Notice of Meeting and Agenda

Audit, Finance & Administration Committee
Friday, October 19, 2018, 8:00 a.m.

Headquarters - Board Room, 6th Floor
211 N. Broadway, Suite 650 - St. Louis, Missouri 63102

This location is accessible to persons with disabilities. Individuals with disabilities needing information or communication accommodations should call Bi-State Development at (314) 982-1400; for TTY access, call Relay 711. Sign language interpreter services or other accommodations for persons with hearing or speech disabilities will be arranged if a request for such service is made at least two days in advance of the meeting. Large print material, Braille material or other formats will also be provided upon request.

	Agenda	Disposition	Presentation
1.	Call to Order	Approval	Chair Holman
2.	Roll Call	Quorum	S. Bryant
3.	Public Comment	Information	Chair Holman
4.	Audit, Finance & Administration Committee Open Session Minutes: August 24, 2018	Approval	Chair Holman
5.	Contract Award – Pharmacy Benefit Management Services	Approval	D. Toben
6.	22nd Amendment to the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan	Approval	C. Stewart/D. Toben
7.	Amendment 2 to the Bi-State Development Agency 401(k) Retirement Savings Program	Approval	C. Stewart/D. Toben
8.	Pension Audits Update	Information	C. Stewart
9.	Internal Audit Status Report – 1st Quarter FY2019	Information	J. Cali
10.	Internal Audit Follow-Up Summary – 1st Quarter FY2019	Information	J. Cali
11.	August Treasury Report	Information	T. Fulbright
12.	Unscheduled Business	Approval	Chair Holman
13.	Call of Dates for Future Committee Meetings	Information	S. Bryant
14.	Adjournment to Executive Session *If such action is approve by a majority vote of The Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters pursuant to Bi-State Development Board Policy Chapter 10, Section 10.080 (D) Closed Records: Legal under §10.080(D)(1); Real Estate under §10.080(D)(2); Personnel under*	Approval	Chair Holman

Agenda	Disposition	Presentation
§10.080(D)(3); Health Proceedings under §10.080(D)(4); Employee Negotiations under §10.080(D)(5); Data Processing under §10.080(D)(6); Purchasing and Contracts under §10.080(D)(7); Proprietary Interest under §10.080 (D)(8); Hotlines under §10.080(D)(9); Auditors under §10.080(D)(10); Security under §10.080(D)(11); Computers under §10.080(D)(12); Personal Access Codes under §10.080(D)(13); Personal Information under §10.080(D)(14); Insurance Information under §10.080(D)(15); Rail, Bus, or Facilities Safety and Accidents under §10.080(D)(16) or Protected By Law under §10.080(D)(17).		

Note: Public comment may be made at the written request of a member of the public specifying the topic(s) to be addressed and provided to the Agency's information officer at least 48 hours prior to the meeting.

BI-STATE DEVELOPMENT
AUDIT, FINANCE & ADMINISTRATION COMMITTEE MEETING
OPEN SESSION MINUTES
AUGUST 24, 2018

Committee Members in Attendance
Aliah Holman, Chair
Constance Gully (via phone at 8:20 a.m.)
Vince Schoemehl
Jeffrey Watson (absent)
Justin Zimmerman

Other Commissioners in Attendance
Vernal Brown
Rose Windmiller

Staff in Attendance
John Nations, President and Chief Executive Officer
Barbara Enneking, General Counsel and Deputy Secretary
Shirley Bryant, Certified Paralegal
Jim Cali, Director of Internal Audit
Barbara Georgeff, Director of Executive Services
Mark Vago, Sr. Vice President Chief Financial Officer
Patti Beck, Director Communications
Brenda Krieger, Executive Assistant
Michael Gibbs, Manager Financial Operations-Administration & Business Operations
Adam Schisler, Budget System Administrator
Dan Hinrichs, Business Analyst
Angela Staicoff, Sr. Internal Auditor
Kelli Fitzpatrick, Sr. Internal Auditor/PT
Larry Jackson, Executive Vice President for Administration
Jerry Vallely, External Communications Manager
Victoria Potter, Controller
Connie Welch, Manager Financial Operations-Transit
Amy Krekeler-Weber, EEO Specialist
Diana Wagner- Hilliard, Director Workforce Diversity/EEO
John Langa, Vice President Economic Development
Greg Smith, Vice President Procurement & Inventory Management
Kathy Brittin, Director Risk Management, Safety & Claims
David Toben, Director Benefits
Andrew Ghiassi, Manager Safety & Loss Control
Kevin Kloever, Manager Insurance & Analysis
Anita Dunn, Health and Welfare Plan Manager
Diana Bentz, Vice President Organizational Effectiveness
Kerry Kinkade, Supplier Diversity Manager
Jessica Mefford-Miller, Interim Executive Director Metro Transit
Virginia Alt-Hildebrandt, Manager Administrative Services
Cynthia Davis, Director Program Development & Grants

Charles Stewart, Vice President Pension & Insurance
John Wagner, Director Research Institute
Tammy Fulbright, Sr. Director Financial Planning & Treasury
Stacy McMurray, Director Organizational Development
Julianne Stone, Vice President Strategic Initiatives
Carmen Brothers, Retirement Plan Manager
Ted Zimmerman, Interim Vice President Communications & Marketing

Others in Attendance
Justin Sobeck, MoDOT
Jennifer McCloud

1. **Call to Order**
8:00 a.m. Chair Holman called the Open Session Audit, Finance and Administration Committee Meeting to order at 8:00 a.m.

2. **Roll Call**
8:00 a.m. Roll call was taken.

3. **Public Comment**
8:00 a.m. There was no public comment.

4. **Audit, Finance and Administration Committee and Operations Committee Open Session Minutes: May 18, 2018**
8:01 a.m. The May 18, 2018 Open Session Audit, Finance and Administration Committee and Operations Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes as presented was made by Commissioner Schoemehl and seconded by Commissioner Brown. Commissioner Windmiller abstained because she was not present at the May 18, 2018 combined Committee meeting. Commissioners Holman, Schoemehl, Zimmerman, and Brown voted "yes." **Motion passed by majority vote.**

5. **Contract Modification: Additional Funds for Voluntary Critical Illness and Accident Insurance Program**
8:02 a.m. The briefing paper regarding the Contract Modification for Additional Funds for Voluntary Critical Illness and Accident Insurance Program was provided in the Committee packet. David Toben, Director of Benefits, provided a brief overview of the contract modification requesting additional funding for the voluntary critical illness and off the job accident insurance programs. Mr. Toben advised that his is a 100% contributory benefit on the part of the employees, but Bi-State Development **(BSD)** does prefund the premium on a monthly basis and then collects that premium through payroll deductions throughout the month. Mr. Toben introduced Anita Dunn, Health and Welfare Plan Manager, to provide more detail. Ms. Dunn informed the Committee that this program was initially offered about four years ago. Because it was a new offering, BSD didn't know what the participation levels would be, so industry standard numbers of about 15% were used. That level has increased to 18.9% enrollment in critical illness and 22.5% enrollment in accident. It has far exceeded expectations and as a result, the dollars requested up front from the

Board are not sufficient, and additional funding is required in the amount of $232,000 to be able to carry this program to the end of the contract. Essentially, the Committee is being asked to take to the Board a recommendation to modify the contract in an amount not to exceed $1.52 million. A motion for the Committee to approve and refer to the Board this agenda item as presented was made by Commissioner Schoemehl and seconded by Commissioner Zimmerman. **Motion passed unanimously.**

6. **Contract Award: Independent Audit Services**
8:05 a.m. A briefing paper regarding the Contract Award for the Independent Audit Services was provided in the Committee packet. Mark Vago, Sr. Vice President Chief Financial Officer, provided a brief overview. Ten years ago the Board adopted a policy requiring a rotation of audit partners and audit firms every five years. With the completion of FY18 audit and the upcoming current fiscal year audit the contract with Crowe Horwath will conclude their five year contract. A search for a new firm was conducted in the spring of 2018. Seven firms were interviewed and the recommendation is to award this contract to Rubin Brown for a five year term. A motion for the Committee to approve and refer to the Board for approval this agenda item as presented was made by Commissioner Schoemehl and seconded by Commissioner Brown. **Motion passed unanimously.**

7. **Contract Award: Light Vehicle Leasing & Maintenance Program**
8:06 a.m. A briefing paper regarding the Contract Award for the Light Vehicle Leasing & Maintenance Program was provided in the Committee packet. Larry Jackson, Executive Vice President for Administration, provided a brief presentation. Mr. Jackson advised that authorization was being requested to enter into a five year contract for leasing and maintenance of light vehicles with Enterprise Leasing. Historically BSD has always purchased vehicles and maintained them internally. The program will run for five years and it's an Indefinite Delivery/Indefinite Quantity **(IDIQ)** contract. There are no guarantees and no commitment to purchase or lease 210 vehicles, as this is a requirement type contract, so it will only be used for those vehicles that are deemed necessary. The leasing contract also includes an offsite full maintenance program through outside vendors, dealers and other shops, which will lighten the load on BSD's internal maintenance staff, which is currently extremely over-taxed, and will help reduce cost. A reduction in the present value over the next ten years is anticipated, if we were to stay at the full 210 fleet level. The cost would be approximately $8.9 million if we continue to purchase and maintain the vehicles internally, versus $6.6 million under the leasing program. Some discussion followed regarding the analysis and tracking the use, maintenance and costs. A motion for the Committee to approve and refer to the Board for approval this agenda item as presented was made by Commissioner Schoemehl and seconded by Commissioner Brown. **Motion passed unanimously.**

8. **State Safety Oversight – Internal Audit Process**
8:10 a.m. The briefing paper regarding the State Safety Oversight – Internal Audit Process was provided in the Committee packet. Jim Cali, Director of Internal Audit, introduced Justin Sobeck, State Safety Oversight Representative from MoDOT. Mr. Cali advised that James Hickey from IDOT could not attend because of a family emergency. In 2009, the State Safety Oversight **(SSO)** program required the Internal Audit Department **(IAD)** to begin working with the Safety Department to perform various safety and security audits in accordance with the SSO's Triennial Audit program. The SSO Triennial Audit program requires 20 safety audits and 12 security audits be completed within a predetermined three year period. With the implementation of new FTA

regulations for SSO programs, changes to the BSD Internal Audit Process were needed. In order for the SSO to be in compliance with the provisions of the Moving Ahead for Progress in the 21st Century Act **(MAP-21)**, coupled with the FTA's requirement for all SSO Agencies to develop and issue new SSO Rules as set forth in 49 Code of Federal Regulations **(CFR)** Part 674 issued in 2016. The new SSO issued in April 2018, referred to as the New Program Standard requires that all SSO audits must be conducted by individuals or firms that are independent from the function being audited; and be free from any conflict of interest or the appearance of a conflict of interest. This new audit standard now prohibits the Safety Department from performing any SSO audits. IAD is now responsible for performing all required SSO audits. In order for IAD to meet the New Program Standard audit requirements, changes to the SSO Internal Audit Process must be made. IAD proposes to meet these new challenges with the addition of a new auditor position. Management is requesting that the Committee approve the change in IAD's approval process for the Safety and Security Audits to meet the requirements put forth by the SSO.

Some discussion followed regarding Commissioner Windmiller's inquiry as to who the members of the Executive Safety and Security Committee were; whether the Safety and Security review covers both the operational safety of the actual trains and buses, as well as the safety and security of passenger, employees and the public; and whether BSD pays for these audits. Mr. Cali responded to the Commissioner confirming the membership of the Executive Safety and Security Committee, the scope of the audit review, and confirming that BSD pays the cost associated with this audit.

****Commissioner Gully joined the meeting via phone at 8:20 a.m.****

A motion for the Committee to approve this agenda item as presented was made by Commissioner Zimmerman and seconded by Commissioner Brown. **Motion passed unanimously.**

9. Internal Audit Status Report – 4th Quarter FY2018

8:22 a.m. A briefing paper regarding the Internal Audit Status Report, 4th Quarter FY2018 was provided in the Committee packet. Jim Cali, Director Internal Audit, provided a brief overview. In accordance with Board Policy, the IAD reports quarterly on the status of their work product. As of June 30, 2018, IAD completed 19 Audits and 4 were substantially complete as of June 30, 2018. The objectives of the Internal Audit plan have been met. This report is informational only, and no Committee action is required. A copy of the report will be kept at the office of the Deputy Secretary.

10. Internal Audit Follow-Up Summary – 4th Quarter FY2018

8:23 a.m. The briefing paper regarding the Internal Audit Follow-Up Summary, 4th Quarter FY2018 was provided in the Committee packet. Jim Cali, Director of Internal Audit, provided a brief overview. The most important aspect of any audit is to make sure that management implements the recommendations identified during the audit. IAD is tracking 112 recommendations; 72 have been completed and implemented in full; 8 audits have been completed and closed during the fiscal year; and there are only 40 observations and recommendations that management is still working on. Mr. Cali advised that he was happy to report that none of the recommendations and the implementation for those are overdue at this time. Management has done a great job during this fiscal year to meet these obligations. This report is informational only, and no Committee action is required. A copy of the report will be kept at the office of the Deputy Secretary.

11. **Treasury-Safekeeping Quarterly Accounts Audit Ending June 30, 2018**
8:24 a.m. The briefing paper regarding the Treasury-Safekeeping Quarterly Accounts Audit ending June 30, 2018 was provided in the Committee packet. Jim Cali, Director Internal Audit, provided a brief overview. In accordance with Board policy the Internal Audit Department **(IAD)** is tasked with reviewing the quarterly Safekeeping Account balances for all investment funds that are classified as Safekeeping Funds. IAD has determined that the Safekeeping Accounts exist, and the respective balances have been fairly presented.

John Nations, President & CEO, asked Mr. Cali to explain the timing listed in the variance. Mr. Cali explained that one of the custodians, Jefferson Bank, uses a different means to evaluate the outstanding investment. BSD uses the fair values standard which has been adopted by Government Accounting Standard Boards, GASB-72. Jefferson Bank confirms the value at par so their rates appear to be a bit different because of timing. When that investment reaches maturity, it will reach the full value of our investments. It is just a timing difference between the different methodologies of valuing that particular investment.

This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

12. **4th Quarter Financial Statements**
8:25a.m. The 4th Quarter Financial Statements report was provided in the Committee packet. Mark Vago, Sr. Vice President Chief Financial Officer, provided a brief overview. Executive Services shows revenue of $4.3 million. This income is primarily from management fees from the various business units as approved by the Board. The total expenses are $3.9 million, and the expenses related to the annual meeting are included in other expenses. Income before depreciation is $300,000.

The Gateway Arch Tram System shows a total revenue of approximately $8 million; compared to last year, revenue is up almost 50%. Performance indicators show the tram ridership is up almost 50% at approximately $800,000, comparable to the 2015 fiscal year levels. The reason it is up is because both trams are now open and operating.

The Riverfront Attractions have a revenue of approximately $3 million. Cruises are up, passengers are up partly due to more traffic at the Gateway Arch, and no flood days this fiscal year. Expenses were $2.6 million for income before depreciation of approximately $500,000.

The St. Louis Downtown Airport revenue is up approximately 2.5% over the prior year, and in looking at the detail, almost every category is up just slightly over the prior year. The expenses were $1.6 million. Last year there were some consulting and legal fees relating to some planned projects. That allowed the Airport to go from a negative $2,000 loss last year to $1,000 net income this year before depreciation. The fuel flowage gallons pumped is up over last year. Mr. Vago reminded the Committee that when looking at fuel in gallons in the performance indicators, the Airport does not sell the fuel; it is a service provided by pumping the fuel, and it is about 9.5 to 10 cents per gallon.

Metro Transit has revenue of $306 million, with the largest component of the revenue being the St. Louis City, St. Louis County, and the St. Clair County District contracts for services. The individual passenger revenue number of $41.8 million is down approximately $3 million from the prior year, and ridership dropped about 7.9%. Expenses were $305 million. The net income was $600,000 before depreciation.

St. Louis Regional Freightway has revenue of $160,000 and that is primarily fees from East-West Gateway Council of Governments, and expenses of $911,000 for consulting and wages and benefits, for a loss of $750,000.

Bi-State Development Research Institute has revenue of $476,000, primarily grants related to the kiosk program and in kind non-cash contributions from BSD, and expenses of $323,000, for a gain of $153,000.

Arts in Transit Inc. has revenue of $260,000 donations for services, and expenses of $243,000 for net income of $17,000.

Some discussion followed in response to Commissioner Windmiller's request for an explanation of what "inter funded administrative fees" were; and the source of funding for the Regional Freight District.

Charles Stewart, Vice President Pension & Insurance, continued the presentation discussing the Self Insurance Program. The self-insurance for health, casualty and workers compensation total expenditures are roughly $51 million. The charges to the other BSD operating units for services generate revenue in the amount of approximately $4.7 million. Casualty handles approximately 1,100 claims per year and workers compensation has approximately 280 claims on an average year. The charges to the operating units have been $7 million and the claims have been $6.3 million. Health and self-insurance funds show a $7 million loss, which is up over $6 million from the previous year. The primary cause of this increase can be attributed to the rising cost of medical claims, prescription drugs, and catastrophic claims. BSD's average employee is over 49 years old, and the average age of new hires is 43. Workforce evaluation is being conducted in an effort to encourage employees to seek preventative healthcare. BSD is also considering providing a family health clinic in one of its facilities to provide primary and preventive care services. This would be a significant cost to BSD and must be cost justified. More information will be provided at a future date. A rate increase is anticipated in the next year that will impact the Agency and the employees. Some discussion followed regarding the stop loss costs and the best way to address the growing expense. This report was informational only, and no Committee action was required. A copy of this report will be kept at the office of the Deputy Secretary.

13. 4th Quarter Performance Indicators

8:50 a.m. The 4th Quarter Performance Indicators report was provided in the Committee packet. Mark Vago, Sr. Vice President Chief Financial Officer, provided a brief overview. Passenger tram ridership is up 50% over last year because both trams were operational. There were no flood days, and the number of cruises was up to just over 1000. The Airport is providing about the same amount of fuel flowage. Metro ridership is down from 41 million trips to about 38 million and the big drop was farebox recovery. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

14. 4th Quarter Treasury Report

8:51 a.m. The 4th Quarter Treasury Report was provided in the Committee packet. Tammy Fulbright, Sr. Director Financial Planning & Treasury, provided a brief overview. Bi-State Directed Funds as of June 30, 2018, were $206 million with an average rate of return of 1.61%. As of January 31, 2018 the Directed Funds were $208 million with an average rate of return of 1.32%. BSD is currently awaiting final approval of appropriations from the funding jurisdictions, so at this time more liquidity will be maintained until funds are released to the Trustee. The current yield on treasury and government money market funds is at 1.75% or slightly above depending on the fund. The Trustee Directed Funds as of June 30, 2018 were $46 million at an average rate of return of 2.00% and as of January 31, 2018, the fund was $44 million at a rate of return of 1.76%. The current three month market rate is 2.03%, at six months it is 2.21%, at one year it is 2.41%, and thirty year is 2.96%. The two year Agency Bond rate is 2.74% and the three year Agency Bond rate is 2.81%. The Feds raised rates in March and June. They met August 1, but did not make any rate changes. The current Fed Fund rate is at 2%. The current expectation is that there will be two more increases this year, at least two in 2019, and two in 2020. This would get us to a Fed funds rate of 3.5%. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

15. 4th Quarter Procurement Report

8:55 a.m. The 4th Quarter Procurement Report was provided in the Committee packet. Greg Smith, Vice President Procurement & Inventory Management, provided a brief overview. Non-competitive procurement total was $1.5 million or 8.7% of total Purchase Order commitment volume of $17.4 million. The last 12 months rolling Non Competitive Procurements totaled $9.2 million or 10% of the total Purchase Order commitment volume of $91.4 million. The trends are all very positive. This report was informational only, and no Committee action was required. A copy of this report will be kept at the office of the Deputy Secretary.

16. Pension Plans, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Update as of June 30, 2018

8:55a.m. The briefing paper regarding the Pension Plans, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Update as of June 30, 2018 was provided in the Committee packet. Charles Stewart, Vice President Pension & Insurance, provided a brief overview. BSD sponsors three defined benefit plans and one defined contribution plan for the Agency employees. It is the Board of Commissioners' responsibility to oversee the funded status of the plan and to oversee Trustee Administration. Year-to-Date June 30, 2018, Pension Plans, 401(k) Retirement Savings Program, and OPEB Investment Performance Reports were presented to the respective Trustees by Elwood Associates at the August 2018 Trustee meetings.

The 401(k) Retirement Savings Program total assets is $57 million as of June 30, 2018, which is up from $54.8 million as of year-end 2017. The Plan currently has approximately $2.5 million in new contributions. Ellwood evaluated Lincoln Financial and has determined that for the price, BSD could not get the same service from another company. In the process of doing this evaluation, BSD received a $30,000 reduction in fees from Lincoln Financial.

The Salaried Pension Plan total assets are $72.6 million, up by $5.0 million since the beginning of the calendar year. Cash flow was positive for the first two quarters of the year. A total of $5.9 million in new contributions was offset by an outflow of $2.4 million. The portfolio gained 2.3% during the first half of 2018. Since inception in 1988, the portfolio has gained 7.7% out-pacing its benchmark by 50 basis points. The portfolio also outperformed the current actuarial return target of 7.0%, thus meeting its objectives.

The IBEW Pension Plan total assets are $5.4 million as of June 30, 2018. The portfolio's market value has increased steadily over the past 7 years since the market value fell to $1.1 million in 2008. The plan was fully funded in late 2017 and the special contributions from the Union and BSD have ended and the cash flow into the plan has moderated.

ATU 788 Pension Plan total assets are $139.7 million. Fund flows over the last few years have been relatively negative and the trend is continuing in 2018. Year to date cash inflows of $7.2 million were less than the outflows of $8.3 million. Investment gains of $0.7 million offset the cash flow imbalances. The asset allocation changes approved by the Committee in 2013 helped fund performance and should help to mute the portfolio's downside volatility during market declines. Ellwood recommended and the committee approved liquidating two hedge funds and a new hedge fund structure at the August 2017 meeting. Ellwood also recommended that the plan contribute another $1 million to $2 million to the Davidson Kempner hedge fund to bring the allocation in line with the target guidelines. Ellwood also recommended replacing the Harbor International Fund with the Boston Partners International Equity Fund for a non-US equity manager.

The Other Post Employee Benefit **(OPEB)** trust ended the first half of 2018 with a total portfolio market value of $32.4 million that is a $3.4 million increase over the prior year. Elwood expressed continued confidence in the program's asset allocation and structure, but made one recommendation to replace the Harbor International Fund with another non-US equity manager. The portfolio asset allocation is in line with the target guidelines, and the cash balances remain low at $17,552. The liability is $70 million. A valuation is done every two years and the last valuation was June 30, 2017; there was a $73 million unfunded liability at that time. The first four years have been invested conservatively. Some discussion followed regarding the OPEB liability and the long term goals set out by the Board.

This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

17. FY19 Update on Risk Management Insurance Program

9:15a.m. The briefing paper regarding the FY19 Update on Risk Management Insurance Program was provided in the Committee packet. Kathy Brittin, Director Risk Management, Safety & Claims, and Kevin Kloever, Manager Insurance & Analysis, provided brief overviews. BSD has self-insured a substantial portion of the risk for its transit operations: vehicle, rail, and general and workers compensation liability. Risk Management is responsible for the design, implementation and monitoring of the self-insurance and insurance programs. McGriff, Seibels & Williams of Missouri Inc., BSD's insurance consultant, provides insurance marketing services, loss control consulting and risk financing recommendations. BSD annually reviews and renews coverage on July 1 of each fiscal year. Property insurance was renewed with Lloyds of London. Workers

Compensation insurance, which is the excess over a $1,000,000 self-insured limit was renewed with Arch Insurance. Excess liability insurance was renewed with Argonaut Insurance. Environmental coverage was added effective June 1, 2018, in order to cover liability associated with pollution clean-up, third party claims, emergency response, transportation and underground storage tanks. Coverage is provided by Allianz Insurance. Management liability insurance was newly purchased effective July 1, 2018. This coverage provides defense for errors and omissions against the Board, executives, and management. The insurance programs were renewed with comparable coverage terms and conditions. The overall premium increase of $205,895 is reflective of an increase in property values, payroll exposure, higher liability limits, and new Environmental and Management liability coverages. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

18. Unscheduled Business
9:25 a.m. There was no unscheduled business.

19. Call of Dates for Future Committee Meetings
9:25 a.m. The Board was advised of the upcoming meetings, as follows:

Board Meeting:	Friday, September 28, 2018, 8:00 a.m.
Operations Committee:	Tuesday, October 16, 2018, 8:00 a.m.
Audit, Finance & Administration Committee:	Friday, October 19, 2018, 8:00 a.m.

20. Adjournment to Executive Session
Executive Session - If such action is approved by a majority vote of the Bi-State Development Agency's Board of Commissioners who constitute a quorum, the Board may go into closed session to discuss legal, confidential, or privileged matters pursuant to Bi-State Development Board Policy Chapter 10, Section 10.080(D) Closed Records; Legal under §10.080(D)(1); Real Estate under §10.080(D)(2); Personnel under §10.080 (D)(3); Health Proceedings under §10.080(D)(4); Employee Negotiations under §10.080(D)(5); Data Processing under §10.080(D)(6); Purchasing and Contracts under §10.080(D)(7); Proprietary Interest under §10.080(D)(8); Hotlines under §10.080(D)(9); Auditors under §10.080(D)(10); Security under §10.080(D(11); Computers under §10.080(D)(12); Personal Access Codes under §10.080(D)(13); Personal Information under § 10.080(D)(14); Insurance Information under §10.080(D) to the requirements of Section 10.080 (D) (1), (3), (10), and (17) of the Bi-State Development Board Policy, Chapter 10, Section 10.080, Chair Holman requested a motion to allow the Committee to go into closed session. A motion to go into Executive Session was made by Commissioner Brown and seconded by Commissioner Zimmerman. A roll call vote was taken and the Commissioners present, Holman, Gully, Schoemehl, Zimmerman, Brown voted "yes". Commissioner Windmiller abstained because she was not going to attend the Executive Session Committee meeting. **Motion passed with a majority vote, and the Open Session meeting was adjourned at 9:26 a.m.**

Deputy Secretary to the Board of Commissioners
Bi-State Development

Bi-State Development
Agenda Item
Audit, Finance and Administration Committee
October 19, 2018

From:	Charles A. Stewart, Jr., Vice President of Pension and Insurance
Subject:	**Contract Award – Pharmacy Benefit Management Services**
Disposition:	Approval
Presentation:	David Toben, Director of Benefits

Objective:
To present to the Audit, Finance and Administration Committee for discussion and referral to the Board of Commissioners a request for authorization to award a three (3) year contract to Express Scripts for pharmacy benefit management services beginning December 1, 2018.

Board Policy:
Board Policy Chapter 50.010, Section E.1.a, requires the Board of Commissioners to approve all Competitive Negotiation Procurements which exceed $500,000.

Funding Source:
Funding is provided through Bi-State Development **(BSD)** Operating Budget.

Background:
BSD provides three self-funded medical plans for its employees and retirees. Each of these has the same prescription drug benefit. In plan year ending December 31, 2017, paid claims for pharmacy benefits were approximately $6.1 million before drug manufacturer rebates.

BSD is a member of the St. Louis Area Business Health Coalition (**BHC**) and participates in a purchasing cooperative for pharmacy benefit management services with approximately 43 other employers from the metropolitan region representing over 300,000 area employees. The BHC was founded over 35 years ago to bring area employers together to use their combined purchasing power to ensure transparency, accountability, and best in class pricing in the health care space.

The BHC engaged Gallagher Benefit Services pharmacy practice in October of 2017, to conduct a request for proposal (**RFP**) process including designing all bidding requirements. The RFP was released to four (4) vendors in February of 2018. All four (4) responded. Results were presented in June of 2018, and through extensive review and negotiations between two finalists, the BHC entered into a new master contract with Express Scripts effective October 1, 2018, for a three-year period. As a participating employer, we execute an Employer Participation Agreement (**EPA**). The original EPA was executed on December 1, 2007 and while that is our participation anniversary, we run the prescription drug plan year in conjunction with a calendar year.

Express Scripts was found to offer the most competitive pricing and cost management capabilities while still maintaining flexibility for employers to craft their own plan of benefits. Express Scripts Inc., is headquartered in St. Louis, and through this new contract will provide services to participating area employers which include the City of St. Louis, St. Louis County, St. Louis Public Schools, Ameren, Doe Run, Graybar, the University of Missouri and many others (see attachment). Each company maintains complete control over its benefit designs and clinical programs.

Express Scripts is being acquired by Cigna HealthCare and recently received Department of Justice approval. That deal is expected to close by year end. Cigna is currently our medical plan third party administrator. Management believes the integration of outpatient pharmacy benefits expected to occur over the next two years will help improve over-all plan member experience as well as enhance cost management opportunities while still maintaining best in class pricing.

The BHC/Express Scripts contract includes a provision for annual market checks to insure continuing pricing competitiveness. Under the new agreement, BSD anticipates improvements in discounts, rebates and a reduction in processing fees which will help mitigate prescription drug trend and cost inflation in 2019 and beyond.

Analysis:

BSD sponsors one self-funded pharmacy benefit plan for its active employees and early retirees and another for its grandfathered Medicare Part D eligible (post age-65) retirees. The BHC, BSD's Benefits Department and Gallagher Benefit Services pharmacy practice worked together to project the following costs:

	Gross Cost	Net Cost After Rebates & Subsidies
2019	$7,351,595	$5,716,034
2020	$8,244,402	$6,276,688
2021	$9,266,476	$6,934,498
Total	**$24,862,473**	**$18,927,220**

Through the agreement with Express Scripts, the plan receives drug manufacturer rebates based upon the drugs being utilized by our plan membership. The plan receives quarterly drug manufacturer rebate payments which are applied against the plans gross cost outlay as well as minor direct subsidy payments from the federal government for maintaining an employer sponsored Medicare Part D plan for a small group of grandfathered post age-65 retirees.

Committee Action Requested:

Management recommends that the Audit, Finance and Administration Committee accept and refer to the Board of Commissioners for approval this request to award Express Scripts a three year contract at an estimated total cost of **$25,000,000.**

Attachment:

1. St. Louis Area Business Health Coalition Pharmacy Management Initiative Overview

Attachment 1

Participating Employers

AAF International
Aegion Corporation
Ameren Corporation
Arch Coal
TheBANK of Edwardsville
Bass Pro Shops
Bi-State Development/Metro
Bunzl Distribution
Caleres
City of St. Louis
Daikin Applied
Diocese of Springfield in IL
The Doe Run Company
Drury Hotels Company
Emmaus Homes
Ferguson Florissant School District
Francis Howell School District
Global Brass & Copper, Inc.
Graybar Electric Company
Laird Technologies
Lutheran Senior Services
Maines Paper & Food Service, Inc.
Mallinckrodt
MilliporeSigma
North American Lighting
Northwest R-I School District
Olin Corporation
Parkway School District
PPR Talent Management Group
Rockwood School District
Saint Louis University
Shelter Insurance
Spire
St. Louis County
St. Louis Graphic Arts
St. Louis Public Schools
Sulzer US Holding, Inc.
Sunnen Products Company
Tucson Electric Power
Unigroup
University of Missouri
WestRock
World Wide Technology, Inc.

St. Louis Area Business Health Coalition (BHC) Pharmacy Management Initiative (PMI) Overview

Background

During 2002, several St. Louis employers requested that BHC group purchase PBM services, on behalf of members, in order to ensure transparency, accountability, and best in class pricing.

Program Highlights

- ✓ **Price improvements** during the employer contract term resulting from **annual market checks** to ensure that the **pricing stays competitive.**
- ✓ **Annual comprehensive audit** based on 100% of claims. Each company will receive an audit report and payment as appropriate.
- ✓ **Employer-friendly contract** with each employer becoming a party to the Main Agreement by executing a 3-page Employer Participation Agreement, (EPA).
- ✓ **Extensive clinical programs** designed to support enrollees in choosing the most clinically and cost effective therapies.
- ✓ All inclusive administrative fee (includes clinical, administrative, and reporting services) which eliminates the need for additional invoices. **"No nickel and diming"**
- ✓ **Quarterly "dashboard" reports** compare individual company performance to other participating employers.
- ✓ **Plan Design and Clinical Programs:** Each company maintains complete control over its benefit designs and clinical programs.
- ✓ **User Meetings:** PMI users meeting provide pharmacy updates and education to keep participants ahead of industry trends, on top of their company's performance, and engaged in program oversight. Pharmacy benefit consultants and Express Scripts' senior clinical leaders, researchers, and executives regularly participate during these meetings.

Program Cost: Established by employers at $25,000 annually for two years and then $20,000 annually thereafter. This amount is billed by Express Scripts, as a pharmacy management expense payable to BHC and is used to provide for audits, annual price checks and rebidding, consulting projects, users meetings, and other program management.

Bi-State Development
Agenda Item
Audit, Finance & Administration Committee
October 19, 2018

From:	Charles A. Stewart Jr., Vice President, Pension & Insurance
Subject:	**22nd Amendment to the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan**
Disposition:	Approval
Presentation:	Charles A. Stewart, Jr., Vice President, Pension & Insurance

Objective:
To present the Audit, Finance and Administration Committee the 22nd Amendment to the Bi-State Development Local 788 ATU Employees' Pension Plan for approval and referral to the November 16, 2018 Board of Commissioners meeting.

Board Policy:
Board Policy, Section 70.050, Employee's Pension and 40l(k) Retirement Savings Plan states (in part) that:

A. General. The Bi-State Development Agency (**BSD**) sponsors three defined benefit pension plans and one defined contribution plan for employees of the Agency. It is the responsibility of the Board of Commissioners to:
   3. Oversee Trustee administration of the Plans;
   4. Approve Plan amendments, benefit formulas, and funding;
   5. Review Plan investment policies, procedures and provisions.

Funding Source:
No funding request is made for this matter. The pension plans are funded by employer and employee contributions.

Background:
Per an original plan provision, terminated employees with a vested pension benefit were not allowed to apply for that accrued benefit until reaching age 65, even if they were eligible under the plan provisions to retire at the time they terminated from active employment. This provision was inconsistent between the three pension plans.

Analysis:
The primary purpose of plan Amendment 22 is to change this provision to allow a term-vested former employee to apply for their accrued pension benefit prior to reaching age 65 based upon being originally eligible under the plan when they terminated active employment.

In addition, technical clarifications were made in the following areas:

- Clarification of language regarding application for pension disability benefits;
- Clarification of response time frames related to approval or denial of application for benefits.

The trustees for the Amalgamated Transit Union ("ATU") Employees' Administrative Pension Plan Committee discussed and approved this amendment in their August 2, 2018 meeting, and now is pending BSD Board of Commissioners approval.

Committee Action Requested:

The trustees for the Amalgamated Transit Union ("ATU") Employees' Administrative Pension Plan Committee and the Pension & Insurance Department management recommend the Audit, Finance and Administration Committee approve and refer to the Board of Commissioners for final approval in their November 16, 2018 meeting.

Attachment:

1. Twenty-Second Amendment to the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan

Twenty-Second Amendment

to the

Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan

Whereas, this Twenty-Second Amendment to the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan, hereinafter referred to as the "Plan," is adopted by and between Bi-State Development Agency of the Missouri-Illinois Metropolitan District (d/b/a Metro), a body incorporate and political subdivision of the States of Missouri and Illinois, hereinafter referred to as "Metro," and Local 788, Amalgamated Transit Union, AFL-CIO, hereinafter referred to as the "Union," and

Whereas the Pension Committee recommends technical changes to the Plan,

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Article 1, Section 1.15 is amended by deleting the section in its entirety and replacing it with the following language:

    The term "Participant" means each Employee, and those former Employees who are retired and receiving benefits or who are eligible to receive pension benefits in the future.

2. Article 4, Section 4.01 is amended by deleting the first paragraph and subparagraph (a) and replacing it with the following language:

    (a) **Application for Pension:** A Participant's failure to comply with the application procedures in this Section 4.01 will result in the denial of the application for retirement or disability benefits until such time as these procedures are satisfied, regardless of when the Participant attained the necessary age and Creditable Service to be eligible for pension benefits. Any Participant claiming retirement benefits under this Article IV shall file an application for such benefits in writing with the Pension Committee or its designated third-party administrator on or before the first day of the month immediately preceding the retirement date. A Participant may retire only on the first day of the month, referred to as the "retirement date". Retirement benefits shall be payable in arrears beginning on the first day of the month following the retirement date.

(b) An applicant for a disability pension shall be subject to a medical examination and evaluation by such medical doctor(s) selected and compensated by Metro for the purpose of determining if the applicant is medically qualified for a disability pension. The applicant shall authorize the release of medical and hospital records to Metro, the Pension Committee, the Pension Committee's designated third-party administrator, and to the medical doctor(s) that Metro designates.

(c) Metro shall provide all available records and data for the Pension Committee, acting through its designated third-party administrator, to process all applications for retirement or disability pensions. The Pension Committee, or its designated third-party administrator, shall have the right at all times to request additional information concerning any or all records or data pertaining to the Plan. These records shall be open to inspection by the members of the Pension Committee or its designated third-party administrator.

3. Article 4, Section 4.05 is amended by deleting subparagraph (a) and replacing it with the following language:

(a) Effective as of September 1, 1990, for O & M Unit Participants and October 1, 1990, for Clerical Unit Participants, if a Participant who has at least ten (10) years of Credited Service leaves the employment of Metro, such Participant may (a) apply for a refund of his or her contributions to the Plan, or (b) apply for a vested pension. If a Participant elects a vested pension, benefit payments will be deferred until the date such Participant attains age sixty-five (65) or is otherwise eligible for a pension benefit under Article 4 and files a written application for benefits. Benefits will be calculated based on the Participant's years of Credited Service and the pension formula which was in effect at the time the Participant terminated employment.

If a Participant entitled to a vested pension under this Section 4.05 dies before attaining age sixty-five (65), the Participant's Beneficiary will be entitled to receive a benefit beginning on the first of the month following the month in which the Participant would have attained age sixty-five (65). A Participant who accepts a refund of contributions to the Plan at any time prior to age 65 waives any right to claim any vested pension benefits from the Plan.

The Pension Committee may establish consistent procedures for election of deferred vested pension under this Section 4.05.

4. Article 4, Section 4.09 is amended by deleting subparagraph (b) and replacing it with the following language:

(b) Notwithstanding the foregoing provisions, and to the extent provided by law, at the direction of the Pension Committee, there may be deducted from a Participant's refund of contributions any amounts owed by the Participant to the Plan at the termination of such Participant's employment with Metro. No benefit payment shall be made to a Participant or Beneficiary until arrangements for a complete financial settlement with the Plan have been made.

5. Article 5, Section 5.05 is amended by deleting the Section in its entirety and replacing it with the following language:

Claim for Benefits: A Participant, Beneficiary or any other person who believes that he is entitled to, but has been improperly denied, a distribution or benefit under the Plan may file a claim for such distribution or benefit with the Pension Committee. Such claim must be filed on such form and with such documentation as the Pension Committee shall prescribe.

The Pension Committee shall consider all properly filed claims for distribution or benefit and shall notify the claimant in writing ordinarily within ninety (90) days of receipt of the claim as to whether the claim is allowed or denied. If an extension of time for processing such claim is needed, notice of the extension shall be given prior to the written termination of the initial ninety (90) day period. Such notice shall specify the circumstances requiring an extension and the date by which a final decision will be reached. The extended date may not be later than one hundred eighty (180) days after the original claim is filed. If the Pension

Committee fully or partially denies a claim, the written notice informing the claimant of the denial shall include the following:

(a) The specific reason(s) for the denial of the claim;
(b) The pertinent Plan provision(s) on which the denial is based;
(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
(d) An explanation of the claim review procedure available to the claimant.

The Pension Committee may deny a claim in whole or in part and shall notify the claimant of the extent of the denial.

A claimant who receives notice that his claim for distribution or benefit is denied in whole or in part may, within sixty (60) days after the receipt of the notice, apply to the Pension Committee for a review of the decision. Such application must be made on a form provided by the Pension Committee.

A claimant who files a claim for review with the Pension Committee shall have the following rights:

(a) Upon reasonable notice to the Pension Committee, the claimant may examine documents in the possession of the Pension Committee that are pertinent to the decision under review; and
(b) The claimant may submit written comments and issues to the Pension Committee relating to the decision under review.

The Pension Committee shall notify the claimant in writing within ninety (90) days of the later of the meeting following receipt of the application for review or the meeting following receipt of written comments and issues from the claimant as to whether the claim is allowed or denied. If an extension is needed due to special circumstances, the Pension Committee must give written notice within the initial ninety (90) day period specifying the reasons for the extension and the date on which the review will be complete; provided that such review will be completed within one hundred eighty (180) days of the meeting following the date the original application was received. If the application is denied, the written notice informing the claimant of the denial shall include the information specified in this Section 5.05.

A decision by the Pension Committee on an application for review shall be final and binding on all parties.

6. This Amendment may be executed in counter-parts.

IN WITNESS WHEREOF, this Twenty-Second Amendment has been approved by Metro and the Union and adopted by the Pension Committee as of this 2 day of Aug, 2018.

Bi-State Development Agency of the Mississippi-Illinois Metropolitan District

By: ______________________

Title: ______________________

Date: ______________________

Local 788, Amalgamated Transit Union, AFL-CIO

By: Reginald M. Howard

Title: President B/A

Date: 8/2/2018

Pension Committee of Bi-state Development Agency of the Missouri-Illinois Metropolitan District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan

By: Diana R. Bentz

Date: August 2, 2018

By: Reginald M. Howard

Date: 8/2/2018

By: Mark C. Vago

Date: August 2, 2018

By: Antonio Johnson

Date: 8/2/2018

By: ______________________

Date: ______________________

By: ______________________

Date: ______________________

w/benefits/pension plan docs/788/Daniels folder/6.4.18v2 redlined

Bi-State Development
Agenda Item
Audit, Finance & Administration Committee
October 19, 2018

From:	Charles A. Stewart Jr., Vice President, Pension & Insurance
Subject:	**Amendment 2 to the Bi-State Development Agency 401(k) Retirement Savings Program**
Disposition:	Approval
Presentation:	Charles A. Stewart, Jr., Vice President, Pension & Insurance

Objective:
To present the Audit, Finance and Administration Committee the 2nd Amendment to the Bi-State Development Agency 401(k) retirement savings plan for approval and referral to the November 16, 2018, Board of Commissioners meeting.

Board Policy:
Board Policy, Section 70.050, Employee's Pension and 40l(k) Retirement Savings Plan states (in part) that:

A. General. The Bi-State Development Agency (**BSD**) sponsors three defined benefit pension plans and one defined contribution plan for employees of the Agency. It is the responsibility of the Board of Commissioners to:
   3. Oversee Trustee administration of the Plans;
   4. Approve Plan amendments, benefit formulas, and funding;
   5. Review Plan investment policies, procedures and provisions.

Funding Source:
No funding request is made for this matter. The 401(k) retirement savings program is funded through employer contributions, elective employee deferrals and employer matches to those elective deferrals.

Background:
At the direction of the Salaried Administrative Pension and 401(k) Plan Committee in their May 2, 2018 meeting, Pension & Insurance staff had Amendment 2 to the BSD 401(k) retirement savings plan drafted to address accelerated vesting of non-elective employer contributions to participants in the event of their disability, attainment of the plans normal retirement age (65) or upon death.

Analysis:
On July 1, 2013, the Salaried Pension Plan was closed to new participants. At that time, an enhancement was made to the BSD 401(k) retirement savings plan that included employer only contributions of 4% of salary for new participants subject to a five year vesting schedule at 20% per year. The purpose of plan amendment 2 changes the 401(k) plan to allow for 100% vesting of those employer only contributions in the event the participant is disabled, attains the plans normal retirement age of 65, or upon death while still within the five year vesting schedule timeframe.

Committee Action Requested:

The trustees for the Salaried Administrative Pension and 401(k) Plan Committee and the Pension & Insurance Department management recommend the Audit, Finance and Administration Committee approve Amendment 2 and refer to the Board of Commissioners for final approval in their November 16, 2018 meeting.

Attachment:

1. Amendment 2 to the Bi-State Development Agency 401(k) Retirement Savings Program

AMENDMENT NO. 2
TO THE BI-STATE DEVELOPMENT AGENCY
401(k) RETIREMENT SAVINGS PROGRAM

WHEREAS, Bi-State Development Agency of the Missouri-Illinois Metropolitan District ("Employer"), adopted the Bi-State Development Agency 401(k) Retirement Savings Program ("Plan") effective as of February 1, 1985;

WHEREAS, the Plan was most recently amended and restated effective July 1, 2013;

WHEREAS, the Employer desires to amend the Plan effective October 1, 2018;

NOW, THEREFORE, the Plan is hereby amended effective as of October 1, 2018 as follows:

1. A new section 7.5 is added to Article VII of the Plan that reads as follows:

   7.5 Accelerated Vesting of Non-Elective Employer Contributions. Notwithstanding any other provision of the Plan, a Participant shall become 100% vested in the Non-Elective Employer Contributions credited to his or her Account upon the Participant's: (i) Disability; (ii) attainment of Normal Retirement Age; or (iii) death.

IN WITNESS WHEREOF, the Employer has caused this Amendment No. 1 to the Plan to be executed by a duly authorized officer this ____ day of ____________________, 2018.

EXECUTED ON BEHALF OF THE EMPLOYER BY:

By:________________________________

Title:______________________________

Signature:__________________________

4819-4620-1695, v. 1

Bi-State Development
Agenda Item
Audit, Finance and Administration Committee
October 19, 2018

From: Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject: **Pension Audits Update**
Disposition: Information
Presentation: Charles A. Stewart, Jr., Vice President, Pension & Insurance

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Objective:
To present to the Audit, Finance and Administration Committee an update on the audits of the three pension plans.

Board Policy:
Board Policy, Section 70.050, Employee's Pension and 40l(k) Retirement Savings Plan states (in part) that:

A. General. The Bi-State Development Agency sponsors four defined benefit pension plans and one defined contribution 401(k) Retirement Savings Plan for employees of the Agency. It is the responsibility of the Board of Commissioners to:

2. Oversee the funded status of the Plans
3. Oversee Trustee Administration

Funding Source:
No funding request is made for this matter. The pension plans are funded by employer and employee contributions.

Background:
The Pension Data Audit, issued by Bi-State Development's Internal Audit Department in March 2012, identified policy, procedure, recordkeeping and internal control deficiencies that affected both financial reporting and the general administration of the pension plans.

A major recommendation made by Internal Audit was for the pension trustees to engage an independent certified public accounting firm to perform an annual financial statement audit.

This recommendation has been implemented and now occurs annually.

Analysis:
Audit Results: Plan Year 2018 Pension Audits

- Financial audit reports for plan years ended 2018 were issued by Mayer Hoffman McCann, PC (**MHM**) in September 2018.

- MHM issued unqualified "clean" audit opinions for plan years ended 2018 for all three pension plans.

Other Audit Findings or Issues
All matters discovered by MHM during the course of the audits were reviewed with management and disclosed to the pension trustees. All identified issues were corrected prior to the completion of the audits.

401(k) Audit:
The audit report of the 401(k) Retirement Savings Program for the year ended December 31, 2017 is in process.

Financial Statements:
The comparative Financial Statements for fiscal year ended 2018 for the three pension plans follow this report.

Committee Action Requested:
None. Information only.

Attachments:

1. Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District Financial Statements and Supplementary Information - Year Ended May 31, 2018.

2. Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Worker's Employees' Pension Plan Financial Statements and Supplementary Information - Year Ended March 31, 2018.

3. Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan Financial Statements and Supplementary Information - Year Ended March 31, 2018.

Attachment 1

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT

Financial Statements and Required Supplementary Information

Year Ended May 31, 2018

MHM

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT

Year Ended May 31, 2018

CONTENTS

625 Maryville Centre Drive, Suite 200 ■ St. Louis, MO 63141
Main: 314.968.6649 ■ Fax: 314.692.4222 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Pension Committee of the Pension Plan for Salaried Employees of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District:

We have audited the accompanying financial statements of the Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District (the Plan), which comprise the statement of fiduciary net position as of May 31, 2018, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); 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 auditing standards generally accepted in the United States of America (U.S. GAAS). 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 fiduciary net position of the Plan as of May 31, 2018, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the 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. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
August 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

May 31, 2018

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal year ended May 31, 2018 with limited information provided on the previous years.

HISTORY

The Plan is a defined benefit plan that meets the requirements of the IRS code section 401(a). The Plan provides for pension benefits for any participant who satisfies the age and service requirements. The Plan is that of a governmental unit and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

Effective June 1, 1964, Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development) adopted the Bi-State Agency Employee Trust Plan Agreement and subsequently amended the name to Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District effective June 1, 1966.

In order to qualify for a normal retirement benefit, an employee must have attained age 60 and have at least five years of credited service.

In order to qualify for early retirement benefits, an employee must attain age 55 and have completed at least ten years of credited service.

In addition to pension benefits paid at retirement, the Plan also provides death benefits under certain circumstances that would be paid to a retiree's designated beneficiaries.

The Plan included a provision for the payment of Supplemental Benefits, as defined by the Plan. This option allowed a retiree to receive the dollar value of his/her unused sick leave as of the termination date. Prior to June 25, 2009, a retiree could choose to have his/her Supplemental Benefits paid as either a lump sum payment or a series of monthly payments for a designated length of time (one, three, five or seven years). After June 25, 2009, unused sick leave is converted to additional credited service, as defined by the Plan.

Effective July 1, 2013, the Plan was amended so that the Plan is closed to new participants.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
May 31, 2018

ORGANIZATION

The Pension Committee consists of four standing Trustees and up to five non-standing Trustees. Bi-State Development's Board of Commissioners appoints the Chairperson by Bi-State Development's Board Policy, the four standing Pension Committee members are the Chief Operations Officer, the Vice President of Human Resources, the General Counsel and the Chief Financial Officer. The Chairperson of the Pension Committee, with the concurrence of the Bi-State Development President, shall appoint up to five non-standing Trustees.

The Pension Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits and safeguarding the Plan's assets.

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The Plan follows Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No.* 25 (GASB 67). The statement of fiduciary net position includes information about assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position, as applicable, as of the end of a pension plan's reporting period. The statement of changes in fiduciary net position summarizes the additions to, deductions from, and net increase in fiduciary net position for a pension plan's reporting period. The difference between assets and liabilities is one measure of a pension plan's financial position and the change in this measure over time is an indication of whether the Plan's financial health is improving or deteriorating.

The Notes to the Financial Statements and Required Supplementary Information provide additional information that is essential to a full understanding of the data provided in the Financial Statements.

Per GASB 67, the Plan is required to provide the following supplementary information for ten years:

1. Schedule of Changes in Net Pension Liability and Related Ratios
2. Schedule of Employer Contributions
3. Schedule of Money-Weighted Rate of Return

However, the Plan is permitted to disclose as many years as are available of data and build on to the information in each subsequent period until ten full years are presented.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

May 31, 2018

CONDENSED FINANCIAL INFORMATION

(In thousands)

	As of and for the Year Ended May 31, 2018		As of and for the Year Ended May 31, 2017	
Assets	$	73,016	$	63,320
Liabilities		-		1
Net Position	$	73,016	$	63,319
Contributions				
Employer	$	7,635	$	6,960
Participant		524		535
Investment Income, net		6,143		5,504
Benefits Paid to Participants		(4,493)		(4,439)
Administrative Expenses		(112)		(96)
Net Increase	$	9,697	$	8,464

FINANCIAL HIGHLIGHTS

Pension Plan

The Plan's fiduciary net position increased by $9.7 million, $8.5 million, and decreased by $3.2 in fiscal years ended May 31, 2018, 2017, and 2016 respectively. The fiduciary net position totaled $73 million at May 31, 2018. The increase in fiduciary net position of $1.2 million from fiscal 2017 to 2018 is driven primarily from increased employer contributions. Investment income, net for the fiscal year end May 31, 2018 was $6.1 million and is included in greater detail on page 9. The fiduciary net position totaled $63.3 million at May 31, 2017. The increase in fiduciary net position in 2017 was driven primarily from improved market conditions, resulting in investment income, net of investment expenses. In fiscal 2016, the Plan experienced a net investment loss of $2 million.

Liabilities totaled $0 thousand, $1 thousand, and $21 thousand as of May 31, 2018, 2017, and 2016 respectively. These liabilities are primarily driven by the timing of payment of certain plan expenses.

The Plan received employer contributions from Bi-State Development in the amount of approximately $7.6 million, $7.0 million, and $2.8 million for the years ended May 31, 2018, 2017, and 2016 respectively. Bi-State Development also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan. Participant contributions for the years ended May 31, 2018, 2017 and 2016 were $524 thousand, $535 thousand, and $556 thousand respectively. Employer contributions are determined by the Plan's actuary.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
May 31, 2018

The Plan paid $4.5 million, $4.4 million, and $4.3 million in benefits for the years ended May 31, 2018, 2017, and 2016 respectively. Benefit payments in any given year vary by number of new retirees and the level of Supplemental Benefits due to the participants.

Bi-State Development

As of June 30, 2017, Bi-State Development had assets of approximately $1.4 billion and net assets of $531 million. Operating revenues for the twelve months ended June 30, 2017 were $69 million and operating expenses were $348 million. The main operating expenses were wages and benefits ($181 million), depreciation and amortization ($76 million), and materials and supplies ($34 million). This created an operating loss of $279 million. Non-operating revenues, net were $262 million and were primarily comprised of grants and assistance. The Change in Net Position, which included a $(12) restatement for the adoption of a new accounting standard, was $(29) million for the year ended June 30, 2017. As of June 30, 2016, Bi-State Development had assets of approximately $1.5 billion and net assets of $561 million. The Change in Net Position was $(1) million for the year ended June 30, 2016.Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.bistatedev.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@BiStateDev.org.

CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT:
(In millions)

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016
Assets	$ 1,435	$ 1,469
Liabilities	904	908
Net Position	$ 531	$ 561
Operating Revenue	$ 69	$ 73
Operating Expenses	348	353
Operating Loss	(279)	(280)
Non-Operating Revenue, net	262	279
Prior Period Adjustment	(12)	-
Change in Net Position	$ (29)	$ (1)

CONTACT

The financial section is designed to provide users with a general overview of the Plan's financial activity. If you have questions about this report or need additional financial information regarding the Plan, contact the Bi-State Development Pension Department, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 125, St. Louis, MO 63102.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
May 31, 2018

ASSETS:		
Receivables:		
Participant contributions	$	24,776
Securities sold		3,389
		28,165
Investments:		
Cash and cash equivalents		5,255,367
Investments		67,732,077
		72,987,444
TOTAL ASSETS		73,015,609
NET POSITION RESTRICTED FOR PENSIONS	**$**	**73,015,609**

See notes to the financial statements.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended May 31, 2018

ADDITIONS:		
Contributions:		
Employer	$	7,635,000
Participant		523,686
Total contributions		8,158,686
Investment income:		
Net appreciation in fair value of investments		5,405,248
Interest and dividends		799,687
Total investment income		6,204,935
Less investment expense		62,174
Net investment income		6,142,761
Total additions		14,301,447
DEDUCTIONS:		
Benefits paid to participants		4,492,681
Administrative expenses		111,969
Total deductions		4,604,650
NET INCREASE IN NET POSITION		**9,696,797**
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year		**63,318,812**
End of year	**$**	**73,015,609**

See notes to the financial statements.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan

The following description of the Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District (the Plan) provides only general information. Participants should refer to the Plan Document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the plan administrator.

General - The Plan, which is a single-employer defined benefit plan, became effective June 1, 1964. The Plan provides for pension benefits for any participant who satisfies the age and service requirements pursuant to the Plan document. The Plan is that of a governmental unit and, therefore, not subject to the provisions of the Employee Retirement Income Security Act of 1974.

The Pension Committee of the Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District (the Committee) serves as the Plan's trustee. The Committee consists of four standing Trustees and up to five non-standing Trustees. The Bi-State Development Agency of Missouri-Illinois Metropolitan District (Bi-State Development)'s Board of Commissioners appoints the Chairperson by Bi-State Development's Board Policy; the four standing Committee members are the Chief Operations Officer, the Vice President of Human Resources, the General Counsel and the Chief Financial Officer. The Chairperson of the Committee, with the concurrence of the Bi-State Development President, shall appoint up to five non-standing Trustees. The Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits and safeguarding the Pension Plan's assets.

U.S. Bank, N.A. (U.S. Bank) serves as the Plan's asset custodian. Bi-State Development has historically served as the Plan's administrator. Milliman, Inc. is the third party administrator of the Plan. Ellwood Associates serves as the Plan's investment advisor. The Plan's membership consisted of:

	As of June 1, 2017
Active participants	312
Terminated vested participants	102
Terminated nonvested participants (due refund)	2
Long term disability participants	3
Participants receiving payments	362
	781

Funding policy - The Employer intends to make contributions from time to time to the Plan in amounts actuarially determined to be sufficient to fund the benefits provided by the Plan.

(1) <u>Description of plan</u> (continued)

Eligibility - Prior to July 1, 2013, Employees, as defined, were immediately eligible to participate in the Plan upon hire. Effective July 1, 2013, the Plan was amended so that the Plan is closed to new participants. The following describes the various tiers of employees impacted by the amendment:

Tier 1 - new hires into a salaried position- Salaried employees hired on or after July 1, 2013 are not eligible to participate in the Plan, but became eligible to participate in the Bi-State Development Agency 401(k) Retirement Savings Plan (the 401(k) Plan).

Tier 2 - transfers into a salaried position from a union position- Effective July 1, 2013, employees transitioning from a union position to a salaried position are not eligible to participate in the Plan, but will be automatically enrolled in the 401(k) Plan.

Tier 3 - non-vested salaried employees who elect to become a participant in the 401(k) Plan- Effective January 1, 2014, all non-vested salaried employees in the Plan were given two options for retirement plan participation:

1. Cease participation in the Plan and become a participant in the 401(k) Plan and receive contributions from Bi-State Development of 6% of eligible compensation along with a matching contribution from Bi-State Development of 50% up to 5% of eligible compensation.

2. Remain a member of the Plan and, as a participant, contribute 3% of Bi-Weekly Base Pay, as defined, to the Plan.

Tier 4 - vested salaried employees in 401(k) plan with a frozen accrued benefit in the Plan- Effective January 1, 2014, vested employees covered under the Plan could elect to stop participating in the Plan and Bi-State Development will contribute 6% of their eligible compensation to the 401(k) Plan. The participant's accrued benefit in the Plan will be available to the participant at his/her valid Pension Commencement Date, as defined.

Tier 5 - vested salaried employee in the 401(k) Plan without a frozen accrued benefit from the Plan - Effective January 1, 2014, employees who are vested in the Plan who elect to forfeit all their accrued benefits in the Plan, will receive Bi-State Development contributions to the 401(k) Plan.

Tier 6 - vested salaried employee who continues in the Plan - Effective January 1, 2014, vested salaried employees covered under the Plan may elect to continue to participate in the Plan and will be required to contribute 3% of their Bi-Weekly Base Pay, as defined, to the Plan.

(1) Description of plan (continued)

Tier 7 - terminated vested salaried employees in the Plan - During a ninety day window established by Bi-State Development, all terminated, vested participants were offered an option to receive a lump sum cash payment as defined by the Plan to end their participation in the Plan or to remain in the Plan.

In addition, effective January 1, 2014, all vested salaried employees had their accrued sick leave and vacation leave converted to paid time off (PTO). The PTO maximum was 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State Development contribution to the 401(k) Plan. Refer to the restated plan document for additional information.

Contributions - Prior to January 1, 2014, participant contributions to the Plan were not required or permitted. Effective, January 1, 2014, the Plan was amended so that participant contributions equal to 3% of Bi-Weekly Base Pay, as defined, are required each pay period from active participants who elected to continue participation in the Plan.

Normal retirement pension - A participant who has attained age 60 and had completed at least five years of credited service is entitled to pension benefits at normal retirement age. Monthly benefit payments, for participants who retire after July 31, 2004, are the greater of (1) the sum of a participant's accrued benefit as of May 31, 1989 plus 1.5% of the participants' final average monthly earnings multiplied by the years of credited service after May 31, 1989 or (2) 1.5% of the participants' final average monthly earnings multiplied by the total years of credited service. Effective, July 1, 2013, the normal retirement age was changed from 65 to 60.

Early retirement pension - A participant who has attained age 55 and has completed at least ten years of credited service may elect to retire at any time prior to normal retirement date. The early retirement pension equals the participant's normal pension (as described above) reduced by ¼ of 1% for each month that the early retirement date precedes the normal retirement date.

Benefit formula - Monthly benefits are based on final average monthly earnings and years of credited service.

Termination benefit - Participants who leave the service of Bi-State Development with less than five years of credited service are entitled to a refund of their employee contributions, if any.

Vested benefit - Participants who leave the service of Bi-State Development with at least five years of credited service may elect to (i) accept a refund of their pension contributions, if any or (ii) accept a vested pension.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

If a vested pension is elected, benefit payments will be deferred to age 60 or calculated under the early retirement provision of the Plan and will be based upon the participant's accrued credited service and the benefit formula which was in effect at the time the participant left service.

Death benefit - If a married participant's death occurs while eligible for retirement (early or normal), a benefit is payable to the surviving spouse. The amount of the benefit is equal to 50% of the monthly benefit which would have resulted had the participant retired on the first day of the month immediately prior to the date of the participant's death. The beneficiary of an unmarried participant shall be paid a benefit equal to the greater of the participant's accumulated cash share or, if eligible for normal retirement, the computed value of the 120 monthly payments payable had the participant retired on the date of death.

Payment options - Participants may elect to receive their benefits under the following options:

- Straight Life Annuity
- Straight Life Annuity with the first ten years of payments guaranteed
- Joint and Contingent Survivor Annuity

Contingent annuitant options - Under these options, a reduced monthly benefit is available to the participant for life and 50%, 66 2/3%, or 100% of such reduced monthly benefit to the participant's surviving spouse for the spouse's lifetime if the participant predeceases the spouse. The monthly benefit reduction will be actuarially determined based upon the participant's and spouse's ages at the time of retirement.

Supplemental pension benefits - Prior to June 25, 2009, upon retirement, a participant was entitled to receive a supplemental pension benefit for the participant's supplemental sick leave, which was paid in a lump sum or monthly payments over one, three, five or seven years. After that date and prior to July 1, 2013, sick time could be converted into credited years of service.

During Bi-State Development's fiscal year beginning July 1, 2013, Bi-State Development made a special contribution to the Plan for the present value of all excess sick leave, sick hours above 1,248 which accrued for a participant from December 2001 until July 31, 2009. During a transition period from July 1, 2013 to December 31, 2013, any participant who retired under the Plan with excess sick leave converted such leave into a supplemental pension benefit or received a lump sum payment of eighty-five percent of the cash value of the excess sick leave. Any participant who had an excess sick leave balance on January 1, 2014 was entitled to receive a supplemental pension benefit commencing on his pension commencement date.

 Attachment 1

(2) Summary of significant accounting policies

Basis of presentation - The accompanying financial statements are presented in accordance with accounting principles established by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to state and local governmental units. The accompanying financial statements include solely the accounts of the Plan, which include all programs, activities and functions relating to the accumulation and investment of the net position and related income necessary to provide the benefits required under the terms of the governing Plan Document and amendments thereto.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the period in which the employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Employer and participant contributions receivable - Contributions receivable represents contributions due to the Plan for hours worked prior to the end of the Plan year.

Investment valuation and income recognition - Investments are reported at fair value, which is the closing price reported in the active market as of the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When quoted market prices are not available, investments are based on independent appraisals and recent financial results, or if no established market, then they are reported at their estimated fair values.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - Certain expenses of the Plan are paid by Bi-State Development and are not included in the statement of changes in fiduciary net position. Investment related expenses are included in net appreciation in fair value of investments.

(3) Investments

The Committee has established a formal investment policy that includes selecting professional investment advisors to manage investments, diversifying the investment portfolio between fixed income and equity securities, and making both short-term and long-term investments to help realize a consistent return.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

(3) Investments (continued)

The following schedule presents the aggregate fair value for the Plan's investments as of May 31:

	2018
Investments at fair value:	
Mutual funds - equity	$ 40,782,313
Mutual fund - fixed income	20,362,697
Other	6,587,067
Cash and cash equivalents	5,255,367
Total investments	$ 72,987,444

The following presents investments that represent 5% or more of the Plan's net position, which represents a concentration risk at May 31:

	2018
Metropolitian West Low Duration	$ 20,362,697
T Rowe Price Blue Chip Growth Fund I	7,107,443
Dodge & Cox Stock Fund	6,824,405
Vanguard 500 Index Admiral	6,672,249
American Funds Europacific Growth A	5,647,137
First American Treasury Obligation (Class Y)	5,255,367
Brandes Institutional International Equity Fund	4,248,912
William Blair Small Mid Cap Growth Fund I	4,006,594

Custodial credit risk is when, in the event a financial institution or counterparty fails, the Plan would not be able to recover the value of deposits, investments or collateral securities that are in the possession of an outside party. All investments are held in the Plan's name and are not subject to creditors of the custodial financial institution. The Plan maintains its investments at one commercial trust company in St. Louis, Missouri.

Currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investments during the period under audit were all in U.S. dollars.

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The Plan's assets as of May 31, 2018 subject to credit risk are shown with their respective credit ratings below:

Metropolitian West Low Duration	AA	$ 20,362,697

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a direct investment in bonds.

(3) Investments (continued)

The Plan's investment policy is based upon an asset allocation that considers the current and expected condition of the Plan, the expected long-term capital market outlook and the Plan's risk tolerance.

For the year ended May 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 9.74 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

(4) Fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of May 31, 2018:

	Investments at Fair Value as of May 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds - equity	$ 40,782,313	$ -	$ -	$ 40,782,313
Mutual fund - fixed income	20,362,697	-	-	20,362,697
Total investments by fair value level	$ 61,145,010	$ -	$ -	$ 61,145,010
Investments measured at NAV [(a)]				6,587,067
Investments measured at amortized cost [(a)(b)]				5,255,367
Total investments measured at fair value				$ 72,987,444

(a) Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of fiduciary net position.

(b) The money market fund listed in the above chart is redeemed on a daily basis and does not have any redemption restrictions. Additionally, there are no unfunded commitments.

The valuation method for investments measured at the net asset value per share, or equivalent, is presented in the table below.

	Fair Value 5/31/2018	Unfunded Commitments at 5/31/2018	Redempton Frequency	Redemption Notice Period
Archipelago Hld Class A	$ 3,470,745	N/A	See Note[3]	45 days
Forester Offshore 03/14	1,856,997	N/A	See Note[1]	See Note[2]
Forester Offshore 08/13	1,259,325	N/A	See Note[1]	See Note[2]
Investments measured at NAV	$ 6,587,067			

[1] Series A2: .95% management fee plus 3% incentive fee; annual liquidity following an initial two-year lockup

[2] 95 days' notice required for all withdrawals. At the end of each three-year commitment period, Series B2 subscribers may convert to Series A2 or continue as Series B2 subscribers.

[3] No lock-up, quarterly redemption, 45 days' notice

(5) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated August 25, 2014, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Committee believes that the Plan and the related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

(6) Funding policy

Prior to January 1, 2014, contributions under the Plan were made solely by Bi-State Development. Effective January 1, 2014, the Plan was amended to require participant contributions as discussed in Note 1. Bi-State Development makes contributions as required to keep the Plan qualified under Section 401 of the IRC. Contribution rates are determined by an actuary.

Bi-State Development also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan.

(7) Net pension liability

The following presents the components of net pension liability at May 31, 2018:

Total pension liability	$ 94,233,565
Plan fiduciary net position	73,015,609
Net pension liability	$ 21,217,956
Plan Fiduciary net position as a % of total pension liability	77.48%
Covered payroll	$ 22,111,116
Net pension liability as a % of covered payroll	95.96%

The total pension liability was determined by an actuarial valuation as of the valuation date (June 1, 2017) calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year-end. Any significant changes during this period must be reflected as prescribed by GASB 67.

(7) Net pension liability (continued)

The following significant assumptions were used for the June 1, 2017 actuarial valuation:

Valuation date	June 1, 2017
Measurement date	May 31, 2018
Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%

The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Inflation	2.50%
Salary increases including inflation	4.50%
Mortality	
	Healthy Lives: RP-2014 Mortality for Employees, with White Collar adjustment, and Healthy Annuitants, with White Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Actuarial cost method	Entry Age Normal (level percent of pay)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 6, 2018.

(7) Net pension liability (continued)

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return
Intermediate Term Fixed Income	32.00%	1.50%
U.S. Large Cap Equity	29.00%	4.80%
U.S. Small/Mid Cap Equity	9.00%	5.30%
Non-U.S. Developed Large Cap Equity	14.50%	5.00%
Non-U.S. Developed Small/Mid Cap Equity	3.00%	5.50%
Real Assets (Liquid)	2.50%	2.90%
Directional Hedge Funds	10.00%	3.90%
Assumed Inflation - Mean		2.50%
Long-Term Expected Rate of Return		7.00%

* As outlined in the Plan's investment policy dated August 2016

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) and 1 percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	$ 104,499,796	$ 94,233,565	$ 85,470,747
Fiduciary net position	73,015,609	73,015,609	73,015,609
Net pension liability	31,484,187	21,217,956	12,455,138

(8) Plan termination

In the event the Plan is terminated in the future, the Plan’s administrator shall determine the assets of the Plan and shall allocate them pursuant to the priority described below and certified by the actuary employed by it based on such actuary’s valuation made as of the date of such termination.

The allocation shall be made in the following order:

(i) An amount shall be allocated to each participant equal to the participant’s contributions to the Plan as of the date of termination less any benefits received under the Plan.

(ii) From the remaining balance an amount shall be allocated to retired participants and to participants eligible for normal retirement or disability retirement at the date of termination, sufficient to provide for the amount of their allowances not already provided under (i).

(8) Plan termination (continued)

(iii) The remaining balance shall be allocated to the participants in proportion to the excess of the actuarial values of their accrued benefits under the Plan over the amounts allocated under (i).

Should there be insufficient funds to provide the amounts under either (i) or (ii) above, all allocations within the group affected will be reduced by the same proportion.

Upon termination, the Plan's administrator shall liquidate the Plan and the amounts allocated, as prescribed above, shall be apportioned to all such participants in cash, or in the form of insured paid-up annuities, or by transfer to another Plan, or otherwise, as the Plan administrator may determine.

(9) Commitments and contingencies

Certain participants in the Plan are entitled to refunds of their accumulated contributions plus interest thereon, calculated at a rate of 3% compounded annually, upon termination of employment with Bi-State Development, prior to being eligible for pension benefits.

(10) Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Changes in the discount rate and investment returns can have a significant effect on the funded status of the Plan. The Committee continues to monitor these changes and the potential impact on the future pension plan funding requirements and related expenses.

(11) Subsequent events

Management has evaluated subsequent events through August 29, 2018, which is the date that the financial statements were available to be issued. No significant items were identified for disclosure during this evaluation.

REQUIRED SUPPLEMENTARY INFORMATION

Attachment 1

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended May 31, 2018

	Years Ended May 31,									
(in '000's)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	$ 1,643	$ 1,692	$ 1,710	$ 1,558	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	6,344	6,113	5,712	5,687	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	(449)	2,689	(604)	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	-	-	4,143	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(4,493)	(4,439)	(4,275)	(6,012)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	3,045	6,055	6,686	1,233	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning of year	91,189	85,134	78,448	77,215	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, end of year	$ 94,234	$ 91,189	$ 85,134	$ 78,448	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$ 7,635	$ 6,960	$ 2,752	$ 3,501	N/A	N/A	N/A	N/A	N/A	N/A
Participant contributions	524	535	555	529	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income (loss)	6,143	5,504	(2,040)	2,605	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(4,493)	(4,439)	(4,275)	(6,012)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(112)	(96)	(168)	(66)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	9,697	8,464	(3,176)	557	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, beginning of year	63,319	54,855	58,031	57,474	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, end of year	$ 73,016	$ 63,319	$ 54,855	$ 58,031	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability	$ 21,218	$ 27,870	$ 30,279	$ 20,417	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of total pension liability	77.48%	69.44%	64.43%	73.97%	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 22,111	$ 22,658	$ 21,826	$ 21,841	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	95.96%	123.00%	138.73%	93.48%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report and Notes to Required Supplementary Information.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended May 31, 2018

Fiscal Year Ending June 30,	Actuarially Determined Contribution *	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll**	Contribution as a % of Covered Payroll
2009	$ 2,234,053	$ 2,234,053	$ -	$ 25,645,092	8.71%
2010	2,803,934	2,803,934	-	25,465,982	11.01%
2011	1,924,940	1,924,940	-	25,286,621	7.61%
2012	3,129,976	3,129,976	-	26,578,943	11.78%
2013	4,370,010	4,370,010	-	26,309,983	16.61%
2014	4,998,198	4,998,198	-	27,621,000	18.10%
2015	3,500,784	3,500,784	-	21,841,333	16.03%
2016	2,752,597	2,752,597	-	21,825,710	12.61%
2017	6,960,275	6,960,275	-	22,657,974	30.72%
2018	7,635,000	7,635,000	-	22,111,116	34.53%

* These amounts are from Bi-State Development's June 30 CAFR reports.

** Covered payroll is as of June 1 one year prior to the fiscal year end.

See Independent Auditors’ Report and Notes to Required Supplementary Information.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending May 31,	Net Money-Weighted Rate of Return (Loss)
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	4.65%
2016	(3.57)%
2017	10.13%
2018	9.74%

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This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors’ Report and Notes to Required Supplementary Information.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the June 1, 2017 funding valuation. Please see the valuation report dated November 7, 2017 for further information.

Valuation timing	Actuarially determined contribution rates are calculated as of the June 1 one year prior to the end of the fiscal year in which the contributions are reported
Actuarial cost method	Service Pro-Rate Unit Credit
Amortization method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 6/1/2017	23 years
Asset valuation method	
Smoothing period	5 years
Corridor	80%-120%
Inflation	2.50%
Salary increases	4.50%
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with White Collar adjustment, and Healthy Annuitants, with White Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Investment rate of return	7.00%
Cost of living adjustments	none

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN

Financial Statements and Required Supplementary Information

Year Ended March 31, 2018

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN

Year Ended March 31, 2018

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625 Maryville Centre Drive, Suite 200 ■ St. Louis, MO 63141
Main: 314.968.6649 ■ Fax: 314.692.4222 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Pension Committee of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan:

We have audited the accompanying financial statements of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Plan), which comprise the statement of fiduciary net position as of March 31, 2018 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); 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 auditing standards generally accepted in the United States of America (U.S. GAAS). 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 fiduciary net position of the Plan as of March 31, 2018, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the 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. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
August 29, 2018

MANAGEMENT’S DISCUSSION AND ANALYSIS

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2018

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal year ended March 31, 2018 with limited information provided on the previous years.

HISTORY

The Plan is a defined benefit plan that began on January 1, 1976. The Plan provides for pension and disability benefits for any participant who satisfies the age and service requirements pursuant to the Memorandums of Agreement between the Bi-State Development Agency of the Missouri–Illinois Metropolitan District (Bi-State Development) and the International Brotherhood of Electrical Workers (the Union). The Plan is that of a governmental unit and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

In order to qualify for a normal retirement benefit, an employee can be of any age with 25 years of credited service or age 60 with at least 10 years of credited service.

In order to qualify for a disability retirement benefit, an employee must have at least ten years of credited service.

In addition to pension benefits paid at retirement, the Plan also provides death benefits under certain circumstances that would be paid to either a retiree or his/her designated beneficiary(ies).

The Plan includes a provision for the payment of Supplemental Benefits, as defined by the Plan. This option allows a retiree to receive the dollar value of his/her unused sick leave as of the termination date. The retiree could choose to have their Supplemental Benefits paid as either a lump sum payment or a series of monthly payments for a designated length of time (3, 5, 10, 15, or 20 years).

Effective January 1, 2014, the Plan was frozen to new entrants.

ORGANIZATION

The Plan is similar to a Taft Hartley Plan. Therefore its Pension Committee is composed of an equal number of union and management members. The Pension Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits, and safeguarding the Plan's assets. The Pension Committee also has the authority to amend the Plan.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) March 31, 2018

The Pension Committee is comprised of eight members. By Bi-State Development's Board Policy, the Vice President of Human Resources is a standing member. The other three members of management are selected by the Chief Executive Officer and the Vice President of Human Resources.

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The Plan follows Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No.* 25 (GASB 67). The statement of fiduciary net position includes information about assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position, as applicable, as of the end of a pension plan's reporting period. The statement of changes in fiduciary net position summarizes the additions to, deductions from, and net increase in fiduciary net position for a pension plan's reporting period. The difference between assets and liabilities is one measure of a pension plan's financial position and the change in this measure over time is an indication of whether the Plan's financial health is improving or deteriorating.

The Notes to the Financial Statements and Required Supplementary Information provide additional information that is essential to a full understanding of the data provided in the Financial Statements.

Per GASB 67, the Plan is required to provide the following supplementary information for ten years:

1. Schedule of Changes in Net Pension Liability and Related Ratios
2. Schedule of Employer Contributions
3. Schedule of Money-Weighted Rate of Return

However, the Plan is permitted to disclose as many years as are available of data and build on to the information in each subsequent period until ten full years are presented.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) March 31, 2018

CONDENSED FINANCIAL INFORMATION

(In thousands)

	As of and for the Year Ended March 31, 2018	As of and for the Year Ended March 31, 2017
Assets	$ 5,344	$ 4,472
Liabilities	2	3
Net Position	$ 5,342	$ 4,469
Contributions		
Employer	$ 493	$ 303
Participant	135	96
Investment Income, net	438	437
Benefits Paid to Participants	(177)	(177)
Administrative Expenses	(16)	(23)
Net Increase	$ 873	$ 636

FINANCIAL HIGHLIGHTS

<u>Pension Plan</u>

The Plan's fiduciary net position increased by $873 thousand, $636 thousand, and $192 thousand in fiscal years ended March 31, 2018, 2017, and 2016 respectively. The fiduciary net position totaled $5.3 million at March 31, 2018. The increase in fiduciary net position of $237 thousand from fiscal 2017 to 2018 is driven primarily from increased employer and participant contributions. Investment income, net for the fiscal year end March 31, 2018 was $438 thousand and is included in greater detail on page 9. The fiscal 2018 goal was to achieve 100% funded status. The fiduciary net position totaled $4.5 million at March 31, 2017. The increase in fiduciary net position in 2017 was driven primarily from improved market conditions, resulting in investment income, net of investment expenses. In fiscal 2016, the Plan experienced a net investment loss of $53 thousand.

Liabilities totaled $2.1 thousand, $3.1 thousand, and $8.8 thousand as of March 31, 2018, 2017, and 2016 respectively. These liabilities are driven by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of $135 thousand, $96 thousand, and $103 thousand for the years ended March 31, 2018, 2017, and 2016 respectively. The Plan received employer contributions from Bi-State Development in the amounts of $493 thousand, $303 thousand, and $319 thousand for the years ended March 31, 2018, 2017, and 2016 respectively. The participant and employer contributions are determined by the Plan's actuary.

The Plan paid $177 thousand, $177 thousand, and $128 thousand in benefits for the years ended March 31, 2018, 2017, and 2016 respectively. Benefit payments in any given year vary by number of new retirees and the level of Supplemental Benefits due to the participant.

Bi-State Development

As of June 30, 2017, Bi-State Development had assets of approximately $1.4 billion and net assets of $531 million. Operating revenues for the twelve months ended June 30, 2017 were $69 million and operating expenses were $348 million. The main operating expenses were wages and benefits ($181 million), depreciation and amortization ($76 million), and materials and supplies ($34 million). This created an operating loss of $279 million. Non-operating revenues, net were $262 million and were primarily comprised of grants and assistance. The Change in Net Position, which included a $(12) restatement for the adoption of a new accounting standard, was $(29) million for the year ended June 30, 2017. As of June 30, 2016, Bi-State Development had assets of approximately $1.5 billion and net assets of $561 million. The Change in Net Position was $(1) million for the year ended June 30, 2016.Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.bistatedev.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@BiStateDev.org.

CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT
(In millions)

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016
Assets	$ 1,435	$ 1,469
Liabilities	904	908
Net Postion	$ 531	$ 561
Operating Revenue	$ 69	$ 73
Operating Expenses	348	353
Operating Loss	(279)	(280)
Non-Operating Revenue, net	262	279
Prior period adjustment	(12)	-
Change in Net Position	$ (29)	$ (1)

CONTACT

The financial section is designed to provide users with a general overview of the Plan's financial activity. If you have questions about this report or need additional financial information regarding the Plan, contact the Bi-State Development Pension Department, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 125, St. Louis, MO 63102.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2018

ASSETS:	
Investments:	
Cash and cash equivalents	43,396
Investments	5,300,457
	5,343,853
TOTAL ASSETS	5,343,853
LIABILITIES:	
Accrued expenses	2,085
TOTAL LIABILITIES	2,085
NET POSITION RESTRICTED FOR PENSIONS	**$ 5,341,768**

See notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2018

ADDITIONS:	
Contributions:	
Employer	$ 492,823
Participant	135,362
Total contributions	628,185
Investment income:	
Net appreciation in fair value of investments	342,203
Interest and dividends	101,365
Total investment income	443,568
Less investment expense	(5,864)
Net investment income	437,704
Total additions	1,065,889
DEDUCTIONS:	
Benefits paid to participants	176,532
Administrative expenses	16,153
Total deductions	192,685
NET INCREASE IN NET POSITION	**873,204**
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	**4,468,564**
End of year	**$ 5,341,768**

See notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan

The following description of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Plan) provides only general information. Participants should refer to the Plan Document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the plan administrator.

General - The Plan, which is a single-employer defined benefit contributory plan, became effective January 1, 1976. The Plan provides for pension and disability benefits for any participant who satisfies the age and service requirements pursuant to Memorandums of Agreement between the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development) and the International Brotherhood of Electrical Workers (the Union). Effective January 1, 2014, the Plan was frozen to new entrants. The Plan is that of a governmental unit and, therefore, not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

The Pension Committee of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Committee) serves as the Plan's trustee. The Committee is composed of an equal number of union and management members. The Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits, and safeguarding the Plan's assets. The Committee has the authority to amend the Plan.

The Committee is comprised of eight members. By Bi-State Development's Board Policy, the Vice President of Human Resources is a standing member. The other three members of management are selected by the Chief Executive Officer and the Vice President of Human Resources.

U.S. Bank, N.A. (U.S. Bank) serves as the Plan's asset custodian. Milliman, Inc. is the third party administrator of the Plan. Ellwood Associates serves as the Plan's investment advisor.

The Plan's membership consisted of:

	As of April 1, 2017
Active participants	49
Terminated vested participants	7
Terminated non-vested participants due a refund	3
Participants receiving payments	13
Total participants	72

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

Funding policy – Historically, the goal of the Plan's funding ratio and funding policy was to reach 100% funding by February 28, 2018. The additional contributions needed to meet the 100% funding target, which are actuarially determined, are funded 80% by Bi-State Development and 20% by active participants. Once the Plan reaches a funding level of 100%, participants will contribute 30% of the actuarially determined contributions or 4% of the top electrician's base wage rate, as defined by the Plan, whichever is less. Bi-State Development will contribute 70% of the actuarially determined contribution or 4% of covered payroll, whichever is greater. The Plan achieved 100% funded status by November 30, 2017.

Normal retirement benefits - In order to qualify for normal, unreduced retirement benefits, a participant must satisfy the following age and service requirements:

Age	Credited Service
Any age	25 years
60	10 years

Disability retirement - A participant with at least ten years of credited service who becomes disabled, as defined by the Plan, will be eligible for disability pension benefits. The monthly disability benefit will be equal to the amount of the normal retirement benefit as of the effective date of the participant's disability pension. Disability pension benefits will not be payable for any month in which a disability pensioner fails to comply with the medical and/or earnings limitation provision of the Plan.

Benefit formula - The maximum monthly benefit is $60 for each year of credited service.

Termination benefit - Participants who leave the service of Bi-State Development with less than ten years of credited service are entitled to a refund of their employee contributions.

Vested benefit - Participants who leave the service of Bi-State Development with at least ten years of credited service may elect to (i) accept a refund of their pension contributions or (ii) accept a vested pension.

If a vested pension is elected, benefit payments will be deferred to age 65 and will be based upon the participant's accrued credited service and the benefit formula which was in effect at the time the participant left service.

Death benefit - If a participant dies after earning ten years of credited service, the participant's designated beneficiary(ies) will receive benefits as if the participant retired the first day of the month of death. In such event, the beneficiary(ies) may elect any applicable payment option provided by the Plan.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

Ten year certain option - In the event of the participant's death within the period of ten years after the commencement of benefits, the same benefits shall be payable for the remainder of such ten year period to a beneficiary designated by the participant or upon death of designated beneficiary, then the participant's estate. The participant's monthly pension benefit will be reduced $46 if the participant elects this option.

Contingent annuitant options - Under these options, a reduced monthly benefit is available to the participant for life and either 50% or 100% of such reduced monthly benefit to the participant's surviving spouse for the spouse's lifetime if the participant predeceases the spouse. The monthly benefit reduction will be actuarially determined based upon the participant's and spouse's ages at the time of retirement.

Supplemental pension benefits - Upon retirement, a participant is entitled to receive a supplemental pension benefit for the participant's accumulated sick leave. The participant may elect a lump sum or monthly payments over 3, 5, 10, 15 or 20 years.

(2) Summary of significant accounting policies

Basis of presentation - The accompanying financial statements are presented in accordance with accounting principles established by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to state and local governmental units. The accompanying financial statements include solely the accounts of the Plan, which include all programs, activities and functions relating to the accumulation and investment of the net position and related income necessary to provide the benefits required under the terms of the governing Plan Document and amendments thereto.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the period in which the employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of demand deposits held in banks, overnight repurchase agreements with original maturities of three months or less, and money market funds.

Employer and participant contributions receivable (as applicable) - Contributions receivable represent contributions due to the Plan for hours worked prior to the end of the Plan year.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

Investment valuation and income recognition - Investments are reported at fair value, which is the closing price reported in the active market as of the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - Certain expenses of the Plan are paid by Bi-State Development and are not included in the statement of changes in fiduciary net position. Investment related expenses are included in net appreciation in fair value of investments.

(3) Investments

The following schedule presents the aggregate market value for the Plan’s investments as of March 31:

	2018	
Money Market:		
First American Treasury Obligation (Class Y)	$ 43,396	
Registered Investment Companies:		
Vanguard 500 Index Amiral	2,102,955	*
Dodge & Cox Income Fund	1,877,260	*
Harbor International Retirement Fund	787,062	*
Artisan Small Cap Fund	283,299	*
Natixis Vaughan Nelson Value Opp Y	249,881	
Total Registered Investment Companies	5,300,457	
Total Investments	**$ 5,343,853**	

* Represents a concentration risk, as investment exceeds 5% of Plan's investments and Plan's fiduciary net position.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN NOTES TO THE FINANCIAL STATEMENTS

(3) Investments (continued)

Custodial credit risk is when, in the event a financial institution or counterparty fails, the Plan would not be able to recover the value of deposits, investments or collateral securities that are in the possession of an outside party. All investments are held in the Plan's name and are not subject to creditors of the custodial financial institution. The Plan maintains its investments at one commercial trust company in St. Louis, Missouri.

Currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investments during the period under audit were all in U.S. dollars.

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations.

The Plan's assets as of March 31, 2018 subject to credit risk are shown with their respective credit ratings below:

Dodge & Cox Income Fund	AA	$1,877,260	98%
First American Treasury Obligation (Class Y)	AAA	43,396	2%
		$1,920,656	100%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a direct investment in bonds.

The Plan's investment policy is based upon an asset allocation that considers the current and expected condition of the Plan, the expected long-term capital market outlook and the Plan's risk tolerance.

For the year ended March 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 9.27 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(4) Fair value measurements (continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of March 31, 2018:

	Investments at Fair Value as of March 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 5,300,457	$ -	$ -	$ 5,300,457
Total investments by fair value level	$ 5,300,457	$ -	$ -	$ 5,300,457
Investments measured at amortized cost (a)(b)				43,396
Total investments measured at fair value				$ 5,343,853

(a) Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of fiduciary net position.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(4) Fair value measurements (continued)

(b) The money market fund listed in the above chart is redeemed on a daily basis and does not have any redemption restrictions. Additionally, there are no unfunded commitments.

(5) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated March 30, 2018, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(6) Funding policy

Bi-State Development is required to contribute a specified amount for each week in which credited service accrues to each participant as provided in the Plan. Contribution rates are determined by an actuary. As a condition of participation, employees are required to contribute a specified amount to the Plan for each week such employee accrues credited service. Bi-State Development deducts such contributions from the pay of the employee. Bi-State Development also funds supplemental pension benefits for participants’ unused sick leave as they are paid by the Plan. For the year ended March 31, 2018, the participants contributed $135,362. Bi-State Development contributed $492,823, which included $36,296 of funding for supplemental pension benefits for participants’ unused sick leave.

(7) Net pension liability

The following presents the components of net pension liability at March 31, 2018:

Total pension liability	$ 5,048,742
Plan fiduciary net position	5,341,768
Net pension liability	$ (293,026)
Plan fiduciary net position as a % of total pension liability	105.80%
Covered payroll	$ 2,996,656
Net pension liability as a % of covered payroll	-9.78%

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2017) calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year-end. Any significant changes during this period must be reflected as prescribed by GASB 67.

The following significant assumptions were used for the April 1, 2017 actuarial valuation:

Valuation date	April 1, 2017
Measurement date	March 31, 2018
Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%

The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

(7) Net pension liability (continued)

Inflation	2.50%
Salary increases including inflation	3.50%
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with Blue Collar adjustment, and Healthy Annuitants, with Blue Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Actuarial cost method	Entry Age Normal (level percent of pay)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 6, 2018.

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return
Cash	1.00%	**
U.S. Intermediate Term Fixed Income	34.00%	1.50%
U.S. Large Cap Equity	40.00%	4.80%
U.S. Small/Mid Cap Equity	10.00%	5.30%
Non-U.S. Developed Equity	15.00%	5.00%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.00%

* As outlined in the Plan's investment policy dated August 2016

** Expected to earn less than inflation

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) and 1 percentage point higher (8.00%) than the current rate.

(7) Net pension liability (continued)

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	$ 5,659,097	$ 5,048,742	$ 4,532,237
Fiduciary net position	5,341,768	5,341,768	5,341,768
Net pension liability	317,329	(293,026)	(809,531)

(8) Plan termination

In the event the Plan is terminated in the future, the Plan's administrator shall determine the assets of the Plan and shall allocate them pursuant to the priority described below and certified by the actuary employed by it based on such actuary's valuation made as of the date of such termination.

The allocation shall be made in the following order:

(i) An amount shall be allocated to each participant equal to the participant's contributions to the Plan as of the date of termination less any benefits received under the Plan.

(ii) From the remaining balance an amount shall be allocated to retired participants and to participants eligible for normal retirement or disability retirement at the date of termination, sufficient to provide for the amount of their allowances not already provided under (i).

(iii) The remaining balance shall be allocated to the participants in proportion to the excess of the actuarial values of their accrued benefits under the Plan over the amounts allocated under (i).

Should there be insufficient funds to provide the amounts under either (i) or (ii) above, all allocations within the group affected will be reduced by the same proportion.

Upon termination, the Plan's administrator shall liquidate the Plan and the amounts allocated, as prescribed above, shall be apportioned to all such participants in cash, or in the form of insured paid-up annuities, or by transfer to another Plan, or otherwise, as the Plan administrator may determine.

(9) Commitments and contingencies

Certain participants in the Plan are entitled to refunds of their accumulated contributions plus interest thereon, calculated at a rate of 3% compounded annually, upon termination of employment with Bi-State Development, prior to being eligible for pension benefits.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN NOTES TO THE FINANCIAL STATEMENTS

(10) Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Changes in the discount rate and investment returns can have a significant effect on the funded status of the Plan. The Committee continues to monitor these changes and the potential impact on the future pension plan funding requirements and related expenses.

(11) Subsequent events

Management has evaluated subsequent events through August 29, 2018, which is the date that the financial statements were available for issuance. No significant matters were identified for disclosure during this evaluation.

REQUIRED SUPPLEMENTARY INFORMATION

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Years Ended March 31,									
(in '000's)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	$ 155	$ 177	$ 177	$ 166	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	331	311	285	255	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	81	50	110	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	-	-	121	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(177)	(177)	(128)	(90)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	390	361	565	331	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning of year	4,659	4,298	3,733	3,402	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, end of year	$ 5,049	$ 4,659	$ 4,298	$ 3,733	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$ 493	$ 303	$ 319	$ 405	N/A	N/A	N/A	N/A	N/A	N/A
Participant contributions	135	96	103	108	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	438	437	(53)	194	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(177)	(177)	(128)	(90)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(16)	(23)	(49)	(19)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	873	636	192	598	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, beginning of year	4,468	3,832	3,640	3,042	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, end of year	$ 5,341	$ 4,468	$ 3,832	$ 3,640	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability	$ (292)	$ 191	$ 466	$ 93	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of total pension liability	105.80%	95.92%	89.16%	97.51%	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 2,997	$ 3,385	$ 3,408	$ 3,362	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	-9.78%	5.62%	13.67%	2.77%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended March 31, 2018

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Contribution as a % of Covered Payroll
2009	$ 125,842	$ 125,842	$ -	$ 2,804,130	4.49%
2010	122,475	122,475	-	2,939,269	4.17%
2011	134,227	134,227	-	2,887,747	4.65%
2012	145,805	145,805	-	3,035,219	4.80%
2013	156,695	156,695	-	3,125,678	5.01%
2014	223,739	223,739	-	3,168,194	7.06%
2015	405,484	405,484	-	3,362,133	12.06%
2016	319,220	319,220	-	3,407,500	9.37%
2017	303,166	303,166	-	3,384,838	8.96%
2018	492,823	492,823	-	2,996,656	16.45%

See Independent Auditors’ Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending March 31,	Net Money-Weighted Rate of Return (Loss)
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	5.56%
2016	(1.42)%
2017	11.11%
2018	9.27%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the April 1, 2017 funding valuation. Please see the valuation report dated November 7, 2017 for further information.

Valuation timing	Actuarially determined contribution rates are calculated as of the April 1 one year prior to the end of the fiscal year in which the contributions are reported
Actuarial cost method	Entry Age Normal (level dollar)
Amortization method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 4/1/2017	18 years
Asset valuation method	
Smoothing period	5 years
Corridor	80%-120%
Inflation	2.50%
Salary increases	N/A
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with Blue Collar adjustment, and Healthy Annuitants, with Blue Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Investment rate of return	7.00%
Cost of living adjustments	None

See Independent Auditors' Report and Notes to Required Supplementary Information.

Attachment 3

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN

Financial Statements and Required Supplementary Information

Year Ended March 31, 2018

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN

Year Ended March 31, 2018

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625 Maryville Centre Drive, Suite 200 ■ St. Louis, MO 63141
Main: 314.968.6649 ■ Fax: 314.692.4222 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Pension Committee of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan:

We have audited the accompanying financial statements of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan (the Plan), which comprise the statement of fiduciary net position as of March 31, 2018, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); 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 auditing standards generally accepted in the United States of America (U.S. GAAS). 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 fiduciary net position of the Plan as of March 31, 2018, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the 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. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
August 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2018

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal year ended March 31, 2018 with limited information provided on the previous years.

HISTORY

The Plan is a defined benefit plan that began on January 1, 1976. The Plan provides for pension and disability benefits for any participant who satisfies the age and service requirements pursuant to the Memorandums of Agreement between the Bi-State Development Agency of the Missouri–Illinois Metropolitan District (Bi-State Development) and the Local 788 Amalgamated Transit Union, AFL-CIO (the Union). The Plan is that of a governmental unit and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

In order to qualify for a normal retirement benefit, an employee can be of any age with 25 years of credited service, can be age 55 with more than 20 years but less than 25 years of credited service, or age 65.

To qualify for early retirement benefits, an employee must attain age 55 with at least 15 years of service.

Qualifications for disability retirement benefits require an employee to have at least ten years of credited service as of the date of the disability.

In addition to pension benefits paid at retirement, the Plan also provides death benefits under certain circumstances that would be paid to a retiree's designated beneficiary(ies).

The Plan includes a provision for the payment of Supplemental Benefits, as defined by the Plan. This option allows a retiree to receive the dollar value of his/her unused sick leave as of the termination date. The retiree could choose to have his/her Supplemental Benefits paid as either a lump sum payment or a series of monthly payments for a designated length of time (3, 5, 7, 10, 15 or 20 years).

Effective April 1, 2015, the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union AFL-CIO, Employees Pension Plan (the Clerical Plan) merged with the Plan. As such, the net assets of the Clerical Plan transferred into the merged plan on April 30, 2015. In addition, the plan document was restated to reflect the merger and all previous amendments. In general, the provisions of the Clerical Plan for participants as of March 31, 2015 were carried over (grandfathered) into the provisions of the plan document of the Plan. Clerical employees hired after March 31, 2015, have the same benefits as existing participants of the Plan.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2018

ORGANIZATION

The Plan is similar to a Taft Hartley Plan. Therefore, its Pension Committee is composed of an equal number of union and management members. The Pension Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits, and safeguarding the Plan's assets. The Pension Committee also has the authority to amend the Plan.

The Pension Committee is comprised of six members. By Bi-State Development's Board Policy, the Vice President of Human Resources is a standing member. The other two members of management are selected by the Chief Executive Officer and the Vice President of Human Resources.

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The Plan follows Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67). The statement of fiduciary net position includes information about assets, deferred outflows of resources, liabilities, deferred inflows or resources and fiduciary net position, as applicable, as of the end of a pension plan's reporting period. The statement of changes in fiduciary net position summarizes the additions to, deductions from, and net increase in fiduciary net position for a pension plan's reporting period. The difference between assets and liabilities is one measure of a pension plan's financial position and the change in this measure over time is an indication of whether the Plan's financial health is improving or deteriorating.

The Notes to the Financial Statements and Required Supplementary Information provide additional information that is essential to a full understanding of the data provided in the Financial Statements.

Per GASB 67, the Plan is required to provide the following supplementary information for ten years:

1. Schedule of Changes in Net Pension Liability and Related Ratios
2. Schedule of Employer Contributions
3. Schedule of Money-Weighted Rate of Return

However, the Plan is permitted to disclose as many years as are available of data and build on to the information in each subsequent period until ten full years are presented.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2018

CONDENSED FINANCIAL INFORMATION
(In thousands)

	As of and for the Year Ended March 31, 2018	As of and for the Year Ended March 31, 2017
Assets	$ 139,155	$ 128,494
Liabilities	64	68
Net Position	$ 139,091	$ 128,426
Contributions		
Employer	$ 9,659	$ 9,627
Participant	3,862	3,817
Investment Gain, net	13,241	14,936
Benefits Paid to Participants	(15,874)	(15,845)
Administrative Expenses	(222)	(213)
Net Increase	$ 10,666	$ 12,322

FINANCIAL HIGHLIGHTS

Pension Plan

The Plan's fiduciary net position increased by $10.7 million, $12.3 million, and decreased by $1.1 million in fiscal years ended March 31, 2018, 2017, and 2016 respectively. The fiduciary net position totaled $139.1 million at March 31, 2018. The decrease in fiduciary net position of $1,656 from fiscal 2017 to 2018 is primarily due to market conditions. Investment income, net for the fiscal year end March 31, 2018 was $13.2 million and is included in greater detail on page 9. The fiduciary net position totaled 128.4 million at March 31, 2017. The increase in fiduciary net position in 2017 was driven primarily from improved market conditions, resulting in investment income, net of investment expenses. In fiscal 2016, the Plan was impacted by negative market conditions.

Liabilities totaled $64 thousand, $68 thousand, and $132 thousand as of March 31, 2018, 2017, and 2016 respectively. These liabilities are driven by the timing of payment of certain plan expenses. Additional costs were incurred in fiscal 2016, as a result of the plan merger.

The Plan received participant contributions in the amounts of $3.9 million, $3.8 million, and $3.7 million for the years ended March 31, 2018, 2017, and 2016 respectively. The Plan received employer contributions from Bi-State Development in the amounts of $9.7 million, $9.6 million, and $9.3 million for the years ended March 31, 2018, 2017, and 2016 respectively. The participant and employer contributions are determined by the Plan's actuary.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2018

The Plan paid $15.9 million, $15.8 million, and $15.3 million in benefits for the years ended March 31, 2018, 2017, and 2016 respectively. Benefit payments in any given year vary by number of new retirees and the level of Supplemental Benefits due to the participant.

<u>Bi-State Development</u>

As of June 30, 2017, Bi-State Development had assets of approximately $1.4 billion and net assets of $531 million. Operating revenues for the twelve months ended June 30, 2017 were $69 million and operating expenses were $348 million. The main operating expenses were wages and benefits ($181 million), depreciation and amortization ($76 million), and materials and supplies ($34 million). This created an operating loss of $279 million. Non-operating revenues, net were $262 million and were primarily comprised of grants and assistance. The Change in Net Position, which included a $(12) restatement for the adoption of a new accounting standard, was $(29) million for the year ended June 30, 2017. As of June 30, 2016, Bi-State Development had assets of approximately $1.5 billion and net assets of $561 million. The Change in Net Position was $(1) million for the year ended June 30, 2016.Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.bistatedev.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@BiStateDev.org.

CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT:
(In millions)

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016
Assets	$ 1,435	$ 1,469
Liabilities	904	908
Net Position	$ 531	$ 561
Operating Revenue	$ 69	$ 73
Operating Expenses	348	353
Operating Loss	(279)	(280)
Non-Operating Revenue, net	262	279
Prior period adjusment	(12)	-
Change in Net Position	$ (29)	$ (1)

CONTACT

The financial section is designed to provide users with a general overview of the Plan's financial activity. If you have questions about this report or need additional financial information regarding the Plan, contact the Bi-State Development Pension Department, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 125, St. Louis, MO 63102.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
STATEMENT OF FIDUCIARY NET POSTION
March 31, 2018

ASSETS:		
Receivables:		
Employer Contributions	$	2,450
Participant Contributions		455
Accrued income		17,317
		20,222
Investments:		
Cash and cash equivalents		3,319,314
Investments		135,815,865
		139,135,179
TOTAL ASSETS		139,155,401
LIABILITIES:		
Accrued expenses		64,023
TOTAL LIABILITIES		64,023
NET POSITION RESTRICTED FOR PENSIONS	**$**	**139,091,378**

See notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2018

ADDITIONS:	
Contributions:	
Employer	$ 9,659,264
Participant	3,861,995
Total contributions	13,521,259
Investment income:	
Net appreciation in fair value of investments	11,670,305
Interest and dividends	1,793,453
Total investment income	13,463,758
Less: investment expense	(222,592)
Net investment income	13,241,166
Total additions	26,762,425
DEDUCTIONS:	
Benefits paid to participants	15,874,159
Administrative expenses	222,483
Total deductions	16,096,642
NET INCREASE IN NET POSITION	10,665,783
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	**128,425,595**
End of year	**$ 139,091,378**

See notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan

The following description of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan (the Plan) provides only general information. Participants should refer to the Plan Document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the plan administrator.

General - The Plan, which is a single-employer defined benefit contributory plan, became effective January 1, 1976. The Plan provides for pension and disability benefits for any participant who satisfies the age and service requirements pursuant to Memorandums of Agreement between the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development) and the Local 788 Amalgamated Transit Union, AFL-CIO (the Union). The Plan is that of a governmental unit and, therefore, not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

The Pension Committee (the Committee) serves as the Plan Administrator and trustee. The Committee is composed of an equal number of union and management members. The Committee is responsible for establishing the investment policies, overseeing the activity of the investment manager, approving applications for pension benefits, and safeguarding of the Plan's assets. The Committee has the authority to amend the Plan.

The Committee is comprised of six members. By Bi-State Development's Board Policy, the Vice President of Human Resources is a standing member. The other two members of management are selected by the Chief Executive Officer and the Vice President of Human Resources.

Effective April 1, 2015, the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union AFL-CIO, Employees Pension Plan (the Clerical Plan) merged with the Plan. A new custodial account was created for the merged plan, thus eliminating the Master Trust. In addition, the plan document was restated to reflect the merger and all previous amendments. In general, the provisions of the Clerical Plan for participants as of March 31, 2015, carried over (grandfathered) into the provisions of the plan document of the Plan. Clerical employees hired after March 31, 2015, have the same benefits as existing participants of the Plan. The information below describing plan provisions generally does not apply to these grandfathered Clerical Plan participants.

U.S. Bank, N.A. (U.S. Bank) serves as the Plan's asset custodian. Milliman, Inc. is the third party administrator of the Plan. Ellwood Associates serves as the Plan's investment advisor.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

The Plan's membership consisted of:

	As of April 1, 2017
Active participants	1,383
Disabled participants	2
Terminated vested participants	52
Terminated nonvested due refund	165
Participants receiving payments	1,115
Total participants	2,717

Funding policy - Bi-State Development is required to contribute a specified amount for each week in which credited service accrues to each participant as provided in the Plan. Contribution rates are determined by an actuary. The Plan Document requires that Bi-State Development and the Union negotiate a special additional contribution if the Plan's funded ratio falls below 60%. In addition, as a condition of participation, employees are required to contribute a specified amount to the Plan for each week such employee accrues credited service.

Normal retirement benefits - In order to qualify for normal, unreduced retirement benefits, a participant must satisfy the following age and service requirements:

Age	Credited Service
Any age	25 years
55	20 years
65	No minimum requirement

Early retirement - A participant may retire upon attaining the age of 55 with at least 15 years of credited service subject to a benefit reduction of ¼% for each month by which retirement precedes the age of 65.

Disability retirement - A participant with at least ten years of credited service who becomes disabled, as defined by the Plan, will be eligible for disability pension benefits. The monthly disability benefit will be equal to the amount of the normal retirement benefit as of the effective date of the participant's disability pension. Disability pension benefits will not be payable for any month in which a disability pensioner fails to comply with the medical and/or earnings limitation provision of the Plan.

Benefit formula - The maximum monthly benefit is $55 for each year of credited service, applicable when the participant has completed 25 years of service.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(1) Description of plan (continued)

Termination benefit - Participants who leave the service of Bi-State Development with less than ten years of credited service are entitled to a refund of their employee contributions.

Vested benefit - Participants who leave the service of Bi-State Development with at least ten years of credited service may elect to (i) accept a refund of their pension contributions or (ii) accept a vested pension.

If a vested pension is elected, benefit payments will be deferred to age 65 and will be based upon the participant's accrued credited service and the benefit formula which was in effect at the time the participant left service.

Death benefit - If a participant dies after earning ten years of credited service, the participant's designated beneficiary(ies) will receive benefits as if the participant retired the first day of the month of death. In such event, the beneficiary(ies) may elect any applicable payment option provided by the Plan.

Ten year certain option - In the event of the participant's death within the period of ten years after the commencement of benefits, the same benefits shall be payable for the remainder of such ten year period to a beneficiary designated by the participant or upon death of designated beneficiary, then the participant's estate. The participant's monthly pension benefit will be reduced by ten percent if the participant elects this option.

Fifteen year certain option - In the event of the participant's death within the period of 15 years after the commencement of benefits, the same benefits shall be payable for the remainder of such 15 year period to a beneficiary designated by the participant or upon death of designated beneficiary, then the participant's estate. The participant's monthly pension benefit will be reduced by 17 percent if the participant elects this option.

Contingent annuitant options - Under these options, a reduced monthly benefit is available to the participant for life and either fifty percent (50%) or one hundred percent (100%) of such reduced monthly benefit to the participant's surviving spouse for the spouse's lifetime if the participant predeceases the spouse. The monthly benefit reduction will be actuarially determined based upon the participant's and spouse's ages at the time of retirement.

Supplemental pension benefits - Upon retirement, a participant is entitled to receive a supplemental pension benefit for the participant's accumulated sick leave. The participant may elect a lump sum or monthly payments over 3, 5, 7, 10, 15 or 20 years.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of significant accounting policies

Basis of presentation - The accompanying financial statements are presented in accordance with accounting principles established by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to state and local governmental units. The accompanying financial statements include solely the accounts of the Plan, which include all programs, activities and functions relating to the accumulation and investment of the net position and related income necessary to provide the benefits required under the terms of the governing Plan Document and amendments thereto.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the period in which the employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of demand deposits held in banks, overnight repurchase agreements with original maturities of three months or less, and money market funds.

Employer and participant contributions receivable - Contributions receivable represent contributions due to the Plan for hours worked prior to the end of the Plan year.

Investment valuation and income recognition - Investments are reported at fair value, which is the closing price reported in the active market as of the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When quoted market prices are not available, investments are based on independent appraisals and recent financial results, or if no established market, then they are reported at their estimated fair values.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits - Benefits are recorded when paid.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

Administrative expenses - Certain expenses of the Plan are paid by Bi-State Development and are not included in the statement of changes in fiduciary net position. Investment related expenses are included in net appreciation in fair value of investments.

(3) Investments

The following schedule presents the aggregate market value for the Plan's investments as of March 31:

	2018
Investments at fair value:	
Mutual funds - equity	$ 68,532,513
Domestic common stocks	22,759,708
Mutual funds - fixed income	22,706,887
Other	19,229,551
Cash and cash equivalents	3,319,314
Foreign stocks	2,587,206
Total investments	$ 139,135,179

The following presents investments that represent 5% or more of the Plan's net position, which represents a concentration risk at March 31:

	2018
Dodge & Cox Stock Fund	$ 18,227,026
American Euro Pac Growth Fdcl	14,855,520
Metropolitan West Tr Bond I	13,349,225
Harbor International Fund Retirement	12,434,961
Dodge & Cox Income Fund	9,357,663
Artisan Mid Cap Fd Instl	8,340,378
Dfa Emerging Markets Value	7,510,647
Natixis Vaughan Nelson Value Opp Y	7,163,982

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(3) Investments (continued)

Custodial credit risk is when, in the event a financial institution or counterparty fails, the Plan would not be able to recover the value of deposits, investments or collateral securities that are in the possession of an outside party. All investments are held in the Plan's name and are not subject to creditors of the custodial financial institution. The Plan maintains its investments at one commercial trust company in St. Louis, Missouri.

Currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investments during the period under audit were all in U.S. dollars.

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The Plan's assets as of March 31, 2018 subject to credit risk are shown with their respective credit ratings below:

Metropolitan West Tr Bond I	AA	$ 13,349,225	52%
Dodge & Cox Income Fund	AA	9,357,663	36%
First American Treasury Obligation (Class Y)	AAA	3,063,856	12%
		$ 25,770,744	100%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a direct investment in bonds.

The Plan's investment policy is based upon an asset allocation that considers the current and expected condition of the Plan, the expected long-term capital market outlook and the Plan's risk tolerance.

For the year ended March 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 10.42 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

(4) Fair value measurements (continued)

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 — Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Equity securities: Valued using prices quoted in active markets for those securities.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(4) Fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of March 31, 2018:

	Investments at Fair Value as of March 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds - equity	$ 68,532,513	$ -	$ -	$ 68,532,513
Mutual funds - fixed income	22,706,887	-	-	22,706,887
Domestic common stocks	22,759,708	-	-	22,759,708
Foreign stocks	2,587,206	-	-	2,587,206
Total investments by fair value level	$ 116,586,314	$ -	$ -	$ 116,586,314
Investments measured at NAV [a]				19,229,551
Investments measured at amortized cost [a][b]				3,319,314
Total investments measured at fair value				$ 139,135,179

(a) Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of fiduciary net position.

(b) The money market fund listed in the above chart is redeemed on a daily basis and does not have any redemption restrictions. Additionally, there are no unfunded commitments.

The valuation method for investments measured at the net asset value per share, or equivalent, is presented in the table below.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(4) Fair value measurements (continued)

	Fair Value 3/31/2018	Unfunded Commitments at 3/31/2018	Redempton Frequency	Redemption Notice Period
Principal US Real Estate	$ 5,817,808	-	Daily [1]	-
HBK Master Fund II	6,350,568	-	Quarterly	90 days
OZ Overseas Fund II	1,223,034	-	N/A [2]	-
BlueCrest AllBlue Fund	38,141	-	N/A[3]	-
Davidson Kempner	5,800,000	-	Quarterly	60 days
Investments measured at NAV	$ 19,229,551			

[1] Generally offers redemption the next business day, subject to cash availability.

[2] In the process of liquidation. Full redemption of the Plan's investments is expected by September 2018.

[3] In process of liquidation. Full redemption of the Plan's investments is expected in 2018.

(5) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated May 7, 2017 that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(6) Funding policy

Bi-State Development is required to contribute a specified amount for each week in which credited service accrues to each participant as provided in the Plan. Contribution rates are determined by an actuary. As a condition of participation, employees are required to contribute a specified amount to the Plan for each week such employee accrues credited service. Bi-State Development deducts such contributions from the pay of the employee.

The weekly contribution rates for all participants, excluding Clerical Plan participants grandfathered as of March 31, 2015 are: Participant- $52.50 and Employer- $122.50. The weekly rates for grandfathered Clerical Plan participants are: Participant- $56.00 and Employer- $119.00.

Bi-State Development also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan. These contributions are not included in the required weekly minimums above.

(7) Net pension liability

The following table presents the components of net pension liability at March 31, 2018:

Total pension liability	$ 201,190,972
Plan fiduciary net position	139,091,378
Net pension liability	$ 62,099,594
Plan fiduciary net position as a % of total pension liability	69.13%
Covered payroll	$ 67,321,405
Net pension liability as a % of covered payroll	92.24%

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2017) calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year-end. Any significant changes during this period must be reflected as prescribed by GASB 67.

(7) Net pension liability (continued)

The following significant assumptions were used for the April 1, 2017 actuarial valuation:

Valuation date	April 1, 2017
Measurement date	March 31, 2018
Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%

The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Inflation	2.50%
Salary increases including inflation	3.50%
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with Blue Collar adjustment, and Healthy Annuitants, with Blue Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Actuarial cost method	Entry Age Normal (level percent of pay)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 6, 2018.

(7) Net pension liability (continued)

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return
Cash	2.00%	**
Intermediate-term fixed income	18.00%	1.50%
U.S. large cap equity	30.00%	4.80%
U.S. small/mid cap equity	10.00%	5.30%
Non-U.S. developed equity	20.00%	5.00%
Emerging market equities	5.00%	5.90%
Core real estate	5.00%	4.00%
Low volatility hedge funds	10.00%	2.90%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.00%

* As outlined in the Plan's investment policy dated August 2016
** Expected to earn less than inflation

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) and 1 percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	$ 220,751,882	$ 201,190,972	$ 184,531,737
Fiduciary net position	139,091,378	139,091,378	139,091,378
Net pension liability	81,660,504	62,099,594	45,440,359

(8) Plan termination

In the event the Plan is terminated in the future, the Plan's administrator shall determine the assets of the Plan and shall allocate them pursuant to the priority described below and certified by the actuary employed by it based on such actuary's valuation made as of the date of such termination.

(8) Plan termination (continued)

The allocation shall be made in the following order:

(i) An amount shall be allocated to each participant equal to the participant's contributions to the Plan as of the date of termination less any benefits received under the Plan.

(ii) From the remaining balance an amount shall be allocated to retired participants and to participants eligible for normal retirement or disability retirement at the date of termination, sufficient to provide for the amount of their allowances not already provided under (i).

(iii) The remaining balance shall be allocated to the participants in proportion to the excess of the actuarial values of their accrued benefits under the Plan over the amounts allocated under (i).

Should there be insufficient funds to provide the amounts under either (i) or (ii) above, all allocations within the group affected will be reduced by the same proportion.

Upon termination, the Plan's administrator shall liquidate the Plan and the amounts allocated, as prescribed above, shall be apportioned to all such participants in cash, or in the form of insured paid-up annuities, or by transfer to another Plan, or otherwise, as the Plan administrator may determine.

(9) Commitments and contingencies

Certain participants in the Plan are entitled to refunds of their accumulated contributions plus interest thereon, calculated at a rate of 3% compounded annually, upon termination of employment with Bi-State Development, prior to being eligible for pension benefits.

(10) Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

(10) Risks and uncertainties (continued)

Changes in the discount rate and investment returns can have a significant effect on the funded status of the Plan. The Committee continues to monitor these changes and the potential impact on the future pension plan funding requirements and related expenses.

(11) Subsequent events

Management has evaluated subsequent events through August 29, 2018, which is the date that the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

REQUIRED SUPPLEMENTARY INFORMATION

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788
AMALGAMATED TRANSIT UNION, AFL-CIO,
EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Years Ended March 31,									
(in '000's)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	$ 3,082	$ 3,054	$ 2,988	$ 2,713	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	13,632	13,576	13,428	12,681	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	892	1,203	135	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	-	-	4,557	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(15,874)	(15,845)	(15,315)	(14,368)	N/A	N/A	N/A	N/A	N/A	N/A
Merger of Clerical Plan (as of April 1, 2015)	-	-	11,390	-	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	1,732	1,988	17,183	1,026	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning of year	199,459	197,471	180,288	179,262	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, end of year	$ 201,191	$ 199,459	$ 197,471	$ 180,288	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$ 9,393	$ 9,627	$ 9,342	$ 8,717	N/A	N/A	N/A	N/A	N/A	N/A
Participant contributions	4,128	3,817	3,684	3,475	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income (loss)	13,241	14,936	(4,172)	6,784	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(15,874)	(15,845)	(15,315)	(14,368)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(222)	(212)	(463)	(203)	N/A	N/A	N/A	N/A	N/A	N/A
Merger of Clerical Plan (as of April 1, 2015)	-	-	5,826	-	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	10,666	12,323	(1,098)	4,405	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, beginning of year	128,426	116,103	117,201	112,796	N/A	N/A	N/A	N/A	N/A	N/A
Total fiduciary net position, end of year	$ 139,092	$ 128,426	$ 116,103	$ 117,201	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability	$ 62,100	$ 71,033	$ 81,368	$ 63,087	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of total pension liability	69.13%	64.39%	58.79%	65.01%	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 67,321	$ 64,453	$ 60,491	$ 54,978	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	92.24%	110.21%	134.51%	114.75%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS*
Year Ended March 31, 2018

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll**	Contribution as a % of Covered Payroll
2009	5,070,471	5,070,471	-	56,083,197	9.04%
2010	5,177,053	5,177,053	-	54,114,142	9.57%
2011	5,635,545	5,635,545	-	52,817,482	10.67%
2012	7,307,095	7,307,095	-	55,815,240	13.09%
2013	8,157,204	8,157,204	-	55,728,088	14.64%
2014	9,249,791	9,249,791	-	56,093,710	16.49%
2015	9,199,407	9,199,407	-	56,541,825	16.27%
2016	9,342,714	9,342,714	-	60,491,135	15.44%
2017	9,626,600	9,626,600	-	64,453,123	14.94%
2018	9,393,252	9,393,252	-	67,321,405	13.95%

* These amounts are from Bi-State Development's June 30 CAFR reports
** Covered payroll is as of April 1 one year prior to the fiscal year end.

See Independent Auditors' Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending March 31,	Net Money-Weighted Rate of Return (Loss)
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	6.07%
2016	(3.44)%
2017	13.01%
2018	10.42%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report and Notes to Required Supplementary Information.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the April 1, 2017 funding valuation. Please see the valuation report dated November 7, 2017 for further information.

Valuation timing	Actuarially determined contribution rates are calculated as of the April 1 one year prior to the end of the fiscal year in which the contributions are reported
Actuarial cost method	Entry Age Normal (level dollar)
Amortization method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 4/1/2016	16 years
Asset valuation method	
Smoothing period	5 years
Corridor	80%-120%
Inflation	2.50%
Salary increases	N/A
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with Blue Collar adjustment, and Healthy Annuitants, with Blue Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Investment rate of return	7.00%
Cost of living adjustments	none

Bi-State Development
Agenda Item
Audit, Finance and Administration Committee
October 19, 2018

From:	James J. Cali, CPA Director of Internal Audit
Subject:	**Internal Audit Status Report – 1st Quarter FY2019** Briefing Paper No. 19-02
Disposition:	Information
Presentation:	James J. Cali, Director of Internal Audit

Objective:

To present to the Audit, Finance and Administration Committee the Internal Audit Department's (**IAD's**) Status Report for the 1st Quarter Fiscal Year **(FY)** 2019.

Board Policy:

Board Policy Chapter 30 Audit, Finance and Budget, Section 30.005 Audit Committee Charter, A. GENERAL states:

The purpose of the Audit Charter is to assist the Board of Commissioners, through its Audit Committee, in fulfilling its fiduciary oversight responsibilities as follows:

The IAD Policies and Procedures Manual, Internal Audit Charter, dated May 22, 2015, and signed by the Chair of the Board of Commissioners, the Audit Committee Chair, the President and CEO, and the Director of Internal Audit states in Section 1.1-Responsibility that the IAD has the responsibility to:

- Develop a flexible Annual Audit Plan using an appropriate risk-based methodology, including any risks or control concerns identified by Management, and submit that plan to the Audit Committee for review and approval as well as periodic updates.
- Implement the Annual Audit Plan, as approved, including as appropriate any special tasks or projects requested by Management and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant functions and new or changing services, processes, operations, and control processes during development, implementation, and/or expansion phases.
- Issue periodic reports to the Audit Committee and Management summarizing results of audit activities.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the Audit Committee.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify Management and the Audit Committee of the results.

- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
- Include any assignments given by the Audit Committee or the Board as a whole.

Funding Source:
Funding is provided through the IAD Audit operating budget.

Background:
The IAD Status Report provides the Board of Commissioners, the Audit Finance and Administration Committee members and Senior Management with a summary of the IAD's quarterly activity pertaining to the Annual Audit Plan.

In addition to tracking the status of current audits and special projects, this report also highlights the follow-up activity related to the implementation of recommendations from prior audits.

The highlight of the 1st Quarter occurred during the audit of the Passenger Revenue, “Universal Access Transit Passes for Colleges and Universities **(U-PASS)** Audit” when BSD’s Internal Audit Department assisted Management in the collection of the following outstanding accounts receivable:

Southwestern Illinois College:	$ 89,622.66	(payment received May 30, 2018)
Webster University:	237,750.69	(payment received July 30, 2018)
Total Received	**$ 327,373.35**	

Also, during the 1st Quarter, IAD began working with Human Resources to begin the recruitment process to fill the Internal Auditor – Transit position. The need to fill this position is to meet the new State Safety Oversight audit requirements.

Committee Action Requested:
This material is presented for information only; therefore, no action is required of the Audit, Finance and Administration Committee.

Attachments:
1. Internal Audit Status Report – 1st Quarter FY2019
2. Internal Audit Status Report – Special Projects – 1st Quarter FY2019

Bi-State Development
Internal Audit Department

1st Quarter Status Report
Ending September 30, 2018

Attachment 1

FY 2019 - Audit Plan	Start Date	Completion Date	Status	Completion Rate (Percentage)	Budget	Hours Previous Periods	Hours This Quarter	Total Hours	Hours Remaining
Audit Follow - Up	July 2018		Ongoing	12.46%	620.00	0.00	77.25	77.25	542.75
Quarterly IAD Status Report	July 2018		Ongoing	10.83%	240.00	0.00	26.00	26.00	214.00
Quarterly Treasury Safekeeping Audit	July 2018		Ongoing	7.50%	240.00	0.00	18.00	18.00	222.00
Smart Card - Passenger Revenue Testing of Internal Controls	March 2015		In Progress	61.00%	800.00	486.75	1.25	488.00	312.00
On-Call Bi-State Research Institute Consulting Services	December 2016		In Progress	62.50%	160.00	99.00	1.00	100.00	60.00
Contract Services - Vehicle Maintenance	October 2017	August 2018	Complete	100.00%	300.00	227.25	53.25	280.50	19.50
Passenger Revenue - Pass Unit	February 2018		In Progress	95.94%	480.00	305.25	155.25	460.50	19.50
Human Resources Compensation Review	January 2018	July 2018	Complete	100.00%	380.00	273.00	51.25	324.25	55.75
Travel Card Audit	April 2018	August 2018	Complete	100.00%	360.00	137.25	4.50	141.75	218.25
Casualty Claims Audit	June 2018		In Progress	81.67%	480.00	119.50	272.50	392.00	88.00
Shaw Park Garage Audit	June 2018	August 2018	Complete	100.00%	80.00	14.25	0.00	14.25	65.75
Accounts Receivable - Core Credits Audit	August 2018		In Progress	39.86%	360.00	0.00	143.50	143.50	216.50
Customer Service Audit				0.00%	360.00	0.00	0.00	0.00	360.00
Grants Audit				0.00%	360.00	0.00	0.00	0.00	360.00
Small Purchase Requisition Audit				0.00%	360.00	0.00	0.00	0.00	360.00
Subtotal Audit Hours					**5,580.00**	**1,662.25**	**803.75**	**2,466.00**	**3,114.00**

1st Quarter Status Report
Ending September 30, 2018

FY 2019 - Audit Plan	Start Date	Completion Date	Status	Completion Rate (Percentage)	Budget	Hours Previous Periods	Hours This Quarter	Total Hours	Hours Remaining
Disadvantaged Business Enterprise (DBE) - "Mock" Triennial Audit				0.00%	240.00	0.00	0.00	0.00	240.00
FTA Required Rail Security Audit - Security Training & Certifications				0.00%	240.00	0.00	0.00	0.00	240.00
FTA Required Rail Safety Audit - Safety Policy				0.00%	240.00	0.00	0.00	0.00	240.00
FTA Required Rail Safety Audit - Safety Goals & Objectives				0.00%	160.00	0.00	0.00	0.00	160.00
FTA Required Rail Safety Audit - Accident & Incident Investigations				0.00%	240.00	0.00	0.00	0.00	240.00
Ethics Point Contract Audit				0.00%	240.00	0.00	0.00	0.00	240.00
Due To and Due From Inter-Company Account Balance Audit				0.00%	360.00	0.00	0.00	0.00	360.00
Passenger Revenue - Fare Box Audit				0.00%	240.00	0.00	0.00	0.00	240.00
Freightway USDOL Grant - Truck Driver Apprentice Program				0.00%	160.00	0.00	0.00	0.00	160.00
Cortex MetroLink Station Construction Audit				0.00%	360.00	0.00	0.00	0.00	360.00
Non-Revenue Vehicle Audit				0.00%	240.00	0.00	0.00	0.00	240.00
Facility Lost & Found Audit				0.00%	240.00	0.00	0.00	0.00	240.00
ADA "No Show Policy" Audit				0.00%	240.00	0.00	0.00	0.00	240.00
FY 2020 Annual Audit Plan & Risk Assessment				0.00%	120.00	0.00	0.00	0.00	120.00
Self-Funded Insurance Medical Claims Audit - IAD Time				15.21%	120.00	0.00	18.25	18.25	101.75
Grand Total Annual Audit Plan					**9,020.00**	**1,662.25**	**822.00**	**2,484.25**	**6,535.75**

1st Quarter Status Report
Ending September 30, 2018

FY 2019 - Audit Plan Summary On-Call Contract Audit Hours	Start Date	Completion Date	Status	Completion Rate (Percentage)	Budget	Hours Previous Periods	Hours This Quarter	Total Hours	Hours Remaining
Fuel Hedging Program Audit - On-Call Contract				0.00%	480.00	0.00	0.00	0.00	480.00
Self-Funded Insurance Medical Claims Audit - On-Call Contract				0.00%	620.00	0.00	0.00	0.00	620.00
Total On-Call Contract Audit Hours					1,100.00	**0.00**	**0.00**	**0.00**	1,100.00

Bi-State Development
Internal Audit Department

1st Quarter Status Report
Ending September 30, 2018

Attachment 2

FY2019 Audit Plan - Special Projects	Start Date	Completion Date	Status	Completion Rate (Percentage)	Budget	Hours Previous Periods	Hours This Quarter	Total Hours	Hours Remaining
Auditor Recruitment / Intern Recruitment			Ongoing			0.00	0.00	0.00	
Board Meeting / Audit Committee Preparations and Meetings			Ongoing			0.00	94.25	94.25	
CEO Meetings/Projects			Ongoing			0.00	0.00	0.00	
DBE Application Review			Ongoing			0.00	3.00	3.00	
EEO/Ethics Point (Fraud Hotline)			Ongoing			0.00	15.50	15.50	
Freedom of Information Act			Ongoing			0.00	0.00	0.00	
IAD Audit Research / Reading			Ongoing			0.00	57.50	57.50	
IAD Oracle Procard Procurement			Ongoing			0.00	10.00	10.00	
Public Safety Governance Committee			Ongoing			0.00	0.00	0.00	
Records Retention			Ongoing			0.00	53.50	53.50	
SSO Meetings			Ongoing			0.00	11.75	11.75	
Training & Professional Development			Ongoing			0.00	86.25	86.25	
Total Special Projects Hours					**0.00**	**0.00**	**331.75**	**331.75**	**0.00**

Bi-State Development
Agenda Item
Audit, Finance and Administration Committee
October 19, 2018

From:	James J. Cali, CPA Director of Internal Audit
Subject:	**Internal Audit Follow-Up Summary – 1st Quarter FY2019** Briefing Paper No. 19-03
Disposition:	Information
Presentation:	James J. Cali, Director of Internal Audit

Objective:

To present to the Audit, Finance and Administration Committee the Internal Audit Department's (**IAD's**) Follow-Up Summary Findings regarding the status of prior Recommendations during the 1st Quarter Fiscal Year **(FY)** 2019.

Board Policy:

Board Policy Chapter 30 Audit, Finance and Budget, Section 30.005 Audit Committee Charter, A. GENERAL, states*:*

The purpose of the Audit Charter is to assist the Board of Commissioners, through its Audit Committee, in fulfilling its fiduciary oversight responsibilities as follows:

(3) Internal Audit Process

- Review with Management and the Director of Internal Audit:
  a**.** Significant findings on internal audits during the year and Management's responses thereto.
  f. The Internal Audit Department's compliance with applicable standards (for example, *Government Auditing Standards*, or the Institute of Internal Auditors' **(IIA's)** Standards for the Professional Practice of Internal Auditing).

In addition, the IAD Policies and Procedures Manual, effective May 22, 2015, in Section 2.9-Report Follow-Up, Status Reports 2 states:

> The Director of Internal Audit shall schedule follow-up reviews as necessary to determine compliance. One of our primary responsibilities as professional auditors is determining that the auditee takes corrective action on recommendations. This applies in all cases except where "Management or the Board has assumed the risk of not taking corrective action on reported findings."

Funding Source:

Funding is provided through the IAD operating budget.

Background:

The Standards for the Professional Practice of Internal Auditing, Standard 2500 – Monitoring Process, states that, "The Chief Audit Executive should establish and maintain a system to monitor the disposition of audit results communicated to management." To ensure compliance with this standard, Internal Audit regularly monitors the status of recommendations.

The Audit Follow-Up Summary Report is a comprehensive overview highlighting the current implementation status of recommendations issued in prior audit reports. Each recommendation has been reviewed and its status has been classified as follows:

- **Completed –** The recommendation has been implemented.
- **Outstanding –** The recommendation has not yet been implemented, and/or the implementation date has not occurred yet.
- **Overdue –** The recommendation remains outstanding past the established implementation date.

The report should be used to determine the timeliness and the completeness of the implementation of corrective action. Management should place specific focus on those recommendations that are determined to be overdue.

Committee Action Requested:

This material is presented for information only; therefore, no action is required of the Audit, Finance and Administration Committee.

First Quarter-FY2019 Audit Follow-Up
Executive Summary

Report Name	Number of Recommendations	Completed	Outstanding – Not Overdue	Overdue
Contract Services - Vehicle Maintenance Audit	3	2	1	0
Travel Card Audit	5	4	1	0
Benefits in Arrears Audit	12	6	6	0
Payroll Hours of Service Audit	14	5	9	0
Contract Services – Track Maintenance Audit	2	2	0	0
Contract Services – Facility Maintenance Audit	6	5	1	0
Accounts Receivables Audit	5	4	1	0
Drug and Alcohol Program Testing Audit - FY2017	11	10	1	0
Accounts Payable/Vendor Payment Audit	4	3	1	0
ID Badge Access Audit	19	16	3	0
Fuel Inventory Audit	6	4	2	0
SSO-Safety Data Collection & Analysis Audit	3	1	2	0
SSO-Compliance, Federal, State and Local Requirements Audit	5	0	5	0
SSO-Drug & Alcohol Testing Audit	15	14	1	0
TOTAL	**110**	**76**	**34**	**0**

COMPLETED FOLLOW-UP AUDIT REPORTS:

1. Eads Bridge Renovation Audit – Closed 2nd Quarter - FY2018
2. 2017-Procurement Card Program Audit – Closed 2nd Quarter –FY2018
3. SSO Internal Safety Audit Process – Closed 3rd Quarter-FY2018
4. SSO SSPP Implementation Activities and Responsibilities Audit – Closed 3rd Quarter-FY2018
5. SSO Safety and Security Certification Audit – Closed 3rd Quarter-FY2018
6. SSO-Hazard Management Audit – Closed 3rd Quarter-FY2018
7. 2018-Staples Procurement Card Program Audit – Closed 3rd Quarter-FY2018
8. Contract Services-Track Maintenance – Closed 4th Quarter- FY2018

BI-STATE DEVELOPMENT
TREASURER'S REPORT
Month Ended August 31, 2018

INVESTMENTS

Yields:
Bi-State investments had an average yield of 1.72% for the month of August, up from 1.65% in July. The Federal Reserve held the Federal Funds Rate to 2% in July, and a third rate hike for 2018 is expected in September. The Fed describes current economic conditions as "strong," and expects growth this year to reach 3%. New forecasts published by the Fed indicate five more rate hikes by the end of 2020.

Invested Funds:
In August, Bi-State directed $193 million of cash and investments. Approximately 44% of the invested funds were invested in U.S. Treasury or U.S. Government Agency securities, and 4.4% were invested in collateralized Certificates of Deposit (CDs) or Repurchase Agreements (Repos). The balance was invested in AAA rated money market funds. The average maturity of Bi-State investments was approximately 151 days.

DEBT MANAGEMENT

Debt Restructuring, 2013:
On July 1, 2013, Bi-State successfully sold its $381,225,000 Series 2013A Bonds. More than $1.5 billion in orders were placed for the bonds. The deal closed on August 1, 2013. An effective cost of funds of 4.44% was achieved. The effects of the $75 million County loan bring the true interest cost to 3.68%. The bond restructuring, of essentially all of the Cross County Bonds, with the exception of the $97 million Series 2009 Bonds, achieved important long-term financial objectives for Bi-State:

- Improved debt ratings. The bonds were assigned ratings of 'AA+' and 'Aa3' by S&P and Moody's, respectively. The higher ratings will benefit Bi-State in future financings.
- Eliminated exposure of Bi-State to variable and short-term debt obligations.
- Brought 2010 subordinate bonds to senior lien status, and began their amortization.
- Optimized the debt service funding requirements to preserve long-term funding flexibility for operations and capital.
- Incorporated the availability of the County Loan by using the Prop A Capital Reserve to reduce borrowing costs.
- Returned $18 million of Federal funding from the 2002 Debt Service Reserve Fund to Bi-State's capital program.

In 2014, St Louis County approved the appropriation of the 2nd loan advance in the amount of $30 million to Bi-State. The Series 2052 bonds were redeemed on October 1, 2014. This lowered the interest rate on $30 million in debt from 4.75% to 1.04%.

In August 2015, St Louis County approved the appropriation of the 3rd loan advance and the Series 2050 bonds were redeemed on October 1, 2015. The interest rate on this $30 million in debt decreased from 4.75% to 1.02%. The debt service reserve fund requirement on the 2013A bonds also decreased. The new debt service reserve requirement is now approximately $23.6 million.

Arch Tram Revenue Bonds, 2014:

On December 3, 2014, Bi-State closed on the Series 2014 Taxable Arch Tram Revenue Bonds. These bonds have a par value of $7,656,000 and a 30-year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The funds from this bond issuance will pay for the cost of issuance, a portion of the interior roof over the Arch visitor's center, and the replacement of the motor generator sets. The debt service requirement is approximately $454 thousand.

Bi-State Development/St. Clair County Transit District Revenue Bonds Refunding, 2014:

On December 4, 2014, Bi-State and St Clair County Transit District closed on the $4,160,000 issuance of the Series 2014 Bi-State Development/St Clair County Metrolink Extension Project Refunding Revenue Bonds. The refunding provides a savings of approximately $700,000 in debt service expenses. It also eliminated the need for the debt service reserve funding of approximately $450 thousand.

Capital Leases:

Bi-State has one remaining capital lease, its 2001 LRV Lease (C1, C2 Tranches). In February 2011, staff negotiated a default cure agreement with the 2001 C1 C2 lease investor. The agreement provided that Bi-State deposit additional collateral with the lease trustee, of which the St. Clair County Transit District (SCCTD) provided 70%. Our current collateral requirement is approximately $6.9 million.

FUEL HEDGING

In August, in conjunction with its diesel fuel hedging program, Bi-State had a *realized gain* of approximately $204 thousand and an *unrealized gain* of $3.1 million on the sale of Home Heating Oil #2 futures contracts. August oil prices ended the month at $69.80 a barrel, a 1.5% increase since the end of July. Generally, as the price of oil increases, the value of Bi-State’s future positions also increases. A gain in the futures partially offsets the actual increase in the cost of diesel fuel. If oil prices drop, the value of the futures decline. An increase in unrealized gains generally indicates that the price of fuel is rising, and losses generally indicate oil prices are falling.

BI-STATE DEVELOPMENT - QUARTERLY TREASURER'S REPORT SUMMARY

BI·STATE DEVELOPMENT

AS OF: 31-Aug-2018

	Wt. Avg. Maturity (1)	Dollars (,000 omitted)	Percentage Of Total	Rate	Market Value (2)
BI-STATE DIRECTED:					
Cash	0	$6,541	4.4%	0.00%	$6,541
Repo Agreement/Sweep	3	3,854	2.6%	1.66%	3,854
Certificates of Deposit	69	3,000	2.0%	1.46%	3,000
U.S. Agencies (discounted)	112	1,476	1.0%	1.56%	1,490
U.S. Agencies (coupon)	530	35,895	24.4%	1.66%	35,530
U.S. Treasury Securities	115	14,734	10.0%	1.68%	14,815
Other Investments (3)	3	81,695	55.5%	1.86%	81,695
SUB-TOTAL BI-STATE	**145**	**$147,195**	**100.0%**	**1.77%**	**$146,925**
BI-STATE DIRECTED-PROP M:					
Certificates of Deposit	105	$1,530	3.3%	1.31%	$1,530
U.S. Agencies (discounted)	0	0	0.0%	0.00%	0
U.S. Agencies (coupon)	269	26,710	58.5%	1.43%	26,560
U.S. Treasury Securities	58	6,962	15.2%	1.75%	6,990
Other Investments (3)	3	10,489	23.0%	1.81%	10,489
SUB-TOTAL PROP M	**170**	**$45,691**	**100.0%**	**1.56%**	**$45,569**
TOTAL BI-STATE DIRECTED	**151**	**$192,886**		**1.72%**	**$192,494**
TRUSTEE DIRECTED:					
Cash	0	$0	0.0%	0.00%	$0
Municipal Bonds	1278	6,540	11.4%	2.52%	6,404
U.S. Agencies (coupon)	1171	12,764	22.2%	2.60%	12,624
U.S. Treasury Securities	15	2,489	4.3%	1.00%	2,499
Bonds	0	0	0.0%	0.00%	0
Other Investments (3)	3	35,826	62.2%	1.88%	35,826
SUB-TOTAL TRUSTEE	**406**	**$57,619**	**100.0%**	**2.03%**	**$57,353**
TOTAL BI-STATE & TRUSTEE	**210**	**$250,505**		**1.79%**	**$249,847**
LRV LEASE1:					
Cash	0	44	0.0%	0.00%	44
US Treasury Securities	122	6,878	5.8%	1.25%	6,890
Other Investments (4)		112,000	94.2%	5.80%	112,000
SUB-TOTAL LRV		**$118,922**	**100.0%**	**5.53%**	**$118,934**
Grand Total (5)		**$369,427**			**$368,781**

31-Jul-2018

	Wt. Avg. Maturity (1)	Dollars (,000 omitted)	Percentage Of Total	Rate	Market Value (2)
BI-STATE DIRECTED:					
Cash	0	$844	0.5%	0.00%	$844
Repo Agreement/Sweep	1	8,205	5.0%	1.71%	8,205
Certificates of Deposit	100	3,000	1.8%	1.46%	3,000
U.S. Agencies (discounted)	143	1,476	0.9%	1.56%	1,487
U.S. Agencies (coupon)	561	35,895	21.9%	1.66%	35,469
U.S. Treasury Securities	79	16,739	10.2%	1.39%	16,845
Other Investments (3)	1	97,962	59.7%	1.74%	97,962
SUB-TOTAL BI-STATE	**135**	**$164,121**	**100.0%**	**1.68%**	**$163,812**
BI-STATE DIRECTED-PROP M:					
Certificates of Deposit	136	$1,530	3.3%	1.31%	$1,530
U.S. Agencies (discounted)	0	0	0.0%	0.00%	0
U.S. Agencies (coupon)	300	26,710	57.9%	1.43%	26,528
U.S. Treasury Securities	89	6,962	15.1%	1.75%	6,980
Other Investments (3)	1	10,905	23.7%	1.77%	10,905
SUB-TOTAL PROP M	**192**	**$46,107**	**100.0%**	**1.55%**	**$45,943**
TOTAL BI-STATE DIRECTED	**147**	**$210,228**		**1.65%**	**$209,755**
TRUSTEE DIRECTED:					
Cash	0	$0	0.0%	0.00%	$0
Municipal Bonds	1090	7,852	14.8%	2.36%	7,580
U.S. Agencies (coupon)	708	21,691	40.9%	2.19%	21,582
U.S. Treasury Securities	46	2,489	4.7%	1.00%	2,497
Bonds	0	0	0.0%	0.00%	0
Other Investments (3)	1	20,947	39.5%	1.83%	20,947
SUB-TOTAL TRUSTEE	**452**	**$52,979**	**100.0%**	**1.97%**	**$52,606**
TOTAL BI-STATE & TRUSTEE	**208**	**$263,207**		**1.72%**	**$262,361**
LRV LEASE1:					
Cash	0	44	0.0%	0.00%	44
US Treasury Securities	153	6,878	5.8%	1.25%	6,884
Other Investments (4)		111,412	94.2%	5.80%	111,412
SUB-TOTAL LRV		**$118,334**	**100.0%**	**5.53%**	**$118,340**
Grand Total (5)		**$381,541**			**$380,701**

30-Jun-2018

	Wt. Avg. Maturity (1)	Dollars (,000 omitted)	Percentage Of Total	Rate	Market Value (2)
BI-STATE DIRECTED:					
Cash	0	$5,979	3.7%	0.00%	$5,979
Repo Agreement/Sweep	3	156	0.1%	1.68%	156
Certificates of Deposit	131	3,000	1.9%	1.46%	3,000
U.S. Agencies (discounted)	204	1,476	0.9%	1.56%	1,485
U.S. Agencies (coupon)	584	36,394	22.7%	1.65%	35,994
U.S. Treasury Securities	101	18,723	11.7%	1.41%	18,822
Other Investments (3)	3	94,387	58.9%	1.67%	94,387
SUB-TOTAL BI-STATE	**151**	**$160,115**	**100.0%**	**1.63%**	**$159,823**
BI-STATE DIRECTED-PROP M:					
Certificates of Deposit	167	$1,530	3.3%	1.31%	$1,530
U.S. Agencies (discounted)	0	0	0.0%	0.00%	0
U.S. Agencies (coupon)	331	26,710	58.0%	1.43%	26,529
U.S. Treasury Securities	120	6,962	15.1%	1.75%	6,971
Other Investments (3)	3	10,832	23.5%	1.69%	10,832
SUB-TOTAL PROP M	**216**	**$46,034**	**100.0%**	**1.54%**	**$45,862**
TOTAL BI-STATE DIRECTED	**165**	**$206,149**		**1.61%**	**$205,685**
TRUSTEE DIRECTED:					
Cash	0	$0	0.0%	0.00%	$0
Municipal Bonds	1078	8,165	17.7%	2.34%	7,911
U.S. Agencies (coupon)	740	21,691	46.9%	2.19%	21,610
U.S. Treasury Securities	77	2,489	5.4%	1.00%	2,495
Bonds	0	0	0.0%	0.00%	0
Other Investments (3)	3	13,898	30.1%	1.87%	13,898
SUB-TOTAL TRUSTEE	**538**	**$46,243**	**100.0%**	**2.00%**	**$45,914**
TOTAL BI-STATE & TRUSTEE	**234**	**$252,392**		**1.68%**	**$251,599**
LRV LEASE1:					
Cash	0	0	0.0%	0.00%	0
US Treasury Securities	184	6,878	5.8%	1.25%	6,880
Other Investments (4)		110,823	94.2%	5.80%	110,823
SUB-TOTAL LRV		**$117,701**	**100.0%**	**5.53%**	**$117,703**
Grand Total (5)		**$370,093**			**$369,302**

Explanatory Notes:

(1) Approximate weighted average of days to effective maturity, from last business day of the month.

(2) Market value of goverment securities provided by safekeeping agent. Cost equals market for other investments.

(3) Includes money market funds and fuel hedging accounts.

(4) Investment Contracts (leases). Values of investment contracts adjusted to conform to lease payment schedules.

(5) All amounts preliminary and subject to audit and adjustment.

Prepared by: Terri L Gudowicz Green 10/5/18
Terri Gudowicz Green, Mgr of Treas Ops — Date

Reviewed by: Tammy Fulbright 10/5/18
Tammy Fulbright, Sr. Dir. of Financial Planning — Date

Approved by: Mark G Vago 10/5/18
Mark Vago, Sr VP & CFO — Date

BI-STATE DEVELOPMENT
MONTHLY TREASURER'S REPORT- ALL COMPANIES
BANK / ISSUER SUMMARY as of: 8/31/2018

Section 1 Bank/issuer Summary

BI-STATE DIRECTED * *all non debt/lease assets, inc. Prop M:*	CASH	CERTIFICATES OF DEPOSIT	REPURCHASE AGREEMENTS	OTHER	GOVERNMENT SECURITIES	COMMERCIAL PAPER\ BA's	TOTAL	MARKET VALUE	NOTES
BANK OF AMERICA MERRILL LYNCH	1,165,008	0	0	0	0	0	1,165,008	1,165,008	FDIC\tri-party collateral(deposits).
BLACK ROCK	0	0	0	44,849,411	0	0	44,849,411	44,849,411	Money Market Fund (Govt. Securities).
COMMERCE BANK	0	1,529,985	0	0	0	0	1,529,985	1,529,985	FDIC\FRB collateral.
FIDELITY	0	0	0	21,897,644	0	0	21,897,644	21,897,644	Money Market Fund (First Tier\Prime)
INVESCO	0	0	0	22,504,295	0	0	22,504,295	22,504,295	Money Market Fund (First Tier\Prime)
JEFFERSON BANK & TRUST	56,238	0	0	0	0	0	56,238	56,238	FDIC; repo collaterl held at JBT.
JP MORGAN CHASE	(270,695)	0	0	0	0	0	(270,695)	(270,695)	FDIC (bank acct.)MMKT (First Tier\Prime)
OPTUM	15,429	0	0	0	0	0	15,429	15,429	FDIC\FRB collateral.
BENEFLEX	4,307	0	0	0	0	0	4,307	4,307	FDIC\FRB collateral.
HEALTHSCOPE	50,370	0	0	0	0	0	50,370	50,370	FDIC\FRB collateral.
PNC BANK	5,075,288	0	3,853,514	0	0	0	8,928,802	8,928,802	FDIC\FRB collateral.
RBC DAIN RAUSCHER	0	0	0	4,823,144	0	0	4,823,144	4,823,144	Commodities Margin Acct. (fuel hedging)
RJ O'BRIEN	0	0	0	(1,890,922)	0	0	(1,890,922)	(1,890,922)	Commodities Trading Acct. (fuel hedging)
RELIANCE BANK	0	3,000,000	0	0	0	0	3,000,000	3,000,000	FDIC\FRB collateral.
UMB BANK	0	0	0	0	0	0	0	0	FDIC\FRB Collateral.
U.S. BANK	(195,905)	0	0	0	0	0	(195,905)	(195,905)	FDIC\FRB Collateral.
FARM CREDIT BANK	0	0	0	0	43,388,217	0	43,388,217	43,016,156	Safekept at Bank of America (BOA).
FEDERAL HOME LOAN BANK	0	0	0	0	20,693,139	0	20,693,139	20,564,898	Safekept at Bank of America (BOA).
U.S. TREASURY	0	0	0	0	21,695,429	0	21,695,429	21,805,448	Safekept by BOA or designated agent.
OTHER	641,214	0	0	0	0	0	641,214	641,214	
sub-total Bi-State directed	***6,541,254***	***4,529,985***	***3,853,514***	***92,183,572***	***85,776,785***	***0***	***192,885,110***	***192,494,827***	
TRUSTEE DIRECTED									
DEBT ISSUES									
Cross County Bonds									
Series 2009, 2013									
BANK OF NEW YORK -MELLON TRUST									
BANK OF NEW YORK	0	0	0	0	0	0	0	0	FDIC Insured.
GOLDMAN	0	0	0	35,826,296	0	0	35,826,296	35,826,296	Money Market Fund (First Tier\Prime).
FEDERATED GOVT OBLIG	0	0	0	0	0	0	0	0	Safekept at Bank of New York
MORGAN STANLEY	0	0	0	0	0	0	0	0	Safekept at Bank of New York
GOVERNMENT AGENCIES	0	0	0	0	12,764,224	0	12,764,224	12,621,482	Safekept at Bank of New York
MUNICIPAL BONDS	0	0	0	0	6,540,237	0	6,540,237	6,404,018	Safekept at Bank of New York
U.S. TREASURY	0	0	0	0	2,488,779	0	2,488,779	2,499,283	Safekept at Bank of New York
sub-total	0	0	0	35,826,296	21,793,240	0	57,619,536	57,351,079	
SUB-TOTAL TRUSTEE (BONDS)	***0***	***0***	***0***	***35,826,296***	***21,793,240***	***0***	***57,619,536***	***57,351,079***	
SUB-TOTAL BI-STATE AND TRUSTEE	***6,541,254***	***4,529,985***	***3,853,514***	***128,009,868***	***107,570,025***	***0***	***250,504,646***	***249,845,906***	
LRV Lease\Leaseback 2001 C1 C2									
FSA\AIG	0	0	0	112,000,162	0	0	112,000,162	112,000,162	Guaranteed Investment Contract (GIC).
US TREASURY	44,069	0	0	0	6,878,334	0	6,922,403	6,934,474	Safekept by Lease Trustee.
sub-total	44,069	0	0	112,000,162	6,878,334	0	118,922,565	118,934,636	
sub-total leases	***44,069***	***0***	***0***	***112,000,162***	***6,878,334***	***0***	***118,922,565***	***118,934,636***	
GRAND TOTAL	**$6,585,323**	**$4,529,985**	**$3,853,514**	**$240,010,030**	**$114,448,359**	**$0**	**$369,427,211**	**$368,780,542**	

* *Please refer to Pages 5 and 10 for explanatory notes and credit ratings.*

+ ABBREVIATIONS (above):
FDIC- Federal Deposit Insurance Corp.
FRB - Federal Reserve Bank

INVESTMENT CATEGORY DESCRIPTIONS

CASH: Demand deposit accounts. Some accounts are consolidated by bank for presentation purposes. Negative balances generally reflect check float. Bi-State's bank accounts are protected either by Federal Deposit Insurance Corporation (FDIC), or collateralized with securities pledged to Bi-State and held either in a segregated customer account, tri-party account, or at the Federal Reserve.

CERTIFICATES OF DEPOSIT: Non-negotiable certificates of deposit, protected by FDIC insurance, AAA rated surety or Letter of Credit, or collateralized with securities placed in joint safekeeping with Bi-State at the Federal Reserve Bank.

BANKER'S ACCEPTANCE (BAs): Negotiable investment instruments created by banks to finance commercial trade transactions. Bi-State's investment policy permits purchase of BAs only from banks rated "B" or better by Fitch Ratings (formerly Thomson BankWatch-see ratings descriptions below).

REPURCHASE AGREEMENTS (REPOs): An investment created by the simultaneous sale and repurchase of a security (usually a government security) for different settlement dates. Bi-State's repos are collateralized with securities held in segregated customer accounts, or at the Federal Reserve.

OTHER: Interest checking, money market funds, guaranteed investment contracts (GICs) and investment agreements. Also includes fuel hedging related accounts. Bi-State's policy restricts use of money market funds to Triple A rated institutional funds which have over $500 million in assets.

GOVERNMENT SECURITIES: Securities (bills, discount notes, strips, coupon notes and bonds), issued by the U.S. Treasury or U.S. Government Agencies. Some securities are subject to "call" (redemption before stated final maturity).

COMMERCIAL PAPER: Short-term unsecured promissory note that is the obligation of the issuing entity, generally a large corporation (see ratings descriptions below).

> **NOTE:** Permitted Bi-State investments are specified in Board Policy 30.040. All investments are shown at cost, unless otherwise noted. Market values shown for government securities or commercial paper are considered "subject to market" and provided for informational use only. Cost or par approximates market for other investments, and some of these may be subject to penalty for early redemption.

CREDIT QUALITY RATING DEFINITIONS (also see Page 9)

Standard & Poor's, Moody's Investor Services, Fitch:

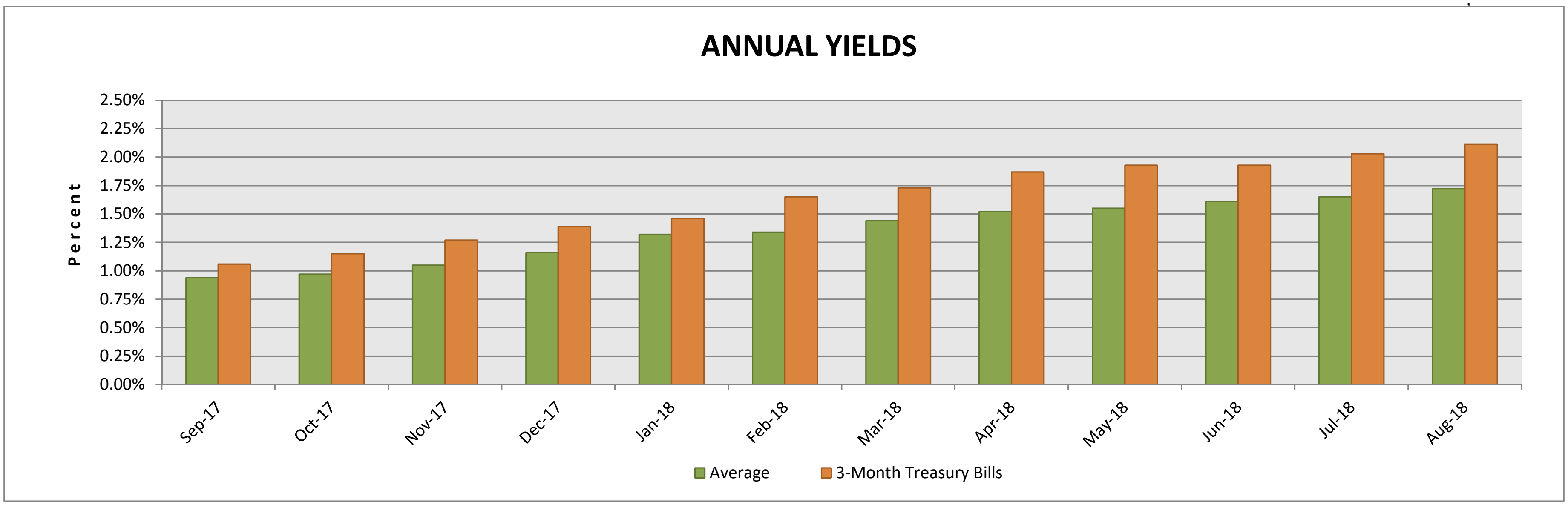
AAA Standard & Poor's, Moody's and Fitch rate credit quality on an A to C scale, with A generally regarded as "upper investment grade" and C as "speculative" (D would indicate default). Within each category are different gradients. The triple A rating indicates that the issuer's long term unsecured debt rating or specific investment instrument (such as money market funds) are of the highest credit quality (lowest expectation of risk.) The AAA rating is assigned only when there is exceptionally strong capacity for timely payment of financial commitments.

A1-P1 Commercial Paper issues rated "A-1 by Standard and Poor's and "P-1" by Moody's have the greatest capacity for timely payment (least risk). Bi-State's investment policy permits purchase of A2-P2 commercial paper from issuers with a business presence in the St. Louis region.

BI-STATE DEVELOPMENT
ANNUAL INVESTMENT REPORT
FOR MOST CURRENT 12 MONTHS

Funds (ooo's omitted)	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Bi-State Investments	155,802	152,006	146,422	163,198	160,844	170,607	160,952	164,817	159,830	160,115	164,121	**147,195**
Bi-State Prop M Investments	47,252	47,120	47,185	47,255	47,373	47,220	47,429	45,519	45,871	46,034	46,107	**45,691**
Total	203,054	199,126	193,607	210,453	208,217	217,827	208,381	210,336	205,701	206,149	210,228	**192,886**
Trustee Investments	53,038	36,642	39,362	41,667	44,201	46,677	49,027	41,265	43,979	46,243	52,979	**57,619**

Yields\Rates Information	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Bi-State	0.89%	0.93%	1.03%	1.16%	1.32%	1.34%	1.44%	1.53%	1.57%	1.63%	1.68%	**1.77%**
Prop M	1.11%	1.11%	1.12%	1.15%	1.31%	1.32%	1.42%	1.48%	1.49%	1.54%	1.55%	**1.56%**
Average	0.94%	0.97%	1.05%	1.16%	1.32%	1.34%	1.44%	1.52%	1.55%	1.61%	1.65%	**1.72%**
Trustee	1.34%	1.52%	1.43%	1.79%	1.76%	1.88%	1.91%	1.96%	1.96%	2.00%	1.97%	**2.03%**
3-Month Treasury Bills	1.06%	1.15%	1.27%	1.39%	1.46%	1.65%	1.73%	1.87%	1.93%	1.93%	2.03%	**2.11%**
1 Year Treasury	1.31%	1.43%	1.62%	1.76%	1.90%	2.07%	2.09%	2.24%	2.23%	2.33%	2.44%	**2.46%**
Fed Funds (target)	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%	2.00%	**2.00%**
20-Year Municipals	3.64%	3.65%	3.59%	3.44%	3.72%	3.85%	3.89%	3.97%	3.78%	3.87%	3.90%	**3.96%**
SIFMA (BMA) Index (month end)	0.94%	0.92%	0.97%	1.71%	1.08%	1.09%	1.59%	1.61%	1.06%	1.51%	1.29%	**1.56%**



	Diesel Fuel Hedging Program - FY 2019			
	Diesel Fuel Budget \ Actual Comparison:	***Aug-18***	***Year to Date***	***Life to Date***
a	Gallons consumed-actual	491,225	1,000,396	86,081,639
b=(c/a)	Average cost per gallon-actual	$ 2.22	$ 2.23	$ 2.10
c	***Total Diesel Fuel Cost-Actual***	**$ 1,092,779**	**$ 2,227,416**	**$ 181,074,398**
d	Gallons consumed- budget	485,706	960,620	89,925,141
e=(f/d)	Average cost per gallon- budget	$ 1.85	$ 1.85	$ 2.32
f	***Total Diesel Fuel Cost- Budget***	**$ 898,556**	**$ 1,777,147**	**$ 208,272,552**
g=(f-c)	**Budget Variance (Unfavorable)**	**$ (194,223)**	**$ (450,269)**	**$ 27,198,154**
h	**Realized Futures Gains (Losses)**	**$ 204,280**	**$ 372,772**	**$ (776,402)**
i=(c-h)	**Net Cost of Fuel**	**$ 888,499**	**$ 1,854,644**	**$ 181,850,800**
j=(i-f)	***Net Budget Variance (Unfavorable)***	**$ 10,057**	**$ (77,497)**	**$ 26,421,752**
j=(i/f)	Net Cost of Fuel, Per Gallon, inc. Hedge	$ 1.81	$ 1.85	$ 2.11
k=(e-i)	Net Budget Variance Per Gallon	$ 0.04	$ (0.00)	$ 0.20

Futures Activity:		***Price of Barrel of Oil:***	
		Date	***Price***
Futures Contracts Purchased	12	04/30/2018	$ 68.57
Futures Contracts Sold	20	05/31/2018	$ 67.04
Futures Contracts Net Change at month end	(8)	06/30/2018	$ 74.15
Total Open Futures Contracts, at month end	130	07/31/2018	$ 68.76
Futures Contracts Unrealized Gain/(Loss) *	$3,128,240	08/31/2018	$ 69.80
(% of Estimated Future Consumption)	81%		

* = At month end

Explanatory Notes:

Consumption budgeted at approximately 120,000 gallons per week.
Current diesel contracts: diesel =Platts +10.17 cents per gal.; B2 diesel= Platts + 10.93 cents per gal.
A futures contract equals 42,000 gallons.
Numbers above rounded.
Amounts do not include transaction or consulting costs.
Futures Contracts are purchased from Oct 2018 through Dec 2019 (15 months).

Background:

Linwood Capital is a consultant retained by Bi-State since April 2004 to assist with its energy price risk management program.
Bi-State manages the cost of fuel by utilizing purchase of exchange traded futures, specifically NYMEX Heating Oil#2 (HO#2) futures.
Generally, as oil prices increase, the value of the futures goes up, and acts to partially offset the actual increase in the price of fuel.

Bi-State Development
Monthly Investment Report
Report of Term Investment* Purchases: August 2018

Item	Investment:	Par Amount	Settled	Maturity Date	Term(days)	Yield	Purchased From	Fund
1	US Treasury	$ 2,405,000	08/15/18	08/15/19	365	2.38%	Jefferson Bank & Trust	Transit-Self Insurance
	Total	**$ 2,405,000**						
					365	**2.38%**		

Notes:

* Investments with an original term of over 14 days.

Bi-State Development Agency dba Metro
Credit Ratings of Financial Institutions (see also page 5)

Depository Banks:	Long-Term Debt Rating			Short-Term Debt Rating			Fitch Bank Rating
	S&P	Moody's	Fitch	S&P	Moody's	Fitch	
Bank of America, N.A.	A+	Aa3	AA	A-1	P-1	F1+	NA
Commerce Bank	A	A2		A-1	P-1		NA
PNC Bank	A	Aa2	AA-	A-1	P-1	F1+	NA
Trust Companies:							
Bank of New York Mellon Trust	AA-	Aa1	AA+	A-1+	P-1	F1+	NA

Money Market Funds:	S&P	Moody's
Black Rock Fed Trust	AAAm	Aaa-mf
Black Rock Temp	AAAm	Aaa-mf
Black Rock T Fund	AAAm	Aaa-mf
FFI Treasury Fund	AAAm	Aaa-mf
Columbia (BOA/Merrill) Money Market Reserves	AAAm	Aaa-mf
Columbia (BOA/Merrill) Government	AAAm	Aaa-mf
Dreyfus Government Cash Management	AAAm	Aaa-mf
Federated Prime	AAAm	Aaa-mf
Federated Treasury	AAAm	Aaa-mf
Federated Government	AAAm	Aaa-mf
Fidelity Government	AAAm	Aaa-mf
Fidelity Prime	AAAm	Aaa-mf
Fidelity Treasury	AAAm	Aaa-mf
Goldman Financial Government	AAAm	Aaa-mf
Invesco Government and Agency	AAAm	Aaa-mf
JP Morgan Prime	AAAm	Aaa-mf
Wells Fargo Treasury	AAAm	Aaa-mf

Other:	Long-Term Debt Rating		
	S&P	Moody's	Fitch
AIG (2001 LRV Lease)	A+	A2	A+
U.S. Treasury	AA+	Aaa	AAA
Federal Home Loan Bank (FHLB)	AA+	Aaa	
Federal Farm Credit Bank (FCB)	AA+	Aaa	AAA

NA = Fitch overall bank ratings or LT debt ratings have been withdrawn

Bi-State Development				
Mass Transit Sales Tax Appropriation Cross-County Bonds & St Louis County Loan				
Series	**2009**	**2013**		**Total Cross County**
	Refunding	**2013A Bonds**	**2013B Loan**	
Issue date	9-Nov-09	1-Aug-13	1-Aug-13	
Principal (original)	$97,220,000	$381,225,000	$75,000,000	
Principal (currently outstanding)	**$97,220,000**	**$290,835,000**	**$135,000,000**	**$523,055,000**
Lien on 1\4 cent Prop M, Prop M2, Prop A tax	Senior	Senior	Subordinate	
Stand alone credit rating (S&P\Moody's)	AA+\Aa3	AA+\Aa2	NA	
Maturity date(s)	2023 – 2039	2048	2053	
Optional Call Date	2019	Various	Anytime	
Optional Put Date	NA	NA	2018	
Interest rate mode	Fixed	Fixed	1% + SIFMA	
Rate	4.50%-5.00%	3.00%-5.00%	1.02%-1.06%	
Interest pmt. Dates (4/1 &10/1)	April, October	April, October	April, October	
Annual debt service:				
Interest - FY 2018	**$4,767,975**	**$14,140,812**	**$1,413,000**	**$20,321,787**
Principal - (Previous payment 10/1/17 - $8,275,000) (next payment 10/1/18 - $9,030,000)	**$0**	**$9,030,000**	**$0**	**$9,030,000**
total princ.&int.	**$4,767,975**	**$23,170,812**	**$1,413,000**	**$29,351,787**
Debt Service Reserve Fund (DSRF)	$9.1 million in DSRF with bond trustee, BONY-Mellon.	$23.7 million in DSRF with bond trustee, BONY-Mellon.	NA	
Other	Refunded balance of 2002 A	Refunded Series 2002A,B,C, 2007, and Series 2010B	Refunded Series 2010A Bonds	