Missouri Development Finance Board

A Component Unit of the State of Missouri

Prepared By The Accounting Department

Erica Griffin, CPA • Senior Accountant

Ryan Vermette • Compliance Officer

Missouri Development Finance Board

200 Madison Street, Suite 1000 • PO Box 567

Jefferson City, MO 65101 | 573-751-8479

www.mdfb.org

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

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Principal Officials

BOARD MEMBERS

Ms. Marie J. Carmichael, Chair
Governor-Appointed Member
Springfield

Committees
Executive, Personnel, Finance, Audit
SSGPPC Board Member

Mr. Reuben A. Shelton
Vice Chairman
Governor-Appointed Member
St. Louis

Committees
Executive, Personnel, Finance

Mr. Larry D. Neff, Secretary
Governor-Appointed Member
Neosho

Committees
Executive, Personnel, Audit

Mr. John E. Mehner, Treasurer
Governor-Appointed Member
Cape Girardeau

Committees
Executive, Personnel, Finance

Mr. Kelley M. Martin
Governor-Appointed Member
Kansas City

Committees
Finance
SSGPPC Board Member

Mr. Patrick J. Lamping
Governor-Appointed Member
Barnhart

Committees
Audit
SSGPPC Board Member

Mr. Bradley G. Gregory
Governor-Appointed Member
Bolivar

Committees
Audit

Mr. Matthew L. Dameron
Governor-Appointed Member
Kansas City

Committees
Audit

The Honorable Peter D. Kinder
Lieutenant Governor
Ex-Officio Member

Mr. Mike Downing, Director
Department of
Economic Development
Ex-Officio Member

Mr. Richard Fordyce, Director
Department of Agriculture
Ex-Officio Member

Ms. Sara Pauley, Director
Department of Natural Resources
Ex-Officio Member

Board membership consists of eight volunteer members appointed by the Governor and confirmed by the Senate, and four ex-officio members.

Organizational Chart

Robert V. Miserez
Executive Director

Erica Griffin, CPA
Senior Accountant

Ryan Vermette
Compliance Officer

Valerie Haller
Executive Assistant

Erin Carel
Administrative Assistant

Kathleen Barney
Senior Portfolio Manager

Kimberly Martin
Community Development Program Manager

Board Counsel
Mr. David Queen
Gilmore & Bell, P.C.

Independent Certified Public Accountants
Heidi A. Chick, CPA
Williams Keepers, LLC

Letter of Transmittal

MISSOURI DEVELOPMENT FINANCE BOARD

October 5, 2015

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri for the fiscal year ended June 30, 2015. The accounting department prepared this report, while responsibility for both the accuracy of the presented data and the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that was established for this purpose, rests with the Board. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams Keepers LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Missouri Development Finance Board's financial statements for the year ended June 30, 2015. The *Independent Auditors' Report* is located at the front of the *Financial Section* of this report.

Management's Discussion and Analysis (MD&A) immediately follows the *Independent Auditors' Report* and provides a narrative introduction, overview and analysis of the basic financial statements. This *Letter of Transmittal* is designed to complement the MD&A and should be read with it as well.

Profile of the Government

The Missouri Development Finance Board is a "body corporate and politic" created by the State of Missouri. Its statutory citation is the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850. The Board's primary function is to structure and participate in the financing of Missouri business and public infrastructure. The Board is a discretely presented component unit within the *State of Missouri's Comprehensive Annual Financial Report*.

The original development board was created by Missouri statute in 1982, as the Missouri Industrial Development Board. The current legislative authorization dates to 1993, and was the fourth major statutory change since 1982. Each of these changes resulted in increased authority and responsibility for the Board in economic development and infrastructure financing.

The Board provides a diverse array of financing programs to carry out its mission of facilitating economic and infrastructure development projects. The Board administers 11 programs and has 3 component units which correspond to its mission to benefit the citizens of the State of Missouri as follows:

Programs

1. **Revenue Bonds for Private Commercial and Nonprofit Projects**
   Pursuant to RSMo Section 100.275, the Board is authorized to issue revenue bonds for purposes permitted under RSMo Section 100.255, including the purchase, construction and improvement of facilities used for manufacturing and other commercial purposes, and for recreational and cultural facilities.
2. **Revenue Bonds for Public Infrastructure Projects**
   The Board also is authorized to issue its revenue bonds to finance essential infrastructure improvements and related work for local governments, state agencies and qualified public/private partnerships.
3. **Tax Credit for Contribution Program**
   RSMo Section 100.286.6 authorized the Tax Credit for Contribution Program. Through this program, the Board is authorized to grant tax credits equal to 50 percent of contributions made to the Board. Contributions are used to pay the costs of projects approved by the Board. Per statute, during any *calendar* year, the Board can authorize no greater than $10 million. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the directors of the Department of Economic Development and Revenue and the Commissioner of Administration, but in no event shall authorizations exceed $25 million in a calendar year.
4. **Tax Credit Bond Enhancement Program**
   The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of public entities for certain bonds. This program uses the Board's bond tax credits as collateral.
5. **Direct Loan Program**
   The Direct Loan Program provides direct loans at reasonable interest rates to qualified borrowers.
6. **BUILD Missouri (Business Use Incentives for Large-Scale Development) Program**
   The BUILD Missouri Program authorized under RSMo Sections 100.700 to 100.850 is an incentive tool that allows the Department of Economic Development and the Board to finance a portion of the costs of qualifying capital investments for eligible businesses that seek to locate or expand in Missouri and create a significant number of new jobs. The incentives offered by BUILD are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive.
7. **Missouri Infrastructure Development Loan Program (MIDOC)**
   The MIDOC Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. Water and sewer projects addressing public health and safety receive priority. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects. Interest rates are 3% with a maximum loan amount of $150,000; however, if there is a critical need and with Board approval, this maximum loan amount may be exceeded.

8. Loan Guarantees

The Board is empowered under RSMo Sections 100.250 to 100.297, as amended, to guarantee loans to credit-worthy businesses which cannot otherwise obtain credit at reasonable rates and terms in order to create or retain full-time employment.

9. City/State Partners Program

The City/State Partners Program is a corporate agreement between the Ex-Im Bank and state and local entities around the country to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. The Board markets programs offered by the Ex-Im Bank and packages applications for these programs. The Board's relationship with the Ex-Im Bank provides Missouri companies a direct line to export financing. In addition, the Board's relationship with the U.S. Small Business Administration (SBA) and the State Treasurer's Office provides loan programs to support the production of goods and services for export.

10. Downtown Revitalization and Economic Assistance for Missouri (DREAM)

The DREAM Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The DREAM Initiative was created through a partnership between the Missouri Development Finance Board, the Missouri Department of Economic Development and the Missouri Housing Development Commission. Plans for communities approved in prior year selections are being completed, although no new applications are being accepted.

11. Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03. This Executive Order directed the Department of Economic Development to work with the Board "to create a pool of funds designated for low-interest direct loans for small businesses." In response, the Board established a $2 million loan fund. Loans were for $25,000 or less, bear interest at 3%, and can be used for capital and operating needs.

To better utilize the program, in December 2010 the Board voted to increase the maximum loan amount to $50,000 and authorized an increase in the maximum number of employees from 5 to 15. In June 2011, the Small Business Loan Program was expanded to provide financial assistance and access to capital for businesses located in Presidentially-declared disaster areas within the state. In August 2014, this program was further expanded to allow the use of program funds to create a loan pool, with the Saint Louis County Economic Development Corporation (SLCEDC), that can be utilized by residents affected by the unrest in Ferguson, Missouri. This helped create a $1 million loan pool, of which $850,000 is restricted to 0% interest loans. SLCEDC will administer the program and loans will be in the amounts of $2,500 to $10,000.

Component Units

1. Missouri Community Investment Corporation (MCIC)

The MCIC is a discretely presented component unit of MDFB. The Board members of MDFB as well as five additional members, serve as the Board for the MCIC. The MCIC is a non-profit organization established for the primary purpose to serve as a qualified Community Development Entity (CDE) in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. In October 2007, MCIC was notified that it would not receive an allocation of tax credits. In August 2015, the annual registration for the MCIC expired and was not renewed.

2. **Seventh Street Garage Public Parking Corporation (SSGPPC)**
   The SSGPPC is a blended component unit of MDFB and is reported within the Parking Garage Fund. SSGPPC is a legally separate corporation and meets the requirement for a charitable corporation under Federal income tax section 501(c)(3). Three Board members of MDFB serve as members for the SSGPPC. The SSGPPC was established primarily to serve as a qualified active low-income business (QALICB) located in a low-income census tract as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC is responsible for the maintenance and operations of a garage at 601 Locust Street in St. Louis, Missouri, known as the Seventh Street Garage.
3. **St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD)**
   The SLCCH CID/TDD is a discretely presented component unit of MDFB and is reported as a governmental fund. The SLCCH CID/TDD was established during the fiscal year ended June 30, 2015 to account for the operations of the CID and TDD sales tax levy (at 1%), which is utilized to benefit the Renaissance Grand Hotel and Suites in their license obligation to MDFB. MDFB uses the license payment for garage operations and maintenance of the St. Louis Convention Center Hotel Garage (SLCCHG). Four MDFB staff members serve on the Board and are responsible for monitoring district collections, paying district expenses, and collecting and transferring TIF funds to the City of St. Louis.

Economic Conditions

Per the Missouri Department of Economic Development's *2015 Missouri Economic Report*, "Missouri's unemployment rate in May was 5.8 percent compared to the United State's unemployment rate of 5.5 percent. A year earlier Missouri's unemployment rate was at 6.1 percent. According to advance estimates, Missouri's Gross Domestic Product (GDP) totaled over $284 billion in 2014, an increase in real dollars of 0.8 percent from 2013. U.S. GDP has averaged 3.0 percent growth over the last four quarters. Missouri added 25,500 jobs from May 2014 to May 2015, representing a 0.8 percent increase from the year before in seasonally-adjusted figures. The three industries with the most employment growth in the previous 12 months ending in May were Manufacturing, Financial Activities, and Leisure & Hospitality. The largest industry subsector to grow by job numbers and percent was Manufacturing, with 5,000 jobs and 2.0 percent respectively. This subsector is often an indicator of broader economic and job growth trends to come. The increase in employment occurred from May 2014, to December 2014, with 5,400 jobs created. Fourth quarter 2014 data showed continued growth of real personal income in Missouri and the U.S. from the same quarter last year. U.S. personal income grew by 4.5 percent and Missouri personal income grew by 3.3 percent from the prior year. Missouri's Purchasing Managers Index (PMI) has been above the expansionary level for 29 consecutive months starting in January 2013. The State's PMI was 50.7 for May 2015. New business formations, per 1,000 population, were highest in St. Louis City forming 6.0 businesses per 1,000 people. Southeast and South Central regions had the highest business formation rates in the remainder of the state, forming 2.7 and 2.4 businesses per 1,000 people, respectively. Employment rate growth from 2009, to 2014, was highest in the Ozark region, increasing by 5.1 percent, followed by the Central region and Southeast region with growth of 3.7 percent and 3.1 percent, respectively. Kansas City and St. Louis region's employment grew by 2.0 percent and 1.8 percent, respectively."

During the fiscal year ended June 30, 2015, the Board contributed to the growth in the Missouri economy by issuing BUILD bond incentives of $9.8 million to leverage investment in Missouri of approximately $400 million, and preliminarily approved 2 issuances totaling $40 million to leverage $309 million in private investment. In addition, the Board approved 6 Tax Credit for Contribution projects.

The Board also participated in the refinancing of 1 public activity revenue bond issuance for the City of Independence totaling $9 million, 1 public activity revenue bond issuance for the City of Branson totaling $78 million, and 1 private activity revenue bond issuance for Kauffman Center for Performing Arts totaling $78 million. In addition, 2 new public activity revenue bonds were issued totaling $123 million: 1 for the City of Independence for $25 million, and 1 for the State of Missouri totaling $98 million.

The Board continues its mission to promote economic development in the State of Missouri through the issuances of grants and loans for various needs including $1.75 million for customized workforce training granted to the Department of Economic Development's Division of Workforce Development. The loan pool, created in partnership with SLCEDC as part of the SBL Program, allowed businesses streamlined access to micro-loans to help rebuild their businesses after sustaining property and/or business interruption damages during periods of localized community unrest.

Long-Term Financial Planning

In July 2015, the Board approved the operating budget for fiscal year 2016, and within the budget granted preliminary approval of the early redemption of a portion of long-term debt.

The Board continues to evaluate the purchase option on the Old Post Office (OPO) in St. Louis. The Board acquired title to the vacant OPO in 2004, from the General Services Administration of the United States at no cost. The Board then executed a 99-year lease of the OPO with St. Louis Custom House and Post Office Building Associates, LP to rehabilitate the property. Per the master lease agreement, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014, at the greater of the fair market value of the leasehold interest in the property or the development debt outstanding. Only the Board or the State of Missouri is permitted to own the property. If the Board moves forward with the purchase in fiscal year 2016, there will be a significant impact on the Board's assets, long-term liabilities, as well as rent revenues and operating expenses.

Relevant Financial Policies

The Board has one discretely presented component unit which accounts for its activities as a governmental fund. All other Board activities are enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities of a governmental entity that are similar to activities found in the private sector. Budgets are not required for proprietary funds in accordance with generally accepted accounting principles. Likewise, since MDFB is a legally separate entity that does not receive state appropriations, it is not required to adhere to an appropriations budget like departments within the State of Missouri. During 2006, the Board voted to establish an operating budget for the Industrial Development and Reserve Fund for fiscal year 2007, and future years as a guide to aid in the Board's planning efforts. In March 2008, in order to improve its budget efforts, the operating budget was expanded to contain a 3-year projection. For fiscal year 2013, to further enhance the budget projections, the parking garage operations were incorporated into this budget.

In addition, the Board has purchasing procedures in place to handle budgeted and unbudgeted expenses. As per Board policy, non-budgeted expenses between $2,500 and $5,000 must be approved by both the Executive Director and the Controller; non-budgeted expenses greater than $5,000 and less than $10,000 must be approved by the Executive Committee; and non-budgeted expenses in excess of $10,000 must be approved by the full Board.

In January 2013, the Board amended its *Investment Policy* in response to a request from US Bank to collateralize MDFB deposits with irrevocable standby Letters of Credit issued by the Federal Home Loan Bank. Previously, the Board's investments at US Bank and other financial institutions were collateralized by federal agency discount notes. The ability to use such collateral allowed US Bank and other institutions holding collateral on behalf of the Board to better meet in-house liquidity thresholds. Such collateral was deemed adequate by Board legal counsel, as well as the *Missouri State Treasurer's Investment Policy* for state and local government investments. A copy of this policy can be requested by contacting MDFB at *www.mdfb.org*.

The Board is a public governmental body, as described in RSMo, Section 610.010(4), and therefore, is subject to the Sunshine Law. In February 2005, the Board adopted an initial Sunshine Policy. In June 2014, the Board amended its policy to be more comprehensive and detailed. A copy of the revised policy can be requested by contacting MDFB at *www.mdfb.org*.

Major Initiatives

For the fiscal year ended June 30, 2015, the Board implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. The new standards required recognition of the entire net pension liability and pension expense along with enhanced note disclosures explaining changes in pension liability, and required supplementary information. As a result of GASB No. 68, the Board's net pension liability account is specifically identified on the face of the financial statements along with the corresponding pension contributions and other reported as deferred outflows and inflows of resources.

In July 2014, Board staff became members of the Board of Directors for the St. Louis Convention Center Hotel Transportation Development District and the St. Louis Convention Center Hotel 3 Community Improvement District (the Districts). Due to staff involvement, these Districts are a discretely presented component unit of the Board as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity. As a result of GASB 61, the Districts are required to be included in the Board's financial statements and are presented alongside the Board's financials.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MDFB for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the fifteenth consecutive year that the Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of all Board staff. We would like to thank the firm of Williams Keepers, LLC and their staff for their assistance in the preparation of this report, John E. Mehner for serving as Board Treasurer, and the MDFB Audit Committee for their oversight and guidance.

Respectfully submitted,

Erica Griffin

Ryan Vermette

Erica Griffin, CPA
Senior Accountant

Ryan Vermette
Compliance Officer

GFOA Certificate of Achievement

Financial Section

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Independent Auditors' Report

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

Members of the Missouri Development Finance Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board'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 audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, in 2015 the Board adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. 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* and the pension plan schedules as listed on the table of contents 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 U.S. Generally accepted auditing standards, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The *Introductory Section*, *Supplementary Information - Prior Year Financial Statements*, *Supplementary Information - Combining Fund Financial Statements*, and *Statistical Section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *Supplementary Information - Prior Year Financial Statements* and the *Supplementary Information - Combining Fund Financial Statements* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Williams Keepers LLC

October 5, 2015

Management’s Discussion and Analysis

As management of the Missouri Development Finance Board (the Board), we offer readers of the Board’s financial statements this narrative overview and analysis of the financial activities of our organization for the fiscal year ended June 30, 2015.

Financial Highlights

- During fiscal year 2015, the Board’s total net position increased by $630,703. The increase is attributable to favorable parking garage revenues as well as stable operating expenses.
- During the last half of fiscal year 2015, in anticipation of cash needs for the Tax Credit for Contribution Program, the Board limited its purchases of investments. Remaining balances are held in cash, which is invested in money market accounts that utilize overnight repurchase agreements.
- The Board adopted GASB Statement No. 68, *Accounting for Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The Board restated the net position, beginning for the proprietary fund types for fiscal year 2015, but did not restate the fiscal year 2014 statements. As a result, the fiscal year 2014 financial statements are presented as supplementary information this year.
- During fiscal year 2015, the Board paid $189,000 in principal on the bonds that were issued during 2010, to assist with the financing on the Seventh Street Garage.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board’s basic financial statements. Government financial statements are presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the Financial Statements.

In addition to the basic financial statements, the Board has opted to present combining schedules for the Parking Garage Fund and the Revolving Loan Fund as supplementary information along with the fiscal year 2014 financial statements.

Fund Financial Statements

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other discretely presented component units of the State of Missouri, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The Board’s funds can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of monetary resources, as well as on balances of monetary resources available at the end of the fiscal year.

  The Board maintains one governmental fund. Information is presented separately in the government-wide financial statements for this activity.

- **Proprietary funds.** Proprietary funds consist of two types of funds: internal service funds and enterprise funds. Of the two types of proprietary funds, the Board maintains one type — enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities. Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Industrial Development and Reserve Fund, the Parking Garage Fund, and the Revolving Loan Fund. All funds are considered to be major funds.

- ***Notes to the Financial Statements***. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements.
- **Combining schedules.** The combining schedules, along with the fiscal year 2014 financial statements, have been included as supplementary information to provide additional information for the Board's Parking Garage Fund and Revolving Loan Fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $87,004,198 at the close of fiscal year 2015 and by $87,093,145 at the close of fiscal year 2014.

Net Position as of June 30

	Governmental Activities		Business-Type Activities		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Current and other assets	$ -	$ -	$ 67,656,725	$ 65,311,694	$ 67,656,725	$ 65,311,694
Restricted assets	-	-	21,032,782	43,376,476	21,032,782	43,376,476
Capital assets	-	-	67,967,091	69,878,061	67,967,091	69,878,061
Total assets	-	-	156,656,598	178,566,231	156,656,598	178,566,231
Deferred outflows of resources	-	-	453,435	352,741	453,435	352,741
Current liabilities	-	-	447,850	441,816	447,850	441,816
Noncurrent liabilities	-	-	69,482,198	69,482,198	69,482,198	69,482,198
Total liabilities	-	-	69,930,048	91,825,827	69,930,048	91,825,827
Deferred inflows of resources	-	-	175,787	-	175,787	-
Net position						
Net investment in capital assets	-	-	16,031,157	17,753,127	16,031,157	17,753,127
Restricted	-	-	7,936,899	8,407,066	7,936,899	8,407,066
Unrestricted	-	-	63,036,142	60,932,952	63,036,142	60,932,952
Total net position	$ -	$ -	$ 87,004,198	$ 87,093,145	$ 87,004,198	$ 87,093,145

Unrestricted net position may be used to meet the Board's ongoing obligations to citizens and creditors. Restricted net position is restricted to specific purposes and may not be used for anything else. Capital assets are used to provide services to the citizens of Missouri and are not spendable.

There was no material change in capital assets during fiscal year 2015 or 2014. The decreases are due to accumulated depreciation.

The decrease in restricted assets of $22,343,694 from 2015 to 2014 is due to decreased funds on hand for the Tax Credit for Contribution Program through a combination of fewer contributions received and increased disbursements to fund project construction costs.

There was no material change in total net position for fiscal year 2015.

Changes in Net Position for the Years Ended June 30

	2015		2014	
	$	%	$	%
Operating income	$ 2,909,074	461.24%	$4,031,444	114.57%
Non-operating revenue (expense)	(2,278,371)	(361.24)	(512,658)	(14.57)
Change in net position	$ 630,703	100.00%	$3,518,786	100.00%

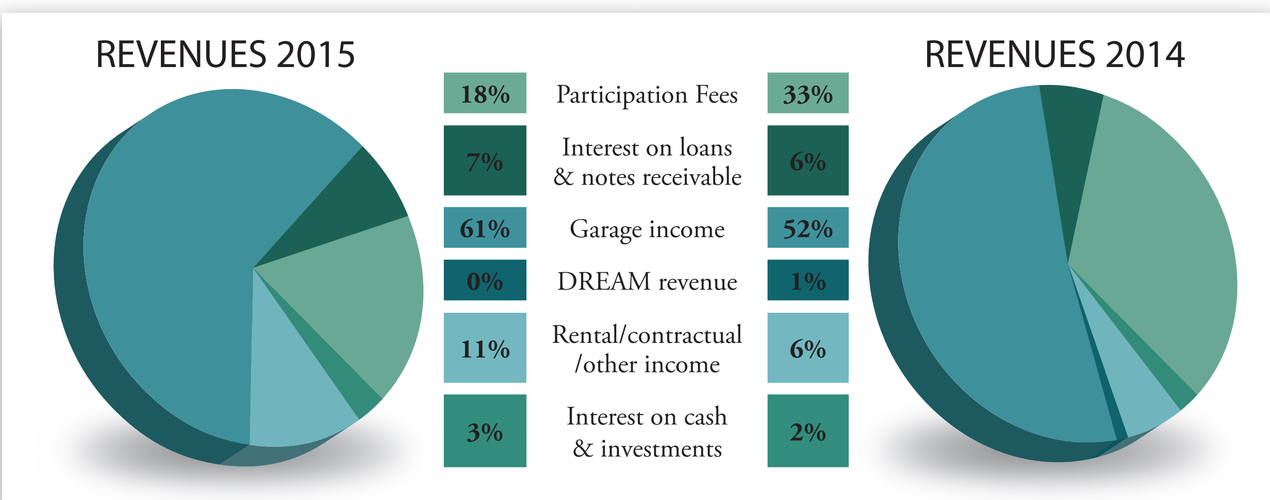
For fiscal year 2015, operating income is down $1,122,370 (28%) from the prior fiscal year due to lower participation fees revenue. Contributions to others resulted in a higher non-operating expense for 2015 as compared to 2014.

Changes in Net Position for the Years Ended June 30:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program revenue						
Participation fees	$ -	$ -	$1,475,268	$3,108,998	$ 1,475,268	$ 3,108,998
Interest on loans & notes receivables	-	-	559,810	572,347	559,810	572,347
Rental income	-	-	233,159	233,159	233,159	233,159
Contractual income	-	-	11,250	-	11,250	-
Parking garage revenue	-	-	5,175,893	4,973,252	5,175,893	4,973,252
DREAM revenue	-	-	5,698	68,663	5,698	68,663
General revenue						
Taxes	705,655	-	-	-	705,655	-
Other income	-	-	705,836	348,651	705,836	348,651
Non-operating revenues:						
Interest on cash & investments	-	-	273,467	214,537	273,467	214,537
Total revenues	705,655	-	8,440,381	9,519,607	9,146,036	9,519,607
Expenses						
Personnel services	-	-	726,121	784,481	726,121	784,481
Professional fees	-	-	232,300	195,910	232,300	195,910
Depreciation & amortization	-	-	1,927,783	1,936,745	1,927,783	1,936,745
Parking garage operating expenses	-	-	1,690,374	1,653,820	1,690,374	1,653,820
DREAM expense	-	-	326,289	419,632	326,289	419,632
Other expenses	-	-	354,973	283,038	354,973	283,038
SLCCH CID/TDD Program	705,655	-	-	-	705,655	-
Total operating expenses	705,655	-	5,257,840	5,273,626	5,963,495	5,273,626
Non-operating expenses						
Bond expense and interest expense	-	-	701,838	712,795	701,838	712,795
Contributions to others	-	-	1,850,000	14,400	1,850,000	14,400
Total expenses	705,655	-	7,809,678	6,000,821	8,515,333	6,000,821
Change in net position	-	-	630,703	3,518,786	630,703	3,518,786
Net position, beginning of year (restated for 2015)	-	-	86,373,495	83,574,359	86,373,495	83,574,359
Net position, end of year	$ -	$ -	$87,004,198	$87,093,145	$87,004,198	$87,093,145

- Participation fees decreased $1,633,730 (53%) due to fewer tax credit contributions received and BUILD issuances during the year.
- Interest on loans receivable for the current fiscal year decreased by $12,537 (2%) due in part to the payoff of some small business note receivables and continued payments on receivables outstanding.
- Parking garage revenue increased $202,641 (4%) in fiscal year 2015. The increase is the result of additional leased spaces and increased transient parking revenue.
- Interest income on cash and investments increased by $58,930 (27%) for fiscal year 2015. The increase is due to increased investment purchases during fiscal year 2014, maturing fiscal year 2015, with higher yields than in the overnight repurchase agreement typical of the Boards' money market accounts.
- Taxes include the sales taxes received in relation to the SLCCH CID/TDD. There was no activity for fiscal year 2014.
- Other income increased $357,185 (102%) in fiscal year 2015, due to an adjustment to the OPO loan receivable allowance account for $368,519 to reflect the net amount estimated as collectible based upon minimum fair market value projections.
- There was one interfund transfer in fiscal year 2015. The Board transferred $1,750,000 from the Industrial Development and Reserve Fund (IDRF) to the Parking Garage Fund (PGF) to fund the contribution to others that was made from the PGF. There was one interfund transfer in fiscal year 2014. The Board transferred $1,550,001 from the IDRF to the PGF to help fund the discretionary redemption of $1.7 million in debt on the St. Louis Convention Center Hotel Garage.
- In fiscal year 2015, operating expense has as increase of $689,869 (13%) attributed to the inclusion of the SLCCH CID/TDD activities in the fiscal year 2015 financial reporting. Without SLCCH CID/TDD activities, operating expenses of business-type activities would have decreased $15,786 (0.29%). This is a combination of a decrease in personnel services and garage expenses offset by increases in professional services and DREAM expenses.
- Net position, beginning of year, for fiscal year 2015 has been restated by $719,650 due to the adoption of GASB No. 68.

Business-Type Activities



Capital Assets

The Board's investment in capital assets for its business type activities as of June 30, 2015 is $67,967,091, net of depreciation. This is a decrease of $1,910,970 from fiscal year 2014. The change in the Board's investment in capital assets for both fiscal years 2015 and 2014 was (3%). There were no major capital asset additions or disposals during fiscal years 2015 and 2014.

Capital Assets (net of depreciation)

	2015	2014
Land	$ 7,219,739	$ 7,219,739
Building	60,656,879	62,546,696
Equipment	84,239	99,178
Leasehold improvements	1	2,863
Accounting software	6,233	9,585
Total	$67,967,091	$69,878,061

Additional information on the Board's capital assets can be found in Note 7 to the financial statements.

Long-Term Debt

For the fiscal year ended 2015, the Board's total long-term debt outstanding was $51,935,934. During fiscal year 2015, $189,000 in principal was paid. For the fiscal year ended 2014, the Board's total long-term debt outstanding was $52,124,934. During fiscal year 2014, $1,880,000 in principal was paid.

None of this amount comprises debt backed by the full faith and credit of the State of Missouri.

Outstanding Debt

	2015	2014
Outstanding bond debt	$51,935,934	$52,124,934

Additional information on the Board's long-term debt can be found in Note 10 to the financial statements.

As described in Note 10 to the financial statements, $29,840,934 of the total outstanding long-term debt of the Board is attributable to the Seventh Street Garage Public Parking Corporation ("SSGPPC"), a wholly owned non-profit subsidiary of the Board formed by the Board in 2010 to facilitate participation in the Federal New Market Tax Credit Program. In connection with the loans the Board entered into an Investment Put and Call Agreement which the Board expects will result in the extinguishment of the debt in fiscal year 2017 for nominal consideration based upon standard NMTC program practices.

Requests for Information

This financial report is designed to provide a general overview of the Missouri Development Finance Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Development Finance Board, Senior Accountant, P. O. Box 567, 200 Madison Street, Suite 1000, Jefferson City, Missouri 65102.

Missouri Development Finance Board

Statement of Net Position | *June 30, 2015*

	Governmental Activities	Business-Type Activities	Total
Asset			
Current assets:			
Cash and cash equivalents	$ 49,040	$ 24,946,593	$ 24,995,633
Current portion of loans and notes receivable	-	508,523	508,523
Accrued interest on investments	-	36,415	36,415
Accrued interest on loans and notes receivable	-	41,483	41,483
Interfund receivables (payables)	(177,105)	177,105	-
Prepaid expenses and other assets	-	1,168,989	1,168,989
Sales tax receivables	128,065	-	128,065
Total current assets	-	26,879,108	26,879,108
Noncurrent assets:			
Restricted assets	-	21,032,782	21,032,782
Derivative instrument - interest rate cap agreement	-	19,036	19,036
Long-term portion of loans and notes receivable	-	40,758,581	40,758,581
Capital assets:			
Assets not being depreciated	-	7,219,739	7,219,739
Assets being depreciated, net	-	60,747,352	60,747,352
Total noncurrent assets	-	129,777,490	129,777,490
Total assets	-	156,656,598	156,656,598
Deferred outflows of resources			
Accumulated decrease in fair value of hedging derivatives	-	367,964	367,964
Pension contributions and other	-	85,471	85,471
Total deferred outflows of resources	-	453,435	453,435
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	-	195,486	195,486
Accrued bond interest payable	-	34,331	34,331
Payable from restricted assets	-	23,033	23,033
Current portion of long-term debt	-	195,000	195,000
Total current liabilities	-	447,850	447,850
Noncurrent liabilities:			
Long-term debt	-	51,740,934	51,740,934
Unearned revenue	-	1,797,120	1,797,120
Net pension liability	-	602,887	602,887
Other accrued liabilities	-	30,043	30,043
Payable from restricted assets:			
Tax credit for contribution and other deposits	-	15,311,214	15,311,214
Total noncurrent liabilities	-	69,482,198	69,482,198
Total liabilities	-	69,930,048	69,930,048
Deferred inflows of resources			
Pension other	-	175,787	175,787
Total deferred inflows of resources	-	175,787	175,787
Net position			
Net investment in capital assets	-	16,031,157	16,031,157
Restricted			
Restricted for debt service	-	2,375,000	2,375,000
Restricted for revolving loan funds	-	4,805,489	4,805,489
Restricted for new market tax credit program fees	-	756,410	756,410
Unrestricted	-	63,036,142	63,036,142
Total net position	-	87,004,198	87,004,198
Total liabilities, deferred inflows of resources, and net position	$ -	$157,110,033	$157,110,033

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Activities | *For the Year Ended June 30, 2015*

	Expenses	Program Revenues - Charges for Services	Governmental Activities	Business-Type Activities	Total
Program/function					
Governmental activities					
St. Louis Convention Center Hotel					
CID/TDD program	$ 705,655	$ -	$(705,655)	-	$ (705,655)
Total governmental activities	705,655	-	(705,655)	-	(705,655)
Business-type activities					
Industrial development and reserve program	1,585,034	2,249,980	-	664,946	664,946
Parking garage program	6,219,423	5,830,812	-	(388,611)	(388,611)
Revolving loan program	5,221	86,122	-	80,901	80,901
Total business-type activities	7,809,678	8,166,914	-	357,236	357,236
Total	$8,515,333	$8,166,914	(705,655)	357,236	(348,419)
General revenue					
Sales tax revenues			705,655	-	705,655
Interest on cash and investments			-	273,467	273,467
Total general revenues			705,655	273,467	979,122
Changes in net position			-	630,703	630,703
Net position - beginning (as restated)			-	86,373,495	86,373,495
Net position - ending			$ -	$87,004,198	$87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Balance Sheet

Governmental Fund | *June 30, 2015*

	St. Louis Convention Center Hotel CID/TDD Fund
Assets	
Cash and cash equivalents	$ 49,040
Sales tax receivables	128,065
Total assets	$177,105
Liabilities	
Interfund payables	$177,105
Total liabilities	177,105
Fund balance	
Restricted for special district funding	-
Total liabilities and fund balance	$177,105

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund | *For the Year Ended June 30, 2015*

	St. Louis Convention Center Hotel CID/TDD Fund
Revenues	
Sales tax revenues	$705,655
Total revenues	705,655
Expenditures	
License payments	700,799
Other payments	4,856
Total expenditures	705,655
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	$ -

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Net Position
All Proprietary Fund Types | *June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Assets				
Current assets:				
Cash and cash equivalents	$13,960,723	$ 10,985,870	$ -	$ 24,946,593
Current portion of loans and notes receivable	262,685	26,962	218,876	508,523
Accrued interest on investments	10,839	22,977	2,599	36,415
Accrued interest on loans and notes receivable	10,750	19,889	10,844	41,483
Interfund receivables	-	177,105	-	177,105
Prepaid expenses and other assets	30,676	1,138,313	-	1,168,989
Total current assets	14,275,673	12,371,116	232,319	26,879,108
Noncurrent assets:				
Restricted assets	15,811,214	2,654,443	2,567,125	21,032,782
Derivative instrument - interest rate cap agreement	-	19,036	-	19,036
Long-term portion of loans and notes receivable	9,912,315	28,839,296	2,006,970	40,758,581
Capital assets:				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	9,806	60,737,546	-	60,747,352
Total noncurrent assets	25,733,335	99,470,060	4,574,095	129,777,490
Total assets	40,009,008	111,841,176	4,806,414	156,656,598
Deferred outflows of resources				
Accumulated decrease in fair value of hedging derivatives	-	367,964	-	367,964
Pension contributions and other	85,471	-	-	85,471
Total deferred outflows of resources	85,471	367,964	-	453,435
Liabilities				
Current liabilities:				
Accounts payable and other accrued liabilities	185,700	8,861	925	195,486
Accrued bond interest payable	-	34,331	-	34,331
Payable from restricted assets	-	23,033	-	23,033
Current portion of long-term debt	-	195,000	-	195,000
Total current liabilities	185,700	261,225	925	447,850
Noncurrent liabilities:				
Long-term debt	-	51,740,934	-	51,740,934
Unearned revenue	-	1,797,120	-	1,797,120
Net pension liability	602,887	-	-	602,887
Other accrued liabilities	30,043	-	-	30,043
Payable from restricted assets:				
Tax credit for contribution and other deposits	15,311,214	-	-	15,311,214
Total noncurrent liabilities	15,944,144	53,538,054	-	69,482,198
Total liabilities	16,129,844	53,799,279	925	69,930,048
Deferred inflows of resources				
Pension other	175,787	-	-	175,787
Total deferred inflows of resources	175,787	-	-	175,787
Net position				
Net investment in capital assets	9,806	16,021,351	-	16,031,157
Restricted				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for revolving loan funds	-	-	4,805,489	4,805,489
Restricted for new market tax credit program fees	-	756,410	-	756,410
Unrestricted	23,279,042	39,757,100	-	63,036,142
Total net position	23,788,848	58,409,861	4,805,489	87,004,198
Total liabilities, deferred inflows of resources, and net position	$40,094,479	$112,209,140	$4,806,414	$157,110,033

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *For the Year Ended June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating revenues				
Parking garage revenues	$ -	$ 5,175,893	$ -	$ 5,175,893
Participation fees	1,475,268	-	-	1,475,268
Interest income on loans and notes receivable	155,957	344,616	59,237	559,810
Other income	601,807	47,144	26,885	675,836
Rental income	-	233,159	-	233,159
Contractual income	11,250	-	-	11,250
DREAM revenue	5,698	-	-	5,698
Administrative services revenue	-	30,000	-	30,000
Total operating revenues	2,249,980	5,830,812	86,122	8,166,914
Operating expenses				
Depreciation and amortization	10,912	1,916,871	-	1,927,783
Parking garage operating expenses	-	1,690,374	-	1,690,374
Personnel services	726,121	-	-	726,121
DREAM expense	326,289	-	-	326,289
Professional fees	126,205	104,543	1,552	232,300
Office expenses	140,374	15,780	24	156,178
Administrative services agreement	-	30,000	-	30,000
Travel	38,586	76	-	38,662
Miscellaneous	116,547	9,941	3,645	130,133
Total operating expenses	1,485,034	3,767,585	5,221	5,257,840
Operating income	764,946	2,063,227	80,901	2,909,074
Nonoperating revenue (expense)				
Interest on cash and investments	224,321	39,312	9,834	273,467
Bond interest expense	-	(409,933)	-	(409,933)
Bond expense	-	(291,905)	-	(291,905)
Contributions to others	(100,000)	(1,750,000)	-	(1,850,000)
Total non-operating revenue (expense)	124,321	(2,412,526)	9,834	(2,278,371)
Income before interfund transfers	889,267	(349,299)	90,735	630,703
Interfund transfers	(1,750,000)	1,750,000	-	-
Change in net position	(860,733)	1,400,701	90,735	630,703
Net position - beginning (as restated)	24,649,581	57,009,160	4,714,754	86,373,495
Net position - ending	$23,788,848	$58,409,861	$4,805,489	$87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows
All Proprietary Fund Types | *For the Year Ended June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash flows from operating activities				
Receipts from customers and users	$ 929,253	$ 5,551,841	$ 63,257	$ 6,544,351
Disbursements for tax credit projects	(21,056,943)	-	-	(21,056,943)
Payments to suppliers and lessors	(1,178,545)	(1,848,699)	(4,350)	(3,031,594)
Payments for personnel and benefits	(739,300)	-	-	(739,300)
Net cash provided (used) by operating activities	(22,045,535)	3,703,142	58,907	(18,283,486)
Cash flows from noncapital financing activities				
Contributions to others	(100,000)	(1,750,000)	-	(1,850,000)
Interfund transfers	(1,750,000)	1,750,000	-	-
Net cash used by noncapital financing activities	(1,850,000)	-	-	(1,850,000)
Cash flows from capital and related financing activities				
Bond principal paid	-	(189,000)	-	(189,000)
Bond expense and interest paid	-	(692,862)	-	(692,862)
Acquisition of buildings and equipment	-	(16,813)	-	(16,813)
Net cash used by capital and related financing activities	-	(898,675)	-	(898,675)
Cash flows from investing activities				
Purchases of investments	(16,658,771)	(2,149,943)	(399,847)	(19,208,561)
Maturities of investments	40,287,134	149,943	399,847	40,836,924
Interest on cash and investments	317,977	41,324	13,430	372,731
Disbursement of loan proceeds	-	-	(367,961)	(367,961)
Receipt of loan payments	493,444	26,702	283,901	804,047
Net cash provided (used) by investing activities	24,439,784	(1,931,974)	(70,630)	22,437,180
Net increase (decrease) in cash and cash equivalents	544,249	872,493	(11,723)	1,405,019
Cash and cash equivalents - beginning	20,127,688	9,705,700	1,571,158	31,404,546
Cash and cash equivalents - ending	$ 20,671,937	$10,578,193	$ 1,559,435	$ 32,809,565
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$764,946	$ 2,063,227	$80,901	$ 2,909,074
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expenses	10,912	1,916,871	-	1,927,783
Adjustment to allowance for bad debt	(601,807)	-	(26,885)	(628,692)
(Increase) decrease in accrued interest on loans and notes receivable	-	23	4,020	4,043
(Increase) decrease in interfund receivables	-	(177,105)	-	(177,105)
(Increase) decrease in prepaid expenses and other assets	15,429	9,049	-	24,478
Increase (decrease) in accounts payable and accrued liabilities	(430,544)	(7,034)	871	(436,707)
Increase (decrease) in unearned revenue	-	(101,889)	-	(101,889)
Increase (decrease) in net pension liability	(24,429)	-	-	(24,429)
Increase (decrease) in tax credit for contribution deposits	(21,780,042)	-	-	(21,780,042)
Total adjustments	(22,810,481)	1,639,915	(21,994)	(21,192,560)
Net cash provided (used) by operating activities	$(22,045,535)	$ 3,703,142	$58,907	$(18,283,486)
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	$ 13,960,723	$10,985,870	$ -	$ 24,946,593
Restricted assets	15,811,214	2,654,443	2,567,125	21,032,782
Less: investments with original maturity of greater than 90 days	(9,100,000)	(3,062,120)	(1,007,690)	(13,169,810)
Total cash and cash equivalents	$ 20,671,937	$10,578,193	$ 1,559,435	$ 32,809,565

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

1. Financial Reporting Entity and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Missouri Development Finance Board ("the Board" or "MDFB"), is governed by the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850, as a body corporate and politic of the State of Missouri created within the Department of Economic Development. The Board is governed by a 12 member Board. The Governor of the State of Missouri (the State), with the advice and consent of the Senate, appoints eight of the Board members. The remaining four Board members are the Lieutenant Governor, Director of the Department of Economic Development, Director of the Department of Agriculture, and Director of the Department of Natural Resources.

The Board is empowered to issue bonds and notes, provide loans, loan guarantees and grants to political subdivisions to fund public infrastructure improvements, and to issue Missouri tax credits for approved projects. The Board also has other authorized powers under State statute, including the ability to acquire, own, improve, and use real and personal property such as parking garages and buildings.

The Board is a discretely presented component unit of the State of Missouri as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, The *Financial Reporting Entity*, as the Board does not meet the qualification for blending. Based on GASB 61, a component unit should be included in the reporting entity financial statements using the blending method if the component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit. Likewise, if the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it or if the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The Board has two active component units and one inactive component unit as defined by GASB Statement No. 61, The *Financial Reporting Entity*:

The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District (SLCCH CID/TDD) is an active discretely presented component unit. In November 2009, the Board approved a resolution to participate in the CID and TDD. The CID and TDD each levy a 1% sales tax. The additional sales tax is payable and held by the Board for the benefit of the Renaissance Grand Hotel and Suites, who utilizes the funds to help pay their license obligation to MDFB for spaces in the St. Louis Convention Center Hotel Garage. These payments assist MDFB's parking garage operations and maintenance. Effective June 25, 2014 and July 17, 2014, respectively, MDFB staff became board members of the CID and TDD. As of these dates, MDFB staff is responsible for monitoring district collections and paying district expenses, as well as collecting and transferring certain funds to the City of St. Louis. The SLCCH CID/TDD maintains only one fund, a governmental fund, and does not issue separately prepared financial statements.

The Seventh Street Garage Public Parking Corporation (SSGPPC) is an active blended component unit within the Parking Garage Fund. MDFB is the sole member of SSGPPC, acting through a Board of Directors. Three Board members of the Missouri Development Finance Board serve as members for SSGPPC. The Board receives excess cash from SSGPPC, thus having a financial benefit, and has operational responsibility for SSGPPC. SSGPPC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified active low-income community business (QALICB) located in a low-income census tract in connection with the New Markets Tax Credit Program as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC renovated a portion of the St. Louis Centre into a 750-space parking garage, which it operates. The SSGPPC maintains only one fund, an enterprise fund, and does not issue separately prepared financial statements.

The Board's discretely presented component unit, the Missouri Community Investment Corporation (MCIC) currently is inactive. The Board members of the Missouri Development Finance Board and five additional members serve as the Board for MCIC. MCIC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified community development entity (CDE) providing investment capital for the benefit of Low-Income Communities and Low-Income Persons within the State of Missouri in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. MCIC was inactive during fiscal year 2015, and thus has been omitted from presentation in the financial statements. In August 2015, the annual registration for the MCIC expired and was not renewed.

For purposes of these financial statements, all references to MDFB or the Board represent the primary government and its component units.

(b) Basis of Presentation

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the activities of the Board. The effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The Board uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by separating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary.

The Board reports the following governmental fund:

- **St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund** — The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD) was established in 2015 by the Board for financial reporting purposes to account for the operations of the CID and TDD and is the Board's discretely presented component unit.

Pursuant to RSMo Sections 100.260 and 100.263, the Board has five statutory proprietary funds. However, for financial reporting purposes, the Board has chosen to report the following proprietary funds:

- **Industrial Development and Reserve Fund** — The Industrial Development and Reserve Fund (IDRF) is both a statutory fund and a fund for financial reporting purposes. At inception, the Board was funded by appropriations from the State General Revenue Fund; however, currently the Board's primary source of funds is from other sources as specified by its statutes. Funds may be used to make eligible direct loans or may be pledged as loan, note, or bond guarantees. RSMo Sections 33.080 and 100.260 provide that if funds are appropriated by the general assembly for this fund, they shall not lapse and the balance shall not be transferred to the State General Revenue Fund. This fund includes activity related to the Old Post Office (OPO) project and the DREAM Initiative.
- **Parking Garage Fund** — The Parking Garage Fund (PGF) was established in 2003 by the Board for financial reporting purposes to account for the construction and ongoing operations of its parking garages. This fund derives its statutory authority from the Infrastructure Development Fund (IDF) as defined in RSMo Section 100.263.

The IDF was established to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to State agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the Board for deposit in the funds. The Board garages qualify as public infrastructure. The garages are as follows: St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) supporting the OPO redevelopment project in St. Louis, and the Seventh Street Garage (SSG) in St. Louis. This fund is used to account for the Board's obligations and interests in the SSG. This fund also includes the Seventh Street Garage Public Parking Corporation (SSGPPC), a 501(c)(3) not-for-profit organization which accounts for operations of the Seventh Street Garage and is the Board's blended component unit.

- **Revolving Loan Fund** — The Revolving Loan Fund (RLF) is a financial reporting fund that includes the Missouri Infrastructure Development Loan (MIDOC) and the Small Business Loan Program activities. The statutory authority for the MIDOC Program is granted through the Infrastructure Development Fund (IDF), while the statutory authority for the Small Business Loan Program is derived from the Industrial Development and Reserve Fund (IDRF). Due to the similar nature of the two activities, they are combined for financial reporting purposes. The MIDOC Program was established in 1988 by RSMo Section 100.263, as amended, and was originally capitalized by appropriations from the State General Fund and from various other sources as allowed by the statute. MIDOC funds may be used to make low-interest loans to local political subdivisions. In 2009, the Board transferred $2 million into the RLF to establish the Small Business Loan Program. The funds for the Small Business Loan Program are maintained separately from the MIDOC funds established by appropriations. Small Business Loan funds may be used to make low-interest loans to small businesses located within the State of Missouri.

(c) Method of Accounting

Government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Sales tax associated with the current fiscal year is considered to be susceptible to accrual and so has been recognized as revenues in the current fiscal year. All other revenue items are considered to be measureable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting these definitions are generally reported as non-operating revenues and expenses. Also see Notes 1(m) and 1(n).

Application fees and issuance fees are recognized as participation fees on the *Statement of Revenues, Expenses, and Changes in Net Position*. The Board recognizes revenue from application fees when received since the fees are due upon application submission and are nonrefundable. The Board recognizes revenue on issuance fees at the time of the issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. Expenses related to bond issuance are recognized when incurred, as there is no reasonable method of allocating the expenses to issuance revenues because of the previously mentioned uncertainties.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of unspent contributions recorded as a liability. Contributions received for tax credits on behalf of the Board's projects are recorded as contributed revenue when all applicable eligibility requirements have been met, which is determined on a project-by-project basis.

(d) Cash and Cash Equivalents

Cash and cash equivalents within the *Statement of Cash Flows* include cash, certificates of deposit, and short-term investments with original maturities of 90 days or less.

(e) Investments

The Board has the power to invest in obligations of the United States or its agencies, insured or secured certificates of deposits, secured repurchase agreements, and state or political subdivisions obligations with the two highest credit rating categories. Investments are adjusted to fair value at fiscal yearend.

(f) Loans and Allowance for Loan Loss

Loans are stated at the amount of unpaid principal, adjusted by an allowance for loan losses. The Board's loans are made to not-for-profit entities, small businesses, and political subdivisions. In many cases, the repayment terms and collateral, if any, are much less stringent than typical financial institution loans due to the nature of the Board's mission. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely.

The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans, prior loan loss experience or when the net present value of estimated future cash flows on the loan or fair value of collateral is less than the recorded value of the loan (computed on a loan-by-loan basis).

(g) Capital Assets

Capital assets, which consist of land, building, equipment, vehicle, and software, are stated at cost. Contributions of capital assets are recorded at fair market value at the time received. Capital assets are defined by the Board as assets with an individual cost of more than $500 and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings/ Leasehold Asset	Leasehold Improvements	Software	Equipment	Vehicle
40 Years	10 Years	7 Years	3-5 Years	3 Years

It is the Board's policy to capitalize interest on debt incurred to finance the construction of capital assets, when material. The Board had no capital construction projects in progress for the fiscal year ended June 30, 2015 and, therefore, there is no capitalized interest recorded.

(h) Compensated Absences

Under the terms of the Board's personnel policy, Board employees are granted vacation, sick, and compensatory leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and compensatory hours. Employees are not paid for accumulated sick leave upon termination. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities in the accompanying combined financial statements. The costs of sick leave are not accrued.

(i) Unearned Revenue

Unearned revenue is revenue that has not yet been earned, including rent received in advance and unearned income from capital leases.

(j) Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the *Statements of Net Position*. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed at closing.

(k) Deferred outflows and Inflows of Resources

In addition to assets, the *Statements of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources until then. The Board has two items that qualify for reporting in this category: an interest rate cap agreement in connection with the 9 million debt borrowed from Pulaski Bank (see Note 3), and pension contributions and other in connection with the defined benefit pension plan (see Note 17).

In addition to liabilities, the *Statements of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an addition to net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources until then. The Board has one item that qualifies for reporting in this category, pension other in connection with the defined benefit pension plan (see Note 17).

(l) Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

- **Nonspendable** — This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- **Restricted** — This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.
- **Committed** — This consists of amounts that can be used only for the specific purposes determined by a formal action (a resolution) of the government's highest level of decision-making authority (the Board of Directors) by the end of the fiscal year.
- **Assigned** — This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committee. The Executive Director is authorized to assign amounts for specific purposes; however, an additional formal action does not have to be taken for the removal of the assignment.
- **Unassigned** — This consists of amounts that are available for any purpose and can only be reported in a General Fund, which the Board does not have.

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

- **Net investment in capital assets** — This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Restricted** — This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation
- **Unrestricted** — This consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

For the year ended June 30, 2015, the net position of SSGPPC had a deficit balance of ($2,320,087). This is partially due to rental income being deferred in the fund statement, and will be eliminated upon recognition of the rental income and collection of parking garage revenues.

(m) Proprietary Funds – Classification of Operating, Non-operating, and Contributed Revenue

The Board has classified its revenues from business-type activities as operating, non-operating, or contributed revenues according to the following criteria:

- **Operating revenues** — Include revenue sources related to the basic purpose of the Board and include interest income on loans, fees and charges for services.
- **Non-operating revenues** — Include revenue sources unrelated to the basic purpose of the Board and include interest income on deposits and investments.
- **Contributed revenues** — Include investments made in the Board that increase overall net position due to involvement in a specific project and revenue related to the Tax Credit for Contribution Program authorized under State statute received for Board-owned projects.

(n) Proprietary Funds – Classification of Operating and Non-operating Expenses

The Board has classified its expenses for business-type activities as operating and non-operating according to the following criteria:

- **Operating expenses** — Include expenses related to the basic purpose of the Board and include administrative expenses, costs associated with carrying out Board programs, depreciation, and bad debt expenses.
- **Non-operating expenses** — Include expenses related and unrelated to the basic purpose of the Board and may include expenses related to the basic purpose of the Board when such expenses are financial in nature such as bond and interest expenses.

(o) Participation Fees

The Board receives participation fees on certain direct loans, loan guarantees, bonds and tax credit contributions. Direct infrastructure loans are made to local governmental entities for public infrastructure needs.

Bond application fees are 0.1% of the amount of issuance limited to a minimum of $500 and a maximum of $2,500.

The issuance fee for private activity bonds is 0.3% and for public activity bonds is 0.25%. Total fees on both types of issuances are not to exceed $75,000 for a single issue or multiple series under a single issue. For state agency bonds, the issuance fee is on a scale ranging from 0.1% to 0.2%, not to exceed $75,000 for a single issue or multiple series under a single issue.

Bond issuances fees for refunding bonds previously issued by the Board are 0.2% for private activity bonds; on a scale ranging from 0.066% to 0.165% for public activity bonds; and on a scale ranging from 0.066% to 0.133% for state agency bonds. Total fees on all types of refunding issuances are not to exceed $50,000 for a single issue or multiple series under a single issue.

BUILD Missouri (Business Use Incentives for Large-Scale Development) application fees are $1,000 and non-refundable. The issuance fee is assessed as 2.5% of the bond principal with an annual fee of 0.5% of the principal portion outstanding at each anniversary date. The fee to cover legal counsel costs is 0.6% of bond principal with a minimum of $10,000, plus out-of-pocket expenses. Trustee fees including an acceptance fee of $850 and an annual administrative fee of $850 also is assessed.

Participation fees for the Tax Credit for Contribution Program are 4% of all contributions.

(p) Issuance of Conduit Bonds

All of the bonds issued by the Board, with the exception of the long-term debt issued for the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) and the Seventh Street Garage (SSG) (see Note 10), are conduit obligations. Conduit obligations are special, limited obligations of the Board and the assets of the Board are not pledged to secure such bonds. The borrower pays all debt service requirements. The bonds do not constitute an obligation of the Board or the State. See Note 15(b) to the financial statements for further information.

(q) 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 certain reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditure/expense during the reporting period. Estimates are used for, but not limited to, provisions for loan losses, asset impairment, depreciable lives of capital assets, fair value of financial instruments and net pension liability. The Board is subject to uncertainties such as the impact of future events, economic, environmental and political factors, and changes in the business climate; therefore, actual results may differ from those estimates.

Accordingly, the accounting estimates used in the preparation of the Board's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Board's operating environment changes. Changes in estimates are made when circumstances warrant. Such changes and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Accordingly, actual results may differ from those estimates.

(r) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Deposits and Investments

The Board originally adopted a policy on investments in 2007 and further revised the policy during fiscal year 2013. Pursuant to the policy, the Board is authorized to invest funds not required for immediate disbursement in obligations of the United States, or any agency or instrumentality of the United States, in obligations of the State of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations, or in such other obligations that may be prescribed by the Board. A specific list of acceptable investments and terms of investing are detailed within the Board's investment policy.

As of June 30, 2015, the Board had the following investments:

Investment type	
Money market funds	$ 2,424,355
U.S. Government agency discount notes	12,629,524
Overnight repurchase agreements	24,982,225
Total fair value	$40,036,104

- **Interest rate risk** — In accordance with its investment policy, the Board manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice reduces exposure to significant declines in fair values.
- **Credit risk** — The Board's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposit, secured repurchase agreements, and state or political subdivision obligations with the two highest credit ratings issued by nationally recognized statistical rating organizations (NRSROs). Policy prohibits the purchase of any investments that do not meet the above mentioned criteria. As of June 30, 2015, all of the Board's investments were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The Board does not hold corporate bonds and does not participate in investment pools.

- **Concentration of credit risk** — Due to the unusually conservative nature of the Board's investment policy, the Board is not at risk due to concentration.
- **Custodial credit risk - investments** — For an investment, this is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments. As of June 30, 2015, there is no custodial credit risk for the Board's investments due to the Board's investment policy which prohibits obligations not fully secured.
- **Custodial credit risk - deposits** — In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2015, the Board's deposits were fully covered by FDIC insurance and government-backed securities.

As required by Missouri law, the depository banks pledge securities, in addition to the Federal Depository Insurance Corporation insurance, to equal or exceed the amount on deposit at all times. As of June 30, 2015, securities with a total fair value of $10,768,306 were held in a joint custody account with the Federal Reserve Bank.

As of June 30, 2015, the Board's cash deposits were collateralized as follows:

Bank balance	
Insured by the FDIC	$1,255,672
Collateralized with securities pledged by the financial institutions	4,688,616
Total cash deposits	$5,944,288
Carrying value	$5,992,311

The Board's total cash and investments as of June 30, 2015 were as follows:

Investments from above	$40,036,104
Cash deposits from above	5,992,311
Total cash and investments	$46,028,415
As reflected on the statement of net position:	
Cash and equivalents	$24,995,633
Restricted assets	21,032,782
Total cash and investments	$46,028,415

3. Derivative Instrument – Interest Rate Cap Agreement

A portion of other assets and deferred outflows of resources are composed of the following as of June 30, 2015:

Interest rate cap agreement	$387,000
Adjustment to fair value	(367,964)
Fair value	$ 19,036

Interest Rate Cap Agreement

In connection with the $9 million debt borrowed from Pulaski Bank (see Note 10), MDFB entered into an interest rate cap agreement with Morgan Stanley Capital Services, LLC, (credit rating of A) to cover a portion of the period (2015-2020) when the debt carries a variable interest rate. The agreement is intended to provide a cash flow hedge for the variable interest rate of the obligation. This agreement's notional amount is based on the amortized loan balance (starting at $8.4 million) with a cap rate of 5.264% and a floating rate of monthly LIBOR. The cost of the interest rate cap agreement was $387,000, and the estimated fair value at June 30, 2015, was $19,036. The fair value of the interest rate cap was estimated using a proprietary pricing service. MDFB has determined the hedge meets the criteria for effectiveness and has recorded the accumulated adjustment to fair value as a deferred outflow of resources.

Risks:

- **Credit risk** — MDFB is exposed to credit risk on hedging derivative instruments that are in asset positions. MDFB currently does not have a policy regarding credit risk.
- **Interest rate risk** — MDFB is not exposed to interest rate risk on its interest rate cap agreement.
- **Basis risk** — MDFB is not exposed to basis risk on its interest rate cap hedging derivative instruments because the same variable-rate is used for both debt payments paid by MDFB and the interest rate cap agreement.
- **Termination risk** — MDFB or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.
- **Rollover risk** — MDFB is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Board will be re-exposed to the risks being hedged by the hedging derivative instrument.

4. Interfund Activity

(a) Due To/From Other Funds

As of June 30, 2015, $177,105 was due from the SLCCH CID/TDD Fund to the Parking Garage Fund (PGF) for sales tax held by the SLCCH CID/TDD Fund for the benefit of the PGF.

(b) Interfund Transfers

During the year ended June 30, 2015, the Industrial Development and Reserve Fund (IDRF) transferred $1,750,000 to the Parking Garage Fund (PGF) to fund a grant request to the State of Missouri's Division of Workforce Development for the Customized Training Program.

5. Loans, Notes Receivable and Allowance for Loan Losses

Direct loans through the Industrial Development and Reserve Fund (IDRF) represent loans to individual companies and political subdivisions in Missouri and are generally secured. Direct loans through the Revolving Loan Fund (RLF) represent low interest loans made to local political subdivisions which are generally unsecured and to small businesses which are also secured by personal guarantees and personal property of the borrower evidenced by a filing under the Uniform Commercial Code. Loans from the Parking Garage Fund (PGF) represent loans that relate to parking garage projects and are generally secured.

During fiscal year 2010, the Board loaned the St. Louis Centre Garage Investment Fund, LLC (SLCGIF) $24 million to assist with the Seventh Street Garage project (see Note 7). The note matures January 31, 2041, is due in monthly payments of $22,125 (principal and interest), and bears interest at 1%. The Seventh Street Garage Public Parking Corporation (SSGPPC) repays the loans to three CDEs from the parking garage revenues; the CDEs are to pay a monthly income distribution consisting of interest income received from SSGPPC to the SLCGIF; and the SLCGIF repays its note to MDFB.

In February 2010, the Board loaned the Land Clearance for Redevelopment Authority of the City of St. Louis (LCRA) $5 million to assist with the redevelopment of One City Centre that is related to the Seventh Street Garage project. The loan is secured by the full-faith and credit obligation of the LCRA and assignment of LCRA's interest in One City Centre. Interest is adjusted annually each December 1 to a variable rate equal to the Applicable Interest Rate on each Adjustment Date. The current interest rate through December 1, 2015, is 2.12%. Final maturity is December 1, 2019.

At June 30, 2015, the allowance for loan losses was $5,153,886. Allowance for loan losses is evaluated on a per loan basis. During the year ended June 30, 2015, the allowance for loan losses was reduced in the Industrial Development and Reserve Fund by $601,807, due to the collection of installments on the American Fish and Wildlife Museum and Old Post Office loans. The allowance for loan losses was reduced in the Revolving Loan Fund by $26,885, due to the collection of installments on various MIDOC and Small Business Loan program loans previously fully reserved. The principal amount of the loan payments received from defaulted loans is recorded in other income.

No allowance has been established in connection with the Parking Garage Fund loans due to the nature of the loans.

Loans and notes receivable at June 30, 2015 were as follows:

Fund	Current	Long-term	Allowance
Industrial Development and Reserve	$262,685	$14,834,563	$4,922,248
Parking Garage	26,962	28,839,296	0
Revolving Loan	218,876	2,238,608	231,638
Total	508,523	45,912,467	$5,153,886
Less: allowance for loan losses	-	5,153,886	
Total loans and notes receivable, net	$508,523	$40,758,581	

6. Restricted Assets

As of June 30, 2015, the total Second Loss Debt Service Reserve Fund is $500,000 for the City of Grandview Series 2003 Gateway Commons.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of held contributions recorded as restricted assets with a corresponding liability (see Note 9).

In December 2000, the Board issued debt in the amount of $21.1 million to finance the construction of the St. Louis Convention Center Hotel Garage (SLCCHG) project. Per the Letter of Credit, the Board was required to establish an Operating Reserve and to deposit all net operating profits. Amounts held in the Operating Reserve may be utilized for ongoing operating expenses and debt service on the SLCCHG. Any amount deposited over $1,375,000 may be disbursed without bank consent (also see Note 10 for additional covenants). As of June 30, 2015, the balance held in the operating reserve was $3,018,306.

In April 2010, the Board issued debt in the amount of $9 million to assist with the financing of the Seventh Street Garage project. Per the Bond Trust Indenture, the Board was required to hold $4.5 million in a debt service reserve fund at UMB, the trustee bank. In addition, per the Indenture, so long as the bonds are outstanding, MDFB was required to maintain unencumbered and unrestricted net assets in the form of cash and marketable securities in an amount, including any permitted investments in the debt service reserve fund, of not less than $17.5 million. On June 28, 2012, the Board pledged the Ninth Street Garage and its revenues to Pulaski Bank. In exchange, Pulaski agreed to release the requirement that the Board hold $17.5 million in unrestricted cash balances and instead required the Board maintain an operating reserve of $500,000. Also see Note 10 for details.

In April 2010, the SSGPPC executed notes payable totaling $29,840,934 to the three CDEs to fund the construction of the Seventh Street Garage project (see Note 10). The reserve fund accounts were established to cover management and accounting fees associated with the New Markets Tax Credit Program compliance.

As of June 30, 2015, the Board had $2,654,443 in total assets restricted in the Parking Garage Fund (PGF) to satisfy the above requirements (see the following table).

The Revolving Loan Fund consists of activities for the MIDOC and Small Business Loan programs. Cash in this fund is restricted for these programs.

Restricted assets consist of the following as of June 30, 2015:

Second loss debt service reserve funds	$ 500,000
Tax credit for contribution deposits (Note 9)	15,311,214
Total restricted assets - Industrial Development and Reserve Fund	15,811,214
St. Louis Convention Center Hotel Garage reserve deposits	1,375,000
Additional Seventh Street Garage bond reserve deposits	500,000
SSGPPC NMTC reserve and required funds	779,443
Total restricted assets - Parking Garage Fund	2,654,443
MIDOC funds	1,591,952
Small Business Loan funds	975,173
Total restricted assets - Revolving Loan Fund	2,567,125
Total restricted assets	$21,032,782

7. Capital Assets

During 2000, the Board used a $6 million contribution from a taxpayer and $21.1 million in bond proceeds to purchase land and begin construction of the St. Louis Convention Center Hotel Garage (SLCCHG) adjacent to the St. Louis Convention Center Hotel. The SLCCHG began operations in August 2002.

In April 2003, the Board used a $10 million contribution from a taxpayer and began participating in two related redevelopment projects in downtown St. Louis, Missouri. During 2004 and 2005, $18.8 million in additional funds were raised to fund the remainder of the projects. The first project, commonly referred to as the "Old Post Office Project" or the "OPO Project," consisted of the acquisition and renovation of the U.S. Custom House and Old Post Office, a historic structure in downtown St. Louis. The second project consisted of the acquisition and demolition of the Century Building and the construction of a parking garage located to the west of the OPO Project. This project is known as the "Ninth Street Garage Project" or the "NSG Project." The OPO and NSG Projects are separate and distinct projects for purposes of financial reporting, but integrally linked for development and operational purposes.

The Board acquired title to the OPO Project on October 13, 2004 from the General Services Administration of the United States of America at no cost to the Board. The Board then executed a 99-year lease of the OPO Project with St. Louis U.S. Custom House and Post Office Building Associates, LP, a Missouri limited partnership (OPO Master Lessee). In connection with the financial closing of the OPO Project on October 14, 2004, the Board made a subordinated loan to the OPO Master Lessee in the amount of $12.75 million to assist in the financing of the OPO Project; the balance was $12,355,236 for the year ended June 30, 2015. Pursuant to the OPO Master Lease, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014, at the greater of the fair market value or the development debt outstanding. Renovation of the OPO Project was completed in late 2006.

The NSG Project is owned by the Board and consists of the development and construction of a 1,050-space parking garage located on the west side of Ninth Street directly across from the OPO Project. The land was purchased in April 2003. The Board has entered into long-term parking leases with tenants of the OPO Project and with surrounding businesses and building owners. The NSG Project was completed in 2007.

In April 2010, the Board acquired title to 601 Locust, now known as Seventh Street Garage, via an assignment of purchase and sale agreement with the LCRA. Total consideration for the exchange was approximately $14.2 million. The Board executed two long-term capital leases: a "retail" lease and a "garage" lease (see Note 14).

The lessee of the garage space is the Seventh Street Garage Public Parking Corporation (SSGPPC), the blended component unit. The Seventh Street Garage commenced operations in fiscal year 2011.

SSGPPC's garage project qualifies for the Federal New Markets Tax Credit Program, which facilitated financing for the project. The garage project is part of a larger redevelopment project affecting adjoining office buildings in St. Louis. For the garage project, MDFB provided indirect funding in the form of a $24 million loan to St. Louis Centre Garage Investment Fund, LLC, an entity 100% owned by U.S. Bank Community Development Corporation (USBCDC). The proceeds of the MDFB loan were combined with New Markets Tax Credit qualified equity investments and provided as an equity investment to each of three non-related community development entities: National Development Council (NDC), Urban Development Fund (UDF) and St. Louis Development Corporation (SLDC). Total proceeds of $29,840,934 (see Note 10) were subsequently loaned to SSGPPC to provide direct financing for the garage project. In addition, SSGPPC received an upfront parking lease payment of $1 million from U.S. Bank, which is recorded as unearned revenue and being amortized over the lease term and also used to fund the project. The garage project is backed by an Indemnity Agreement with the LCRA.

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Deletions/ Retirements	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Capital assets, being depreciated:				
Building	75,630,938	-	-	75,630,938
Equipment	312,670	16,813	-	329,483
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets, being depreciated	76,042,457	16,813	-	76,059,270
Less: accumulated depreciation for:				
Building	13,084,242	1,889,817	-	14,974,059
Equipment	213,492	31,752	-	245,244
Leasehold improvements	53,348	2,862	-	56,210
Vehicle	19,172	-	-	19,172
Software	13,881	3,352	-	17,233
Total accumulated depreciation	13,384,135	1,927,783	-	15,311,918
Total capital assets, being depreciated, net	62,658,322	(1,910,970)	-	60,747,352
Total capital assets, net	$69,878,061	$(1,910,970)	$ -	$67,967,091

A summary of capital assets by fund at June 30, 2015, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total Capital Assets
Land	$ -	$ 7,219,739	$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	100,199	229,284	329,483
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Sub-total	190,208	83,088,801	83,279,009
Less: accumulated depreciation	(180,402)	(15,131,516)	(15,311,918)
Total capital assets, net	$ 9,806	$ 67,957,285	$ 67,967,091

8. Compensated Absences

Board employees are granted vacation, sick, and compensatory leave. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities. The current amount due is only an estimate. The costs of sick leave are not accrued. For the fiscal year ended June 30, 2015, total accrued compensated absences were $64,696.

Changes in compensated absences for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Compensated absences	$70,930	$28,924	$35,158	$64,696	$34,653

9. Tax Credit For Contribution Deposits

One of the Board's programs is the Tax Credit for Contribution Program. During any calendar year, the Board can authorize up to $10 million in tax credits. The limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri; provided, however, that in no case shall more than $25 million in tax credits be authorized during such year.

Through this program, the Board is authorized to grant tax credits in an amount equal to 50% of contributions accepted by the Board. Eligible infrastructure projects approved by the Board are granted the contributions. Contributions received by the Board are remitted to fund the project upon requests supported by proof of eligible reimbursable project expenditures or used to fund projects owned by the Board. Contributions on deposit with the Board are reflected as restricted assets and a liability in the accompanying financial statements. As of June 30, 2015, the Board held deposits received pursuant to the Tax Credit for Contribution Program of $15,311,214.

10. Long-Term Debt

Changes in outstanding debt for the year ended June 30, 2015, were as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Long-term debt	$52,124,934	$ -	$189,000	$51,935,934	$195,000

A summary of debt held as of June 30, 2015 was as follows:

St. Louis Convention Center Hotel Garage - $3,910,000 Series 2000B, taxable infrastructure facilities revenue bonds; and $11,440,000 St. Louis Convention Center Hotel Garage Series 2000C, tax exempt infrastructure facilities revenue bonds. Variable rate interest installments are paid monthly with interest not to exceed 10% per annum. Remaining principal is due December 1, 2020.	$13,650,000
Seventh Street Garage - $9,000,000 Series 2010, Recovery Zone Facility Bonds. Monthly interest installments began July 1, 2010, and monthly principal installments began June 1, 2012. The interest rate per the Interest Deferral Agreement is the lesser of 1.25% plus 30-day LIBOR or 4.25% through April 30, 2015; then a variable rate through May 2020 not to exceed 5.264% pursuant to Interest Rate Cap Agreement (see Note 3). Variable rate thereafter through May 2040.	8,445,000
Seventh Street Garage - $3,424,425 NDC New Markets Investment LVII, LLC (NDC) Loan A note payable; $4,424,779 NDC Loan B note payable; and $2,192,642 NDC Loan C note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	10,041,846
Seventh Street Garage - $4,314,775 Urban Development Fund IX, LLC (UDF) Loan A-1 note payable; $5,575,221 UDF Loan B-1 note payable; and $1,909,092 UDF Loan C-1 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	11,799,088
Seventh Street Garage - $6,260,800 St. Louis New Markets Tax Credit Fund-XI, LLC (SLDC) Loan A-2 note payable; and $1,739,200 SLDC Loan C-2 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	8,000,000
Total	51,935,934
Less: current portion	(195,000)
Long-term debt	$51,740,934

St. Louis Convention Center Hotel Series 2000B and 2000C

The annual debt service requirement as of June 30, 2015, was as follows:

	Principal	Interest	Total
2016	$ -	$13,344	$ 13,344
2017	-	13,345	13,344
2018	-	13,345	13,345
2019	-	13,345	13,345
2020	-	13,345	13,345
2021	13,650,000	13,345	13,690,032
Totals	$13,650,000	$80,069	$13,756,754

The bonds have mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The annual debt service schedule above assumes an interest rate of 0.098% representing the interest rate at June 30, 2015. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation and a Deed of Trust on the St. Louis Convention Center Hotel Garage (SLCCHG).

The Series 2000B bonds bear interest at a weekly rate; the Series 2000C bonds bear interest at a daily rate. The interest rate on bonds will be determined by the remarketing agent as the lowest rate of interest which in its judgment will cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

Seventh Street Garage Series 2010

The annual debt service requirement as of June 30, 2015, was as follows:

	Principal	Interest	Total
2016	$ 195,000	$ 120,646	$ 315,646
2017	204,000	117,755	321,755
2018	214,000	114,756	328,756
2019	223,000	111,616	334,616
2020	232,000	108,335	340,335
2021-2025	1,320,000	487,317	1,807,317
2026-2030	1,635,000	381,290	2,016,290
2031-2035	2,018,000	250,178	2,268,178
2036-2040	2,404,000	88,211	2,492,211
Totals	$8,445,000	$1,780,105	$10,225,105

The bonds are set for monthly mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The Board is required to deposit all amounts received from Seventh Street Garage Public Parking Corporation to UMB Bank, N.A. for payment on the bonds. The Board may request a withdrawal of funds exceeding the $500,000 minimum balance requirement. Also see Note 6. For the period ended June 30, 2015, the Board was in compliance with said requirement. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation plus any accrued interest, a Deed of Trust on the Seventh Street Garage, and a Deed of Trust on the Ninth Street Garage.

As of June 28, 2012 through April 30, 2015, the Board entered into an Interest Deferral Agreement whereby the bond interest rate is the lesser of the Modified Pay Rate or 4.25% annually. The Modified Pay Rate is defined as the LIBOR rate plus 1.25% per annum (or 1.65% per annum if the Ninth Street Garage Deed of Trust is removed as collateral). The difference between the two rates is deferred until due or forgiven. The Board anticipates the deferred interest will be forgiven.

For the period May 1, 2015 through maturity, the bonds will carry a variable rate of interest. MDFB has the option to select from three variable interest rates prior to each interest rate period: a monthly term rate equal to LIBOR (not less than 3%), an annual term rate (one-year U.S. Treasury Rate plus 2.5% but not less than 3%), or a five-year fixed term rate (5-year Treasury rate plus 2.5% but not less than 4.25%). For the period beginning May 2015 and ending May 2020, the rate paid by MDFB will not exceed 5.264% pursuant to a rate cap agreement with Morgan Stanley Capital Services, LLC (see Note 3).

Seventh Street Garage Notes Payable

As described below, $29,840,934 of the total outstanding long-term debt of the Board is attributable to the Seventh Street Garage Public Parking Corporation, a wholly owned non-profit subsidiary of the Board ("SSGPPC") formed by the Board in 2010 to facilitate participation in the Federal New Markets Tax Credit Program. The debt of SSGPPC consists of three loans, each of which bears interest at 0.92% per annum. Interest on the loans through 2017 (the standard seven year tax credit period) was funded at the time the loans were closed as in reflected in the financial statements as SSGPPC reserve and required funds. In connection with the loans the Board entered into an Investment Put and Call Agreement ("Put/Call Agreement") with U.S. Bancorp Community Development Corporation ("USBCDC"), the sole manager of the investment fund that provided for the original funding of the loans. The Put/Call Agreement gives the USBCDC the right to put its interest in the Investment Fund to the Board at the end of the seven year period upon payment of the Board of $1,000. If USBCDC does not put its interest, the Board has the right to call (purchase) USBCDC's interest at a purchase price equal to the greater of the fair market value of such interest or $1,000. As is common with New Markets Tax Credit transactions, the Board expects either the put to be exercised for the payment of a nominal sum, or the call to be exercised in exchange for a payment equal to the fair value of the Investment Fund interest, in each case resulting in the Board having the power to extinguish the debt of SSGPPC.

NDC New Markets Investment LVII, LLC Loan A, B and C notes payable

The annual debt service requirement as of June 30, 2015, was as follows:

	Principal	Interest	Total
2016	$ -	$ 92,385	$ 92,385
2017	155,286	92,147	247,433
2018	-	90,956	90,956
2019	-	90,956	90,956
2020	231,974	90,778	322,752
2021-2025	1,778,181	411,516	2,189,697
2026-2030	2,217,431	321,565	2,538,996
2031-2035	2,733,985	209,969	2,943,954
2036-2040	2,924,989	73,256	2,998,245
Totals	$10,041,846	$1,473,528	$11,515,374

Urban Development Fund IX, LLC Loan A-1 and B-1 notes payable

The annual debt service requirement as of June 30, 2015, was as follows:

	Principal	Interest	Total
2016	$ 0	$ 108,552	$ 108,552
2017	0	108,552	108,552
2018	0	108,552	108,552
2019	0	108,552	108,552
2020	276,848	108,339	385,187
2021 - 2025	2,122,162	491,124	2,613,286
2026 - 2030	2,646,387	383,771	3,030,158
2031 - 2035	3,262,870	250,587	3,513,457
2036 - 2040	3,490,821	87,427	3,578,248
Totals	$11,799,088	$ 1,755,456	$13,554,544

St. Louis New Markets Tax Credit Fund-XI, LLC Loan A-2 and C-2 notes payable

The annual debt service requirement as of June 30, 2015, was as follows:

	Principal	Interest	Total
2016	$ -	$ 73,600	$ 73,600
2017	-	73,600	73,600
2018	-	73,600	73,600
2019	-	73,600	73,600
2020	187,708	73,456	261,164
2021-2025	1,438,866	332,991	1,771,857
2026-2030	1,794,301	260,204	2,054,505
2031-2035	2,212,286	169,902	2,382,188
2036-2040	2,366,839	59,277	2,426,116
Totals	$8,000,000	$1,190,230	$9,190,230

11. Unearned Revenue

In April 2010, SSGPPC paid MDFB base rent of $6,406,643 under a capital lease agreement (see Note 7). MDFB has recorded unearned revenue in the amount of $877,496 for the fiscal year ended June 30, 2015, due to the difference between the minimum lease payment and the estimated fair market value of the building of $5,463,913 at the time of closing.

Also in April 2010, US Bank prepaid rent of $1 million to the SSGPPC. The prepayment is reflected in unearned revenue and is amortized over the life of the lease. For the fiscal year ended June 30, 2015, Seventh Street Garage unearned revenue was $852,778, for parking rent paid in advance.

In addition, for the fiscal year ended June 30, 2015, St. Louis Convention Center Hotel Garage unearned revenue was $66,846, for parking rent paid in advance.

Total unearned revenue for fiscal year ended June 30, 2015 is $1,797,120.

12. Rental Income

The Parking Garage Fund's St. Louis Convention Center Hotel Garage (SLCCHG) 880-space parking garage was constructed by the Board to support the St. Louis Convention Center Hotel project in downtown St. Louis. The carrying value of the garage is $21,913,825, less accumulated depreciation of $5,556,048 as of June 30, 2015. In May 2014, the Board executed a license agreement with 800 Washington, LLC (Licensee), the new owner of the Renaissance Grand Hotel. The agreement is in effect through June 30, 2054. Under the agreement, 275 undesignated, unreserved parking spaces are allocated by the operator for daily use by the hotel guests with the option of an additional 325 spaces with a seven days prior notice. The Licensee is to pay a base annual license charge of $62,500 per month plus an amount equal to 40% of the amount by which operating expenses in the garage exceeds $560,000. In addition to the hotel, the nearby Merchandise Mart, a mixed-use development with apartments and retail space, has a lease for up to 118 spaces in this parking garage with minimum annual lease payments of $25,000. The initial lease is for 19 years with an expiration date of December 31, 2021. There is a renewal option for an additional 11 years if the Merchandise Mart pays a $50,000 renewal fee 90 days prior to the lease expiration term. The STL Loft Partners, LLC executed a lease with the Board on October 19, 2012 for 50 years; 40 spaces are to be taken the first year, and up to 35 additional spaces may be requested with notice by October 31, 2013. As of June 30, 2015, 25 additional spaces had been taken. Both the Merchandise Mart and STL Loft Partners, LLC leases call for parking rates to be equivalent to rates paid by the general public for monthly parking.

The Parking Garage Fund's Ninth Street Garage (NSG) is a 1,050-space parking garage constructed by the Board to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown St. Louis. The carrying value of the garage is $32,474,135, less accumulated depreciation of $6,297,307 as of June 30, 2015. Leases are in place with the Eastern District Court of Appeals, Webster University, Frisco Associates, Pyramid Construction (which was assigned to Paul Brown Developer, LP), and entities associated with the Syndicate Building. The Office of Administration for the State of Missouri is on a month-to-month basis, and currently utilizes 187 spaces. In October 2012, STL Tower Partners, LLC executed a lease, which was amended on July 1, 2015, to take 100 reserved spaces by April 1, 2016, and up to an additional 65 reserved spaces may be requested by October 1, 2016. Up to an additional 50 unreserved spaces may be requested by October 1, 2015. The Board's garage operator also initiated an 11 month agreement beginning August 2014, with St. Louis University Law School for up to 350 parking spaces; the minimum number of spaces will be equal to the number of spaces being taken on September 1, 2014, for August through December 2014, billings (not less than 175 spaces), on February 1, 2015, for January through May 2015 billings, and on June 1, 2015, for June and July 2015 billings.

Under a lease dated November 26, 2008, the Board leased 20,800 square feet of retail space in the NSG to SMI-

NSG, LLC, an affiliate of Schnucks Markets, Inc. and DESCO. The lessee operates an urban concept grocery store, Culinaria, and pays annual rent of $187,200. The lease is on a triple net basis. The term of the lease is 10 years with six, five-year renewal options. The Board also entered into a Parking Validation Agreement that provides store customers with free parking for one hour from nine-to-five on weekdays and two hours at all other times, as well as a provision for free employee parking for up to 336 hours per day. There also is an agreement with Schnucks Markets, Inc. to share in the additional expenses for weekend staffing of the parking garage. In August 2009, the Board funded SMI-NSG, LLC $1.1 million of remaining NSG bond funds for tenant improvements.

The Parking Garage Fund's 750-space Seventh Street Garage began operations in February 2011. The carrying value of the garage is $28,462,718 less accumulated depreciation of $3,121,591 as of June 30, 2015. The Seventh Street Garage Public Parking Corporation (SSGPPC) executed two parking leases that became effective February 1, 2011.

The first lease is a parking lease agreement with US Bank, NA which leases 400 parking units. The term of the lease is for 30 years and there are two, 10-year renewal options. The parking rent is the greater of $125 per month, the market rate, or the monthly contract rate as defined in the agreement, but never less than the amount in effect for the prior year. Lease payments are payable on the first of each month. The rent will be determined annually at least 30 days preceding the effective date and each anniversary date of the effective date. In addition to the base rent described above, the tenant paid supplemental rent of $1 million (see Note 11) which was recorded as unearned revenue and is being amortized over the term of the lease.

In addition to the lease with US Bank, SSGPPC also leases parking spaces to 600 Tower, LLC. The lease covered a total of 240 parking spaces (85 reserved and 155 unreserved) upon initiation of the lease, increasing by 15 additional unreserved spaces up to 475 units; and monthly rent was $155 per reserved space, and $125-$130 per unreserved space adjusted $5 every two years during the lease term. Currently, the Tower takes a total of 382 spaces (89 reserved and 293 unreserved) at $160 per reserved space and $130-$135 per unreserved space. Monthly rent can also be adjusted based on market rent. The term of the lease is for 30 years and there are two, 10-year renewal options.

Parking lease income is reflected in the *Statement of Revenues, Expenses, and Changes in Net Position* as Parking garage revenues and the Schnucks Markets, Inc. retail space lease income is shown as rental income.

Future minimum rental income on non-cancelable operating leases was as follows:

	St. Louis Convention Center Hotel Garage	Ninth Street Garage	Seventh Street Garage (SSGPPC)
2016	$ 976,400	$ 753,900	$ 1,416,600
2017	976,400	731,190	1,445,100
2018	976,400	712,200	1,445,100
2019	976,400	706,800	1,473,600
2020	976,400	580,800	1,473,600
2021-2025	4,794,500	2,436,000	7,624,500
2026-2030	4,757,000	1,986,000	7,966,500
2031-2035	4,757,000	1,806,000	8,337,000
2036-2040	4,757,000	1,482,600	8,679,000
2041-2045	4,757,000	1,365,000	1,787,100
2046-2050	3,057,000	953,250	-
2051-2055	507,000	780,000	-
2056-2060	507,000	780,000	-
2061-2062	126,750	312,000	-
Totals	$32,902,250	$15,385,740	$41,648,100

13. Contributions To Others

In fiscal year 2015, the Board approved a grant to the Division of Workforce Development of $1.75 million to provide additional funding to the Missouri Job Development Fund for the Customized Training Program. Also see Note 4(b). In addition, the Board approved a $100,000 grant to the Ferguson Commission for support. The expense is presented as contributions to others.

MDFB is the sole member of SSGPPC. Per the SSGPPC bylaws, all excess cash is transferred monthly to MDFB. However, in fiscal year 2015, a management decision was made to let a portion of the excess cash accumulate in order to fund significant repairs at the Seventh Street Garage in fiscal year 2016. As a result, SSGPPC only contributed $62,503 to MDFB in fiscal year 2015. The contributed revenue is netted to zero on the *Statements of Net Position* due to the blending of the SSGPPC component unit within the Parking Garage Fund; the contribution is shown in the *Combining Schedules of Net Position* for the Parking Garage Fund.

14. Lease Agreements

(a) 601 Locust Street, St. Louis, Missouri

In fiscal year 2010, MDFB purchased the entire real estate and building commonly known as St. Louis Centre (601 Locust Street in St. Louis) for approximately $14.2 million from St. Louis Centre Building, LLC. See further information in Note 7.

MDFB, in turn, immediately leased most of Floor 2 and Floors 3-4 to SSGPPC for a term of 75 years (expiring in 2085) for a one-time lease payment of approximately $6.4 million; and leased Floor 1 and the remainder of Floor 2 to Mercantile Exchange, Inc. (MEI), an unrelated entity, for a term of 100 years (expiring in 2110) for a one-time lease payment of approximately $8.8 million. The leases are treated by MDFB as capital leases for accounting purposes and as a sale for income tax purposes.

MDFB classified its leases with SSGPPC and MEI as direct financing leases. MDFB received the minimum lease payments of approximately $14.2 million upfront and will not receive any further lease payments. As a result, MDFB recorded a net investment in direct financing leases of $0 and unearned income of $942,730, included in unearned revenue (see Note 11). The unearned revenue is being amortized over the terms of the leases.

- **Garage lease — SSGPPC**: SSGPPC paid MDFB base rent of approximately $6.4 million in a lump sum upfront payment at lease inception. No further lease payments are required, although SSGPPC is required to pay costs of maintenance, operation, and repair of the property. Of the total amount, approximately $5.5 million was capitalized as building and the difference was recorded as prepaid lease expense to be amortized over the life of the lease.

At the end of the lease term, MDFB will take ownership of the completed garage. See further information in Note 7.

- **Retail lease — MEI:** MEI paid MDFB base rent of approximately $8.8 million in a lump sum upfront payment at lease inception through the assignment of a promissory note from the subtenant MX Retail, LLC (MXR). MDFB assigned this promissory note without recourse to the seller of the property in order to cover a portion of the cost to acquire the property. No further lease payments are required, although MEI is required to pay costs of maintenance, operation, and repair of the retail portion of the property. MEI's subtenant is developing the leased floors into retail space, and the completion of the retail space is the responsibility of MEI. MDFB is not involved in the retail development.

At the end of the lease, MEI will deliver possession back to MDFB, unless MEI causes the building to be converted into two or more condominium units (one for the garage and one for the retail space) and exercises its option to purchase the retail space for $100,000. MEI must meet certain conditions in order to exercise this option.

MEI subleased the retail space to MXR for 75 years. MXR does not have an option to purchase or renew the lease.

Rent under the sublease is approximately $8.8 million for which MXR provided MEI with the note receivable as an upfront payment of the amounts due under the lease. This note receivable bears interest at 1%, compounded annually through the maturity date, and is added to the balance of outstanding principal. The note, including any unpaid interest, is due and payable on the sooner of on demand or December 31, 2015. The note is secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing. The sublease does not directly impact MDFB.

(b) Office Lease Obligation

In October 2004, the Board entered into a lease with Hotel Governor of Jefferson City, LLP, to lease 3,501 square feet on the 10th Floor of the Governor Office Building. The lease is an operating lease with a term of 10 years. The Board has capitalized related tenant improvements in the amount of $56,211. In July 2014, the Board renewed its lease for a 5-year term with a 5 year option. During fiscal year 2015, rent totaling $65,282 was paid.

Future minimum lease payments for this lease are as follows:

	Hotel Governor
2016	$ 66,588
2017	67,920
2018	69,278
2019	70,664
2020	72,077
2021	73,519
2022	74,989
2023	76,489
2024	78,018
2025	19,601
Total future minimum lease payments	$669,143

(c) Copier Lease Obligation

In July 2013, the Board entered into a color copier lease with Gibbs Technology Leasing, LLC. The lease is accounted for as an operating lease. The term of the lease is four years.

Future minimum lease payments for these leases are as follows:

2016	$4,104
2017	4,104
2018	342
Total future minimum lease payments	$8,550

(d) KC Overhaul Base Lease

In December 2004, the Board accepted a contribution from the EDC Loan Corporation (EDC), a not-for-profit organization, consisting of an assignment of a 50-year leasehold interest in the Kansas City Overhaul Base located adjacent to the Kansas City International Airport (the Overhaul Base).

EDC's contribution to the Board of the leasehold interest was valued by two independent appraisers at the lowest value of $32 million. In return, the Board issued a total of $16 million in contribution tax credits to EDC. These tax credits were sold in accordance with the Tax Credit Agreement to independent parties on March 3, 2005, July 2, 2005, and June 30, 2006; total proceeds were $13.76 million. The Board paid the proceeds from the tax credit sales less the Board fee to the city to be used for the renovation of the Overhaul Base.

In addition, the city and the Board entered into an assumption agreement as of December 31, 2004, with the city assuming all responsibility and liability relating to ownership, management and operations of the Overhaul Base. As a result of this assumption of the leasehold interest by the city, the Board has no assets or liabilities related to the leasehold interest recorded in its financial statements.

In May 2015, the Board executed an Amendment to the Tax Credit Agreement containing a provision that the city will return all unexpended tax credit proceeds to the Board by September 20, 2017. As of the city's fiscal year end of April 30, 2013, the balance of the tax credit proceeds remaining is approximately $7 million. The city expects to utilize all funds. MDFB will continue to monitor expenditures.

(e) State of Missouri Acting By and Through Its Office of Administration

In November 2005 and May 2006, the Board issued Series 2005 and 2006 Leasehold Revenue Bonds for the benefit of the State of Missouri Office Buildings Project. With the proceeds of the bonds, the Board purchased four office buildings, which it then leased on a triple net basis, to the State of Missouri through its Office of Administration (OA) for the term of the debt, 25 years, subject to annual State appropriation of lease payments needed to retire the fixed rate, level amortization bonds. The Board transferred its interests in the lease agreement and security interest in the buildings to the bond trustee through a trust indenture.

Bond payments are to be paid exclusively from rent revenues received. In addition, payment of the Series 2005 Bonds is insured by a municipal bond new issue insurance policy. The bonds do not constitute a debt or liability of the Board.

Upon request, the State has the option to purchase the buildings. Furthermore, once bonds are paid in full, ownership defers to the State. The State retains all rights and obligations of ownership of the buildings. As a result, the Board has excluded the buildings and related debt from its financial statements.

In June 2013, the Board issued Series 2013A Leasehold Revenue Refunding Bonds (State of Missouri Office Building Projects), for $21,820,000 to provide for the defeasance, payment and discharge of a portion of the $28,995,000 Missouri Development Finance Board, Series 2005 Leasehold Revenue Bonds (State of Missouri Office Building Projects). Bond proceeds were placed in escrow and in October 2015, Series 2005 bonds with maturities from 2016 through 2030 will be redeemed.

In June 2013, the Board issued Series 2013B Leasehold Revenue Refunding Bonds (State of Missouri Office Building Project), for $7,450,000 to provide for the defeasance, payment and discharge of a portion of the $9,865,000 Missouri Development Finance Board, Series 2006 Leasehold Revenue Bonds (State of Missouri Office Building Project). Bond proceeds were placed in escrow and October 2015, Series 2006 bonds with maturities from 2016 through 2030 will be redeemed.

(f) MasterCard International Incorporated Facility Lease

In 1999, the Board issued bonds for $154 million to fund construction of approximately 414,000 square feet of office space and an 114,000-square foot data and energy center on 52 acres in O'Fallon. In order for MasterCard to qualify for tax abatement, the Board took title to the property which it leased to the O'Fallon Public Facilities Authority (Authority). The Authority used the proceeds of the bond issue to build and equip the MasterCard project, and then leased the building to MCI O'Fallon 1999 Trust (Trust), which further subleased to MasterCard. In 2008, MasterCard exercised its option to refund the bonds. The Board issued $160 million in conduit debt to facilitate the refunding. The refunding eliminated the Authority and the Trust and resulted in the Board leasing to MasterCard directly.

Bond payments and related interest are to be paid exclusively from rent and other revenues from the lease agreement. Such payments, revenues and receipts are pledged and assigned to the bond trustee as security for the payment of the bonds as provided in the Bond Indenture. The bonds do not constitute a debt or liability of the Board.

Upon request, MasterCard has the option to purchase the buildings. Furthermore, once bonds are paid in full, MasterCard can purchase the facility for $10. MasterCard retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

15. Commitments And Contingencies

(a) Administrative Services Agreement

In April 2010, the Board entered into an Administrative Services Agreement with the SSGPPC. Because SSGPPC does not have employees of its own, it has agreed to pay the Board $30,000 annually to cover the costs associated with managing and maintaining adequate records on its behalf.

(b) Conduit Bond Issues

As of June 30, 2015, the Board has issued $1,580,742,574 in Private Activity Bonds and $2,391,439 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2015, were approximately $539,847,171 and $1,069,344,000, respectively.

The Board has no liability for repayment of these revenue bonds and notes aside from second loss reserve fund deposits; accordingly, these bonds and notes have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds and notes and in certain cases, insurance, letters of credit, annual appropriation pledges and certain funds held through trustees under the various indentures.

(c) Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Board carries commercial insurance for theft of assets and workers' compensation. The Board carries commercial property, comprehensive liability, and business interruption insurance policies on the St. Louis Convention Center Hotel and Ninth Street parking garages. The Board is self-insured for all other risks of loss.

The Seventh Street Garage Public Parking Corporation carries commercial property, comprehensive liability, and business interruption insurance policies on the Seventh Street Garage.

Except for in fiscal year 2014, the Board had no material unpaid claims, liabilities, or settlements related to any loss in any of the past three years. During fiscal year 2014, the Seventh Street Garage sustained a loss due to pipes breaking during extremely low temperatures. The break resulted in $190,707 in damage to the garage which has since been repaired. The Board has met with engineers to insure that such an event does not happen in the future. The proceeds from the loss, net of the $25,000 deductible, were offset against the expenses incurred. No substantive changes were made in the type and amounts of the Board's insurance coverage during 2015.

(d) DREAM Commitments

In August 2006, the Board, the Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC) initiated the DREAM program. Through June 30, 2010, 40 communities had been selected to receive multi-year technical assistance and services to support them in their downtown redevelopment efforts. The Board has contracted with Peckham Guyton Albers & Viets, Inc. to assist in the redevelopment process of the selected communities. Each community is to receive technical assistance over the course of three years. The Board is in the process of finalizing all obligations under this program. During the fiscal year ended June 30, 2015, the Board spent approximately $326,000, towards the program. In fiscal year 2015, DED and MHDC contributed $0.

(e) Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03 (E.O.) shortly after assuming office. This E.O. directed the DED to work with the Board "to create a pool of funds designated for low-interest and no-interest direct loans for small businesses." Related announcements from Governor Nixon recommended this pool of funds be capitalized by a $2 million grant from the Board. In April 2009, the Board approved funding the $2 million program. As of June 30, 2015, the Board has loaned approximately $1.9 million to 59 small businesses and one small business disaster relief loan program across the State of Missouri. The Board continues to work with DED to loan the remaining funds. The Small Business Loan Program is reflected in the Revolving Loan Fund (RLF). Also see Note 5.

(f) Indemnity Agreement

In connection with the Seventh Street Garage Project, MDFB and SSGPPC entered into a project indemnity agreement with the LCRA and MXG. As part of the agreement, MDFB paid LCRA $417,785 and LCRA agreed to pay all New Markets Tax Credit consulting fees and expenses. Additionally, LCRA agreed to cover excess costs in the event of changes in New Markets Tax Credit compliance or as a result of recapture. Finally, LCRA also agreed to cover unforeseen costs associated with fees, taxes, permits, litigation or costs to unwind the New Markets Tax Credit financing plan.

16. Employees' Retirement Benefits - Deferred Compensation Plan

Board employees are eligible to contribute to the State of Missouri's Deferred Compensation Plan. Upon completing one year of employment, employees are eligible to receive a maximum $35 contribution per month if the employee also makes at least a $35 contribution per month (this provision has been indefinitely suspended). This plan is an eligible state deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999, amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

17. Employees' Retirement Benefits - Defined Benefit Pension Plan

(a) General Information about the Pension Plan

- **Plan description**. Benefit eligible employees of the Board are provided with pensions through Missouri State Employees' Retirement System (MOSERS) – a cost-sharing, multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. *MOSERS Comprehensive Annual Financial Report* (CAFR) is available online at *www.mosers.org*.
- **Benefits provided.** MOSERS provides retirement, life insurance and long-term disability benefits to eligible employees. The retirement benefits are calculated by multiplying the employee's final average pay by a plan-specific factor multiplied by the years of creditable service. The factor is based on the plan in which the employee participates, dependent upon the employee's hire date. Information including eligibility and benefit formulas on the two retirement plans administered by MOSERS (MSEP-closed plan and MSEP 2000, which includes the MSEP 2011 tier, may be found in the Notes to the Financial Statements of MOSERS' CAFR.
- **Contributions.** Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP 2011 tier of the MSEP 2000 are required to contribute 4.0 percent of their annual pay. The Board's contribution rate for the year ended June 30, 2015, was 16.97 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS fiscal year ended June 30, 2014, was 16.98 percent. Contributions to the pension plan from the Board were $83,453 for the year ended June 30, 2014.

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Board reported a liability of $602,887 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Board's proportion of the net pension liability was based on the Board's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS fiscal year ended June 30, 2014. At June 30, 2014, the Board's proportion was 0.0256 percent, which remained unchanged from the percentage used to allocate the liability as of June 30, 2013, the date at which the prior period adjustment described in Note 18 was determined, in the initial implementation year.

There were no changes in benefit terms during the MOSERS fiscal year ended June 30, 2014, that affected the measurement of total pension liability.

For the year ended June 30, 2015, the Board recognized pension expense of $56,675. At June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,349	$ -
Net difference between projected and actual earnings on pension plan investments	-	175,787
Board contributions subsequent to the measurement date of June 30, 2014	83,122	-
Total	$85,471	$175,787

Deferred outflows of resources related to pensions totaling $83,122 resulting from Board contributions subsequent to the measurement date through June 30, 2015, will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Board's fiscal year following MOSERS' fiscal year as follows:

Year Ending June 30		
MOSERS	Board	Amount
2015	2016	$ 43,131
2016	2017	43,131
2017	2018	43,228
2018	2019	43,948
		$173,438

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- **Inflation** - 2.5 percent, approximate
- **Salary increases** - 3.0 to 5.9 percent annually, average, including inflation
- **Investment rate of return** - 8.0 percent per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 80% of the post-retirement mortality rate for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2011. As a result of the 2011 actuarial experience study, the MOSERS Board of Trustees made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5 percent to 8.0 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns and net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in MOSERS' target asset allocation as of June 30, 2014 are summarized in the following table.

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-Term Expected Real Rate of Return
Beta-balanced	76.6%	5.7%	4.4%
Illiquids**	19.2	7.3	1.4
Old portfolio***	4.2	6.0	0.2
Total	100.0%		6.0

* *Represent best estimates of geometric rates of return for each major asset class included.*

** *Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.*

*** *As of June 30, 2014, MOSERS was in the final stages of transitioning from a portfolio allocation consisting of 45% public equities, 30% public debt, and 25% alternative investments (old portfolio) to a new target allocation of 80% beta balanced and 20% illiquids.*

- **Discount rate.** The discount rate used to measure the total pension liability was 8.0 percent. 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 from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
- **Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate.** The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Board's proportionate share of the net pension liability	$935,101	$602,887	$322,668

- **Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the *MOSERS Comprehensive Annual Financial Report* available online at *www.mosers.org.*

(c) Payables to the Pension Plan

The Board did not report any payables to MOSERS.

18. Change In Accounting Principle

For fiscal year ended June 30, 2015, the Board implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense/ expenditures. As a result of the implementation, net position as of July 1, 2014, was restated as follows:

Net position, as previously reported	$87,093,145
Prior period adjustment	
Net pension liability (measurement date of June 30, 2013)	(803,103)
Deferred outflows	
Contributions during the fiscal year ended June 30, 2014	83,453
Total prior period adjustment	(719,650)
Net position, as restated	$86,373,495

Missouri Development Finance Board

Schedule of Required Supplementary Information

Schedule of the Board's Proportionate Share of the Net Pension Liability

	June 30, 2015*
Board's proportion of the net pension liability	0.0256%
Board's proportionate share of the net pension liability	$602,887
Board's covered-employee payroll	$511,105
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	117.96%
Plan fiduciary net position as a percentage of the total pension liability	79.49%

** Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.*

Note: This schedule will ultimately contain 10 years of data.

Schedule of Board Contributions

	June 30, 2015*
Required contribution	$ 83,453
Contributions in relation to the required contribution	$ 83,453
Contribution deficiency (excess)	$ -
Board's covered employee payroll	$511,105
Contributions as a percentage of covered-employee payroll	16.33%

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.*

Note: This schedule will ultimately contain 10 years of data.

Notes to the Required Supplementary Information

Changes of Benefit Terms or Assumptions

Changes of Benefit Terms

There were no changes to benefit terms in the plan for the year ended June 30, 2014.

Changes of Assumptions.

There were no changes to assumptions in valuation reports for the year ended June 30, 2014.

Supplementary Information

Prior Year Financial Statements

This part of the Board's comprehensive annual financial report presents the Statements of Net Position; Revenues, Expenses, and Changes in Net Position; and Schedule of Cash Flows for the Board for the fiscal year ended June 30, 2014. The Board has presented comparative financial statements in the past; due to the implementation of GASB 68, the Board has presented a single year for the fiscal year ended June 30, 2015, and presented the prior year financial information as supplementary information.

Missouri Development Finance Board

Statement of Net Position
All Proprietary Fund Types | *June 30, 2014*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Asset				
Current assets:				
Cash and cash equivalents	$14,838,828	$ 7,989,220	$ -	$ 22,828,048
Current portion of loans and notes receivable	109,802	26,702	218,313	354,817
Accrued interest on investments	104,495	24,990	6,195	135,680
Accrued interest on loans and notes receivable	10,750	19,912	14,864	45,526
Prepaid expense and other assets	46,105	1,147,362	-	1,193,467
Total current assets	15,109,980	9,208,186	239,372	24,557,538
Noncurrent assets:				
Restricted assets	38,019,028	2,778,600	2,578,848	43,376,476
Derivative instrument - interest rate cap agreement	-	34,259	-	34,259
Long-term portion of loans and notes receivable	9,957,051	28,866,258	1,896,588	40,719,897
Capital assets:				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	20,719	62,637,603	-	62,658,322
Total noncurrent assets	47,996,798	101,536,459	4,475,436	154,008,693
Total assets	63,106,778	110,744,645	4,714,808	178,566,231
Deferred outflows of resources				
Accumulated decrease in fair value of hedging derivatives	-	352,741	-	352,741
Liabilities				
Current liabilities:				
Accounts payable and other accrued liabilities	188,479	15,895	54	204,428
Accrued bond interest payable	-	34,330	-	34,330
Payable from restricted assets	-	14,058	-	14,058
Current portion of long-term debt	-	189,000	-	189,000
Total current liabilities	188,479	253,283	54	441,816
Noncurrent liabilities:				
Long-term debt	-	51,935,934	-	51,935,934
Unearned revenue	-	1,899,009	-	1,899,009
Other accrued liabilities	30,038	-	-	30,038
Payable from restricted assets:				
Tax credit for contribution and other deposits	37,519,030	-	-	37,519,030
Total noncurrent liabilities	37,549,068	53,834,943	-	91,384,011
Total liabilities	37,737,547	54,088,226	54	91,825,827
Net position				
Net investment in capital assets	20,719	17,732,408	-	17,753,127
Restricted				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for DED - GMAP	427,770			427,770
Restricted for revolving loan funds	-	-	4,714,754	4,714,754
Restricted for new market tax credit program fees	-	889,542	-	889,542
Unrestricted	24,420,742	36,512,210	-	60,932,952
Total net position	25,369,231	57,009,160	4,714,754	87,093,145
Total liabilities and net position	$63,106,778	$111,097,386	$4,714,808	$178,918,972

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *June 30, 2014*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating revenues				
Participation fees	$ 3,108,998	$ -	$ -	$ 3,108,998
Interest income on loans and notes receivable	164,479	346,906	60,962	572,347
Rental income	-	233,159	-	233,159
Contractual income	74,444	-	-	74,444
DREAM revenue	68,663	-	-	68,663
Other income	235,213	-	8,994	244,207
Administrative services revenue	-	30,000	-	30,000
Parking garage revenues	-	4,973,252	-	4,973,252
Total operating revenues	3,651,797	5,583,317	69,956	9,305,070
Operating expenses				
Personnel services	784,481	-	-	784,481
Professional fees	156,126	39,117	667	195,910
Administrative services agreement	-	30,000	-	30,000
Travel	29,022	36	-	29,058
Supplies and other	138,117	319	114	138,550
Depreciation and amortization	14,016	1,922,729	-	1,936,745
Parking garage operating expenses	-	1,653,820	-	1,653,820
DREAM expense	419,632	-	-	419,632
Bad debt expense	-	-	48,570	48,570
Miscellaneous	35,330	1,530	-	36,860
Total operating expenses	1,576,724	3,647,551	49,351	5,273,626
Operating income	2,075,073	1,935,766	20,605	4,031,444
Non-operating revenue (expense)				
Interest on cash and investments	188,003	18,820	7,714	214,537
Bond interest expense	-	(424,743)	-	(424,743)
Bond expense	-	(288,052)	-	(288,052)
Contributions to others	-	(14,400)	-	(14,400)
Total non-operating revenue (expense)	188,003	(708,375)	7,714	(512,658)
Income (loss) before interfund transfers	2,263,076	1,227,391	28,319	3,518,786
Interfund transfers	(1,550,001)	1,550,001	-	-
Change in net position	713,075	2,777,392	28,319	3,518,786
Net position - beginning	24,656,156	54,231,768	4,686,435	83,574,359
Net position - ending	$25,369,231	$57,009,160	$4,714,754	$87,093,145

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows
All Proprietary Fund Types | *June 30, 2014*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash flows from operating activities				
Receipts from customers and users	$ 1,146,870	$ 5,740,562	$ 64,606	$ 6,952,038
Receipts for tax credit projects	27,953,781	-	-	27,953,781
Payments to suppliers and lessors	(386,465)	(1,821,593)	(987)	(2,209,045)
Payments for personnel and benefits	(710,039)	-	-	(710,039)
Net cash provided by operating activities	28,004,147	3,918,969	63,619	31,986,735
Cash flows from noncapital financing activities				
Contributions to others	-	(14,400)	-	(14,400)
Interfund transfers	(1,550,001)	1,550,001	-	-
Net cash provided (used) by noncapital financing activities	(1,550,001)	1,535,601	-	(14,400)
Cash flows from capital and related financing activities				
Bond principal paid	-	(1,880,000)	-	(1,880,000)
Bond expense and interest paid	-	(716,328)	-	(716,328)
Acquisition of buildings and equipment	(4,289)	(3,674)	-	(7,963)
Net cash used by capital and related financing activities	(4,289)	(2,600,002)	-	(2,604,291)
Cash flows from investing activities				
Purchases of investments	(60,726,091)	(1,062,120)	(1,007,690)	(62,795,901)
Maturities of investments	28,495,924	-	-	28,495,924
Interest on cash and investments	83,511	(6,170)	1,519	78,860
Disbursement of loan proceeds	-	-	(464,281)	(464,281)
Receipt of loan payments	334,379	26,435	231,669	592,483
Net cash used by investing activities	(31,812,277)	(1,041,855)	(1,238,783)	(34,092,915)
Net increase (decrease) in cash and cash equivalents	(5,362,421)	1,812,713	(1,175,164)	(4,724,872)
Cash and cash equivalents - June 30, 2013	25,490,109	7,892,987	2,746,322	36,129,418
Cash and cash equivalents - current	$20,127,688	$ 9,705,700	$ 1,571,158	$31,404,546
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 2,075,073	$ 1,935,766	$ 20,605	$ 4,031,444
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expenses	14,016	1,922,729	-	1,936,745
Adjustment to allowance for bad debt	(226,286)	-	48,570	(177,716)
(Increase) decrease in accrued interest on loans and notes receivable	-	22	(5,350)	(5,328)
(Increase) decrease in prepaid expenses and other assets	13,888	(84,172)	-	(70,284)
Increase (decrease) in accounts payable and accrued liabilities	391,763	(23,841)	(206)	367,716
Increase (decrease) in deferred revenue	-	168,465	-	168,465
Increase (decrease) in tax credit for contribution deposits	25,735,693	-	-	25,735,693
Total adjustments	25,929,074	1,983,203	43,014	27,955,291
Net cash provided by operating activities	$28,004,147	$ 3,918,969	$ 63,619	$ 31,986,735
Reconciliation of cash and cash equivalents to the statement of net assets				
Cash	$ 14,838,828	$ 7,989,220	$ -	$ 22,828,048
Restricted assets	38,019,028	2,778,600	2,578,848	43,376,476
Less: restricted investments with original maturity of greater than 90 days	(32,730,168)	(1,062,120)	(1,007,690)	(34,799,978)
Total cash and cash equivalents	$ 20,127,688	$ 9,705,700	$ 1,571,158	$ 31,404,546

SUPPLEMENTARY INFORMATION

Combining Schedules

This part of the Board's comprehensive annual financial report presents the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, and Changes in Net Position, and Schedule of Cash Flows for the Board's Parking Garage Fund for the fiscal years ended June 30, 2015 and 2014.

Parking Garage Fund

- **St. Louis Convention Center Hotel Garage Fund**
  The St. Louis Convention Center Hotel Garage (SLCCHG) is an 880-space garage located at 419 North 9th Street in downtown St. Louis. The Board constructed the garage to support the St. Louis Convention Center Hotel project. Activity related to the SLCCHG is reported in this column.
- **Ninth Street Garage Fund**
  The Ninth Street Garage (NSG) consists of 1,050-space garage and 20,800 square feet of retail space located at 905-913 Olive Street in downtown St. Louis. The parking garage was constructed to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown. Activity related to the NSG is reported in this column.
- **Seventh Street Garage MDFB Fund**
  The Seventh Street Garage MDFB (SSG) Fund reports SSG Board activity exclusive of the SSGPPC activity, as noted below. The SSG Fund reports activity associated with the redevelopment of floors one through four and loans indirectly tied to the redevelopment of this and adjacent properties.
- **Seventh Street Garage Public Parking Corporation Fund (blended component unit):**
  The Seventh Street Garage Public Parking Corporation (SSGPPC) Fund reports the activity of the 750-space parking garage located at 601 Locust Street in downtown St. Louis. The parking garage is located on floors two through four of a building commonly known as St. Louis Centre. The SSGPPC is a 501(c)(3) created to utilize the Federal New Markets Tax Credits (NMTCs) and is a qualified active low-income community business (QALICB) as required by NMTCs. SSGPPC leases the parking garage portion of the building from MDFB and owns the leasehold improvements and operates the garage.

Missouri Development Finance Board

Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
Current assets:					
Cash and cash equivalents	$ 3,643,306	$ 3,160,993	$ 2,806,756	$ 1,374,815	$10,985,870
Current portion of loans and notes receivable	-	-	26,962	-	26,962
Accrued interest on investments	7,918	-	15,059	-	22,977
Accrued interest on loans and notes receivable	-	-	19,889	-	19,889
Interfund receivables	177,105	-	-	-	177,105
Prepaid expenses and other assets	40,976	186,437	-	910,900	1,138,313
Total current assets	3,869,305	3,347,430	2,868,666	2,285,715	12,371,116
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	779,443	2,654,443
Derivative instrument - interest rate cap agreement	-	-	19,036	-	19,036
Long-term portion of loans and notes receivable	-	-	28,839,296	-	28,839,296
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	11,717,506	23,665,662	-	25,354,378	60,737,546
Total noncurrent assets	17,797,506	26,180,401	29,358,332	26,133,821	99,470,060
Total assets	21,666,811	29,527,831	32,226,998	28,419,536	111,841,176
Deferred outflows of resources					
Accumulated decrease in fair value of hedging derivatives	-	-	367,964	-	367,964
Liabilities					
Current liabilities:					
Accounts payable and other accrued liabilities	-	-	8,861	-	8,861
Accrued bond interest payable	849	-	10,604	22,878	34,331
Payable from restricted assets	-	-	-	23,033	23,033
Current portion of long-term debt	-	-	195,000	-	195,000
Total current liabilities	849	-	214,465	45,911	261,225
Noncurrent liabilities:					
Long-term debt	13,650,000	-	8,250,000	29,840,934	51,740,934
Unearned revenue	66,846	-	877,496	852,778	1,797,120
Total noncurrent liabilities	13,716,846	-	9,127,496	30,693,712	53,538,054
Total liabilities	13,717,695	-	9,341,961	30,739,623	53,799,279
Net Position					
Net investment in capital assets	2,772,506	26,180,401	(8,445,000)	(4,486,556)	16,021,351
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	756,410	756,410
Unrestricted	3,801,610	3,347,430	31,198,001	1,410,059	39,757,100
Total net position	$ 7,949,116	$29,527,831	$23,253,001	$(2,320,087)	$58,409,861

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Parking Garage Fund | *For the Year Ended June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Operating revenues					
Parking garage revenues	$1,809,300	$ 1,616,911	$ -	$ 1,749,682	$ 5,175,893
Interest income on loans and notes receivable	-	-	344,616	-	344,616
Rental income	-	187,200	12,626	33,333	233,159
Other income	47,144	-	-	-	47,144
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	1,856,444	1,804,111	387,242	1,783,015	5,830,812
Operating expenses					
Depreciation and amortization	446,203	749,456	-	721,212	1,916,871
Parking garage operating expenses	626,575	583,309	2,740	477,750	1,690,374
Professional fees	58,575	7,825	38,143	-	104,543
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	31	6	15,743	-	15,780
Travel	37	-	39	-	76
Miscellaneous	-	2	9,939	-	9,941
Total operating expenses	1,131,421	1,340,598	66,604	1,228,962	3,767,585
Operating income	725,023	463,513	320,638	554,053	2,063,227
Non-operating revenue (expense)					
Interest on cash and investments	5,858	1,895	31,512	47	39,312
Bond interest expense	(13,344)	-	(122,052)	(274,537)	(409,933)
Bond expense	(156,047)	-	(2,680)	(133,178)	(291,905)
Contributions to others	-	-	(1,750,000)	-	(1,750,000)
Contribution to SSG (from) SSGPPC	-	-	62,503	(62,503)	-
Total non-operating revenue (expense)	(163,533)	1,895	(1,780,717)	(470,171)	(2,412,526)
Total income (loss)	561,490	465,408	(1,460,079)	83,882	(349,299)
Interfund transfers	-	-	1,750,000	-	1,750,000
Change in net position	561,490	465,408	289,921	83,882	1,400,701
Net position - beginning	7,387,626	29,062,423	22,963,080	(2,403,969)	57,009,160
Net position - ending	$7,949,116	$29,527,831	$23,253,001	$(2,320,087)	$58,409,861

Missouri Development Finance Board

Statement of Combining Schedule of Cash Flows
Parking Garage Fund | *For Year Ended June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Cash flows from operating activities					
Receipts from customers and users	$1,623,409	$1,804,111	$374,639	$1,749,682	$5,551,841
Payments to suppliers	(664,431)	(619,802)	(57,743)	(506,723)	(1,848,699)
Net cash provided by operating activities	958,978	1,184,309	316,896	1,242,959	3,703,142
Cash flows from noncapital financing activities					
Contributions to others	-	-	(1,750,000)	-	(1,750,000)
Interfund transfers	-	-	1,750,000	-	1,750,000
Contributions from SSGPPC to MDFB	-	-	62,503	(62,503)	-
Net cash provided (used) by noncapital financing activities	-	-	62,503	(62,503)	-
Cash flows from capital and related financing activities					
Bond principal paid	-	-	(189,000)	-	(189,000)
Bond interest and fees paid	(169,391)	-	(124,731)	(398,740)	(692,862)
Acquisition of buildings and equipment	(9,295)	(2,819)	-	(4,699)	(16,813)
Net cash used by capital and related financing activities	(178,686)	(2,819)	(313,731)	(403,439)	(898,675)
Cash flows from investing activities					
Purchases of investments	(2,000,000)	-	(149,943)	-	(2,149,943)
Maturities of investments	-	-	149,943	-	149,943
Interest on cash and investments	(2,060)	1,895	41,443	46	41,324
Receipt of loan payments	-	-	26,702	-	26,702
Net cash provided (used) by investing activities	(2,002,060)	1,895	68,145	46	(1,931,974)
Net increase (decrease) in cash and cash equivalents	(1,221,768)	1,183,385	133,813	777,063	872,493
Cash and cash equivalents - beginning	4,240,074	1,977,608	2,110,823	1,377,195	9,705,700
Cash and cash equivalents - ending	$3,018,306	$3,160,993	$2,244,636	$2,154,258	$10,578,193
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$725,023	$463,513	$320,638	$554,053	$2,063,227
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expenses	446,203	749,456	-	721,212	1,916,871
(Increase) decrease in accrued interest On loans and notes receivable	-	-	23	-	23
(Increase) decrease in interfund receivables	(177,105)	-	-	-	(177,105)
(Increase) decrease in prepaid expenses and other assets	20,787	(28,660)	-	16,922	9,049
Increase (decrease) in accounts payable And other accrued liabilities	-	-	8,861	(15,895)	(7,034)
Increase (decrease) in unearned revenue	(55,930)	-	(12,626)	(33,333)	(101,889)
Total adjustments	233,955	720,796	(3,742)	688,906	1,639,915
Net cash provided by operating activities	$958,978	$1,184,309	$316,896	$1,242,959	$3,703,142
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$3,643,306	$3,160,993	$2,806,756	$1,374,815	$10,985,870
Restricted assets	1,375,000	-	500,000	779,443	2,654,443
Less: investments with original maturity of greater than 90 days	(2,000,000)	-	(1,062,120)	-	(3,062,120)
Total cash and cash equivalents	$3,018,306	$3,160,993	$2,244,636	$2,154,258	$10,578,193

Missouri Development Finance Board

Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2014*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
Current assets:					
Cash and cash equivalents	$ 2,865,074	$ 1,977,608	$ 2,672,943	$ 473,595	$ 7,989,220
Current portion of loans and notes receivable	-	-	26,702	-	26,702
Accrued interest on investments	-	-	24,990	-	24,990
Accrued interest on loans and notes receivable	-	-	19,912	-	19,912
Prepaid expenses and other assets	61,763	157,777	-	927,822	1,147,362
Total current assets	2,926,837	2,135,385	2,744,547	1,401,417	9,208,186
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	903,600	2,778,600
Derivative instrument - interest rate cap agreement	-	-	34,259	-	34,259
Long-term portion of loans and notes receivable	-	-	28,866,258	-	28,866,258
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	12,154,414	24,412,299	-	26,070,890	62,637,603
Total noncurrent assets	18,234,414	26,927,038	29,400,517	26,974,490	101,536,459
Total assets	21,161,251	29,062,423	32,145,064	28,375,907	110,744,645
Deferred outflows of resources					
Accumulated decrease in fair value of hedging derivatives	-	-	352,741	-	352,741
Liabilities					
Current liabilities:					
Accounts payable and other accrued liabilities	-	-	-	15,895	15,895
Accrued bond interest payable	849	-	10,603	22,878	34,330
Payable from restricted assets	-	-	-	14,058	14,058
Current portion of long-term debt	-	-	189,000	-	189,000
Total current liabilities	849	-	199,603	52,831	253,283
Noncurrent liabilities:					
Long-term debt	13,650,000	-	8,445,000	29,840,934	51,935,934
Unearned revenue	122,776	-	890,122	886,111	1,899,009
Total noncurrent liabilities	13,772,776	-	9,335,122	30,727,045	53,834,943
Total liabilities	13,773,625	-	9,534,725	30,779,876	54,088,226
Net Position					
Net investment in capital assets	3,209,414	26,927,038	(8,634,000)	(3,770,044)	17,732,408
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	889,542	889,542
Unrestricted	2,803,212	2,135,385	31,097,080	476,533	36,512,210
Total net position	$ 7,387,626	$29,062,423	$22,963,080	$(2,403,969)	$57,009,160

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Parking Garage Fund | *For the Year Ended June 30, 2014*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Operating revenues					
Parking garage revenues	$1,883,092	$ 1,479,778	$ -	$ 1,610,382	$ 4,973,252
Interest income on loans and notes receivable	-	-	346,906	-	346,906
Rental income	-	187,200	12,626	33,333	233,159
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	1,883,092	1,666,978	389,532	1,643,715	5,583,317
Operating expenses					
Depreciation and amortization	447,726	749,154	-	725,849	1,922,729
Parking garage operating expenses	638,374	521,595	-	493,851	1,653,820
Professional fees	30,217	-	800	8,100	39,117
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	211	108	-	-	319
Travel	36	-	-	-	36
Miscellaneous	1,500	30	-	-	1,530
Total operating expenses	1,118,064	1,270,887	800	1,257,800	3,647,551
Operating income	765,028	396,091	388,732	385,915	1,935,766
Nonoperating revenue (Expense)					
Interest on cash and investments	12	90	18,659	59	18,820
Bond interest expense	(12,121)	-	(138,085)	(274,537)	(424,743)
Bond expense	(181,651)	-	(2,650)	(103,751)	(288,052)
Contributions to others	-	-	(14,400)	-	(14,400)
Contribution to SSG (from) SSGPPC	-	-	512,874	(512,874)	-
Total non-operating revenue (expense)	(193,760)	90	376,398	(891,103)	(708,375)
Total income (loss)	571,268	396,181	765,130	(505,188)	1,227,391
Interfund transfers	1,550,001	-	-	-	1,550,001
Change in net position	2,121,269	396,181	765,130	(505,188)	2,777,392
Net position - beginning	5,266,357	28,666,242	22,197,950	(1,898,781)	54,231,768
Net position - ending	$7,387,626	$29,062,423	$22,963,080	$(2,403,969)	$57,009,160

Missouri Development Finance Board

Combining Schedule of Cash Flows
Parking Garage Fund | *For the Year Ended June 30, 2014*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Cash flows from operating activities					
Receipts from customers and users	$2,078,028	$1,675,224	$ 376,928	$1,610,382	$5,740,562
Payments to suppliers	(675,372)	(612,936)	(14,894)	(518,391)	(1,821,593)
Net cash provided by operating activities	1,402,656	1,062,288	362,034	1,091,991	3,918,969
Cash flows from noncapital financing activities					
Contributions to others	-	-	(14,400)		(14,400)
Interfund transfers	1,550,001	-	-	-	1,550,001
Contributions from SSGPPC to MDFB	-	-	512,874	(512,874)	-
Net cash provided (used) by noncapital financing activities	1,550,001	-	498,474	(512,874)	1,535,601
Cash flows from capital and Related financing activities					
Bond principal paid	(1,700,000)	-	(180,000)	-	(1,880,000)
Bond interest and fees paid	(194,166)	-	(140,735)	(381,427)	(716,328)
Acquisition of buildings and equipment	(2,296)	(1,378)	-	-	(3,674)
Net cash used by capital and related financing activities	(1,896,462)	(1,378)	(320,735)	(381,427)	(2,600,002)
Cash flows from investing activities					
Purchases of investments	-	-	(1,062,120)	-	(1,062,120)
Interest on cash and investments	12	90	(6,331)	59	(6,170)
Receipt of loan payments	-	-	26,435	-	26,435
Net cash provided (used) by investing activities	12	90	(1,042,016)	59	(1,041,855)
Net increase (decrease) in cash and cash equivalents	1,056,207	1,061,000	(502,243)	197,749	1,812,713
Cash and cash equivalents - June 30, 2013	3,183,867	916,608	2,613,066	1,179,446	7,892,987
Cash and cash equivalents - Current	$4,240,074	$1,977,608	$2,110,823	$1,377,195	$9,705,700
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 765,028	$ 396,091	$388,732	$ 385,915	$1,935,766
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expenses	447,726	749,154	-	725,849	1,922,729
(Increase) decrease in accrued interest on loans and notes receivable	-	-	22	-	22
(Increase) decrease in prepaid expenses and other assets	(7,163)	(75,224)		(1,785)	(84,172)
Increase (decrease) in accounts payable and accrued liabilities	(17,359)	(7,733)	(14,094)	15,345	(23,841)
Increase (decrease) in unearned revenue	214,424	-	(12,626)	(33,333)	168,465
Total adjustments	637,628	666,197	(26,698)	706,076	1,983,203
Net cash provided by operating activities	$1,402,656	$1,062,288	$ 362,034	$1,091,991	$3,918,969
Reconciliation of cash and cash equivalents to the statement of net position					
Cash	$2,865,074	$1,977,608	$2,672,943	$473,595	$7,989,220
Restricted assets	1,375,000	-	500,000	903,600	2,778,600
Less: Restricted investments	-	-	(1,062,120)	-	(1,062,120)
Total cash and cash equivalents	$4,240,074	$1,977,608	$2,110,823	$1,377,195	$9,705,700

SUPPLEMENTARY INFORMATION

Combining Schedules

This part of the Board's comprehensive annual financial report presents the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, and Changes in Net Position, and Schedule of Cash Flows for the Board's Revolving Loan Fund for the fiscal years ended June 30, 2015 and 2014.

Revolving Loan Fund

- **Missouri Infrastructure Development Loan Program Fund (MIDOC)**
  The MIDOC Fund presents activity from the MIDOC Loan Program. The MIDOC Loan Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects.
- **Small Business Loan Fund**
  The Small Business Loan (SBL) Fund shows activity from the Board's Small Business Loan Program. The SBL Program provides long-term, low-interest direct loans for small businesses located within the State of Missouri. Loans can be used to fund capital and operational needs.

Missouri Development Finance Board

Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2015*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
Current assets:			
Current portion of loans and notes receivable	$ 102,815	$ 116,061	$ 218,876
Accrued interest on investments	2,599	-	2,599
Accrued interest on loans and notes receivable	10,844	-	10,844
Total current assets	116,258	116,061	232,319
Noncurrent assets:			
Restricted Assets - Cash available on loan	1,591,952	975,173	2,567,125
Long-term portion of loans and notes receivable	1,173,672	833,298	2,006,970
Total noncurrent assets	2,765,624	1,808,471	4,574,095
Total assets	2,881,882	1,924,532	4,806,414
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	749	176	925
Total current liabilities	749	176	925
Total liabilities	749	176	925
Net position			
Restricted			
Restricted for revolving loan funds	2,881,133	1,924,356	4,805,489
Total net position	$2,881,133	$1,924,356	$4,805,489

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Revolving Loan Fund | ***For the Year Ended June 30, 2015***

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating revenues			
Interest income on loans and notes receivable	$ 38,031	$ 21,206	$ 59,237
Other income	3,079	23,806	26,885
Total operating revenues	41,110	45,012	86,122
Operating expenses			
Professional fees	750	802	1,552
Office expenses	-	24	24
Miscellaneous	3,595	50	3,645
Total operating expenses	4,345	876	5,221
Operating income	36,765	44,136	80,901
Nonoperating revenue			
Interest on cash and investments	9,152	682	9,834
Total non-operating revenue	9,152	682	9,834
Change in net position	45,917	44,818	90,735
Net position - beginning	2,835,216	1,879,538	4,714,754
Net position - ending	$2,881,133	$1,924,356	$4,805,489

Missouri Development Finance Board

Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2015*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash flows from operating activities			
Receipts from customers and users	$ 42,051	$ 21,206	$ 63,257
Payments to suppliers	(3,596)	(754)	(4,350)
Net cash provided by operating activities	38,455	20,452	58,907
Cash flows from investing activities			
Purchases of investments	(399,847)	-	(399,847)
Maturities of investments	399,847	-	399,847
Interest on cash and investments	12,748	682	13,430
Disbursement of loan proceeds	(100,000)	(267,961)	(367,961)
Receipt of loan payments	125,947	157,954	283,901
Net cash provided (used) by investing activities	38,695	(109,325)	(70,630)
Net increase (decrease) in cash and cash equivalents	77,150	(88,873)	(11,723)
Cash and cash equivalents - beginning	507,112	1,064,046	1,571,158
Cash and cash equivalents - ending	$ 584,262	$ 975,173	$1,559,435
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$36,765	$44,136	$80,901
Adjustments to reconcile operating income to net cash provided by operating activities:			
Adjustment to allowance for bad debt	(3,079)	(23,806)	(26,885)
(Increase) decrease in accrued interest on loans and notes receivable	4,020	-	4,020
Increase (decrease) in accounts payable and other accrued liabilities	749	122	871
Total adjustments	1,690	(23,684)	(21,994)
Net cash provided by operating activities	$ 38,455	$ 20,452	$ 58,907
Reconciliation of cash and cash equivalents to the statement of net position:			
Restricted assets - MIDOC program funds	$ 1,591,952	$ -	$1,591,952
Less: investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets - small business program funds	-	975,173	975,173
Total cash and cash equivalents	$ 584,262	$ 975,173	$1,559,435

Missouri Development Finance Board

Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2014*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
Current assets:			
Current portion of loans and notes receivable	$ 94,598	$ 123,715	$ 218,313
Accrued interest on investments	6,195	-	6,195
Accrued interest on loans and notes receivable	14,864	-	14,864
Total current assets	115,657	123,715	239,372
Noncurrent assets:			
Restricted Assets - Cash available on loan	1,514,802	1,064,046	2,578,848
Long-term portion of loans and notes receivable	1,204,757	691,831	1,896,588
Total noncurrent assets	2,719,559	1,755,877	4,475,436
Total assets	2,835,216	1,879,592	4,714,808
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	-	54	54
Total current liabilities	-	54	54
Total liabilities	-	54	54
Net position			
Restricted			
Restricted for revolving loan funds	2,835,216	1,879,538	4,714,754
Total net position	$2,835,216	$1,879,538	$4,714,754

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Revolving Loan Fund | *For the Year Ended June 30, 2014*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating Revenues			
Interest income on loans and notes receivable	$ 35,841	$ 25,121	$ 60,962
Other income	2,989	6,005	8,994
Total operating revenues	38,830	31,126	69,956
Operating Expenses			
Professional fees	-	667	667
Supplies and other	-	114	114
Bad debt expense	-	48,570	48,570
Total operating expenses	-	49,351	49,351
Operating income (loss)	38,830	(18,225)	20,605
Nonoperating revenue			
Interest on cash and investments	7,225	489	7,714
Total non-operating revenue	7,225	489	7,714
Change in net position	46,055	(17,736)	28,319
Net position - beginning	2,789,161	1,897,274	4,686,435
Net position - ending	$2,835,216	$1,879,538	$4,714,754

Missouri Development Finance Board

Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2014*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash flows from operating activities			
Receipts from customers and users	$ 33,480	$ 31,126	$ 64,606
Payments to suppliers and lessors	-	(987)	(987)
Net cash provided by operating activities	33,480	30,139	63,619
Cash flows from investing activities			
Purchases of investments	(1,007,690)	-	(1,007,690)
Interest on cash and investments	1,030	489	1,519
Disbursement of loan proceeds	(417,300)	(46,981)	(464,281)
Receipt of loan payments	85,209	146,460	231,669
Net cash provided (used) by investing activities	(1,338,751)	99,968	(1,238,783)
Net increase (decrease) in cash and cash equivalents	(1,305,271)	130,107	(1,175,164)
Cash and cash equivalents - June 30, 2013	1,812,383	933,939	2,746,322
Cash and cash equivalents - current	$ 507,112	$1,064,046	$ 1,571,158
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 38,830	$ (18,225)	$ 20,605
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Adjustment to allowance for bad debt	-	48,570	48,570
(Increase) decrease in accrued interest on loans and notes receivable	(5,350)	-	(5,350)
Increase (decrease) in accounts payable and accrued liabilities	-	(206)	(206)
Total adjustments	(5,350)	48,364	43,014
Net cash provided by operating activities	$33,480	$30,139	$63,619
Reconciliation of cash and cash equivalents to the statement of net position:			
Restricted assets			
Restricted assets - MIDOC program funds	$ 1,514,802	$ -	$ 1,514,802
Less: restricted investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets - Small Business program funds	-	1,064,046	$ 1,064,046
Total cash and cash equivalents	$ 507,112	$1,064,046	$ 1,571,158

Statistical Section

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Statistical Section (Unaudited)

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health. The Board is a discretely presented component unit of the State of Missouri as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity. Based on GASB No. 61, some of the accompanying statistical section segments will include references to the State of Missouri. Such segments will be noted as such. All other information is to be deemed as attributable to the Board, and does not reflect the financial position and results of operations of the State.

- **Financial Trends** - These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

- **Revenue Capacity -** These schedules contain information to help the reader assess the factors affecting the Board's ability to generate its own source income.

- **Debt Capacity -** These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

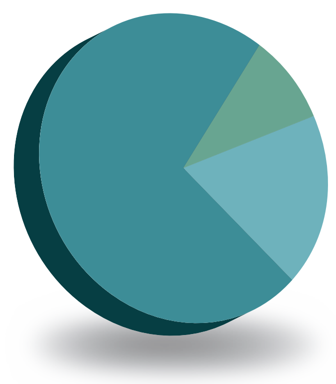
- **Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Due to the fact that the Board was established to serve the State of Missouri, and is a component unit as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity, demographic and economic information for the State of Missouri will be presented in this section.

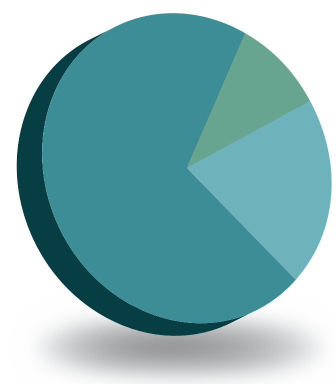
- **Operating Information** - These schedules contain information about the Board's operations and resources to help the reader understand how the Board's financial information relates to the services the Board provides and the activities it performs.

Missouri Development Finance Board

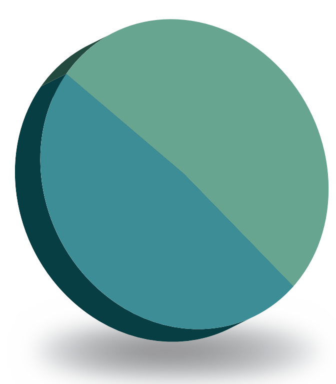
Schedule of Net Position By Component | *Fiscal Years 2006 to 2015*

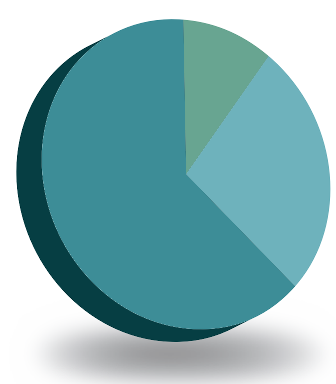
	2015		2014	
	$	%	$	%
Net investment in capital assets	$16,031,157	18.43%	$17,753,127	20.22%
Restricted	7,936,899	9.12	8,407,066	9.57
Unrestricted	63,036,142	72.45	60,932,952	70.21
	$87,004,198	100.00%	$87,093,145	100.00%



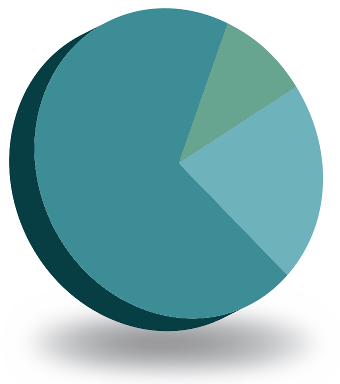


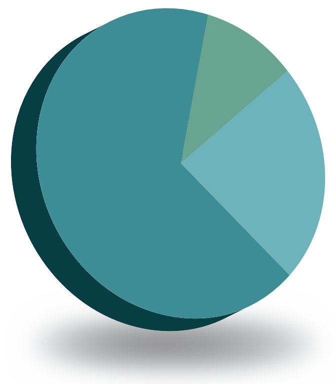
	2010		2009	
	$	%	$	%
Net investment in capital assets	$70,973	0.08%	$20,069,761	26.78%
Restricted	45,267,090	51.77	7,410,706	9.89
Unrestricted	42,097,604	48.15	47,452,756	63.33
	$87,435,667	100.00%	$74,933,223	100.00%

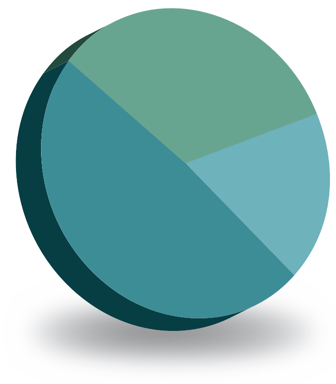




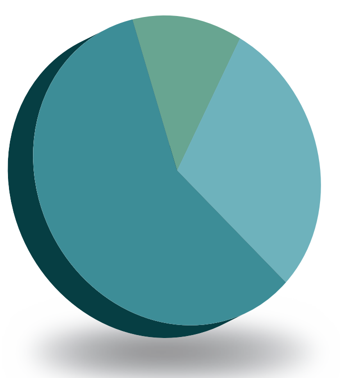
2013		2012		2011	
$	%	$	%	$	%
$17,801,907	21.30%	$19,499,463	23.20%	$15,196,313	18.17%
8,069,284	9.66	8,668,115	10.32	27,868,870	33.32
57,703,168	69.04	55,847,527	66.47	40,567,366	48.51
$83,574,359	100.00%	$84,015,105	100.00%	$83,632,549	100.00%

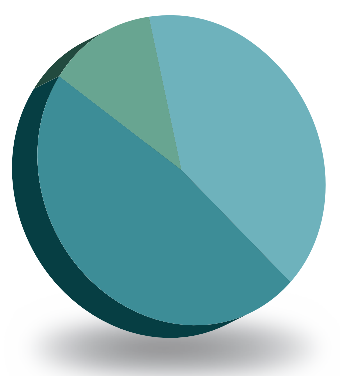


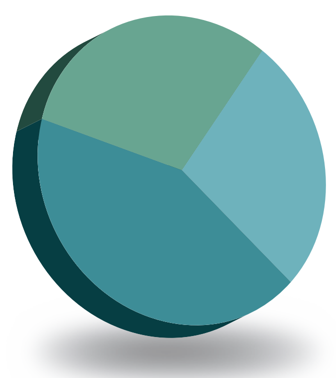




2008		2007		2006	
$	%	$	%	$	%
$20,321,656	29.36%	$30,561,762	40.18%	$19,317,590	27.07%
8,428,168	12.18	9,374,562	12.33	21,839,950	30.61
40,458,398	58.46	36,118,289	47.49	30,192,521	42.32
$69,208,222	100.00%	$76,054,613	100.00%	$71,350,061	100.00%





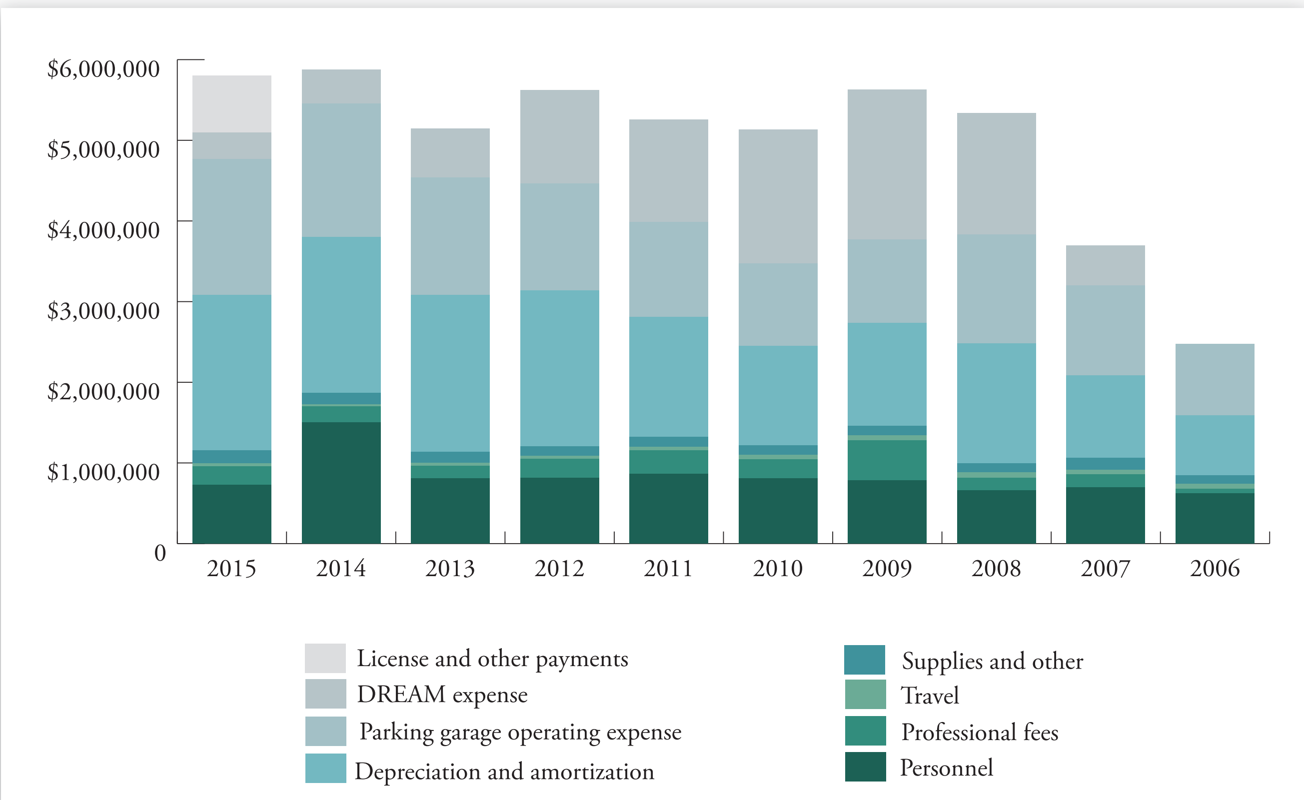


Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Expenses by Function | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011
Operating expenses					
Personnel	$ 726,121	$ 784,481	$ 806,177	$ 811,731	$ 863,310
Professional fees	232,300	195,910	155,546	238,806	291,826
Travel	38,662	29,058	37,872	36,678	47,448
Supplies and other	156,178	138,550	140,480	116,711	118,594
Depreciation and amortization	1,927,783	1,936,745	1,941,705	1,936,144	1,490,679
Parking garage operating expense	1,690,374	1,653,820	1,458,828	1,325,879	1,174,816
DREAM expense	326,289	419,632	603,238	1,158,332	1,272,301
Bad debt and miscellaneous	160,133	115,430 [1]	120,642 [2]	101,992 [3]	174,466 [4]
License and other payments	705,655	-	-	-	-
Total operating expenses	5,963,495	5,273,626	5,264,488	5,726,273	5,433,440
Nonoperating expenses					
Interest and bond expense	701,838	712,795	750,010	1,227,098	1,005,485
Research and development expense	-	-	-	-	-
Contributions to others	1,850,000	14,400	5,014,400	-	5,000,000
Total nonoperating expenses	2,551,838	727,195	5,764,410	1,227,098	6,005,485
Total expenses	$8,515,333	$6,000,821	$11,028,898	$6,953,371	$11,438,925



	2010	2009	2008	2007	2006
Operating expenses					
Personnel	$ 809,289	$ 786,596	$ 658,415	$ 697,353	$ 623,541
Professional fees	233,485	490,168	155,086	161,182	56,754
Travel	59,337	67,536	70,355	58,646	59,265
Supplies and other	116,152	113,348	109,176	144,828	110,242
Depreciation and amortization	1,231,998	1,279,643	1,492,209	1,024,531	743,372
Parking garage operating expense	1,020,824	1,032,951	1,348,926	1,115,373	883,789
DREAM expense	1,663,518	1,856,262	1,501,079	495,312	-
Bad debt and miscellaneous	97,642 [5]	153,211 [6]	126,076 [7]	205,122 [8]	3,527,826 [9]
License and other payments	-	-	-	-	-
Total operating expenses	5,232,245	5,779,715	5,461,322	3,902,347	6,004,789
Nonoperating expenses					
Interest and bond expense	705,815	878,092	1,442,893	936,157	733,823
Research and development expense	35,350	-	-	-	-
Contributions to others	-	1,600,000	10,713,892	-	-
Total nonoperating expenses	741,165	2,478,092	12,156,785	936,157	733,823
Total expenses	$5,973,410	$8,257,807	$17,618,107	$4,838,504	$6,738,612

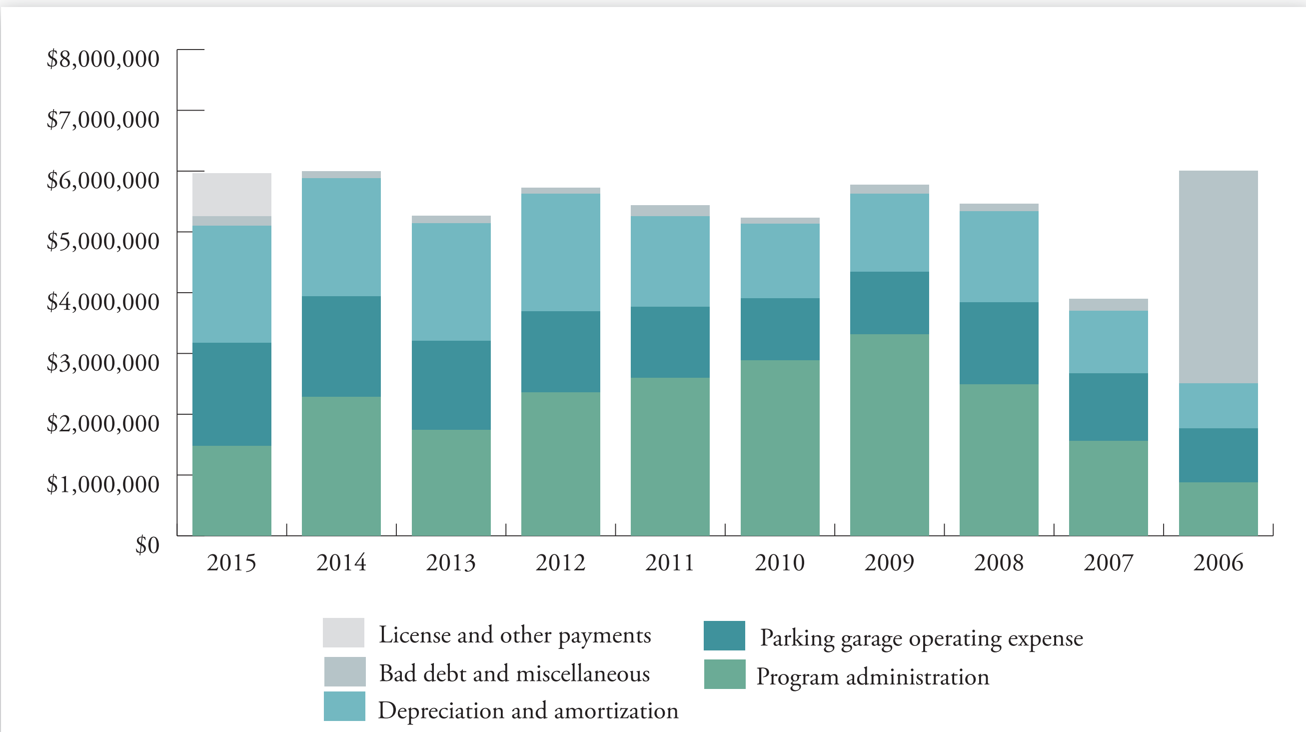
[1] *Includes bad debt expense of $48,570*
[2] *Includes bad debt expense of $31,341*
[3] *Includes bad debt expense of $19,036*
[4] *Includes bad debt expense of $111,013*
[5] *Includes bad debt expense of $0*
[6] *Includes bad debt expense of $80,001*
[7] *Includes bad debt expense of $105,929*
[8] *Includes bad debt expense of $138,806*
[9] *Includes bad debt expense of $3,498,074*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Expenses by Identifiable Activity | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011
Operating expenses					
Program administration	$1,479,550	$1,567,631	$ 1,743,313	$2,362,258	$ 2,593,479
Parking garage operating expense	1,690,374	1,653,820	1,458,828	1,325,879	1,174,816
Depreciation and amortization	1,927,783	1,936,745	1,941,705	1,936,144	1,490,679
Bad debt and miscellaneous	160,133	115,430 [1]	120,642 [2]	101,992 [3]	174,466 [4]
License and other payments	705,655	-	-	-	-
Total operating expenses	5,963,495	5,273,626	5,264,488	5,726,273	5,433,440
Non-operating expenses					
Interest and bond expense	701,838	712,795	750,010	1,227,098	1,005,485
Research and development expense	-	-	-	-	-
Contributions to others	1,850,000	14,400	5,014,400	-	5,000,000
Total nonoperating expenses	2,551,838	727,195	5,764,410	1,227,098	6,005,485
Total expenses	$8,515,333	$6,000,821	$11,028,898	$6,953,371	$11,438,925



	2010	2009	2008	2007	2006
Operating expenses					
Program administration	$2,881,781	$3,313,910	$ 2,494,111	$1,557,321	$ 879,554
Parking garage operating expense	1,020,824	1,032,951	1,348,926	1,115,373	883,789
Depreciation and amortization	1,231,998	1,279,643	1,492,209	1,024,531	743,372
Bad debt and miscellaneous	97,642[5]	153,211[6]	126,076[7]	205,122[8]	3,498,074[9]
License and other payments	-	-	-	-	-
Total operating expenses	5,232,245	5,779,715	5,461,322	3,902,347	6,004,789
Non-operating expenses					
Interest and bond expense	705,815	878,092	1,442,893	936,157	733,823
Research and development expense	35,350	-	-	-	-
Contributions to others	-	1,600,000	10,713,892	-	-
Total nonoperating expenses	741,165	2,478,092	12,156,785	936,157	733,823
Total expenses	$5,973,410	$8,257,807	$17,618,107	$4,838,504	$6,738,612

[1] *Includes bad debt expense of $48,570*
[2] *Includes bad debt expense of $31,341*
[3] *Includes bad debt expense of $19,036*
[4] *Includes bad debt expense of $111,013*
[5] *Includes bad debt expense of $0*
[6] *Includes bad debt expense of $80,001*
[7] *Includes bad debt expense of $105,929*
[8] *Includes bad debt expense of $138,806*
[9] *Includes bad debt expense of $3,498,074*
[10] *Includes bad debt expense of $9,356,822*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Revenues by Source | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011
Operating revenues					
Participation fees - private activity bonds	$ 50,000	$ -	$ 50,000	$ 36,175	$ 47,500
Participation fees - public activity bonds	89,471	147,608	428,732	226,951	75,000
Participation fees - notes receivable	-	-	-	-	-
Participation fees - tax credits	723,099	2,218,088	554,792	889,337	1,227,639
Participation fees - BUILD Missouri	612,698	743,302	3,724,025	479,239	670,288
Participation fees - MODESA	-	-	25,000	-	-
Interest income on loans and notes receivable	559,810	572,347	570,472	593,558	932,215
Rental income	233,159	233,159	233,159	233,060	215,918
Contractual income	11,250	74,444	70,000	70,000	70,000
DREAM revenues	5,698	68,663	271,426	554,527	826,170
Parking garage revenues	5,175,893	4,973,252	4,372,019	3,829,013	3,106,486
Other income	705,836	274,207	260,817	355,320	239,999
Sales tax revenues	705,655	-	-	-	-
Total operating revenues	8,872,569	9,305,070	10,560,442	7,267,180	7,411,215
Nonoperating revenues					
Interest on cash and investments	273,467	214,537	27,710	68,747	224,592
Total revenues	$9,146,036	$9,519,607	$10,588,152	$7,335,927	$7,635,807

	2010	2009	2008	2007	2006
Operating revenues					
Participation fees - private activity bonds	$ 115,000	$ 158,160	$ 137,750	$ 251,000	$ -
Participation fees - public activity bonds	112,122	352,308	161,876	186,695	191,833
Participation fees - notes receivable	5,000	2,162	-	5,000	-
Participation fees - tax credits	2,787,360	1,498,369	2,443,355	1,912,449	321,987
Participation fees - BUILD Missouri	855,547	464,964	307,438	245,918	562,584
Participation fees - MODESA	-	-	25,000	-	-
Interest income on loans and notes receivable	289,535	160,837	316,786	432,415	325,338
Rental income	169,795	25,008	25,008	25,008	25,008
Contractual income	69,782	77,210	75,990	68,757	61,342
DREAM revenues	924,639	873,330	809,894	-	-
Parking garage revenues	2,599,226	3,080,901	3,623,164	2,743,209	2,259,686
Other income	234,503	43,362	311,728	373,565	119,272
Sales tax revenues	-	-	-	-	-
Total operating revenues	8,162,509	6,736,611	8,237,989	6,245,971	3,871,505
Nonoperating revenues					
Interest on cash and investments	313,345	1,131,792	2,533,726	3,072,083	2,129,169
Total revenues	$8,475,854	$13,982,808	$10,771,715	$9,318,054	$6,000,674

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Other Changes in Net Position | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011
Income (loss) before other changes in net position	$630,703	$3,518,786	$(440,746)	$382,556	$(3,803,118)
Contributed revenue	-	-	-	-	-
Total change in net position	$630,703	$3,518,786	$(440,746)	$382,556	$(3,803,118)

	2010	2009	2008	2007	2006
Income (loss) before other changes in net position	$ 2,502,444	$5,725,001	$(6,846,391)	$4,479,551	$ (737,939)
Contributed revenue	10,000,000	-	-	225,000	2,600,000
Total change in net position	$12,502,444	$5,725,001	$(6,846,391)	$4,704,551	$1,862,061

Missouri Development Finance Board

Parking Garage Space and Rate Information - Principal Parking Garage Lessees | *Fiscal Years 2006 to 2015*

	2015		2014		2013		2012	
	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
St. Louis Convention Center Hotel Garage Leases								
(880-space parking garage)								
Renaissance Grand Hotel*	275	$167	275	$227	375	$123	375	$123
Merchandise Mart*	12	105	18	105	20	105	20	105
Roberts Old School House Lofts, LP - reserved spaces	0	n/a	-	n/a	-	n/a	50	125
STL Loft Partners, LLC	65	130	65	130	40	125	-	n/a
Lennox Suites, LLC	0	n/a	-	n/a				
	352		358		435		445	
Ninth Street Garage Leases								
(1,050-space parking garage)								
Court of Appeals - reserved spaces	13	$125	13	$115	13	$115	13	$115
Court of Appeals - unreserved spaces	20	105	20	99	20	99	20	99
Webster University - unreserved spaces	30	105	30	105	30	100	30	100
Frisco Associates - unreserved spaces	100	105	100	105	100	100	100	100
Pyramid Construction assigned to Paul Brown Developer, LP - reserved spaces	75	130	75	130	75	125	75	125
Roberts Old School House Lofts, LP - reserved spaces	0	n/a	-	n/a	-	n/a	-	n/a
913 Locust (Talley Properties, LLC) - unreserved spaces	0	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) - reserved spaces	0	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) - unreserved spaces	0	n/a	-	n/a	-	n/a	-	n/a
Syndicate Apartments - unreserved spaces	28	105	28	105	28	100	28	100
Syndicate Retail - unreserved spaces	42	105	42	105	42	100	42	100
SLT Tower Partners, LLC	100	130	100	130				
	408		408		308		308	
Seventh Street Garage Leases								
(750-space parking garage)								
600 Tower, LLC - reserved spaces	89	$165	85	$160	89	$160	85	$155
600 Tower, LLC - unreserved spaces	386	140	380	135	293	130	230	130
US Bank, NA - unreserved spaces	400	130	400	135	400	125	400	125
	875		865		782		715	
	1635		1,631		1,525		1,468	

St. Louis Convention Center Hotel Garage began operations August 2002.
Ninth Street Garage began operations February 2007.
Seventh Street Garage began operations February 2011.

** Lease is written based on a minimum amount to be paid per fiscal year.*
New license agreement was signed May 2013 and is based on minimum monthly payments.
Monthly rate and # of leased spaces are estimated as of June 30 of fiscal year.

2011		2010		2009		2008		2007		2006	
# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
375	$123	375	$123	375	$123	375	$123	375	$123	375	$123
20	105	20	105	20	105	20	105	20	105	20	105
32	125	75	125	75	125	75	125	75	125	75	125
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
427		470		470		470		470		470	
13	$115	13	$105	13	$105	13	$105	13	$105		
20	99	20	90	20	90	20	90	20	90		
30	100	30	100	30	90	30	90	30	90		
100	100	100	100	100	90	100	90	100	90		
75	125	75	125	75	125	75	125	75	125		
-	n/a	20	100	20	90	20	90	20	90		
5	100	5	100	5	90	5	90	5	90		
26	125	26	125	26	125	26	125	26	125		
15	100	15	100	15	90	15	90	15	90		
28	100	28	100	20	90	20	90	20	90		
42	100	42	100	10	90	10	90	10	90		
354		374		334		334		334			
85	$155										
170	130										
400	125										
655											
1,436		844		804		804		804		470	

Missouri Development Finance Board

Parking Garage Revenues - Principle Parking and Garage Lessee's | *Fiscal Years 2015 and 2006*

	2015	% of Actual Parking Revenue	2006	% of Actual Parking Revenue
St. Louis Convention Center Hotel Garage				
Renaissance Grand Hotel/800 Washington, LLC	$ 750,000	14%	$ 554,282	25%
Merchandise Mart	25,000	0%	25,000	1%
STL Loft Partners, LLC	101,400	2%	-	0%
Lennox Suites, LLC	100,000	2%		
	976,400	19%	579,282	26%
Ninth Street Garage				
Court of Appeals	44,700	1%	-	0%
Webster University	37,800	1%	-	0%
Frisco Associates	126,000	2%	-	0%
Paul Brown Developer, LP	117,000	2%	-	0%
Syndicate Apartments	35,280	1%	-	0%
Syndicate Retail	52,920	1%	-	0%
STL Tower Partners, LLC	413,700	8%	-	0%
Seventh Street Garage				
600 Tower	797,925	15%	-	0%
US Bank, NA	624,000	12%	-	0%
	1,421,925	27%	-	0%
Total Base	$2,812,025	54%	$ 579,282	26%
Actual Parking Garage Revenue	$5,175,893		$2,259,686	

Missouri Development Finance Board

Pledged Revenue Coverage by Net Revenue Available | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011
Total operating and nonoperating revenues	$9,146,036	$9,519,607	$10,588,152	$ 7,335,927	$ 7,635,807
Total operating and nonoperating expenses	8,515,333	6,000,821	11,028,898	6,953,371	11,438,925
Net revenue available	$ 630,703	$3,518,786	$ (440,746)	$ 382,556	$(3,803,118)
Debt service					
Principal	189,000	1,880,000	172,000	15,014,000	255,000
Interest[1]	409,933	424,743	429,760	739,314	595,190
Bond expenses	291,905	288,052	320,250	487,784	410,295
Total debt service	$ 890,838	$2,592,795	$ 922,010	$16,241,098	$1,260,485
Debt service coverage	0.71	1.08	(0.48)	0.02	(3.02)

	2010	2009	2008	2007	2006
Total operating and nonoperating revenues	$8,475,854	$13,982,808	$10,771,715	$9,318,054	$6,000,674
Total operating and nonoperating expenses	5,973,410	8,257,807	17,618,107	4,838,504	6,738,612
Net revenue available	2,502,444	5,725,001	(6,846,392)	4,479,550	(737,938)
Debt service					
Principal	245,000	1,000,000	-	-	2,750,000
Interest[1]	157,074	517,121	1,075,534	711,903	551,858
Bond expenses	548,741	360,971	367,358	224,254	181,965
Total debt service	$950,815	$1,878,092	$1,442,892	$936,157	$3,483,823
Debt service coverage	2.63	3.05	(4.74)	4.79	(0.21)

[1] Interest does not include capitalized interest paid from bond proceeds.

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Pledged Revenue Coverage by Parking Capacity | *Fiscal Years 2006 to 2014*

	2015	2014	2013	2012	2011
Garages					
Total number of operational garages [1]	3	3	3	3	3
Parking capacity per year [2]	978,200	978,200	978,200	978,200	978,200
Total debt outstanding	$51,935,934	$52,124,934	$54,004,934	$54,176,934	$69,190,934
Debt service					
Principal	$189,000	$1,880,000	$172,000	$15,014,000	$ 255,000
Interest [3]	409,933	424,743	429,760	739,314	595,190
Bond expense	291,905	288,052	320,250	487,784	410,295
Total debt service	$ 890,838	$ 2,592,795	$ 922,010	$16,241,098	$ 1,260,485
Daily required revenue per space to cover annual debt service	0.91	2.65	0.94	16.60	1.29

	2010	2009	2008	2007	2006
Garages					
Total number of operational garages [1]	2	2	2	3	2
Parking capacity per year [2]	704,450	704,450	704,450	887,315	504,065
Total debt outstanding	$69,445,934	$30,850,000	$31,850,000	$31,850,000	$34,600,000
Debt service					
Principal	$ 245,000	$ 1,000,000	$ -	$ -	$ 2,750,000
Interest [3]	157,074	517,121	1,075,534	711,903	551,858
Bond expense	548,741	360,971	367,358	224,254	181,965
Total debt service	$ 950,815	$ 1,878,092	$ 1,442,892	$ 936,157	$ 3,483,823
Daily required revenue per space to cover annual debt service	1.35	2.67	2.05	1.06	6.91

[1] *KCLG sold May 31, 2008.*

[2] *Calculated as total number of spaces x 365 days*

[3] *Interest does not include capitalized interest paid from bond proceeds*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Outstanding Debt by Type | *Fiscal Years 2005 to 2014*

	2015	2014	2013	2012	2011
Bond debt					
Ninth Street Garage	$ -	$ -	$ -	$ -	$15,000,000
Seventh Street Garage	8,445,000	8,634,000	8,814,000	8,986,000	9,000,000
St. Louis Convention Center Hotel Garage	13,650,000	13,650,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	22,095,000	22,284,000	24,164,000	24,336,000	39,350,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	29,840,934	29,840,934	29,840,934
Total debt	$51,935,934	$52,124,934	$54,004,934	$54,176,934	$69,190,934

	2010	2009	2008	2007	2006
Bond debt					
Ninth Street Garage	$15,255,000	$15,500,000	$16,500,000	$16,500,000	$16,500,000
Seventh Street Garage	9,000,000	-	-	-	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	39,605,000	30,850,000	31,850,000	31,850,000	31,850,000
Notes payable					
Seventh Street Garage	29,840,934	-	-	-	-
Total debt	$69,445,934	$30,850,000	$31,850,000	$31,850,000	$31,850,000

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

State of Missouri Demographic Statistics - Employment

(In Thousands Except Unemployment Rates Data)

Calendar Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
2014	3,058	2,880	178	6.6	6.5
2013	3,066	2,850	216	7.1	7.7
2012	2,993	2,785	207	6.9	8.1
2011	3,022	2,767	255	8.4	8.9
2010	3,039	2,756	283	9.3	9.6
2009	3,068	2,779	289	9.4	9.3
2008	3,050	2,870	180	5.9	5.8
2007	3,049	2,895	154	5.0	4.6
2006	3,036	2,889	147	4.8	4.6
2005	3,011	2,850	162	5.4	5.1
2004	2,988	2,816	172	5.8	5.5
2003	2,979	2,814	166	5.6	6.0
2002	2,986	2,830	156	5.2	5.8
2001	3,003	2,868	135	4.5	4.7
2000	2,973	5,875	98	3.3	4.0
1999	2,911	2,820	91	3.1	4.2
1998	2,911	2,795	116	4.0	4.5
1997	2,904	2,780	124	4.3	4.9
1996	2,869	2,735	135	4.7	5.4
1995	2,822	2,690	132	4.7	5.6

Data Source: Missouri Economic Research and Information Center, U.S. Department of Labor — Bureau of Labor Statistics.

Missouri Development Finance Board

State of Missouri Demographic Statistics - Personal Income

Calendar Year	Missouri Total Personal Income (In Millions)	U.S. Total Personal Income (In Millions)	Missouri Per Capita Personal Income	U.S. Per Capita Personal Income	Missouri % Change From Prior Year	U.S. % Change From Prior Year
2014	$252,300	$14,708,582	$41,617	$46,129	2.7	3.9
2013	241,145	14,081,242	39,897	44,543	1.8	2.6
2012	235,154	13,401,869	39,049	42,693	2.8	2.7
2011	228,218	12,949,905	37,969	41,560	4.3	4.4
2010	218,278	12,308,496	36,406	39,791	1.6	3.0
2009	213,630	11,852,715	35,837	38,637	-5.0	-5.6
2008	223,554	12,451,660	37,738	40,947	6.2	3.6
2007	209,131	11,900,562	35,521	39,506	4.4	4.7
2006	198,727	11,256,516	34,013	37,725	5.5	6.4
2005	186,753	10,476,669	32,253	35,452	2.7	4.6
2004	180,547	9,928,790	31,412	33,909	4.0	5.0
2003	172,529	9,369,072	30,218	32,295	3.2	2.6
2002	166,195	9,054,702	29,286	31,481	2.3	1.0
2001	161,545	8,878,830	28,637	31,157	2.7	2.8
2000	156,359	8,554,866	27,885	30,319	6.4	7.0
1999	145,826	7,906,131	26,218	28,333	3.1	3.9
1998	140,360	7,519,327	25,419	27,258	5.5	6.3
1997	132,117	6,994,388	24,104	25,654	5.3	5.0
1996	124,385	6,584,404	22,901	24,442	4.9	5.1
1995	117,418	6,194,245	21,832	23,262	3.8	4.3

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of Economic Analysis

Missouri Development Finance Board

State of Missouri Demographic Statistics - Population Statistics

Census Year	Population (In Thousands)	% Change	% of Total Urban	Rural
2010	5,989	7.0	70.44	29.56
2000	5,595	9.3	67.8	32.2
1990	5,117	4.1	68.7	31.3
1980	4,917	5.1	68.1	31.9
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7

Data Sources: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of the Census

Missouri Development Finance Board

State of Missouri Economic Data - Privately Owned Housing Units Authorized by Building Permits

Calendar Year	Number of Units	Valuation (In Thousands)
2014	16,003	$2,682,665
2013	13,708	2,234,221
2012	12,297	1,878,836
2011	9,242	1,425,673
2010	9,699	1,430,224
2009	10,056	1,433,735
2008	13,273	1,889,739
2007	21,525	3,128,424
2006	29,172	4,086,728
2005	33,114	4,702,016
2004	32,791	4,286,161
2003	29,309	3,596,524
2002	28,255	3,186,632
2001	24,739	2,750,047
2000	24,321	2,569,405
1999	26,840	2,739,418
1998	25,657	2,424,875
1997	25,156	2,265,005
1996	26,298	2,275,667
1995	24,282	2,032,503

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce - Census Bureau

Missouri Development Finance Board

State of Missouri - *Major Employers 2014 and 2005*

2014

Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	60,000+	2.22%
2. Wal-Mart Associates, Inc.	30,000+	1.13%
3. University of Missouri	20,000-25,000	0.75%-0.94%
4. Washington University	15,000-20,000	0.56%-0.75%
5. U.S. Post Office	10,000-15,000	0.56%-0.75%
6. The Boeing Company	10,000-15,000	0.37%-0.56%
7. Barnes-Jewish Hospital	7,500-10,000	0.37%-0.56%
8. Schnuck Markets, Inc.	7,500-10,000	0.37%-0.56%
9. Department of Veterans Affairs	7,500-10,000	0.37%-0.56%
10. Cerner Corportation	7,500-10,000	0.37%-0.56%
	180,000-210,000	6.71%-7.83%
Total Statewide Employment	2,652,489	

2005

Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	65,000+	2.45%
2. Wal-Mart Associates, Inc.	30,000+	1.11%
3. University of Missouri	20,000-25,000	0.75%-0.94%
4. U.S. Post Office	15,000-20,000	0.56%-0.75%
5. Washington University	10,000-15,000	0.37%-0.56%
6. The Boeing Company	10,000-15,000	0.37%-0.56%
7. Schnuck Markets, Inc.	7,500-10,000	0.28%-.037%
8. Barnes-Jewish Hospital	7,500-10,000	0.28%-.037%
9. Department of Defense	7,500-10,000	0.28%-.037%
10. City of St. Louis	7,500-10,000	0.28%-.037%
	180,000-210,000	6.73%-7.85%
Total Statewide Employment	2,642,706	

Data Source: Missouri Department of Economic Development/MERIC

Missouri Development Finance Board

Schedule of Employee Statistics | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program staff										
Full-time	3	4	4	4	5	5	5	5	4	4
Accounting staff										
Full-time	2	2	3	3	3	3	2	2	2	2
Support staff										
Full-time	2	2	2	2	2	2	2	2	2	2
Total staff	7	8	9	9	10	10	9	9	8	8

Missouri Development Finance Board

Schedule of Projects Approved | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Loan guarantees	-	-	-	-	-	-	-	-	-	-
Bonds										
Private	1	-	1	1	4	2	3	7	5	1
Public	4	4	13	6	2	3	9	6	8	5
MIDOC	3	4	2	1	1	1	2	1	3	2
Tax credits	6	9	3	6	2	3	9	12	6	6
BUILD	1	4	7	4	6	6	4	3	1	3
MODESA	-	-	1	-	-	-	-	-	-	-
DREAM	-	-	-	-	-	5	5	10	10	10
Small business loans	-	2	-	13	6	48	-	-	-	-
	15	23	27	31	21	68	32	39	33	27

Missouri Development Finance Board

Schedule of Capital Assets | *Fiscal Years 2006 to 2015*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Office buildings	-	-	-	-	-	-	1	1	1	1
Garages [1]	3	3	3	3	3	2	2	2	3	2
Parking capacity	2,680	2,680	2,680	2,680	2,680	1,930	1,930	1,930	2,431	1,381

[1] *Kansas City Library Garage sold May 31, 2008. Fiscal year 2008 had 3 garages for 11 months out of the year.*

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