 34.

Personnel Services: Personnel salaries and benefits remain the largest annual expense of the Parking Division, representing 48% of total expenses for fiscal year 2023. In fiscal year 2023, personnel expenses increased \$320 and 5%, respectively, due to a salary increase of 4.5% for all full-time employees, offset by an average of 9 FTEs being open positions for the majority of the fiscal year.

Materials and Supplies: Materials and supplies increased \$47 or 18% in fiscal year 2023 due to purchases for parking supplies which includes batteries for meters, uniforms for employees and terminal paper and continued increased gas prices for our fleet vehicles.

Contractual Services: Contractual service costs decreased 9% due to reduced legal fees, professional services, tenant improvements and a new elevator maintenance contract.

Utilities and Insurance: Utilities increased 3% and insurance expense increased 13%. Utilities expense increased due to increased activity in the garages. Insurance expense increased due to the increase in garage revenues for the fiscal year.

Bank Fees: Merchant fees remained constant due to associated downtime for meter upgrades from 2G to 4G.

Operating Services: Operating services increased \$184 or 5% in fiscal year 2023. This was mainly due to fleet repairs and Parkmobile transaction fees, and CPI Index increases for outsourced services.

Noncapitalizable Repairs: Noncapitalizable repairs decreased by 3% due to repair and replacement projects for several garages that is being reflected as CWIP until completion, which will be capitalized.

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June 30, 2023

(In thousands)

Interfund Services Used: Interfund services represent the cost allocation fees charged to the Parking Division by the General Fund of the City of St. Louis for using City services. These base costs experienced a 36% decrease in fiscal year 2023.

Depreciation and Amortization: Depreciation expense increased by 2% due to the amortization of the right-to-use subscription IT assets for GASB 96, the addition of building and equipment assets near the end of the fiscal year and the disposal of 1807 single space meters for the upgrades from 2G to 4G.

Significant Capital Assets and Long-Term Debt Activities

The Parking Division received an "A" rating from Standard & Poor's in January, 2023 on the senior-lien parking revenue bonds Series 2016. At the same time, they affirmed the Parking Division's 'A-' rating on the City's subordinate-lien parking revenue bonds Series 2015A and 2015B.

Additional information on capital assets and long-term debt can be found in notes 4 and 6, respectively, to the basic financial statements.

Economic Factors Affecting Next Year's Budget and Rates

The Parking Division submitted a budget reflecting \$1,650 in excess revenues over expenses for fiscal year 2024.

Contacting the Parking Division's Financial Management

This financial report is designed to provide our citizens and creditors with a general overview of the Parking Division's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office, 1200 Market Street, City Hall – Room 220, Saint Louis, Missouri.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Net Position

June 30, 2023

(In thousands)

Assets	
Current assets:	
Cash and cash equivalents:	
Restricted	\$ 3,787
Unrestricted	1,384
Investments – unrestricted	5,249
Receivables	163
Lease receivable	1,212
Due from the City of St. Louis, Missouri	14
Total current assets	<u>11,809</u>
Noncurrent assets:	
Investments – restricted	2,123
Lease receivable	2,530
Right to use lease and subscription IT asset, net	831
Capital assets, net:	
Nondepreciable – CWIP	1,382
Nondepreciable – Land	22,053
Depreciable	36,458
Intangible and other assets, net	344
Total noncurrent assets	<u>65,721</u>
Deferred outflow of resources	<u>5,776</u>
Total assets and deferred outflow of resources	<u>\$ 83,306</u>
Liabilities	
Current liabilities:	
Payable from unrestricted assets:	
Accounts payable and accrued expenses	\$ 1,372
Accrued salaries and other benefits	249
Accrued vacation and compensatory benefits	220
Current portion of lease and subscription IT liabilities	140
Due to the City of St. Louis, Missouri	1,173
Due to other governmental agencies	38
Unearned revenue and other deposits	1,192
Total payable from unrestricted assets	<u>4,384</u>
Payable from restricted assets:	
Accrued interest	119
Current portion of revenue bonds payable	3,684
Total payable from restricted assets	<u>3,803</u>
Total current liabilities	<u>8,187</u>
Noncurrent liabilities:	
Revenue bonds payable, net	41,101
Lease and Subscription IT liabilities	654
Net pension liability	5,917
Other	677
Total noncurrent liabilities	<u>48,349</u>
Deferred inflow of resources	<u>3,976</u>
Total liabilities and deferred inflow of resources	<u>60,512</u>
Net Position	
Net investment in capital assets	15,108
Restricted – bond reserve funds	5,910
Unrestricted	1,776
Total net position	<u>22,794</u>
Total liabilities and net position	<u>\$ 83,306</u>

See accompanying notes to basic financial statements.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

Operating revenues:	
Parking meters	\$ 5,175
Parking violation notices	4,537
Parking facilities	9,701
Rental property	441
Miscellaneous	462
Total operating revenues	20,316
Operating expenses:	
Personnel services	6,618
Materials and supplies	310
Contractual services	1,357
Utilities	346
Insurance	277
Bank fees	431
Operating services	3,571
Noncapitalizable repairs	812
Interfund services used	103
Depreciation and amortization	2,997
Total operating expenses	16,822
Operating income	3,494
Nonoperating revenues (expenses):	
Net investment income	630
Interest and debt service expenses	(1,959)
Loss on disposal of capital assets	(182)
Other	16
Total nonoperating expenses, net	(1,495)
Income before transfers	1,999
Transfers from the City of St. Louis, Missouri TIF Districts	331
Transfers to the City of St. Louis, Missouri-40%	(800)
Transfers to the City of St. Louis, Missouri Office of Financial Empowerment	(325)
Total transfers, net	(794)
Increase in net position	1,205
Total net position, beginning of year	21,589
Total net position, end of year	\$ 22,794

See accompanying notes to basic financial statements.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Statement of Cash Flows
Year ended June 30, 2023
(In thousands)

Cash flows from operating activities:	
Receipts from customers and users	\$ 19,823
Other operating cash receipts	462
Payments to suppliers of goods and services	(6,190)
Payments to employees	(5,990)
Net cash provided by operating activities	<u>8,105</u>
Cash flows from noncapital financing activities:	
Funds from the State of Missouri	16
Transfers from the City of St. Louis, Missouri TIF Districts	331
Transfers to the City of St. Louis, Missouri Office of Financial Empowerment	(325)
Transfers to the City of St. Louis, Missouri – 40%	(800)
Net cash used in noncapital financing activities	<u>(778)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,740)
Loss on disposal of capital assets	11
Principal paid on right to use lease and subscription IT	(137)
Interest paid on right to use lease and subscription IT	(25)
Principal paid on revenue bonds payable	(3,903)
Interest paid on revenue bonds payable	(1,831)
Net cash used in capital and related financing activities	<u>(7,625)</u>
Cash flows from investing activities:	
Purchase of investments	(8,971)
Proceeds from maturities of investments	3,809
Investment gain on cash and investments	616
Net cash used in investing activities	<u>(4,546)</u>
Net decrease in cash and cash equivalents	(4,844)
Cash and cash equivalents, beginning of year	<u>10,015</u>
Cash and cash equivalents, end of year	<u>\$ 5,171</u>
Cash flows from operating activities:	
Operating income	\$ 3,494
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	2,997
Change in assets and liabilities:	
Decrease in receivables	84
Decrease in lease receivables	(75)
Increase in right-to-use lease and subscription IT, net	56
Increase in intangible and other assets, net	155
Increase in accounts payable and accrued expenses	415
Increase in accrued salaries and other benefits	37
Increase in accrued vacation and compensatory benefits	15
Increase in due to City of St. Louis, Missouri, and other government agencies	390
Decrease in unearned revenue and other deposits	(40)
Increase in net pension liability	630
Decrease in other noncurrent liabilities	(53)
Net cash provided by operating activities	<u>\$ 8,105</u>
Supplemental disclosure for noncash investing activities:	
Unrealized loss on investments	\$ 2

See accompanying notes to basic financial statements.

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(1) Summary of Significant Accounting Policies

The Parking Division of the City of St. Louis, Missouri (Parking Division) established by state statute, is operated by the City of St. Louis, Missouri (the City). The management of the Parking Division is no longer overseen by the Parking Commission pursuant to the Missouri Supreme Court decision in *Wilson v. City of St. Louis*, 662 S.W.3d 749, dated March 7, 2023. The Treasurer of the City of St. Louis is the Supervisor of Parking Meters and has full control over parking and the revenues generated by parking pursuant to Sections 82.485 and 82.487 of the Missouri Revised Statutes. The Supervisor of Parking Meters shall draw upon parking funds to pay all operating expenses, capital improvement expenses and debt obligations. At the end of each fiscal year, no more than 40% of the parking division fund net balance shall be transferred to the City's general revenue fund.

The Parking Division represents an enterprise fund of the City, and therefore, the financial statements of the Parking Division are not intended to present the financial position and changes in financial position or cash flows of the City as a whole in conformity with U.S. generally accepted accounting principles. The Parking Division operates over 7,700 parking meters and various off-street parking lots, garages, and parking zones.

(a) Reporting Entity

The Parking Division's financial reporting entity consists of the Parking Division and the following blended component unit:

The City of St. Louis Parking Commission Finance Corporation (SLPCFC). The SLPCFC, a legally separate not-for-profit corporation established in 2003, is governed by a five-member board of directors as appointed by the Parking Commission with three officers. The SLPCFC finances the purchase of and owns, leases, and sells certain real property on behalf of the Parking Division. SLPCFC is considered to be a component unit of the Parking Division because the Parking Division is financially accountable for SLPCFC, as it appoints all of SLPCFC's directors and is able to impose its will on SLPCFC. SLPCFC provides services entirely to the Parking Division and is reported as if it were part of the Parking Division because its sole purpose is to lessen the burden on the Parking Division by coordinating real property transactions. Separate audited financial statements and notes that conform to U.S. generally accepted accounting principles for SLPCFC are not available.

(b) 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 and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements of the Parking Division are reported using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. In reporting financial activity, the Parking Division applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

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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 principal ongoing operations. The principal operating revenues of the Parking Division are charges to customers for parking fees and fines. Operating expenses include the cost of services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(c) Capital Assets, Net

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

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

Non-depreciable assets include land.

(d) Intangible and Other Assets, Net

Intangible and other assets, net of \$344 at June 30, 2023, represent (1) a note receivable to assist in the tenant improvements for a leased parking lot; this intangible asset has a loan repayment schedule for 20 years, principal and interest; and 2) prepaid bond insurance on the Series 2015B and Series 2016 Parking Revenue Refunding Bonds issued on December 28, 2015, and November 25, 2016, respectively, being amortized over the life of the bond.

(e) Amortization

Bond discounts are recorded as a reduction of the debt obligation. Bond premiums are recorded as an increase of the debt obligation. Both are recorded as a deferred charge. Such amounts are amortized using the straight-line method, which approximates the effective-interest method, over the term of the related revenue bonds. Bond issuance costs are expensed as incurred.

(f) Compensated Absences

The Parking Division grants vacation to full-time employees based on years of continuous service. Compensatory time is granted to certain employees for hours worked in excess of a normal work week that are not taken within the current biweekly pay period. These benefits are allowed to accumulate and

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to carry over, with limitations, into the next calendar year and will be paid to employees upon departure from service for any reason. The Parking Division accrues vacation and compensatory time as earned.

(g) Revenues, Net

Parking meter revenues, net represents operating revenues collected in conjunction with the collection of parking meters, net of related outsourcing expenses. The outsourcing of parking meter collections and maintenance began on June 1, 2009. Gross parking meter revenues and outsourcing expenses for the year ended June 30, 2023 are as follows:

		<u>2023</u>
Parking meter revenues	\$	5,175
Outsourcing expenses		<u>(2,228)</u>
Parking meter revenues, net	\$	<u><u>2,947</u></u>

Parking violation notices revenues, net represents operating revenues collected in conjunction with the parking violations issued, net of related expenses and overpayments by citizens. Gross parking violation notices revenues and parking violation notices expenses for the year ended June 30, 2023 are as follows:

		<u>2023</u>
Parking violation notices revenues and related boot fees	\$	4,537
Parking violation notices expenses		<u>(603)</u>
Parking violation notices revenues, net	\$	<u><u>3,934</u></u>

(h) Unearned Revenue and Other Deposits

Unearned revenue and other deposits represent a prepaid parking lease agreement in the Argyle Garage, which is being amortized over 40 years. At June 30, 2023, approximately 17 years remain on the lease. Other items include prepaid monthly parking and security deposits associated with the issuance of parking cards to monthly parkers.

(i) Statements of Cash Flows

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

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(j) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Parking Division to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Leases (Lessor)

The Parking Division is a lessor for various noncancellable leases of buildings. For leases with a maximum possible term of 12 months or less at commencement, the Parking Division recognizes income based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), the Parking Division recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, the Parking Division initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The Parking Division recognizes interest income on the lease receivable, and lease revenue from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

Key estimates and judgments include how the Parking Division determines the (1) discount rate it uses to calculate the present value of the expected lease payments to be received, (2) lease term, and (3) lease payments to be received.

- The Parking Division uses its estimated incremental borrowing rate as the discount rate for leases. The Parking Division's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued revenue bonds.
- The lease term includes the noncancellable portion of the lease, plus any additional periods covered by either a Parking Division or lessee unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the Parking Division and the lessee have an option to terminate are excluded from the lease term.
- Lease payments to be received are evaluated by the Parking Division to determine if they should be included in the measurement of the lease receivable, including those payments that require a determination of whether they are reasonably certain of being received, such as base rent, percentage rent, and lease extension fees.

The Parking Division monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflow of resources.

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(l) Leases (Lessee)

The Parking Division is a lessee for a noncancellable long-term lease of equipment, for which the Parking Division recognizes a lease liability.

The Parking Division initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the term of the lease.

The term of the lease is 4 years. The discount rate used for the calculation of the lease liability is 5.75%. Interest expense from this lease totaled \$4 for the year ended June 30, 2023.

(m) Subscription IT Arrangements

The Parking Division also has noncancellable subscription IT arrangements (similar to a lease) for the right-to-use information technology hardware and software (subscription IT arrangements).

(i) Short-term Subscription IT arrangements

For subscription IT arrangements with a maximum possible term of 12 months or less at commencement, the Parking Division recognizes expense based on the provisions of the subscription IT arrangement, respectively.

(ii) Subscription IT arrangements other than short-term

The Parking Division initially measured the subscription IT liability at the present value of payments expected to be made during the subscription IT term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription IT payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription IT payments made at or before the subscription IT commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any subscription IT incentives received at or before the subscription IT commencement date. Subsequently, the subscription IT asset is amortized into subscription IT expense on a straight-line basis over the term of the subscription IT arrangement.

The terms on the subscription IT range from 3 to 7.5 years. The discount rates used for the calculation of the subscription IT liability range from 2.57% to 4.198%, depending on the subscription IT term. Interest expense from the subscription IT totaled \$22 for the year ended June 30, 2023. Subscription IT assets and subscription IT Liabilities were \$846 and \$738, respectively for the year ended June 30, 2023.

(n) Adoption of New Accounting Pronouncements

In 2023, the Parking Division implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement requires that all subscription IT arrangements (i.e. those that are not short-term) which are noncancellable for the right-to-use information technology hardware and software by the lessee be recognized as a lease liability and an intangible right-to-use lease asset.

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The Parking Division adopted this statement as of July 1, 2022. The result of this adoption of an accounting principle had no effect on net position as of July 1, 2022.

(2) Deposits and Investments

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Parking Division has the ability to access at the measurement date. Level 1 investments include U.S. Treasury obligations.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 investments include certificates of deposits.
- Level 3 inputs are significant unobservable inputs for the asset. The Parking Division had no Level 3 assets as of June 30, 2023.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2023:

	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Assets:			
Certificates of deposit	\$ 5,249	5,249	—
Obligations of the State	140	—	140
U.S. Government Agency Obligations	448	—	448
U.S. Treasury obligations	1,535	1,535	—
Total	<u>\$ 7,372</u>	<u>6,784</u>	<u>588</u>

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Investments are recorded at fair value. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The Parking Division deposits all cash with the Office of the Treasurer of the City, which maintains all banking relationships for the Parking Division.

Money market mutual funds are classified as cash and cash equivalents on the statements of net position, but as investments for custodial and other risk disclosure.

As of June 30, 2023, the Parking Division had the following cash, cash equivalents, and investments:

		<u>2023</u>
U.S. Treasury obligations	\$	1,535
U.S. Government Agency Obligations		448
Obligations of the State		140
Certificates of deposit		<u>5,249</u>
Total investments		7,372
Money market mutual funds		3,787
Cash deposits		<u>1,384</u>
Total cash, cash equivalents, and investments	\$	<u><u>12,543</u></u>

State statutes and City investment policies authorize the deposit of funds in financial institutions. For City funds, investments may be made in obligations of the U.S. government or any agency or instrumentality thereof, bonds of the State of 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 U.S. Treasury obligations, obligations of U.S. government agencies, or instrumentalities of any maturity as provided by law.

(a) Interest Rate Risk

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

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The Parking Division's investments (excluding cash deposits) had the following maturities (in years) on June 30, 2023:

	Fair value	Less than 1 year
U.S. Treasury obligations	\$ 1,535	1,535
Obligations of the State	140	140
U.S. Government Agency Obligations	448	448
Certificates of deposit	5,249	5,249
Money market mutual funds	3,787	3,787
	\$ 11,159	11,159

(b) Credit Risk

The City's Investment Policy limits the types of securities available for investment to collateralized public deposits, obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, and commercial paper. Banker's acceptances must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSRO) at the time of purchase. Investments in commercial paper is limited to issuing corporations that have a total commercial paper program size in excess of \$250,000 and have long-term debt ratings "AA" or better from at least one NRSRO. The Parking Division currently does not have any banker's acceptances or commercial paper in its portfolio.

The Parking Division's investments in U.S. Treasuries are explicitly guaranteed by the U.S. government and, therefore, do not require a rating. At June 30, 2023, Parking Division's holdings in a money market mutual fund were rated AAAM/Aaa-mf/AAAmf as of June 30, 2023, by Standard & Poor's, Moody's, and Fitch, respectively. The certificates of deposit were rated AAAs as of June 30, 2023, by Fitch for term instruments and AAAM by Standard & Poor's for liquid series.

(c) Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Parking Division will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

The City's 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. government or an agency or instrumentality of the U.S. government, 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

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agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2023, all Parking Division investments and all securities pledged as collateral are held by the counterparty's trust department or agent in the City's name.

(d) Concentration of Credit Risk

The City's Investment Policy indicates that in order to reduce overall portfolio risks while maintaining market average rates of return, the minimum diversification standards by security type shall be as follows:

	<u>Maximum percentage of portfolio</u>	<u>Maximum maturity</u>
U.S. Treasury securities	100 %	5 years
U.S. government agency obligations	100	5 years
Obligations of the State of Missouri	25	5 years
Collateralized certificates of deposits	50	5 years
Collateralized repurchase agreements	25	90 days
Commercial paper	25	180 days
Banker's acceptance	25	180 days

The Parking Division does not have a separate investment policy.

At June 30, 2023, the concentration of the Parking Division's investments (excluding cash deposits) was as follows:

	<u>2023</u>
Certificates of deposit	47 %
Money market mutual funds	34
U.S. Treasury obligations	14
U.S. Government obligations	4
Obligations of the State	1
	<u>100 %</u>

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(3) Restricted Assets

Cash and investments restricted in accordance with bond indentures at June 30, 2023 are as follows:

	2023
Series 2016 bonds:	
Parking trust – Parking Division accounts	\$ 445
Repair and replacement	1,659
General Project Revenue	8
Debt service	922
Total series 2016 bonds	3,034
Series 2015B bonds:	
Debt service	1,749
Total series 2015B bonds	1,749
Series 2015A bonds:	
Debt service reserve	520
Debt service	267
Total series 2015A bonds	787
Series 2003A and 2003B bonds:	
Gross revenues	85
Bond	42
Repair and replacement	69
Operating reserve	100
Redemption	44
Total series 2003A and 2003B bonds	340
Total restricted cash and investments	\$ 5,910

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

- Parking trust – Parking Division accounts – Maintains funds transferred from the respective bond account to be available to pay principal and interest on the respective refunded bonds if other funds are not available.
- Repair and replacement – Provides for the repair and upkeep of parking garages.
- Debt service – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

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

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

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

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

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

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

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(4) Capital Assets and Right-to-use lease and subscription IT Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2023:

	Balances, June 30, 2022	Additions	Retirements	Balances, June 30, 2023
Capital assets being depreciated:				
Buildings and parking garages	\$ 76,211	382	—	76,593
Equipment	2,221	106	(40)	2,287
Parking meters and lot equipment	8,051	648	(867)	7,832
	<u>86,483</u>	<u>1,136</u>	<u>(907)</u>	<u>86,712</u>
Less accumulated depreciation:				
Buildings and parking garages	(40,091)	(2,156)	—	(42,247)
Equipment	(1,676)	(157)	35	(1,798)
Parking meters and lot equipment	(6,326)	(562)	679	(6,209)
Total accumulated depreciation	<u>(48,093)</u>	<u>(2,875)</u>	<u>714</u>	<u>(50,254)</u>
Total capital assets being depreciated	<u>38,390</u>	<u>(1,739)</u>	<u>(193)</u>	<u>36,458</u>
Capital assets not being depreciated:				
Parking meters and lot equipment-CWIP	809	1,382	(809)	1,382
Land	22,053	—	—	22,053
Total capital assets not being depreciated	<u>22,862</u>	<u>1,382</u>	<u>(809)</u>	<u>23,435</u>
	<u>\$ 61,252</u>	<u>(357)</u>	<u>(1,002)</u>	<u>59,893</u>

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Following is a summary of the right-to-use lease and subscription IT asset activity during the year ended June 30, 2023:

	<u>Balances, June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances, June 30, 2023</u>
Right of use Lease assets:				
Equipment	\$ 113	—	—	113
Total lease assets	<u>113</u>	<u>—</u>	<u>—</u>	<u>113</u>
Less accumulated amortization:				
Lease assets:				
Equipment	(6)	(6)	—	(12)
Total accumulated amortization	<u>(6)</u>	<u>(6)</u>	<u>—</u>	<u>(12)</u>
Total lease assets, net	<u>107</u>	<u>(6)</u>	<u>—</u>	<u>101</u>
Subscription IT assets:				
Subscription IT assets	815	30	—	845
Less accumulated amortization	<u>—</u>	<u>—</u>	<u>(115)</u>	<u>(115)</u>
Subscription IT assets, net	<u>815</u>	<u>30</u>	<u>(115)</u>	<u>730</u>
Total Right of use lease and subscription IT assets, net	<u>\$ 922</u>	<u>24</u>	<u>(115)</u>	<u>831</u>

(5) Related-Party Transactions

The Parking Division is required by a state statute to remit no more than 40% of the increase in net position to the City. During the year ended June 30, 2023, the Parking Division recorded a transfer to the City of St. Louis, Missouri of \$800 for this requirement.

Additionally, at June 30, 2023, the Parking Division had the following amounts due to the City of St. Louis, Missouri:

- A gross amount of \$20 due from the Parking Division to the City for payment of June 2023 vouchers and additional City parking fees that were due, respectively.
- An amount of \$339, due to the City for unreimbursed workers' compensation claim liabilities (note 9).

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- Under the terms of the Bond Indenture for the Series 2007 and 2016 bonds, the Parking Trust Funds consist of the Net Parking Division Revenues and City General Fund Parking Revenues. These funds are to be used in equal amounts to pay principal and interest on the bonds if other funds are not available. As of the end of the current fiscal year, none of the General Fund Parking Revenues was used to meet the debt service requirements and funds have been returned to the City by the bond trustee through the bond funds.

During the year ended June 30, 2023, the City charged the Parking Division \$127 for services rendered by various City departments, which are included in the Parking Division's operating expenses as interfund services used. The charges for fiscal year 2023 were reduced by \$24 for Treasury services related to Paymaster and Banking Services.

During the year ended June 30, 2023, the City transferred \$331 to the Parking Division from the City's Tax Increment Financing Special Revenue Fund, respectively. This transfer was related to the Buckingham/Euclid TIF project.

During the year ended June 30, 2023, the Parking Division paid an amount of \$325 to the City for the Office of Financial Empowerment (OFE), which is in line with the annual appropriation for the fund for fiscal year 2023. This appropriation was approved by the Parking Commission as a nonoperating expenditure from the Parking Division.

(6) Revenue Bonds Payable

(a) Series 2016

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

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

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

(b) Series 2015B

On December 28, 2015, the Parking Division issued \$36,410 in Series 2015B Subordinated Parking Revenue Tax Exempt Bonds. The bonds were issued for the purpose of advance refunding a portion of the outstanding Series 2006A and all of the Series 2007A parking revenue bonds, funding a debt service reserve with respect to the Series 2015B and paying the bond insurance premium and other costs of issuance with respect to the Series 2015B Bonds. The bond series refunded and the amount outstanding were:

- Parking Revenue Bonds, Series 2006A – \$30,615
- Parking Revenue Bonds, Series 2007A – \$9,370

Pursuant to the provisions of the Refunding Indenture, the Issuer has deposited with the Escrow agent \$41,570, consisting of (1) \$38,613 from the proceeds of the Refunding Bonds and (2) \$2,957 representing portions of (i) the amount that was on deposit in the Series 2006A Account in the Debt Service Reserve Fund of \$2,533 and (ii) the amount that was on deposit in the Series 2007A Account in the Debt Service Reserve Fund of \$424. The Escrow agent shall establish a special and irrevocable separate trust fund to be held and designated as the "Escrow Fund for Refunded Bonds." The Issuer is providing for the defeasance and payment of the Refunded Bonds through the deposit in trust with the Escrow Agent, as described on the Debt Service payment schedule in the indenture. Therefore, as of June 30, 2023 and 2022, the Series 2007A bonds are no longer outstanding and none of defeased Series 2006A remains outstanding due to the refunding of the remaining balance as outlined above with the issuance of the 2016 Series.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,318. In accordance with GASB Statement No. 65, the loss on bond defeasance, along with the transfer of debt service reserves from 2006A and 2007A Series bonds of \$2,957 per above, have been recorded as a deferred outflow of resources, net of the accumulated amortization and will be recognized as a component of interest expense over its deemed remaining life.

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(In thousands)

(c) Series 2015A

On April 2, 2015, the City of St. Louis, Missouri issued \$6,440 of Subordinated Parking Revenue Bonds, Series 2015A (the Series 2015A Bond), acting through the Treasurer of the City in the capacity as Supervisor of Parking Meters. The Series 2015A Bond constitutes debt for the Parking Division and was issued for the purpose of financing the acquisition of new meter technology, which would replace the existing meters in the City of St. Louis. The debt will also finance the purchase of new revenue equipment at the Cupples Garage. The Series 2015A Bond is a tax-exempt subordinate parking revenue bond, bearing interest at a variable rate from 0.73% to 3.50% per annum, maturing on December 15, 2031.

(d) Series 2013A

On August 19, 2013, the City of St. Louis, Missouri issued \$1,500 of Subordinated Parking Revenue Bonds, Series 2013A (the Series 2013A Bond), acting through the Treasurer of the City in her capacity as Supervisor of Parking Meters. The Series 2013A Bond constitutes debt of the Parking Division and was issued for the purpose of financing the acquisition of the Cupples #7 Building, the subsequent demolition of the building, the landscaping and improvement of the site, and the cost of issuance. The Series 2013A Bond is a tax-exempt subordinate parking revenue bond, bearing interest at the rate of 2.30% per annum, maturing on December 15, 2022. Due to the sale of the Spruce Land in April, 2022, the last principal payment of \$166,668, due on December 15, 2022, was paid at closing.

(e) Series 2003A and B

On November 20, 2003, the SLPCFC issued \$6,730 in Series 2003A Tax Exempt Parking Revenue Bonds at a variable interest rate not to exceed 12% and \$6,882 in Series 2003B Taxable Parking Revenue Bonds at a variable interest rate not to exceed 5% for the purpose of purchasing the Cupples Garage located in downtown St. Louis. The net proceeds of the bonds were \$13,127, after the deduction of \$485 in underwriting fees and issuance costs. The Series 2003A and 2003B bonds are secured solely by the net revenues of the Cupples Garage and do not constitute a general obligation of the Parking Division or of the City of St. Louis. The Series 2003A bonds are secured by an irrevocable direct pay letter of credit with the Bank of America, N.A. (the Bank) in the original amount of \$6,807. The letter of credit automatically extends for successive one-year periods until the absolute termination date of June 6, 2028, unless written notice is given not less than one year prior to the actual or anticipated termination date beyond which the Bank elects not to renew the letter of credit. The Parking Division has not received notice of termination as of the date of this report. As of June 30, 2023 and 2022, there are no outstanding draws related to this letter of credit.

On April 30, 2021, an amendment was entered into by SLPCFC and the Bank of America which amended the reimbursement agreement for the Series 2003A Tax Exempt revenue bonds which reduced the amount due for June 30, 2021 by \$224 and increased the amounts due in subsequent years thru 2024. All other terms remained unchanged.

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(In thousands)

(f) Revenue Bonds Outstanding

Revenue bonds outstanding at June 30, 2023, are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12.00%, payable in varying amounts through 2024	\$	80
SLPCFC Series 2003B taxable revenue bonds, interest rates variable, not to exceed 5.00%, payable in varying amounts through 2038		4,988
Series 2015A subordinated parking revenue bond, interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031		3,925
Series 2015B subordinated parking revenue refunding bond, interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033		25,680
Series 2016 revenue bonds interest ranging from 3.00% to 4.00%, payable in varying amounts through 2031		8,160
		42,833
Unamortized discount and premium		1,952
Current portion of revenue bonds payable		(3,684)
Noncurrent portion of revenue bonds payable	\$	41,101

(g) Debt Service Requirements

Debt service requirements of the revenue bonds at June 30, 2023, are as follows:

	Principal	Interest	Total
Year ending June 30:			
2024	\$ 3,679	1,587	5,266
2025	3,763	1,417	5,180
2026	3,936	1,242	5,178
2027	4,116	1,057	5,173
2028	4,302	891	5,193
2029–2032	19,642	1,994	21,636
2033–2037	2,939	427	3,366
2038–2040	456	16	472
	\$ 42,833	8,631	51,464

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(In thousands)

(h) Changes in Noncurrent Revenue Bonds Payable

Following is a summary of the changes in noncurrent revenue bonds payable for the year ended June 30, 2023:

		2023
Balances, beginning of year, net	\$	45,061
Revenue bonds paid or reclassified as current		(3,684)
Reclassification of interest from principal		(89)
Amortization of discounts and premiums		(187)
Balances, end of year, net	\$	41,101
Amount due within one year	\$	3,684

(i) Debt-Related Items Presented as Deferred Outflows/Inflows of Resources

The Parking Division recognizes certain debt-related items as deferred outflows/inflows of resources. The detail of the debt-related items recognized as deferred outflows/inflows of resources at June 30, 2023, is presented below:

		Deferred outflow of resources	Deferred inflow of resources
Loss on bond refunding	\$	3,531	—
Gain on bond refunding		—	(199)
Total	\$	3,531	(199)

For the years ended June 30, 2023, the amortization of the loss on bond refunding for deferred outflows of resources totaled \$347, which increased interest expense. The amortization of the gain on bond refunding for deferred inflows of resources totaled (\$21), which decreased interest expense.

(7) Employees Retirement System of the City of St. Louis

The Parking Division participates in the Employees Retirement System of the City of St. Louis (Employees System), a cost-sharing, multiple-employer public defined benefit pension plan.

(a) Plan Description

All Parking Division employees become members of the Employees System upon employment, with the exception of employees hired after attaining age 60.

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(In thousands)

The Employees System issues a publicly available financial report that includes financial statements and required supplementary information. The Employees System financial statements are prepared using the accrual basis of accounting. 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 of 65 or if the employee's age and creditable service combined equal or exceed 85 years. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (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. 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 members completely terminate 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 due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method.

Employer contribution rates are established annually by the Board of Trustees of the Employees System based on an actuarial study. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.44% effective July 2022 through June 2023. The previous contribution rate was 15.42% effective July 2021 through June 2022.

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

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The Parking Division's contributions to the Employees System for the year ended June 30, 2023 was \$670.

(c) Net Pension Liability

The Parking Division reported a liability of \$5,917 for its proportionate share of the net pension liability as of June 30, 2023. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022. The Parking Division's proportion of the net pension liability was based on the Parking Division's share of contributions to the Employees System relative to the contributions of all Employees System participating employers. As of September 30, 2022, the Parking Division's collective proportion was 1.60%, which was a decrease of 0.1% from its proportion as of September 30, 2020.

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

Date of actuarial valuation	October 1, 2022
Actuarial cost method	Entry age normal
Inflation	2.50%
Long-term rate of return	7.25%
Projected salary increases	2.50% plus merit component based on years of service
Mortality and death rates	Active: 135% of the Pub-2010 General Employee below-median income mortality table for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019 Healthy: 125% of the Pub-2010 General Retiree below-median income mortality table for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019 Disabled: 120% of the Pub-2010 Non-Safety Disabled Retiree mortality table for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019

The actuarial assumptions used in the October 1, 2022 actuarial valuation were based on the results of an actuarial experience study performed in 2020 which reviewed all the economic and demographic assumptions.

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The long-term expected rate of return on the Employees System investments was determined using a building-block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2022, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Large cap	24.00 %	6.90 %
Mid cap	7.50	7.27
Small cap	7.50	8.00
International large cap	12.00	7.24
Emerging markets	3.00	7.40
Bank loans	4.50	5.10
Fixed income	10.00	2.50
International fixed income	4.50	4.90
Core real estate	10.00	6.50
Infrastructure	5.00	7.00
Private equity	5.00	11.00
Hedge funds	3.00	5.10
Defensive equity	4.00	6.10
Total/Average	<u>100.00 %</u>	<u>6.54 %</u>

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(In thousands)

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2022, actuarial valuation, a 7.25% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2023 for the Parking Division is as follows:

	2023	
	Discount rate	Net pension liability
1% decrease	6.25	7,739
Current rate	7.25	5,917
1% increase	8.25	4,366

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Employees System financial report.

(d) Pension Expense

For the year ended June 30, 2023, the Parking Division recognized pension expense of \$1,212. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five-year period.

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(In thousands)

(e) Deferred Outflows/Inflows of Resources Related to Pensions

In accordance with GASB Statements No. 68, the Parking Division recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2023, the Parking Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	2023	
	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	\$ 134	(25)
Net difference between projected and actual earnings on pension plan investments	1,689	—
Changes in proportion	—	(154)
Parking Division contributions subsequent to the measurement date	421	—
Total	\$ 2,244	(179)

The \$421 reported as deferred outflow of resources related to pensions resulting from the Parking Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

The Parking Division recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Employee System's employees. The following table summarizes the future recognition of these items:

Year ended June 30:	
2024	\$ 421
2025	338
2026	269
2027	616
	\$ 1,644

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June 30, 2023

(In thousands)

(f) Pension Funding Project

During fiscal year 2008, the City of St. Louis Municipal Finance Corporation issued \$46,700 in Taxable Leasehold Revenue and Refunding Bonds Series 2007 (Pension Funding Project) to fund the Employees System. While the Parking Division is not legally responsible for these bonds, \$887 of the proceeds was allocated to the Parking Division. A \$637 liability is reflected as other noncurrent liabilities on the statements of net position and is payable to the City of St. Louis by June 30, 2037.

(8) Change in Noncurrent Liabilities

The following table shows the changes in noncurrent liabilities for the fiscal years ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
Revenue bonds payable (note 6)	\$ 46,736	—	(3,903)	42,833	3,684
Lease and subscription IT liabilities (note 2(l) and (m)), restated	900	31	(137)	794	140
Net pension liability (note 7)	2,954	2,963	—	5,917	—
Pension funding project (note 7)	664	—	(27)	637	—
Unamortized discounts and premiums, net (note 6)	2,139	—	(187)	1,952	—
Other	66	—	(26)	40	—
Total	<u>\$ 53,459</u>	<u>2,994</u>	<u>(4,280)</u>	<u>52,173</u>	<u>3,824</u>

The beginning balance of subscription IT liabilities reflects the adoption of GASB 96 for the IPS contract.

The following table shows the future annual lease payments:

	Principal	Interest	Total
2024	\$ 30	2	32
2025	27	1	28
	<u>\$ 57</u>	<u>3</u>	<u>60</u>

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June 30, 2023

(In thousands)

The following table shows the future annual subscription IT payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110	20	130
2025	113	16	129
2026	115	13	128
2027	115	10	125
2028-2033	<u>284</u>	<u>10</u>	<u>294</u>
	<u>\$ 737</u>	<u>69</u>	<u>806</u>

(9) Risk Management and Litigation

The Parking Division 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 Parking Division participates in the Settlement Fund, an internal service fund of the City of St. Louis, Missouri. The purpose of the Settlement Fund 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 the Settlement Fund. The Parking Division reimburses the Settlement Fund for workers' compensation claims on a cost-reimbursement basis. At June 30, 2023, the Parking Division owed the Settlement Fund \$339 for unreimbursed workers' compensation claim liabilities, which is recorded as part of due to the City of St. Louis, Missouri, respectively. All other self-insured risks are paid for by the General Fund of the City on behalf of the Parking Division. The Parking Division also purchases commercial insurance for other risks it considers significant, including surety bonds on various employees that handle cash, general liability, and property damage for its buildings and parking garages. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

(10) Pledged Revenue

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2013A, 2015A, 2015B, and 2016. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2023, the remaining principal and interest requirement is \$44,143, payable through fiscal year 2038. Principal and interest paid for the Series 2015A, 2015B, and 2016 Parking Revenue Bonds was \$4,799 for the year ended June 30, 2023. The pledged net revenue recognized for the year ended June 30, 2023 was \$6,520.

(11) Lease Receivable

The Parking Division is a lessor for various noncancellable long-term leases of its buildings. Lease terms for the leases vary from 1 year to 11 years. The discount rate used for the calculation of the lease receivable varies depending on the length of the respective leases, and ranged from 0.33% to 2.92%.

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June 30, 2023

(In thousands)

Lease income from noncancellable long-term fixed payment leases totaled \$678 for the year ended June 30, 2023. Interest income from noncancellable long-term leases totaled \$48 for the year ended June 30, 2023.

Where a monthly lease payment is less than the calculated interest amount for that month, the difference is recorded as accrued interest receivable and accounted for separately from the respective lease receivable balance. Monthly interest accrues based on prior month-end balances of both the lease receivable account and the related accrued interest receivable account. This accrued interest account will accumulate until such time that monthly lease payment is greater than the interest calculated for that month. In leases that have outstanding accrued interest receivable balances, the related lease payments are applied in the following order: (1) to the interest portion of the rent, (2) to the accrued interest balance until fully paid, and (3) to the lease receivable balance. Accrued interest receivable totaled \$9 at June 30, 2023.

(12) Capital Commitments and Subsequent Events

The Parking Division was awarded the bid from the St. Louis Development Corporation for building a new garage on City Block 177 in January 2022. Plans are underway to finalize the design and projected financials for this undertaking. The completion time has been postponed to refine revised specifications. Revenue Bonds will be issued to finance the project.

In September 2022, the Parking Division began implementing the Pay by Plate system for the multi-space meters in all zones. This technology will allow for increased efficiency for the Parking Division's parking enforcement personnel and a savings on operational costs. It is scheduled to be completed by Fall 2023.

The Parking Division purchased two Licensed Plate Recognition systems in the fiscal year 2023. This is being used to implement our first residential permit parking program and to capitalize on parking enforcement efficiencies with the Pay By Plate technology.

The Parking Division upgraded the technology in all meters from 2G to 4G to eliminate unplanned outages and inefficient communication issues to backend systems. This implementation started in June 2022 and was completed in June 2023. It is expected that this technology upgrade will generate additional revenues, beginning in fiscal year 2024.

The Parking Division launched a pilot of Cashless Parking for Events at Kiel Garage, City Hall Lot, Cupples Garage and Justice Garage in Fall 2022. This allows parkers to pay for events by credit card. This technology has officially been implemented at these facilities and will be rolled out to Williams Lot in fiscal year 2024.

An online monthly parking system is being developed for all garages (except Abrams Garage) that will allow monthly parkers to pay via the web vs going to the garage offices. It will also transition monthly parking payments to ACH and credit card. Entry and exit options to access the garage will also transition to QR Code from proxy cards. This system will be launched in Fall 2024.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
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Cupples Garage

Schedule of Assets, Liabilities, and Fund Net Position

(Unaudited)

June 30, 2023

(In thousands)

Assets

Current assets:

Cash and cash equivalents	\$	327
Accounts receivable		6
Due from the City of St. Louis, Missouri		1
		<hr/>
Total current assets		334

Noncurrent assets:

Capital assets:

Equipment	9
Nondepreciable – CWIP	19
Cupples Garage building	11,159
Less accumulated depreciation	<u>(6,251)</u>
	4,936

Cupples Garage land

1,950

Total capital assets

6,886

Total noncurrent assets

6,886

Total assets

\$ 7,220

Liabilities and Net Position

Current liabilities:

Accounts payable and accrued expenses	\$	89
Accrued salaries and other benefits		17
Due to the City of St. Louis, Missouri		24
Current portion of revenue bonds payable		<u>229</u>
Total current liabilities		<u>359</u>

Noncurrent liabilities:

Revenue bonds payable, net	<u>4,839</u>
Total noncurrent liabilities	<u>4,839</u>

Total liabilities

5,198

Net position – net investment in capital assets

2,022

Total liabilities and net position

\$ 7,220

See accompanying independent auditors' report.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
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Cupples Garage

Schedule of Revenues, Expenses, and Changes in Net Position

(Unaudited)

Year ended June 30, 2023

(In thousands)

Operating revenues:	
Cupples Garage	\$ <u>1,144</u>
Total operating revenues	<u>1,144</u>
Operating expenses:	
Parking Division management fees	142
Personal services	157
Materials and supplies	7
Contractual services	56
Insurance	38
Utilities	25
Miscellaneous	5
Depreciation and amortization	<u>317</u>
Total operating expenses	<u>747</u>
Operating income	<u>397</u>
Nonoperating revenues (expenses):	
Investment income	24
Interest expense	<u>(269)</u>
Total nonoperating expenses, net	<u>(245)</u>
Income before transfers	<u>152</u>
Change in net position	152
Total net position, beginning of year	<u>1,870</u>
Total net position, end of year	<u>\$ <u>2,022</u></u>

See accompanying independent auditors' report.