



# Audit, Finance & Administration Committee

## Open Meeting

Friday, October 15, 2021 @ 8:30 AM

Virtual Meeting

211 North Broadway, 6th Floor

St. Louis, MO 63102



## Audit, Finance & Administration Committee Meeting - October 15, 2021 - 8:30 AM

### Notice of Meeting and Agenda

1. Call to Order	Approval	Chair Zimmerman
2. Roll Call	Quorum	M. Bennett
3. Public Comment	Information	Chair Zimmerman
4. Approval of Minutes of the August 20, 2021, Audit, Finance & Administration Committee, Open Meeting	Approval	Chair Zimmerman
A. Draft Minutes 08-20-2021 Audit, Finance & Administration Committee, Open Meeting - 4		
5. 23rd Amendment to the Bi-State Development Agency of the Missouri-Illinois District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan	Approval	C. Stewart
A. Briefing Paper - 9		
B. Amendment #23 - 11		
6. IAD Audit Follow-Up Summary – 1st Quarter - FY2022	Information	C. Messner
A. Briefing Paper - 15		
7. IAD Status Report – 1st Quarter - FY2022	Information	C. Messner
A. Briefing Paper - 17		
B. Internal Audit Status Report – 1st Quarter FY2022 - 18		
8. IAD SSO-Status Report – 3rd Quarter - Calendar Year 2021	Information	C. Messner
A. Briefing Paper - 22		
B. CY 2021 - SSO Quarterly Status Report – 3rd Quarter - 24		
9. Pension Audits - Update	Information	C. Stewart
A. Briefing Paper - 26		
B. Financial Statements - Pension Plan for Salaried Employees - 28		
C. Financial Statements - IBEW Pension Plan - 57		
D. Financial Statements - ATU Pension Plan - 84		
10. Treasurer's Report - Month Ended August 31, 2021	Information	T. Fulbright
A. Treasurer's Report - 113		
11. Procurement Report	Information	T. Curran
A. Procurement Activity Report - 1st Quarter FY 2022 - 123		
12. Unscheduled Business	Approval	Chair Zimmerman
13. President/CEO Report	Information	T. Roach
14. Call for the Dates of Future Board & Committee Meetings	Information	M. Bennett

**15. Adjournment to Executive Session**

If such action is approved by a majority vote, the Committee 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).

Approval

Chair  
Zimmerman

**16. Reconvene to Open Session**

Approval

Chair  
Zimmerman

**17. Adjournment**

Approval

Chair  
Zimmerman

**BI-STATE DEVELOPMENT  
AUDIT, FINANCE & ADMINISTRATION COMMITTEE MEETING  
OPEN SESSION MINUTES  
(Virtual Meeting)  
August 20, 2021**

**Immediately following  
Special Meeting of Board of Commissioners at 8:30 AM**

**Audit, Finance & Administration Committee Members participating via Zoom**

Justin Zimmerman, Chair  
Herbert Simmons  
Fred Pestello  
Nate Johnson  
Sam Gladney

**Other Commissioners participating via Zoom**

Derrick Cox  
Irma Golliday  
Vernal Brown  
Terry Beach  
Rose Windmiller – Absent

**Staff participating via Zoom**

Taulby Roach, President and Chief Executive Officer  
Brenda Deertz, Director of Executive Services  
Barbara Enneking, General Counsel and Deputy Secretary  
Myra Bennett, Manager of Board Administration  
Thomas Curran, Executive Vice President – Administration  
Kerry Kinkade, Vice President – Chief Information Officer  
Jessica Mefford-Miller, Executive Director Metro Transit  
Tammy Fulbright, Executive Vice President Chief Financial Officer  
Mary Lamie, Executive Vice President of Multi Modal Enterprises  
Crystal Messner, Chief Audit Executive  
Angela Staicoff, Senior Internal Auditor  
Charles Stewart, Executive Vice President Organizational Effectiveness  
Andrew Ghiassi, General Manager Safety/Chief Safety Officer

**Others participating via Zoom**

Chelsea Niezwaag, ASL Interpreter  
Jenni Beverly, ASL Interpreter

**1. Open Session Call to Order**

**8:45 a.m.** Chair Zimmerman called the Open Session of the Audit, Finance & Administration Committee Meeting to order at 8:45 a.m.

**2. Roll Call**

**8:45 a.m.** Roll call was taken, as noted above.

**3. Public Comment**

**8:45 a.m.** Chair Zimmerman asked Myra Bennett, Manager of Board Administration, if any public comment cards were received for today's meeting. Ms. Bennett indicated that none were submitted.

**4. Minutes of the May 21, 2021 Audit, Finance & Administration Committee, Open Meeting**

**8:46 a.m.** The minutes of the May 21, 2021 Audit, Finance & Administration Committee, Open Meeting were provided in the Committee packet. A motion to approve the minutes, as presented, was made by Commissioner Brown and seconded by Commissioner Cox. **The motion passed unanimously.**

**5. IAD Audit Follow-Up Summary – 4th Qtr. - FY2021**

**6. IAD Status Report – 4th Qtr. - FY2021**

**7. IAD SSO-Status Report – 2nd Qtr. - Calendar Year 2021**

**8. Treasury-Safekeeping Accounts Audit, Ending March 30, 2021**

**9. Treasury-Safekeeping Accounts Audit, Ending June 30, 2021**

**8:47 a.m.** Individual briefing papers were included in the meeting materials regarding Item #5 – Item #9. Crystal Messner, Chief Audit Executive, gave a combined report of these items. She reported that, for the Follow-Up Summary for the 4<sup>th</sup> Quarter of FY2021, there were 11 completed, outstanding findings, which have been closed out. She reported that the Agency is on target for its quarterly statuses, and would like to focus on SSO and internal audits. Ms. Messner stated that for SSO, for the second quarter, the following audit activities were proposed by Internal Audit: 1) Fully outsource the Internal Safety Audit Process for auditing the Public Transportation Agency Safety Plan (PTASP) and System Security Plan (SSP); and 2) Expand outsourced Audits to include Call-A-Ride and Metro-Bus. She stated that the second quarter proposed activities were accomplished. The Internal Audit Department (IAD) contracted with Kensington Consulting on July 12, 2021 to outsource the Internal Safety Audit Process, which will incorporate MetroBus and Call-A-Ride Audits. Ms. Messner noted that, for Treasury-Safekeeping Accounts Audit, Ending March 30, 2021 and for Treasury-Safekeeping Accounts Audit, Ending June 30, 2021, the IAD concluded that all material items were stated and were present. Chair Zimmerman credited Ms. Messner and her staff for the SSO Audit, and their identification of a risk that required additional outsourcing and expertise to address. President & CEO Roach noted that the State Safety Oversight (SSO) includes both Missouri and Illinois, and under the leadership of Ms. Messner and Andrew Ghiassi, General Manager Safety/Chief Safety Officer, they have done a great job at stewarding that process. Mr. Roach stated that recently, FTA conducted their triannual review, and the Agency received many comments on the positivity of the Agency's safety structure. (These items were presented for information only, and no action by the Committee is required.)

**10. Quarterly Financial Statements**

**11. Treasurer's Report**

**8:51 a.m.** Quarterly Financial Statements for the fourth quarter, as well as the Treasurer's Report, were included in the meeting materials. Tammy Fulbright, Executive Vice President and Chief Financial Officer, asked to give a combined report of these two items. Ms. Fulbright noted that the Financial Statements for the fourth quarter represent preliminary numbers. She stated that she will be providing additional information shortly, which will assist in identifying trends, as requested by the Commissioners. Ms. Fulbright stated that the external auditors are in the process of performing their review currently, so yearend numbers could change slightly. She reviewed the current financial status of the various BSD enterprises.

Ms. Fulbright gave an overview of the Treasurer's Report, noting that amount of funds that the Agency currently directs, and the average rate of return. She stated that, although the Agency is somewhat limited, staff is looking at opportunities for investing a little differently, in order to increase that rate of return. It was noted that this item was presented as information only.

**12. Procurement Report**

**8:55 a.m.** A Procurement Report was included in the meeting materials regarding this item. Thomas Curran, Executive Vice President Administration, gave an overview of this item. He noted that for the fourth quarter, Non-Competitive Procurements totaled approximately \$1.48 million, or 4.9% of the total Purchase Order Commitment volume. He reported that this is a significant drop from the past 12 months, as Non-Competitive Procurements for that period totaled \$18.7 million, or 16% of the total Purchase Order Commitment. Mr. Curran also noted that, included in the packed as information only, are the Contract Modifications and Procurement Card Program Administrative Review Statistics for the third quarter, FY2021.

**13. Pension Plans, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Update as of June 30, 2021**

**8:57 a.m.** Pension Plans, 401(k) Retirement Savings Program and OPEB Trust Investment Performance updates were included in the meeting materials regarding this item. Charles Stewart, Executive Vice President Organizational Effectiveness, gave an overview of performance for each of the plans, as of June 30, 2021. Commissioner Gladney asked if employees working, but not making it to retirement, is having any impact on the status of the 788 pension plan. Mr. Stewart noted that the ratio of retirees to active participants is having a tremendous impact to the plan, and it has increased the burden for active employees. He noted that the status of this plan, and its performance, are discussed every year during collective bargaining. (It was noted that this item was presented as information only.)

**14. Update on Risk Management Insurance Program**

**9:04 a.m.** A briefing paper regarding this item was included in the meeting materials. Kathy Brittin, Director of Risk and Absence Management, gave an overview of this item. She noted that FY2022 will be the last year with the current insurance broker, McGriff, Seibels & Williams of Missouri, Inc. She stated that they have done an excellent job in marketing the Agency's insurance programs this year. She noted that market conditions continue to be extremely difficult for Excess Liability, and global losses have affected everyone. Ms. Brittin noted that a summary of all of the BSD insurance programs has been provided in the meeting materials. She stated that premiums for two of the programs have actually decreased this year, and all but 4 policies came

in under the budgeted amounts. Ms. Brittin stated that she has outlined in the summary, the four policies that exceeded the budget, and the reasons behind the increases. She pointed out that the Excess Liability policy, last year and this year, has increased substantially, and to keep the premium lower, management has agreed to increase BSD self-insured retention from \$5 million to \$10 million. She noted that the Agency's loss history has never exceeded \$5 million, primary due to the sovereign immunity in Missouri. Ms. Brittin stated that this does not mean that a significant loss could not happen; however, management feels that the premium savings of \$1 million would out way the risk. Chair Zimmerman noted that the Agency experienced a shocking increase last year, and asked if we are still dealing with these challenges, primarily on the high end policies. Ms. Brittin stated that last year, the secondary insurance layer of Agency coverage went up substantially. She explained that this year, due to the primary insurer withdrawing from the public entity and transit markets, the primary insurance layer had to be replaced, which resulted in a substantial increase. The increase over the FY2022 budget is 24%. (This item was presented as information only.)

**15. President & CEO Report**

**9:09 a.m.** Bi-State Development President & CEO Taulby Roach addressed the Committee noting that a very positive meeting was held with the National Park Service. He noted that there were two issues discussed at that meeting, including the employment crisis and the Park bonds. Mr. Roach stated that the Agency delivered the positive news regarding the refunding of the Park bonds. He stated that Tammy Fulbright and her team did an excellent job regarding the refunding of these bonds, which will result in a \$32,000 savings annually for the Gateway Arch.

**16. Unscheduled Business**

**9:10 a.m.** There was no unscheduled business.

**17. Call of Dates for Future Board and Committee Meetings**

**9:10 a.m.** Myra Bennett, Manager of Board Administration, advised the Committee of the upcoming meeting, as follows:

Board of Commissioners Meeting	Friday, September 24, 2021	8:30 AM
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**18. Adjournment to 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, §10.080(D) Closed Records; Legal under §10.080(D)(1); and Auditors under §10.080(D)(10)**

**9:11 a.m.** Committee Chair Zimmerman requested a motion to allow the Committee to move into closed session as permitted under Bi-State Development Board Policy, Chapter 10, Section 10.080, (D) (1) – Legal; and (D) (10) – Audit.

A motion to move into Executive Session was made by Commissioner Cox and seconded by Commissioner Simmons. A roll call vote was taken as follows:

Vernal Brown – Yea  
 Fred Pestello – Yea  
 Nate Johnson – Yea

Derrick Cox – Yea  
 Irma Golliday – Yea  
 Herbert Simmons – Yea

Sam Gladney – Yea

Justin Zimmerman – Yea

Terry Beach – Yea

**The motion passed unanimously, and the Committee moved into Executive Session at approximately 9:12 a.m.**

**19. Reconvene to Open Meeting**

**9:49 a.m.** The Committee reconvened to the Open Meeting at approximately 9:49 a.m.

Commissioner Cox made a motion to approve the Minutes from the May 21, 2021, Executive Session of the combined meeting of the Audit, Finance, & Administration Committee, as presented, as a closed record. The motion was seconded by Commissioner Golliday.

Vernal Brown – Yea

Fred Pestello – Yea

Nate Johnson – Yea

Sam Gladney – Yea

Derrick Cox – Yea

Irma Golliday – Yea

Herbert Simmons – Yea

Justin Zimmerman – Yea

Terry Beach – Yea

**The motion passed.**

Commissioner Golliday made a motion to accept and forward to the Board of Commissioners for approval, the following items, as presented: 1) Draft Management and Performance Audit by Infrastructure Management Group, Inc. - St. Louis Metro Transit, 2) Draft Office Supply Account Audit Report, 3) Draft Accounts Payable DataServ Audit Report, 4) Draft Ticket Vending Machine (TVM) Audit Report, 5) Draft - TrueNorth IT Penetration Report, and 6) Draft - TrueNorth SCADA Assessment Report. The motion was seconded by Commissioner Beach.

Vernal Brown – Yea

Fred Pestello – Yea

Nate Johnson – Yea

Sam Gladney – Yea

Derrick Cox – Yea

Irma Golliday – Yea

Herbert Simmons – Yea

Justin Zimmerman – Yea

Terry Beach – Yea

**The motion passed.**

**20. Adjournment**

**9:51 a.m.** Chair Zimmerman asked if there was any further business, and being none, Commissioner Simmons made a motion to adjourn the meeting. The motion was seconded by Commissioner Golliday. Unanimous vote in favor was taken. The motion passed, and the meeting was adjourned at approximately 9:51 a.m.

**Bi-State Development Agency  
Audit, Finance and Administration Committee  
Open Session Agenda Item  
October 15, 2021**

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**From:** Charles A. Stewart, Jr., EVP Organizational Effectiveness  
**Subject:** **23<sup>rd</sup> Amendment to the Bi-State Development Agency of the Missouri-Illinois District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan**  
**Disposition:** Approval  
**Presentation:** Charles A. Stewart, Jr., EVP Organizational Effectiveness

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**Objective:**

To present to the Audit, Finance and Administration Committee, for discussion and referral the to the Board of Commissioners for approval, the 23<sup>rd</sup> Amendment to the Bi-State Development Agency of the Missouri-Illinois District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan.

**Background:**

The 23<sup>rd</sup> Amendment to the above referenced pension plan was adopted in February 2021 by the Pension Committee. This amendment revised the retirement benefit formula for Participants who meet the eligibility requirements and addressed the corresponding Participant contributions required to fund the additional benefit.

**Analysis:**

The amendment made two plan changes as follows –

1. The benefit multiplier increases from \$55 to \$60 per year of service for active plan participants who retire with 25 or more years of credited service for service earned after the effective date of the change (non-retroactive) which was April 1, 2020.
2. The Participant contribution increases by five dollars (\$5.00) per week in addition to the normal cost sharing arrangements provided under both the Plan and the Collective Bargaining Agreement. This increase remains in effect until such time that the Plan reaches an 85% over-all funding level at which time the Participant contribution decreases to \$1.50 with the Agency then contributing \$3.50 per week per participant of the required \$5.00 funding amount.

**Committee Action Requested:**

Management recommends that the Committee accept, and forward to the Board of Commissioners for approval, the 23<sup>rd</sup> Amendment to the Bi-State Development Agency of the Missouri-Illinois District and Local 788 Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan.

**Attachment:**

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

**Funding Source:**

No funding request is made for this matter. The pension plan is funded by employer and participant contributions.

## **Twenty-Third 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-third 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 corporate 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, Metro and the Union desire to amend the Plan,

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

1. Article III, Section 3.01(a) is amended by adding the following underlined language:

Metro shall contribute to the Plan for each Participant for each week in which Credited Service accrues, subject to Sections 1.06 and 3.03. The total weekly contribution for full-time service, effective with the payroll period that commenced on March 2, 2015, as determined then and hereafter by the actuary based on the terms of the O & M Plan, shall be the total cost of \$170.50 per Participant. Metro shall contribute seventy percent (70%) of the actuarially recommended cost (\$119.35) for Participants in the O & M Plan and sixty-eight percent (68%) of the actuarially recommended cost (\$115.94) for Participants in the Clerical Plan as of March 31, 2015. Effective with the first payroll period that commences after the Pension Committee's approval of an actuarial valuation report reflecting that the Plan's Funded Ratio is eighty-five percent (85%) or higher, Metro will contribute an additional Three Dollars and Fifty Cents (\$3.50) per week for all Participants in the O & M Plan and the Clerical Plan. The term "Funded Ratio" as used in this Section 3.01(a) means the actuarial value of Plan assets divided by the actuarial accrued liability. All contribution rates in effect prior to March 2, 2015, are set forth in Exhibits 1-A, 1-B, and 1-C. Metro's contribution

rate for part-time service shall be seventy percent (70%) of its contribution rate for full-time service.

2. Article III, Section 3.01(b)(2) is amended by adding the following underlined language:

Each full-time Participant will contribute per week at the applicable rate of contribution, but no weekly contribution (including make-up contributions as provided for in Section 3.05(a)) shall exceed two (2) times the applicable contribution rate. The total weekly contribution, effective with the payroll period that commenced on March 2, 2015, as determined then and hereafter by the actuary based on the terms of the O & M Plan, shall be the total cost of \$170.50 per Participant, with all Participants in the Clerical Plan as of March 31, 2015, contributing thirty-two percent (32%) of the actuarially recommended cost (\$54.56) and all Participants in the O & M Unit contributing thirty percent (30%) of the actuarially recommended cost (\$51.15). Effective April 1, 2020, all Participants in the O & M Plan and the Clerical Plan will contribute an additional Five Dollars (\$5) per week until the Plan's Funded Ratio, based on an actuarial valuation report, is eighty-five percent (85%) or higher, at which time this additional contribution will be reduced by Three Dollars and Fifty Cents (\$3.50). The term "Funded Ratio" as used in this Section 3.01(b) means the actuarial value of Plan assets divided by the actuarial accrued liability. All Participant contribution rates in effect prior to March 2, 2015, are set forth in Exhibits 1-A, 1-B, and 1-C.

3. Article IV, Section 4.02(a) is amended by adding the following underlined language:

Any Participant who has Credited Service of twenty-five (25) years or more may, at his election and regardless of age, be retired from service and shall receive a lifetime monthly pension of Fifty-five Dollars (\$55) for each year of Credited Service earned before April 1, 2020; the Fifty-five Dollars (\$55) shall be increased to Sixty Dollars (\$60) for each year of Credited Service earned on or after April 1, 2020; and

4. Article IV, Section 4.03(a) is amended by adding the following underlined language:

Any Participant who has Credited Service of twenty-five (25) years or more may, at his election and regardless of age, be retired from service and shall receive a lifetime monthly pension of Fifty-five Dollars (\$55) for each year of Credited Service earned before April 1, 2020; the Fifty-five Dollars (\$55) shall be increased to Sixty Dollars (\$60) for each year of Credited Service earned on or after April 1, 2020; and

IN WITNESS WHEREOF, this Twenty-third Amendment has been adopted by Metro and the Union and accepted by the Trustees as of this 4th day of February, 2021.

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

By: Liana R. Bentz  
Title: VP, Talent Management  
Date: February 22, 2021

Local 788, Amalgamated  
Transit Union, AFL-CIO

By: Reginald M. Howard  
Title: PRESIDENT BA  
Date: Feb. 22, 2021

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: Dr. J. Chaffin  
Date: Feb. 22, 2021

By: Arthur Johnson  
Date: Feb. 22, 2021

By: Liana R. Bentz  
Date: February 22, 2021

By: Curtis Wilson  
Date: 2-22-2021

By: Eng Stefan  
Date: February 22, 2021

By: Reginald M. Howard  
Date: Feb. 22, 2021

**Bi-State Development Agency  
Audit, Finance, and Administration Committee  
Open Session Agenda Item  
October 15, 2021**

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**From:** Crystal M. Messner, CIA, CFE, CISA  
Chief Audit Executive  
**Subject:** **Internal Audit Follow-Up Summary – 1st Quarter FY2022**  
Briefing Paper No. 22-12  
**Disposition:** Information  
**Presentation:** Crystal M. Messner, Chief Audit Executive

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**Objective:**

To present to the 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**) 2022, for informational purposes.

**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, the IAD regularly monitors the status of recommendations.

The Audit Follow-Up Executive Summary Report, on the following page, 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.

**Funding Source:**

Funding is provided through the IAD Operating Budget.

**Committee Action Requested:**

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

### First Quarter FY2022 Audit Follow-Up Executive Summary

<b>Report Name</b>	<b>Number of Recommendations</b>	<b>Completed</b>	<b>Outstanding – Not Overdue</b>	<b>Overdue</b>
Ticket Vending Machine (TVM) Audit	4	0	4	0
Armored Car (Loomis) Contract Audit	3	0	3	0
Passenger Revenue-Working Funds Cash Count Audit	2	0	2	0
Office Supply Program Audit	7	0	7	0
Accounts Payable-DataServ Audit	1	0	1	0
IT Penetration Testing Audit	8	0	8	0
IT SCADA Systems Audit	5	0	5	0
Procurement Card Program Audit (CY 2017-2018)	11	1	10	0
Audit of Failed DOT Medical Exams	2	0	2	0
Fuel Hedging Audit (On-Call)	10	8	2	0
Cortex MetroLink Station Construction Audit	3	2	1	0
Legal Fees Expense 5030301 Audit	6	4	2	0
InterCompany Account Balances Audit	7	6	1	0
Small Purchase Requisition Audit	7	3	4	0
Casualty Claims Audit	19	18	1	0
Payroll Hours of Service Audit	14	11	3	0
Drug and Alcohol Program Testing Audit - FY2017	11	10	1	0
SSO-Compliance, Federal, State and Local Requirements Audit	5	3	2	0
<b>TOTAL</b>	<b>125</b>	<b>66</b>	<b>59</b>	<b>0</b>

**Bi-State Development Agency  
Audit, Finance, and Administration Committee  
Open Session Agenda Item  
October 15, 2021**

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**From:** Crystal M. Messner, CIA, CFE, CISA  
Chief Audit Executive  
**Subject:** **Internal Audit Status Report – 1st Quarter FY2022**  
Briefing Paper No. 22-02  
**Disposition:** Information  
**Presentation:** Crystal M. Messner, Chief Audit Executive

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**Objective:**

To present to the Committee, the Internal Audit Department's (**IAD's**) Status Report for the 1st Quarter Fiscal Year (**FY**) 2022, for informational purposes.

**Background:**

The Internal Audit 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.

**Committee Action Requested:**

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

**Funding Source:**

Funding is provided through the Internal Audit Operating Budget.

**Attachments:**

1. Internal Audit Status Report – 1st Quarter FY2022

<b>Fiscal Year 2021 Special Projects</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
Board Meeting / Audit Committee Preparations and Meetings	July 2021		Ongoing	24.38%	320.00	0.00	78.00	78.00	242.00
Intercompany Account Reconciliation	November 2020		In Process	94.05%	1,000.00	817.00	123.50	940.50	59.50
Consulting Services for Finance Department	March 2021		In Process	30.85%	1,000.00	266.00	42.50	308.50	691.50
Training & Professional Development	July 2021		Ongoing	31.42%	600.00	0.00	188.50	188.50	411.50
<b>Total Special Projects Hours</b>					<b>2,920.00</b>	<b>1,083.00</b>	<b>432.50</b>	<b>1,515.50</b>	<b>1,404.50</b>

<b>Fiscal Year 2022 - Audit Plan</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
Audit Follow - Up	July 2021		Ongoing	11.13%	620.00	0.00	69.00	69.00	551.00
Quarterly IAD Status Report	July 2021		Ongoing	26.46%	240.00	0.00	63.50	63.50	176.50
Quarterly Treasury Safekeeping Audit	July 2021		Ongoing	5.83%	240.00	0.00	14.00	14.00	226.00
Ticket Vending Machines (TVM) Audit	January 2019		In Progress	99.24%	330.00	320.50	7.00	327.50	2.50
Office Supply Program Audit	April 2021		In Progress	65.00%	180.00	98.00	19.00	117.00	63.00
Accounts Payable-DataServ Audit	May 2021		In Progress	95.63%	160.00	118.00	35.00	153.00	7.00
IT Penetration Test - IAD Hours	November 2020		In Progress	51.25%	80.00	39.00	2.00	41.00	39.00
IT SCADA Systems Audit - IAD Hours	November 2020		In Progress	65.63%	80.00	41.50	11.00	52.50	27.50
Procurement Card Audit	September 2021		In Progress	29.03%	360.00	7.00	97.50	104.50	255.50
HR System Data Integrity Audit	July 2021		In Progress	97.81%	160.00	7.00	149.50	156.50	3.50
Healthcare Claims Audit - IAD Hours	October 2021		Planning	52.50%	120.00	6.00	57.00	63.00	57.00
St. Louis Downtown Airport Revenue Audit - IAD Hours	September 2021		Planning	4.69%	320.00	0.00	15.00	15.00	305.00
Arch and Riverboat Ticket Sales Audit	October 2021		Planning	0.00%	480.00	0.00	0.00	0.00	480.00
Payroll Audit	October 2021		Planning	2.50%	160.00	0.00	4.00	4.00	156.00
<b>Subtotal Audit Hours</b>					<b>3,530.00</b>	<b>637.00</b>	<b>543.50</b>	<b>1,180.50</b>	<b>2,349.50</b>

<b>Fiscal Year 2022 - Audit Plan</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
Turnover Cost Audit	November 2021			0.00%	360.00	0.00	0.00	0.00	360.00
Overall Risk Assessment	July 2021		In Progress	62.92%	240.00	0.00	151.00	151.00	89.00
FY2023 Annual Audit Work Plan	April 2022			0.00%	240.00	0.00	0.00	0.00	240.00
Workers' Compensation Self-Insurance Fund	April 2022			0.00%	240.00	0.00	0.00	0.00	240.00
<b>Grand Total Annual Audit Plan</b>					<b>4,610.00</b>	<b>637.00</b>	<b>694.50</b>	<b>1,331.50</b>	<b>3,278.50</b>

<b>Fiscal Year 2022 - Audit Plan Summary On-Call Contract Audit Hours</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
On-call IT Audit - SCADA System	November 2020		In Process	23.91%	1,125.00	269.00	0.00	269.00	856.00
On-call IT Audit - Penetration Testing	November 2020		In Process	23.38%	1,125.00	263.00	0.00	263.00	862.00
On-call SSO Project (A) Outsourcing Activities	July 2021		In Process	7.82%	1,125.00	0.00	88.00	88.00	1,037.00
On-call Healthcare Claims Audit	October 2021		Planning	0.00%	1,125.00	0.00	0.00	0.00	1,125.00
St. Louis Downtown Airport Revenue Audit	December 2021			0.00%	1,125.00	0.00	0.00	0.00	1,125.00
<b>Total On-Call Contract Audit Hours</b>					<b>5,625.00</b>	<b>532.00</b>	<b>88.00</b>	<b>620.00</b>	<b>3,880.00</b>

**Bi-State Development Agency  
Audit, Finance, and Administration Committee  
Open Session Agenda Item  
October 15, 2021**

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**From:** Crystal M. Messner, CIA, CFE, CISA  
Chief Audit Executive  
**Subject:** **Internal Audit State Safety Oversight Status Report  
3rd Quarter Calendar Year 2021**  
Briefing Paper No. 22-03  
**Disposition:** Information  
**Presentation:** Crystal M. Messner, Chief Audit Executive

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**Objective:**

To present to the Committee, the Internal Audit Department's (**IAD's**) State Safety Oversight (**SSO**) Status Report for the 3rd Quarter of Calendar Year 2021.

**Background:**

The Internal Audit 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 Federal Transit Administration (**FTA**) Required Rail Security and Safety.

This status report tracks all current SSO Audits and special projects completed during the 3rd Quarter.

The following audit activities were proposed by Internal Audit during the 3rd Quarter:

1. The Internal Safety Audit Process for auditing the Public Transportation Agency Safety Plan (**PTASP**) and System Security Plan (**SSP**) was outsourced to Kensington Consulting; and
2. Kensington will be on-site October 6 through 8, 2021, performing fieldwork and initial interviews.
3. The Audits for 2021 will include:
  - a. Safety and Public Safety
  - b. Emergency Management
  - c. Security: Administrative
  - d. Procurement and Inventory Management
  - e. Information Technology
  - f. Rail Planning and Scheduling
  - g. Public Information

**Conclusion:**

Third quarter proposed activities were accomplished. IAD contracted with Kensington Consulting on July 12, 2021, to outsource the Internal Safety Audit Process which will incorporate MetroBus and Call-A-Ride Audits. Calendar year 2021 audit activities are underway with Safety and Security field observations occurring October 6-8, 2021.

SSO Audits from last calendar year resulted in 12 corrective action plans (CAPs). Current status of CAPs are as follows:

- Seven (7) CAPs remain open, yet are actively in process of improvements,
- Two (2) CAPs are closed, and
- Three (3) CAPs were submitted to the Bi-State Safety Oversight for closure.

**Committee Action Requested:**

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

**Funding Source:**

Funding is provided through the Internal Audit Operating Budget.

**Attachment:**

CY 2021 - SSO Quarterly Status Report – 3rd Quarter

<b>Calendar Year 2021 - Audit Plan</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
SSO CAP Preparation & Follow-up	January 2021		Ongoing	9.17%	240.00	22.00	0.00	22.00	218.00
SSO Audit Plans	January 2021		Ongoing	17.50%	320.00	56.00	0.00	56.00	264.00
SSO Meetings / Executive Safety & Security Committee Meetings	January 2021		Ongoing	59.17%	120.00	71.00	0.00	71.00	49.00
Training & Professional Development	January 2021		Ongoing	7.50%	320.00	24.00	0.00	24.00	296.00
FTA Required Rail Safety Audit - Emergency Management Program	April 2020	February 2021	Complete	31.88%	160.00	51.00	0.00	51.00	109.00
FTA Required Rail Safety Audit - Safety Data Collection & Analysis	August 2020	February 2021	Complete	12.50%	80.00	10.00	0.00	10.00	70.00
FTA Required Rail Security Audit - Threat & Vulnerability	August 2020	February 2021	Complete	15.83%	120.00	19.00	0.00	19.00	101.00
FTA Required Rail Security Audit - Personal Security of Passengers & Employees (Protective Measures)	August 2020	February 2021	Complete	11.25%	80.00	9.00	0.00	9.00	71.00
FTA Required Rail Safety Audit - Drug & Alcohol Program	September 2019	February 2021	Complete	78.75%	80.00	63.00	0.00	63.00	17.00
PTASP and SSP - Audit Plan	January 2021		In Progress	2.08%	240.00	5.00	0.00	5.00	235.00
SSO Project -(A) Outsourcing Activities	January 2021		In Process	63.67%	150.00	0.00	95.50	95.50	54.50
SSO Project -(B) CAP Preparation & Follow-Up	January 2021		In Process	53.67%	300.00	0.00	161.00	161.00	139.00
SSO Project - (C) SSO/ESCC/BSSO Meetings	January 2021		In Process	31.50%	100.00	0.00	31.50	31.50	68.50
<b>Total Audit Hours</b>					<b>2,310.00</b>	<b>330.00</b>	<b>288.00</b>	<b>618.00</b>	<b>1,692.00</b>

<b>Fiscal Year 2021 - Audit Plan Summary Outsourced Audit Hours</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Status</b>	<b>Completion Rate (Percentage)</b>	<b>Budget</b>	<b>Hours Previous Periods</b>	<b>Hours This Quarter</b>	<b>Total Hours</b>	<b>Hours Remaining</b>
SSO Outsourced Audits - IT	November 2020		In Progress	22.50%	80.00	18.00	0.00	18.00	62.00
<b>Total Outsourced Audit Hours</b>					<b>80.00</b>	<b>18.00</b>	<b>0.00</b>	<b>18.00</b>	<b>62.00</b>

**Bi-State Development Agency  
Audit, Finance and Administration Committee  
Open Session Agenda Item  
October 15, 2021**

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**From:** Charles A. Stewart, Jr., EVP, Organizational Effectiveness  
**Subject:** Pension Audits Update  
**Disposition:** Information  
**Presentation:** Charles A. Stewart, Jr., EVP, Organizational Effectiveness

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**Objective:**

To present to the Audit, Finance and Administration Committee, an informational update on the results of 2021 audits for all pension plans.

**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 the audit reports referenced herein reflect compliance, through the most recent plan year.

**Analysis:**

**Plan Year 2021 Pension Audit Results:**

Financial audit reports for plan years ended 2021 were issued by UHY LLP in September 2021. UHY LLP issued unmodified "clean" audit opinions for plan years ended 2021 for all three pension plans.

**401(k) Audit:**

The audit for the 401(k) Retirement Savings Program for the year ended December 31, 2020 is in process and expected to be presented in the January 2022 committee meeting.

**Committee Action Requested:**

None. Information only.

**Attachments:**

- a. Financial Statements – Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District, Year Ended May 31, 2021.
- b. 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, Year Ended March 31, 2021.
- c. Financial Statements – 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, 2021.

**Funding Source:**

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

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

**AUDITED FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Year Ended May 31, 2021**

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

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## **INDEPENDENT AUDITOR'S REPORT**

To the Pension Committee of the  
Pension Plan for Salaried Employees  
of the Bi-State Development Agency of  
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, 2021, 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.

### **Auditor's 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, 2021, 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.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are stylized and cursive.

St. Louis, Missouri  
September 28, 2021

**PENSION PLAN FOR SALARIED EMPLOYEES OF  
THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS  
METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
May 31, 2021**

**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, 2021 and 2020 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, 2021**

**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 Executive Director, Metro Transit, the Vice President of Talent Management, 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 in the Independent Auditor's Report, 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, 2021**

**CONDENSED FINANCIAL INFORMATION**  
(In thousands)

	As of and for the Years Ended May 31,	
	2021	2020
Assets	\$ 101,928	\$ 77,249
Net Position	\$ 101,928	\$ 77,249
Contributions		
Employer	\$ 7,000	\$ 4,000
Participant	372	417
Investment Income, Net	23,264	3,183
Benefits Paid to Participants	(5,824)	(5,406)
Administrative Expenses	(134)	(106)
Net Increase	\$ 24,678	\$ 2,088

**FINANCIAL HIGHLIGHTS**

Pension Plan

The Plan's fiduciary net position increased by \$24.7 million, \$2.1 million and \$2.1 million in fiscal years ended May 31, 2021, 2020, and 2019 respectively. The fiduciary net position totaled \$102 million at May 31, 2021. The net increase in fiduciary net position from fiscal 2020 to 2021 is driven primarily from improving market conditions, resulting in investment income. Investment income, net for the fiscal year ended May 31, 2021 was \$23.3 million and is included in greater detail on page 9. The fiduciary net position totaled \$77 million at May 31, 2020. The increase in fiduciary net position in 2020 was driven primarily from improving market conditions, resulting in investment income.

Liabilities remained at \$-0- as of May 31, 2021, 2020, and 2019. 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 \$7.0 million, \$4.0 million and \$7.0 million for the years ended May 31, 2021, 2020 and 2019 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, 2021, 2020 and 2019 were \$372 thousand, \$417 thousand and \$465 thousand, respectively. 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

The Plan paid \$5.8 million, \$5.4 million and \$5.0 million in benefits for the years ended May 31, 2021, 2020 and 2019, respectively. Benefit payments in any given year vary by the number of new retirees and the level of supplemental benefits due to the 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, 2021**

**FINANCIAL HIGHLIGHTS** (Continued)

Bi-State Development

As of June 30, 2020, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$451 million. Operating revenues for the twelve months ended June 30, 2020 were \$54 million and operating expenses were \$385 million. The main operating expenses were wages and benefits (\$205 million), depreciation and amortization (\$80 million), and services (\$39 million). This created an operating loss of \$331 million. Non-operating revenues, net were \$294 million and were primarily comprised of grants and assistance. The Change in Net Position was \$(27 million) for the year ended June 30, 2020. As of June 30, 2019, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$478 million. The Change in Net Position was \$(34 million) for the year ended June 30, 2019. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at [www.bistatedev.org](http://www.bistatedev.org) or by contacting:

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](mailto:Finance@BiStateDev.org).

**CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT**

(In millions)

	As of and for the Years Ended June 30,	
	2020	2019
Assets	\$ 1,366	\$ 1,383
Liabilities	<u>915</u>	<u>905</u>
Net Position	<u>\$ 451</u>	<u>\$ 478</u>
Operating Revenue	\$ 54	\$ 67
Operating Expenses	<u>385</u>	<u>383</u>
Operating Loss	(331)	(316)
Non-Operating Revenue, Net	<u>304</u>	<u>282</u>
Change in Net Position	<u>\$ (27)</u>	<u>\$ (34)</u>

**PENSION PLAN FOR SALARIED EMPLOYEES OF  
THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS  
METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
May 31, 2021**

**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:

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, 2021**

**ASSETS**

Investments

Cash and cash equivalents	\$ 1,308,079
Investment securities	<u>100,602,939</u>
	<u>101,911,018</u>

Receivables

Participant contributions	16,837
Securities sold	<u>7</u>
Total receivables	<u>16,844</u>

NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 101,927,862</u>
--------------------------------------	-----------------------

*See notes to 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, 2021**

**ADDITIONS**

Contributions	
Employer	\$ 7,000,000
Participant	<u>371,783</u>
Total contributions	<u>7,371,783</u>
Investment income	
Net appreciation in fair value of investments	22,495,182
Interest and dividends	<u>838,689</u>
Total investment income	<u>23,333,871</u>
Less investment expense	<u>69,797</u>
Net investment income	<u>23,264,074</u>
Total additions	<u>30,635,857</u>

**DEDUCTIONS**

Benefits paid to participants	5,823,465
Administrative expenses	<u>133,987</u>
Total deductions	<u>5,957,452</u>

**NET INCREASE IN NET POSITION** **24,678,405**

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of year	<u>77,249,457</u>
End of year	<u>\$ 101,927,862</u>

*See notes to financial statements.*

**PENSION PLAN FOR SALARIED EMPLOYEES OF THE  
BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS  
METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2021**

**NOTE 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 Executive Director, Metro Transit, the Vice President of Talent Management, the General Counsel, and the Chief Financial Officer. The Chairperson of the Committee, with the concurrence of 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. Milliman, Inc. is the third party administrator and actuary for the Plan. Ellwood Associates serves as the Plan's investment advisor.

The Plan's membership as of June 1, 2020 consisted of:

Active Participants	214
Terminated Vested Participants	110
Terminated Non-Vested Participants Due a Refund	1
Long-Term Disability Participants	1
Participants Receiving Payments	<u>430</u>
Total participants	<u>756</u>

**Amendment**

Effective September 1, 2020, the Plan was amended to introduce the Highly Enhanced Early Retirement Opportunity Pension to certain Participants who retire on or after January 1, 2021 and on or before May 1, 2021.

**PENSION PLAN FOR SALARIED EMPLOYEES OF THE  
BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS  
METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
May 31, 2021**

**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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.

**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.

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**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**Eligibility (Continued)**

**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.

**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 0.25% for each month that the early retirement date precedes the normal retirement date.

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**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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.

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. Effective January 1, 2019, the Plan was amended so that when vested active participant's death occurs prior to retirement, their beneficiary is eligible for 100% of the accrued benefit.

**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.

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**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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.

**NOTE 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.

**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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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.

**Employer and Participant Contributions Receivable**

Contributions receivable represents contributions due to the Plan for hours worked prior to the end of the Plan 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.

**Subsequent Events**

Subsequent events were evaluated through September 28, 2021, which is the date the financial statements were available to be issued.

**PENSION PLAN FOR SALARIED EMPLOYEES OF THE  
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**NOTE 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 investment decisions to help realize a consistent return.

The following schedule presents the aggregate fair value for the Plan's investments as of May 31, 2021:

Investments at fair value	
Mutual funds - equity	\$ 59,277,589
Mutual fund - fixed income	31,149,982
Other	8,169,079
Mutual fund - balanced	2,006,289
Cash and cash equivalents	<u>1,308,079</u>
Total investments	<u>\$ 101,911,018</u>

The following presents investments that represent 5% or more of the Plan's net position, which represents a concentration risk at May 31, 2021:

Metropolitan West Low Duration	\$ 31,149,982
Dodge & Cox Stock Fund	\$ 12,022,444
Vanguard 500 Index Admiral	\$ 10,239,819
T Rowe Price Blue Chip Growth Fund I	\$ 9,120,093
American Funds Europacific Growth A	\$ 8,177,039
Brandes Institutional International Equity Fund	\$ 7,112,342

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, 2021 subject to credit risk are shown with their respective credit ratings below:

Metropolitan West Low Duration Bond Fund	AA	\$ 31,149,982	96%
First American Treasury Obligation (Class Y)	AAA	<u>1,308,079</u>	<u>4%</u>
		<u>\$ 32,458,061</u>	<u>100%</u>

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**NOTE 3 — INVESTMENTS (Continued)**

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 fiscal year ended May 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 29.14 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.

**NOTE 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.

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**NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value:

	Assets at Fair Value as of May 31, 2021			
	Level 1:	Level 2:	Level 3:	Total
Mutual Funds - Equity	\$ 59,277,589	\$ -	\$ -	\$ 59,277,589
Mutual Funds - Fixed Income	31,149,982	-	-	31,149,982
Mutual Funds - Balanced	<u>2,006,289</u>	-	-	<u>2,006,289</u>
	<u>\$ 92,433,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>92,433,860</u>
Investments Measured at NAV (a)				8,169,079
Investments Measured at Amortized Cost (a)(b)				<u>1,308,079</u>
				<u>\$ 101,911,018</u>

(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 as of May 31, 2021 in the table below.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Archipelago Hld Class A	\$ 4,145,466	\$ -	See Note (3)	45 days
Forester Offshore 03/14	2,397,464	-	See Note (1)	See Note (2)
Forester Offshore 08/13	<u>1,625,967</u>	-	See Note (1)	See Note (2)
Investments measured at NAV	<u>\$ 8,169,079</u>			

(1) Series A2: .95% management fee plus 3% incentive fee; annual liquidity following an initial two-year lock-up.

(2) 95 days' notice required for all withdrawals. At the end of each three-year commitment period, Series B2 shares will automatically be converted into Series A2 shares unless the shareholder elects in writing to maintain the Series B2 shares for another three year period or to switch to another series.

(3) No lock-up, quarterly redemption, 45 days' notice.

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**NOTE 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.

**NOTE 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.

**NOTE 7 — NET PENSION LIABILITY**

The following presents the components of net pension liability as of May 31, 2021:

Total Pension Liability	\$ 107,924,927
Plan Fiduciary Net Position	<u>101,927,862</u>
Net Pension Liability	<u>\$ 5,997,065</u>
 Plan Fiduciary Net Position as a % of Total Pension Liability	 <u>94.44%</u>
 Covered Payroll	 <u>\$ 16,693,450</u>
 Net Pension Liability as a % of Covered Payroll	 <u>37.23%</u>

The total pension liability was determined by an actuarial valuation as of the valuation date (June 1, 2020) 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.

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**NOTE 7 — NET PENSION LIABILITY** (Continued)

The following significant assumptions were used for the June 1, 2020 actuarial valuation:

Valuation Date	June 1, 2020
Measurement Date	May 31, 2021
Discount Rate	6.00%
Long-Term Expected Rate of Return, Net of Investment Expense	6.00%

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	2.20%
Salary Increases Including Inflation	4.50%
Mortality	Pub-2010 General Mortality Tables for Employees, Healthy Retirees, Disabled Retirees and Contingent Survivors, male and female rates, with generational projection from 2010 using Scale MP-2020 (improvement scale updates published annually)
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 25, 2021.

Asset Class	Target Allocation *	Long-Term Expected Geometric Real Rate of Return
U.S. Short Term Fixed Income	32.00%	**
U.S. Large Cap Equity	29.00%	3.9%
U.S. Small/Mid Cap Equity	9.00%	4.4%
Non-U.S. Developed Large Cap Equity	14.50%	4.3%
Non-U.S. Developed Small/Mid Cap Equity	3.00%	4.8%
Real Assets (Liquid)	2.50%	2.3%
Directional Hedge Funds	10.00%	2.8%
Assumed Inflation - Mean		2.20%
Long-Term Expected Rate of Return		6.00%

\* As outlined in the Plan's investment policy dated February 2021

\*\* Expected to earn less than inflation

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**NOTE 7 — NET PENSION LIABILITY (Continued)**

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.00%, 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 (5.00%) and 1 percentage point higher (7.00%) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total Pension Liability	\$119,776,409	\$107,924,927	\$ 97,842,162
Fiduciary Net Position	\$101,927,862	\$101,927,862	\$101,927,862
Net Pension Liability	\$ 17,848,547	\$ 5,997,065	\$ (4,085,700)

**NOTE 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.

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**NOTE 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.

**NOTE 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.

## **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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(in '000's)

	May 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>										
Service Cost	\$ 1,178	\$ 1,300	\$ 1,533	\$ 1,643	\$ 1,692	\$ 1,710	\$ 1,558	N/A	N/A	N/A
Interest on Total Pension Liability	6,815	6,675	6,531	6,344	6,113	5,712	5,687	N/A	N/A	N/A
Effect of Economic/Demographic Gains or Losses	(930)	(244)	(551)	(449)	2,689	(604)	-	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	7,645	-	-	-	-	4,143	-	N/A	N/A	N/A
Benefit Payments	(5,823)	(5,406)	(5,031)	(4,493)	(4,439)	(4,275)	(6,012)	N/A	N/A	N/A
Net change in total pension liability	8,885	2,325	2,482	3,045	6,055	6,686	1,233	N/A	N/A	N/A
Total Pension Liability -										
Beginning of year	99,041	96,716	94,234	91,189	85,134	78,448	77,215	N/A	N/A	N/A
End of year	\$ 107,926	\$ 99,041	\$ 96,716	\$ 94,234	\$ 91,189	\$ 85,134	\$ 78,448	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer Contributions	\$ 7,000	\$ 4,000	\$ 7,000	\$ 7,635	\$ 6,960	\$ 2,752	\$ 3,501	N/A	N/A	N/A
Participant Contributions	372	417	465	524	535	555	529	N/A	N/A	N/A
Net Investment Income (Loss)	23,264	3,183	(155)	6,143	5,504	(2,040)	2,605	N/A	N/A	N/A
Benefit Payments	(5,823)	(5,406)	(5,031)	(4,493)	(4,439)	(4,275)	(6,012)	N/A	N/A	N/A
Administrative Expenses	(134)	(106)	(134)	(112)	(96)	(168)	(66)	N/A	N/A	N/A
Net change in plan fiduciary net position	24,679	2,088	2,145	9,697	8,464	(3,176)	557	N/A	N/A	N/A
Total Fiduciary Net Position -										
Beginning of year	77,249	75,161	73,016	63,319	54,855	58,031	57,474	N/A	N/A	N/A
End of year	\$ 101,928	\$ 77,249	\$ 75,161	\$ 73,016	\$ 63,319	\$ 54,855	\$ 58,031	N/A	N/A	N/A
<b>Net Pension Liability</b>	\$ 5,998	\$ 21,792	\$ 21,555	\$ 21,218	\$ 27,870	\$ 30,279	\$ 20,417	N/A	N/A	N/A
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	94.44 %	78.00 %	77.71 %	77.48 %	69.44 %	64.43 %	73.97	N/A	N/A	N/A
<b>Covered Payroll</b>	\$ 16,693	\$ 18,195	\$ 20,804	\$ 22,111	\$ 22,658	\$ 21,826	\$ 21,841	N/A	N/A	N/A
<b>Net Pension Liability as a % of Covered Payroll</b>	37.23 %	119.77 %	103.61 %	95.96 %	123.00 %	138.73 %	93.48	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.

**PENSION PLAN FOR SALARIED EMPLOYEES OF  
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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**May 31, 2021**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution *</b>	<b>Actual Employer Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll **</b>	<b>Contribution as a % of Covered Payroll</b>
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%
2019	7,000,000	7,000,000	-	20,910,655	33.48%
2020	4,000,000	4,000,000	-	18,194,581	21.98%
2021	7,000,000	7,000,000	-	16,693,450	41.93%

\* 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 auditor's 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  
May 31, 2021**

<u>Plan Year Ending May 31,</u>	<u>Net Money-Weighted Rate of Return (Loss)</u>
2012	N/A
2013	N/A
2014	N/A
2015	4.65%
2016	(3.57)%
2017	10.13%
2018	9.74%
2019	(0.21)%
2020	4.29%
2021	29.14%

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

*See independent auditor's 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  
May 31, 2021**

**NOTE 1 — ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS**

The following actuarial methods and assumptions were used in the June 1, 2020 funding valuation. Please see the valuation report dated November 2, 2020 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 6/1/2020	20 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 Disability Mortality, male and female rates
Investment Rate of Return	7.00%
Cost of Living Adjustments	None

*See independent auditor's 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**

**AUDITED FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Year Ended March 31, 2021**

**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**

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## **INDEPENDENT AUDITOR'S 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, 2021 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.

### **Auditor's 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, 2021, 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.

The image shows a handwritten signature in black ink. The letters 'UHY' are written in a large, stylized, cursive font. To the right of 'UHY', the letters 'LLP' are written in a smaller, simpler, sans-serif font.

St. Louis, Missouri  
September 28, 2021

**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, 2021**

## **OVERVIEW**

The management's discussion and analysis (MD&A) is presented 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 consist of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal years ended March 31, 2021 and 2020 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 ten 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.

**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, 2021**

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

**FINANCIAL STATEMENTS**

As described in the Independent Auditor's Report, 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 (decrease) 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, 2021**

**CONDENSED FINANCIAL INFORMATION**

(In thousands)

	As of and for the Years Ended March 31,	
	2021	2020
Assets	\$ 7,520	\$ 5,420
Liabilities	13	11
Net Position	<u>\$ 7,507</u>	<u>\$ 5,409</u>
Contributions		
Employer	\$ 208	\$ 189
Participant	49	53
Investment Income (Loss), net	2,149	(233)
Benefits Paid to Participants	(292)	(265)
Administrative Expenses	(16)	(23)
Net Increase (Decrease)	<u>\$ 2,098</u>	<u>\$ (279)</u>

**FINANCIAL HIGHLIGHTS**

Pension Plan

The Plan's fiduciary net position increased by \$2.1 million, decreased by \$279 thousand and increased \$346 thousand in fiscal years ended March 31, 2021, 2020, and 2019, respectively. The fiduciary net position totaled \$7.5 million at March 31, 2021. The net increase in fiduciary net position from fiscal 2020 to 2021 is driven primarily from favorable market conditions, resulting in investment gain. Investment gain, net for the fiscal year ended March 31, 2021 was \$2.1 million and is included in greater detail on page 9. The Plan achieved 100% funded status by November 30, 2017. The fiduciary net position totaled \$5.4 million at March 31, 2020. The decrease in fiduciary net position in 2020 was driven primarily from poor market conditions, largely due to growing concerns of COVID-19, resulting in investment loss.

Liabilities totaled \$12.7 thousand, \$11.1 thousand, and \$2.0 thousand as of March 31, 2021, 2020, and 2019 respectively. These liabilities are driven by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of \$49 thousand, \$53 thousand, and \$55 thousand for the years ended March 31, 2021, 2020, and 2019 respectively. The Plan received employer contributions from Bi-State Development in the amounts of \$208 thousand, \$189 thousand, and \$270 thousand for the years ended March 31, 2021, 2020, and 2019, respectively. The participant and employer contributions are determined by the Plan's actuary.

The Plan paid \$292 thousand, \$265 thousand, and \$222 thousand in benefits for the years ended March 31, 2021, 2020, and 2019 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 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, 2021**

**FINANCIAL HIGHLIGHTS (Continued)**

Bi-State Development

As of June 30, 2020, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$451 million. Operating revenues for the twelve months ended June 30, 2020 were \$54 million and operating expenses were \$385 million. The main operating expenses were wages and benefits (\$205 million), depreciation and amortization (\$80 million), and services (\$39 million). This created an operating loss of \$331 million. Non-operating revenues, net were \$304 million and were primarily comprised of grants and assistance. The Change in Net Position was \$(27 million) for the year ended June 30, 2020. As of June 30, 2019, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$478 million. The Change in Net Position was \$(34 million) for the year ended June 30, 2019. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at [www.bistatedev.org](http://www.bistatedev.org) or by contacting:

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](mailto:Finance@BiStateDev.org).

**CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT**

(In millions)

	As of and for the Years Ended June 30,	
	2020	2019
Assets	\$ 1,366	\$ 1,383
Liabilities	<u>915</u>	<u>905</u>
Net Position	<u>\$ 451</u>	<u>\$ 478</u>
Operating Revenue	\$ 54	\$ 67
Operating Expenses	<u>385</u>	<u>383</u>
Operating Loss	(331)	(316)
Non-Operating Revenue, Net	<u>304</u>	<u>282</u>
Change in Net Position	<u>\$ (27)</u>	<u>\$ (34)</u>

**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, 2021**

**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:

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, 2021**

**ASSETS**

Cash and cash equivalents	\$ 83,184
Investments	<u>7,436,513</u>
	7,519,697

**LIABILITIES**

Accrued expenses	<u>12,688</u>
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NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 7,507,009</u>
--------------------------------------	---------------------

*See notes to 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, 2021**

**ADDITIONS**

Contributions	
Employer	\$ 208,022
Participant	<u>49,419</u>
Total contributions	<u>257,441</u>
Investment income	
Net appreciation in fair value of investments	2,050,188
Interest and dividends	<u>106,011</u>
Total investment income	2,156,199
Less: Investment management and custodian fees	<u>(7,734)</u>
Net investment income	<u>2,148,465</u>
Total additions	<u>2,405,906</u>

**DEDUCTIONS**

Benefits paid to participants	292,468
Administrative expenses	<u>15,547</u>
Total deductions	<u>308,015</u>

NET INCREASE IN NET POSITION 2,097,891

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of year	<u>5,409,118</u>
End of year	<u>\$ 7,507,009</u>

*See notes to 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 FINANCIAL STATEMENTS  
March 31, 2021**

**NOTE 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 Talent Management is a standing member. The other three members of management are selected by the Chief Executive Officer and the Vice President of Talent Management.

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

As of April 1, 2020, the Plan's membership consisted of:

Active Participants	40
Terminated Vested Participants	8
Terminated Non-Vested Participants Due a Refund	2
Participants Receiving Payments	<u>21</u>
Total participants	<u>71</u>

**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 FINANCIAL STATEMENTS  
March 31, 2021**

**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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. The plan document requires that Bi-State Development contribute 70% of the actuarially determined contribution or 4% of covered payroll, whichever is greater. In addition, as a condition of participation, employees are required to 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.

**Normal Retirement Benefits**

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

<u>Age</u>	<u>Credited Service</u>
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.

**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 FINANCIAL STATEMENTS  
March 31, 2021**

**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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 \$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.

**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 FINANCIAL STATEMENTS  
March 31, 2021**

**NOTE 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.

**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 certain reported amounts and disclosures. 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.

**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.

**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 FINANCIAL STATEMENTS  
March 31, 2021**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. Certain investment related expenses are included in net appreciation in fair value of investments.

**Subsequent Events**

Subsequent events were evaluated through September 28, 2021, which is the date the financial statements were available to be issued.

**NOTE 3 — INVESTMENTS**

The following schedule presents the aggregate market value for the Plan's investments as of March 31, 2021:

Money Market	
First American Treasury Obligation (Class Y)	<u>\$ 83,184</u>
Mutual Funds	
Artisan Small Cap Fund	346,091
Harbor Small Cap Value Fund	402,273 *
American Euro Pacific Growth Fund	1,042,222 *
Dodge & Cox Income Fund	2,715,734 *
Vanguard 500 Index Admiral	<u>2,930,193 *</u>
	<u>7,436,513</u>
	<u>\$ 7,519,697</u>

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

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.

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**NOTE 3 — INVESTMENTS (Continued)**

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.

As of March 31, 2021, the Plan's assets subject to credit risk are shown with their respective credit ratings below:

Dodge & Cox Income Fund	A	\$ 2,715,734	97%
First American Treasury Obligation (Class Y)	AAA	<u>83,184</u>	<u>3%</u>
		<u>\$ 2,798,918</u>	<u>100%</u>

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 fiscal year ended March 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 40.00%. 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.

**NOTE 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.

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**NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)**

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:

	Assets at Fair Values as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 7,436,513	\$ -	\$ -	\$ 7,436,513
Investments Measured at Amortized Cost (a)(b)				83,184
Total investments measured at fair value				\$ 7,519,967

- (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.

**NOTE 5 — TAX STATUS**

The Internal Revenue Service has determined and informed the Committee by letter dated March 30, 2017, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code.

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**NOTE 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, 2021, the participants contributed \$49,419. For the year ended March 31, 2021, Bi-State Development contributed \$208,022, which included \$39,365, of funding for supplemental pension benefits for participants' unused sick leave.

**NOTE 7 — NET PENSION LIABILITY**

The following presents the components of net pension liability as of March 31, 2021:

Total Pension Liability	\$ 6,956,336
Plan Fiduciary Net Position	<u>7,507,009</u>
Net Pension Liability	<u>\$ (550,673)</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	<u>107.92%</u>
Covered Payroll	<u>\$ 2,598,003</u>
Net Pension Liability as a % of Covered Payroll	<u>-21.20%</u>

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2020) 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, 2020 actuarial valuation:

Valuation Date	April 1, 2020
Measurement Date	March 31, 2021
Discount Rate	6.00%
Long-Term Expected Rate of Return, Net of Investment Expense	6.00%

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**NOTE 7 — NET PENSION LIABILITY (Continued)**

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	2.20%
Salary Increases Including Inflation	3.50%
Mortality	Pub-2010 General Mortality Tables for Employees, Healthy Retirees, Disabled Retirees and Contingent Survivors, male and female rates, with generational projection from 2010 using Scale MP-2020 (improvement scale updates published annually)
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 July 6, 2021 are as follows.

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return
Cash	1.00%	**
U.S. Intermediate Term Fixed Income	39.00%	0.00%
U.S. Large Cap Equity	37.00%	3.90%
U.S. Small/Mid Cap Equity	9.00%	4.40%
Non-U.S. Developed Equity	14.00%	4.30%
Assumed Inflation - Mean		2.20%
Long-Term Expected Rate of Return		6.00%

\* As outlined in the Plan's investment policy dated February 2021

\*\* Expected to earn less than inflation

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**NOTE 7 — NET PENSION LIABILITY (Continued)**

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.00%, 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 (5.00%) and 1 percentage point higher (7.00%) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total Pension Liability	\$ 7,826,541	\$ 6,956,336	\$ 6,221,948
Fiduciary Net Position	\$ 7,507,009	\$ 7,507,009	\$ 7,507,009
Net Pension Liability	\$ 319,532	\$ (550,673)	\$ (1,285,061)

**NOTE 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.

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**NOTE 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.

**NOTE 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS  
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OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL  
WORKERS EMPLOYEES' PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

(in '000's)

	March 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>										
Service Cost	\$ 130	\$ 134	\$ 149	\$ 155	\$ 177	\$ 177	\$ 166	N/A	N/A	N/A
Interest on Total Pension Liability	402	373	356	331	311	285	255	N/A	N/A	N/A
Effect of Economic/Demographic Gains or Losses	47	179	(3)	81	50	110	-	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	921	-	-	-	-	121	-	N/A	N/A	N/A
Benefit Payments	(292)	(265)	(223)	(177)	(177)	(128)	(90)	N/A	N/A	N/A
Net change in total pension liability	1,208	421	279	390	361	565	\$ 331	N/A	N/A	N/A
Total Pension Liability, Beginning of Year	5,749	5,328	5,049	4,659	4,298	3,733	\$ 3,402	N/A	N/A	N/A
Total Pension Liability, End of Year	<u>\$ 6,957</u>	<u>\$ 5,749</u>	<u>\$ 5,328</u>	<u>\$ 5,049</u>	<u>\$ 4,659</u>	<u>\$ 4,298</u>	<u>\$ 3,733</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>										
Employer Contributions	\$ 208	\$ 189	\$ 270	\$ 493	\$ 303	\$ 319	\$ 405	N/A	N/A	N/A
Participant Contributions	49	53	56	135	96	103	108	N/A	N/A	N/A
Net Investment Income (Loss)	2,148	(233)	276	438	437	(53)	194	N/A	N/A	N/A
Benefit Payments	(292)	(265)	(222)	(177)	(177)	(128)	(90)	N/A	N/A	N/A
Administrative Expenses	(15)	(23)	(33)	(16)	(23)	(49)	(19)	N/A	N/A	N/A
Net change in Plan fiduciary net position	2,098	(279)	347	873	636	192	\$ 598	N/A	N/A	N/A
Total Fiduciary Net Position, Beginning of Year	5,409	5,688	5,341	4,468	3,832	3,640	\$ 3,042	N/A	N/A	N/A
Total Fiduciary Net Position, End of Year	<u>\$ 7,507</u>	<u>\$ 5,409</u>	<u>\$ 5,688</u>	<u>\$ 5,341</u>	<u>\$ 4,468</u>	<u>\$ 3,832</u>	<u>\$ 3,640</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Net Pension Liability</b>	<u>\$ (550)</u>	<u>\$ 340</u>	<u>\$ (360)</u>	<u>\$ (292)</u>	<u>\$ 191</u>	<u>\$ 466</u>	<u>\$ 93</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	<u>107.92 %</u>	<u>94.09 %</u>	<u>106.74 %</u>	<u>105.80 %</u>	<u>95.92 %</u>	<u>89.16 %</u>	<u>97.51 %</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Covered Payroll</b>	<u>\$ 2,598</u>	<u>\$ 2,658</u>	<u>\$ 2,975</u>	<u>\$ 2,997</u>	<u>\$ 3,385</u>	<u>\$ 3,408</u>	<u>\$ 3,362</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Net Pension Liability as a % of Covered Payroll</b>	<u>(21.20) %</u>	<u>12.79 %</u>	<u>(12.11) %</u>	<u>(9.78) %</u>	<u>5.62 %</u>	<u>13.67 %</u>	<u>2.77 %</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**March 31, 2021**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll **</b>	<b>Contribution as a % of Covered Payroll</b>
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	-	3,169,194	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	450,640	450,640	-	2,996,656	15.04%
2019	269,828	269,828	-	2,974,566	9.07%
2020	189,213	189,213	-	2,658,157	7.12%
2021	208,022	208,022	-	2,598,003	8.01%

\* 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 auditor's report and notes to required supplementary information.*

**BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS  
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
March 31, 2021**

<u>Plan Year Ending March 31,</u>	<u>Net Money-Weighted Rate of Return (Loss)</u>
2012	N/A
2013	N/A
2014	N/A
2015	5.56%
2016	(1.42)%
2017	11.11%
2018	9.27%
2019	5.13%
2020	(4.11)%
2021	40.00%

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

*See independent auditor's report and notes to required supplementary information.*

**BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS  
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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
March 31, 2021**

**NOTE 1 — ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS**

The following actuarial methods and assumptions were used in the April 1, 2020 funding valuation. Please see the valuation report dated November 2, 2020 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 4/1/2019	15 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 auditor's report and notes to required supplementary information.*

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

**AUDITED FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Year Ended March 31, 2021**

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

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## **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, 2021, 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.

### **Auditor's 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, 2021, 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.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are stylized and cursive.

St. Louis, Missouri  
September 28, 2021

**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, 2021**

**OVERVIEW**

The management's discussion and analysis (MD&A) is presented 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 consist of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal years ended March 31, 2021 and 2020, 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, 2021**

**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 Talent Management is a standing member. The other two members of management are selected by the Chief Executive Officer and the Vice President of Talent Management.

**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 (decrease) 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  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
March 31, 2021**

**CONDENSED FINANCIAL INFORMATION**

(In thousands)

788

	As of and for the Years Ended March 31,	
	2021	2020
Assets	\$ 180,042	\$ 128,084
Liabilities	<u>156</u>	<u>94</u>
Net Position	<u>\$ 179,886</u>	<u>\$ 127,990</u>
Contributions		
Employer	\$ 9,549	\$ 9,990
Participant	4,107	3,930
Investment Income (Loss), Net	55,149	(8,910)
Benefits Paid to Participants	(16,575)	(16,499)
Administrative Expenses	<u>(333)</u>	<u>(285)</u>
Net Increase (Decrease)	<u>\$ 51,897</u>	<u>\$ (11,774)</u>

**FINANCIAL HIGHLIGHTS**

Pension Plan

The Plan's fiduciary net position increased by \$51.9 million, decreased by \$11.8 million and increased \$673 thousand in fiscal years ended March 31, 2021, 2020 and 2019, respectively. The fiduciary net position totaled \$179.9 million at March 31, 2021. The net increase in fiduciary net position from fiscal 2020 to 2021 is driven primarily from favorable market conditions, resulting in investment gain. Investment gain, net for the fiscal year ended March 31, 2021, was \$55.1 million and is included in greater detail on page 9. The fiduciary net position totaled \$128.0 million at March 31, 2020. The decrease in fiduciary net position in 2020 is primarily due to investments loss.

Liabilities totaled \$156 thousand, \$94 thousand and \$58 thousand as of March 31, 2021, 2020 and 2019, respectively. These liabilities are driven by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of \$4.1 million, \$3.9 million and \$4.1 million for the years ended March 31, 2021, 2020 and 2019 respectively. The Plan received employer contributions from Bi-State Development in the amounts of \$9.5 million, \$9.9 million and \$10.3 million for the years ended March 31, 2021, 2020 and 2019 respectively. The participant and employer contributions are determined by the Plan's actuary.

The Plan paid \$16.6 million, \$16.5 million and \$16.3 million in benefits for the years ended March 31, 2021, 2020 and 2019 respectively. Benefit payments in any given year vary by number of new retirees and the level of supplemental benefits due to the participant.

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**FINANCIAL HIGHLIGHTS (Continued)**

Bi-State Development

As of June 30, 2020, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$451 million. Operating revenues for the twelve months ended June 30, 2020 were \$54 million and operating expenses were \$385 million. The main operating expenses were wages and benefits (\$205 million), depreciation and amortization (\$80 million), and services (\$39 million). This created an operating loss of \$331 million. Non-operating revenues, net were \$294 million and were primarily comprised of grants and assistance. The Change in Net Position was \$(27 million) for the year ended June 30, 2020. As of June 30, 2019, Bi-State Development had assets of approximately \$1.4 billion and net assets of \$478 million. The Change in Net Position was \$(34 million) for the year ended June 30, 2019. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at [www.bistatedev.org](http://www.bistatedev.org) or by contacting:

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](mailto:Finance@BiStateDev.org).

**CONDENSED CAFR DATA FOR BI-STATE DEVELOPMENT**

(In millions)

	As of and for the Years Ended June 30,	
	2020	2019
Assets	\$ 1,366	\$ 1,383
Liabilities	<u>915</u>	<u>905</u>
Net Position	<u>\$ 451</u>	<u>\$ 478</u>
Operating Revenue	\$ 54	\$ 67
Operating Expenses	<u>385</u>	<u>383</u>
Operating Loss	(331)	(316)
Non-Operating Revenue, Net	<u>304</u>	<u>282</u>
Change in Net Position	<u>\$ (27)</u>	<u>\$ (34)</u>

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**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:

Bi-State Development Pension Department  
One Metropolitan Square  
211 North Broadway, Suite 700  
Mail Stop 125  
St. Louis, MO 63102

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**STATEMENT OF FIDUCIARY NET POSITION**  
**March 31, 2021**

**ASSETS**

Cash and cash equivalents	\$ 2,302,461
Investments	<u>177,594,270</u>
	<u>179,896,731</u>
Receivables	
Employer contributions	92,413
Participant contributions	<u>44,131</u>
	<u>136,544</u>
Accrued income	<u>8,843</u>
Total assets	<u>180,042,118</u>

**LIABILITIES**

Accrued expenses	<u>155,738</u>
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NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 179,886,380</u>
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*See notes to financial statements.*

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended March 31, 2021**

**ADDITIONS**

Contributions	
Employer	\$ 9,548,954
Participant	<u>4,106,553</u>
Total contributions	<u>13,655,507</u>
Investment income	
Net appreciation in fair value of investments	53,618,171
Interest and dividends	<u>1,647,785</u>
Total investment income	55,265,956
Investment expense	<u>(117,072)</u>
Net investment income	<u>55,148,884</u>
Total additions	<u>68,804,391</u>

**DEDUCTIONS**

Benefits paid to participants	16,575,144
Administrative expenses	<u>332,486</u>
Total deductions	<u>16,907,630</u>

NET INCREASE IN NET POSITION 51,896,761

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of year	<u>127,989,619</u>
End of year	<u>\$ 179,886,380</u>

*See notes to financial statements.*

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**NOTE 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 Talent Management is a standing member. The other two members of management are selected by the Chief Executive Officer and the Vice President of Talent Management.

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 and actuary for the Plan. Ellwood Associates serves as the Plan's investment advisor.

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**NOTE 1 — DESCRIPTION OF PLAN** (Continued)

**General** (Continued)

The Plan's membership as of April 1, 2020 consisted of:

Active Participants	1,374
Terminated Vested Participants	63
Terminated Non-Vested Participants Due a Refund	214
Participants Receiving Payments	<u>1,137</u>
Total participants	<u><u>2,788</u></u>

**Amendment**

Effective April 1, 2020, the Plan was amended to increase the weekly contribution rate for all participants in the Plan by \$5.00 until the Plan's funded ratio is 85.00% or higher, at which time this additional contribution will be reduced by \$3.50. Effective with the first payroll period that commences after the Pension Committee's approval of an actuarial valuation report reflecting that the Plan's Funded Ratio is 85.00% or higher, Bi-State Development will contribute an additional \$3.50 per week for all Participants in the Plan.

Any participant who has credited service of 25 years or more, regardless of age, may elect to be retired from service and shall receive a lifetime monthly pension of \$55.00 for each year of credited service earned before April 1, 2020. Effective April 1, 2020, the \$55.00 shall be increased to \$60.00 for each year of credited service earned on or after April 1, 2020.

**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:

<u>Age</u>	<u>Credited Service</u>
Any age	25 years
55	20 years
65	No minimum requirement

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**NOTE 1 — DESCRIPTION OF PLAN (Continued)**

**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.

**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.

**Term-Vested Benefit Eligibility**

The Plan allows term-vested former employees to apply for accrued pension benefits, prior to reaching age 65, based upon being originally eligible under the plan when they terminated active employment.

**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.

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**NOTE 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 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.

**NOTE 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.

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**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 certain reported amounts and disclosures. 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.

**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.

**Employer and Participant Contributions Receivable**

Contributions receivable represent contributions due to the Plan for hours worked prior to the end of the Plan 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.

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**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

Subsequent events were evaluated through September 28, 2021, which is the date the financial statements were available to be issued.

**NOTE 3 — INVESTMENTS**

The following schedule presents the aggregate market value for the Plan's investments as of March 31, 2021:

Investments at Fair Value	
Mutual funds - equity	\$ 107,418,558
Mutual funds - fixed income	34,298,197
Partnerships/joint ventures	22,774,111
Domestic common stocks	12,606,726
Cash and cash equivalents	2,302,461
Foreign stocks	496,678
Total investments	<u>\$ 179,896,731</u>

The following presents investments that represent 5% or more of the Plan's net position, which represents a concentration risk at March 31, 2021:

Dodge & Cox Stock Fund	\$ 23,738,353
Edgewood Growth Fund CI	\$ 20,871,159
American Euro Pac Growth Fund CI	\$ 19,323,087
Metropolitan West Tr Bond I	\$ 19,037,739
John Hancock Disciplined Value	\$ 17,425,449
Dodge & Cox Income Fund	\$ 15,260,458
Harbor Small Cap Value Fund	\$ 10,006,322

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.

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**NOTE 3 — INVESTMENTS (Continued)**

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, 2021 subject to credit risk are shown with their respective credit ratings below:

Metropolitan West Tr Bond I	AA	\$ 19,037,739	56%
Dodge & Cox Income Fund	A	<u>15,260,458</u>	<u>44%</u>
		<u>\$ 34,298,197</u>	<u>100%</u>

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 fiscal year ended March 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 43.54 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.

**NOTE 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.

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**NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)**

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.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value:

Assets at Fair Values as of March 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds - equity	\$ 107,418,558	\$ -	\$ -	\$ 107,418,558
Mutual funds - fixed income	34,298,197	-	-	34,298,197
Domestic common stocks	12,606,726	-	-	12,606,726
Foreign stocks	<u>496,678</u>	<u>-</u>	<u>-</u>	<u>496,678</u>
	<u>\$ 154,820,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>154,820,159</u>
Investments measured at NAV (a)				22,774,111
Investments measured at amortized cost (a)(b)				<u>2,302,461</u>
				<u>\$ 179,896,731</u>

(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 as of March 31, 2021 in the table below.

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Principal U.S. Real Estate	\$ 6,710,115	\$ -	Daily (1)	-
HBK Master Fund II	8,726,155	-	Quarterly	90 days
Davidson Kempner International	<u>7,337,841</u>	-	Quarterly	60 days
Investments measured at NAV	<u>\$ 22,774,111</u>			

(1) Generally offer redemption the next business day, subject to cash availability.

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**NOTE 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. 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 Internal Revenue Code.

**NOTE 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. Effective April 1, 2020 all participants contribute an additional \$5.00 per week until the Plan's Funded Ratio is 85% or higher.

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.

**NOTE 7 — NET PENSION LIABILITY**

The following table presents the components of net pension liability as of March 31, 2021:

Total Pension Liability	\$ 215,088,209
Plan Fiduciary Net Position	<u>179,886,380</u>
Net Pension Liability	<u>\$ 35,201,829</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	<u>83.63%</u>
Covered Payroll	<u>\$ 71,784,066</u>
Net Pension Liability as a % of Covered Payroll	<u>49.04%</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
March 31, 2021**

**NOTE 7 — NET PENSION LIABILITY (Continued)**

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2020) 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, 2020 actuarial valuation:

Valuation Date	April 1, 2020
Measurement Date	March 31, 2021
Discount Rate	6.50%
Long-Term Expected Rate of Return, Net of Investment Expense	6.50%

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	2.20%
Salary Increases Including Inflation	3.50%
Mortality	Pub-2010 General Below – Median Mortality Tables for Employees, Healthy Retirees, Disabled Retirees and Contingent Survivors, male and female rates, with generational projection from 2010 using Scale MP-2020 (improvement scale updates published annually)
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 July 6, 2021 are as follows.

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**NOTE 7 — NET PENSION LIABILITY (Continued)**

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return
Cash	2.00%	**
U.S. Intermediate Term Fixed Income	18.00%	0.00%
U.S. Large Cap Equity	30.00%	3.90%
U.S. Small/Mid Cap Equity	10.00%	4.40%
Non-U.S. Developed Equity	20.00%	4.30%
Emerging Market Equities	5.00%	5.10%
Core Real Estate	5.00%	2.50%
Low Volatility Hedge Funds	10.00%	1.50%
Assumed Inflation - Mean		2.20%
Long-Term Expected Rate of Return		6.50%

\* As outlined in the Plan's investment policy dated February 2021

\*\* Expected to earn less than inflation

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.50%, 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 (5.50%) and 1 percentage point higher (7.50%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total Pension Liability	\$236,435,889	\$215,088,209	\$196,809,589
Fiduciary Net Position	\$179,866,380	\$179,866,380	\$179,866,380
Net Pension Liability	\$ 56,549,509	\$ 35,201,829	\$ 16,923,209

**NOTE 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.

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March 31, 2021**

**NOTE 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.

**NOTE 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.

**NOTE 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.

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**NOTE 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.

In March 2021, it was discovered that during the period from January 1, 2018 to March 28, 2021, employees and Bi-State Development contributed more to the Plan than required. The over contribution, including interest, will be calculated by the third party administrator and actuary for the Plan, using methodology approved by Bi-State Development, and refunded to impacted employees.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BI-STATE DEVELOPMENT AGENCY OF THE  
MISSOURI-ILLINOIS METROPOLITAN DISTRICT  
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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

(in '000's)

	March 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>										
Service Cost	\$ 3,155	\$ 3,234	\$ 3,113	\$ 3,082	\$ 3,054	\$ 2,988	\$ 2,713	N/A	N/A	N/A
Interest on Total Pension Liability	14,111	13,880	13,742	13,632	13,576	13,428	12,681	N/A	N/A	N/A
Effect of plan changes	1,087	-	-	-	-	-	-	N/A	N/A	N/A
Effect of Economic/Demographic Gains or Losses	(768)	2,817	1,383	892	1,203	135	-	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	7,507	-	-	-	-	4,557	-	N/A	N/A	N/A
Benefit Payments	(16,605)	(16,499)	(16,260)	(15,874)	(15,845)	(15,315)	(14,368)	N/A	N/A	N/A
Merger of Clerical Plan (as of April 1, 2015)	-	-	-	-	-	11,390	-	N/A	N/A	N/A
Net change in total pension liability	8,487	3,432	1,978	1,732	1,988	17,183	\$ 1,026	N/A	N/A	N/A
Total Pension Liability -										
Beginning of year	206,601	203,169	201,191	199,459	197,471	180,288	179,262	N/A	N/A	N/A
End of year	\$ 215,088	\$ 206,601	\$ 203,169	\$ 201,191	\$ 199,459	\$ 197,471	\$ 180,288	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer Contributions	\$ 9,549	\$ 9,990	\$ 10,281	\$ 9,393	\$ 9,627	\$ 9,342	\$ 8,717	N/A	N/A	N/A
Participant Contributions	4,107	3,930	4,067	4,128	3,817	3,684	3,475	N/A	N/A	N/A
Net Investment Income (Loss)	55,149	(8,910)	2,794	13,241	14,936	(4,172)	6,784	N/A	N/A	N/A
Benefit Payments	(16,575)	(16,499)	(16,260)	(15,874)	(15,845)	(15,315)	(14,368)	N/A	N/A	N/A
Administrative Expenses	(333)	(285)	(211)	(222)	(212)	(463)	(203)	N/A	N/A	N/A
Merger of Clerical Plan (as of April 1, 2015)	-	-	-	-	-	5,826	-	N/A	N/A	N/A
Net change in plan fiduciary net position	51,897	(11,774)	671	10,666	12,323	(1,098)	4,405	N/A	N/A	N/A
Total Fiduciary Net Position -										
Beginning of year	127,989	139,763	139,092	128,426	116,103	117,201	112,796	N/A	N/A	N/A
End of year	\$ 179,886	\$ 127,989	\$ 139,763	\$ 139,092	\$ 128,426	\$ 116,103	\$ 117,201	N/A	N/A	N/A
<b>Net Pension Liability</b>	\$ 35,202	\$ 78,612	\$ 63,406	\$ 62,099	\$ 71,033	\$ 81,368	\$ 63,087	N/A	N/A	N/A
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	83.63 %	61.95 %	68.79 %	69.13 %	64.39 %	58.79 %	65.01 %	N/A	N/A	N/A
<b>Covered Payroll</b>	\$ 71,784	\$ 70,111	\$ 70,301	\$ 67,321	\$ 64,453	\$ 60,491	\$ 54,978	N/A	N/A	N/A
<b>Net Pension Liability as a % of Covered Payroll</b>	49.04 %	112.12 %	90.19 %	92.24 %	110.21 %	134.51 %	114.75 %	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.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
March 31, 2021**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll **</b>	<b>Contribution as a % of Covered Payroll</b>
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%
2019	10,281,297	10,281,297	-	76,925,829	13.37%
2020	9,922,487	9,922,487	-	70,111,475	14.15%
2021	9,456,541	9,456,541	-	71,784,066	13.17%

\* 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 auditor's report and notes to required supplementary information.*

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
March 31, 2021**

<u>Plan Year Ending March 31,</u>	<u>Net Money-Weighted Rate of Return (Loss)</u>
2012	N/A
2013	N/A
2014	N/A
2015	6.07%
2016	(3.44)%
2017	13.01%
2018	10.42%
2019	2.03%
2020	(6.44)%
2021	43.54%

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

*See independent auditor's report and notes to required supplementary information.*

**BI-STATE DEVELOPMENT AGENCY OF THE  
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March 31, 2021**

**NOTE 1 — ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS**

The following actuarial methods and assumptions were used in the April 1, 2020 funding valuation. Please see the valuation report dated November 3, 2020 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 4/1/2020	13 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  
TREASURER'S REPORT  
Month Ended August 31, 2021**

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**INVESTMENTS**

***Yields:***

Bi-State investments had an average yield of 0.04% for the month of August, down from 0.05% in July. The Federal Reserve voted unanimously in September to keep the Federal Funds rate near zero, and expect to keep rates low until labor market conditions have improved. However, some Fed officials have signaled it may be appropriate to raise rates again in 2022.

***Invested Funds:***

In August, Bi-State directed approximately \$194 million of cash and investments. Approximately 19.7% of the invested funds were invested in U.S. Treasury or U.S. Government Agency securities, and 2.4% were invested in collateralized Certificates of Deposit (CDs). The balance was invested in AAA rated money market funds. The average maturity of Bi-State investments was approximately 57 days.

**DEBT MANAGEMENT**

***Debt Restructuring, 2020:***

On July 21, 2020, the Agency issued its tax-exempt \$12.5 million par Series 2020A Bonds, and taxable \$158.3 million par Series 2020B Bonds, in order to generate debt service savings. Together, the 2020 Bonds refunded \$160 million of the Series 2013A, and generated savings for Bi-State in a number of areas:

- Saved \$17.5 million in debt service savings in FY2021 without an increase in debt service in any future year.
- Generated \$22 million in debt service savings (in 2020 dollars) over the life of the bonds.
- Lowered the required reserve on Series 2013A from \$19.3 million to \$12.6million.

***Debt Restructuring, 2019:***

On September 12, 2019, Bi-State successfully sold its \$164,430,000 Series 2019 Bonds. The deal closed on September 26, 2019, and a true interest cost of 2.87% was achieved. The bond restructuring refunded all \$97 million of the Series 2009 and \$90 million of the Series 2013A Cross County Bonds, achieving important short and long-term financial objectives for Bi-State:

- Generated \$49.1 million in debt service savings (in 2019 dollars) over the life of the bonds.
- Returned \$19.9 million of these savings to fund public safety infrastructure improvements.
- Eliminated the requirement to secure the Series 2019 debt with a debt service reserve fund, and lowered the required reserve on Series 2013A from \$23.6 to \$19.3 million.
- Brought 2013 subordinate bonds to senior lien status.

***Series 2013A and 2013B Bonds:***

On July 1, 2013, Bi-State successfully sold its \$381,225,000 Series 2013A Bonds at a rate of 4.75%. Between 2013 and 2015, St Louis County approved three loan advances using the Prop A Capital Reserve to reduce borrowing costs. The first loan for \$75 million was granted in 2013, with an interest rate of 1.06%. St Louis County approved the second loan in 2014 for \$30 million at 1.04%, and the third loan in 2015 for \$30,000 at

1.02%, allowing Bi-State to refund a portion of the 2013A debt. In September 2019, Series 2019 refunded an additional \$90 million, leaving the total 2013A principal outstanding at \$182,175,000.

***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 \$5.5 million.

**FUEL HEDGING**

In August, in conjunction with its diesel fuel hedging program, Bi-State had a *realized gain* of approximately \$124 thousand and an *unrealized gain* of approximately \$5 million on the sale of Home Heating Oil #2 futures contracts. August oil prices ended the month at \$68.50 a barrel, a 7.4% decrease 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:										
BI-STATE DIRECTED:	31-Aug-2021			31-Jul-2021			30-Jun-2021			
	Wt. Avg. Maturity (1)	Dollars (,000 omitted)	Percentage Of Total	Rate	Market Value (2)	Wt. Avg. Maturity (1)	Dollars (,000 omitted)	Percentage Of Total	Rate	Market Value (2)
Cash	0	\$22,709	13.2%	0.00%	\$22,709	0	\$23,121	12.4%	0.00%	\$23,121
Certificates of Deposit	175	3,002	1.7%	0.07%	3,002	206	3,002	1.6%	0.07%	3,002
U.S. Agencies (coupon)	424	8,500	4.9%	0.18%	8,498	455	8,500	4.6%	0.18%	8,501
U.S. Treasury Securities	203	15,639	9.1%	0.09%	15,474	179	15,600	8.4%	0.35%	15,485
Other Investments (3)	1	122,742	71.1%	0.01%	122,742	1	136,416	73.1%	0.01%	136,416
<b>SUB-TOTAL BI-STATE</b>	<b>43</b>	<b>\$172,592</b>	<b>100.0%</b>	<b>0.03%</b>	<b>\$172,425</b>	<b>40</b>	<b>\$186,639</b>	<b>100.0%</b>	<b>0.05%</b>	<b>\$186,525</b>
<b>BI-STATE DIRECTED-PROP M:</b>										
Certificates of Deposit	107	\$1,626	7.5%	0.07%	\$1,626	138	\$1,626	5.7%	0.07%	\$1,626
U.S. Agencies (coupon)	402	5,000	23.1%	0.19%	4,999	433	5,000	17.5%	0.19%	5,000
U.S. Treasury Securities	155	9,193	42.5%	0.09%	9,063	176	9,193	32.1%	0.09%	9,071
Other Investments (3)	1	5,834	26.9%	0.01%	5,834	1	12,806	44.7%	0.01%	12,806
<b>SUB-TOTAL PROP M</b>	<b>167</b>	<b>\$21,653</b>	<b>100.0%</b>	<b>0.09%</b>	<b>\$21,522</b>	<b>140</b>	<b>\$28,625</b>	<b>100.0%</b>	<b>0.07%</b>	<b>\$28,503</b>
<b>TOTAL BI-STATE DIRECTED</b>	<b>57</b>	<b>\$194,245</b>		<b>0.04%</b>	<b>\$193,947</b>	<b>53</b>	<b>\$215,264</b>		<b>0.05%</b>	<b>\$215,028</b>
<b>TRUSTEE DIRECTED:</b>										
Cash	0	\$0	0.0%	0.00%	\$0	0	\$0	0.0%	0.00%	\$0
Municipal Bonds	359	1,331	2.2%	3.68%	1,304	390	1,331	2.3%	3.68%	1,307
U.S. Agencies (coupon)	257	10,764	17.6%	2.80%	10,864	223	14,263	24.2%	2.11%	14,387
U.S. Treasury Securities	106	5,931	9.7%	2.63%	5,890	50	23,989	40.7%	0.65%	23,910
Other Investments (3)	1	43,047	70.5%	0.01%	43,047	1	19,318	32.8%	0.01%	19,318
<b>SUB-TOTAL TRUSTEE</b>	<b>54</b>	<b>\$61,073</b>	<b>100.0%</b>	<b>0.84%</b>	<b>\$61,105</b>	<b>63</b>	<b>\$58,901</b>	<b>100.0%</b>	<b>0.86%</b>	<b>\$58,922</b>
<b>TOTAL BI-STATE &amp; TRUSTEE</b>	<b>56</b>	<b>\$255,318</b>		<b>0.23%</b>	<b>\$255,052</b>	<b>55</b>	<b>\$274,165</b>		<b>0.23%</b>	<b>\$273,950</b>
<b>LRV LEASE:</b>										
Cash	0	4,709	3.4%	0.00%	4,709	0	4,709	3.4%	0.00%	4,709
US Treasury Securities	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
Other Investments (4)	1	135,493	96.6%	5.80%	135,493	1	134,780	96.6%	5.80%	134,780
<b>SUB-TOTAL LRV</b>		<b>\$140,202</b>	<b>100.0%</b>	<b>5.61%</b>	<b>\$140,202</b>		<b>\$139,489</b>	<b>100.0%</b>	<b>5.60%</b>	<b>\$139,489</b>
<b>Grand Total (5)</b>		<b>\$395,520</b>			<b>\$395,254</b>		<b>\$413,654</b>			<b>\$413,439</b>

## Explanatory Notes:

- (1) Approximate weighted average of days to effective maturity, from last business day of the month.
- (2) Market value of government 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:

10/04/21

Reviewed by: *Leah Gudowitz Green, Mgr. of Treas Ops*

Date: 10/14/21

Tammy Fulbright, Sr. Dir. of Financial Planning

Date



Section 1 Bank/Issuer Summary

BI-STATE DEVELOPMENT MONTHLY TREASURER'S REPORT- ALL COMPANIES BANK / ISSUER SUMMARY as of: 8/31/2021									
BI-STATE DIRECTED *	CASH	CERTIFICATES OF DEPOSIT	REPURCHASE AGREEMENTS	OTHER	GOVERNMENT SECURITIES	COMMERCIAL PAPER\ BA's	TOTAL	MARKET VALUE	NOTES
all non debt/lease assets, Inc. Prop Mt:									
BANK OF AMERICA MERRILL LYNCH	1,294,629	0	0	0	0	0	1,294,629	1,294,629	FDIC (tri-party collateral) deposits.
BLACK ROCK	0	0	0	68,295,912	0	0	68,295,912	68,295,912	Money Market Fund (Govt. Securities).
COMMERCE BANK	0	4,628,515	0	0	0	0	4,628,515	4,628,515	FDIC (FRB collateral).
FIDELITY	0	0	0	0	0	0	0	0	0
INVESCO	0	0	0	55,818,357	0	0	55,818,357	55,818,357	Money Market Fund (First Tier\Prime)
JEFFERSON BANK & TRUST	97,334	0	0	0	0	0	97,334	97,334	FDIC, repo collateral held at JBT.
JP MORGAN CHASE	112,012	0	0	0	0	0	112,012	112,012	FDIC (bank acct.)MMKT (First Tier\Prime)
OPTUM	0	0	0	0	0	0	0	0	FDIC (FRB collateral).
BENEFLX	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	20,583,355	0	0	0	0	0	20,583,355	20,583,355	FDIC (FRB collateral).
RBC DAIN RAUSCHER	0	0	0	81,841	0	0	81,841	81,841	Commodities Margin Acct. (fuel hedging)
RJ O'BRIEN	0	0	0	4,380,066	0	0	4,380,066	4,380,066	Commodities Trading Acct. (fuel hedging)
RELANCE BANK	0	0	0	0	0	0	0	0	FDIC (FRB collateral).
U.S. BANK	(70,458)	0	0	0	0	0	(70,458)	(70,458)	FDIC (FRB Collateral).
FARM CREDIT BANK	0	0	0	0	7,500,000	0	7,500,000	7,496,684	Safekempt at Bank of America (BOA).
FEDERAL HOME LOAN BANK	0	0	0	0	6,000,000	0	6,000,000	6,000,064	Safekempt at Bank of America (BOA).
U.S. TREASURY	0	0	0	0	24,831,851	0	24,831,851	24,536,690	Safekempt by BOA or designated agent.
OTHER	637,958	0	0	0	0	0	637,958	637,958	
sub-total Bi-State directed	22,709,507	4,628,515	0	128,576,176	38,331,851	0	184,246,049	183,947,646	
TRUSTEE DIRECTED									
DEBT ISSUES									
Ares Bonds, Series 2014									
BANK OF NEW YORK MELLON									
GOLDMAN	0	0	0	0	0	0	0	0	Money Market Fund (First Tier\Prime).
Cross County Bonds, Series 2013, 2019									
BOX FINANCIAL	0	0	0	0	0	0	0	0	FDIC Insured.
BANK OF NEW YORK	0	0	0	43,046,576	0	0	43,046,576	43,046,576	Money Market Fund (First Tier\Prime).
FEDERATED GOVT OBLIG	0	0	0	0	0	0	0	0	Safekempt at BOXF
MORGAN STANLEY	0	0	0	0	0	0	0	0	Safekempt at BOX Financial
GOVERNMENT AGENCIES	0	0	0	0	10,763,564	0	10,763,564	10,864,211	Safekempt at BOX Financial
MUNICIPAL BONDS	0	0	0	0	1,331,326	0	1,331,326	1,303,954	Safekempt at BOX Financial
U.S. TREASURY	0	0	0	0	5,931,080	0	5,931,080	5,890,326	Safekempt at BOX Financial
sub-total	0	0	0	43,046,576	18,025,970	0	61,072,546	61,105,067	
SUB-TOTAL TRUSTEE [BONDS]	0	0	0	43,046,576	18,025,970	0	61,072,546	61,105,067	
SUB-TOTAL BI-STATE AND TRUSTEE	22,709,507	4,628,515	0	171,622,752	56,357,821	0	255,316,595	255,052,713	
LTV Lease (Leaseback 2001 CI C2)									
PSA/AIG	0	0	0	135,493,262	0	0	135,493,262	135,493,262	Guaranteed Investment Contract (GIC).
US TREASURY	4,708,587	0	0	0	0	0	4,708,587	4,708,587	Safekempt by Leasa Trustee.
sub-total	4,708,587	0	0	135,493,262	0	0	140,201,849	140,201,849	
sub-total / leases	4,708,587	0	0	135,493,262	0	0	140,201,849	140,201,849	
GRAND TOTAL	27,418,094	4,628,515	0	307,116,014	56,357,821	0	395,520,444	395,254,562	

\* 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:**

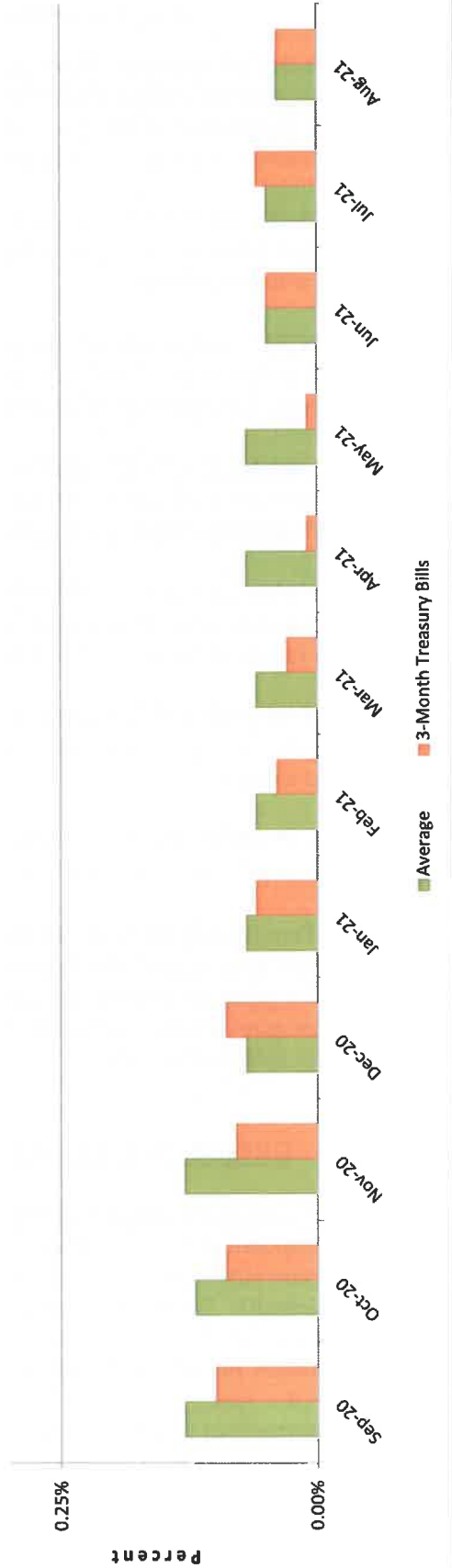
- |              |   |
|--------------|---|
| <b>AAA</b>   | Standard & Poor's, Moody's and Fitch rate credit quality on an A to C scale, with A generally regarded as "upper investment grade" and C as "speculative" (D would indicate default). Within each category are different gradients. The triple A 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. |
| <b>A1-P1</b> | 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-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Bi-State Investments	166,948	165,361	158,212	158,779	157,216	156,827	163,652	156,945	157,762	182,103	186,639	172,592
Bi-State Prop M Investments	43,341	41,640	42,564	43,189	41,728	40,138	38,610	37,746	32,591	41,827	28,625	21,653
<b>Total</b>	<b>210,289</b>	<b>207,001</b>	<b>200,776</b>	<b>201,968</b>	<b>198,944</b>	<b>196,965</b>	<b>202,262</b>	<b>194,691</b>	<b>190,353</b>	<b>223,930</b>	<b>215,264</b>	<b>194,245</b>
Trustee Investments	68,008	56,001	55,647	55,590	55,767	55,889	56,025	60,612	56,623	56,810	58,901	61,073

Yields/Rates Information	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Bi-State	0.12%	0.11%	0.12%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.05%	0.05%	0.03%
Prop M	0.17%	0.17%	0.18%	0.06%	0.06%	0.05%	0.05%	0.06%	0.07%	0.05%	0.07%	0.09%
<b>Average</b>	<b>0.13%</b>	<b>0.12%</b>	<b>0.13%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.04%</b>
Trustee	0.80%	0.97%	0.98%	0.86%	0.24%	1.08%	1.08%	0.79%	0.96%	0.89%	0.86%	0.84%
<b>3-Month Treasury Bills</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.08%</b>	<b>0.09%</b>	<b>0.06%</b>	<b>0.04%</b>	<b>0.03%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.05%</b>	<b>0.06%</b>	<b>0.04%</b>
1 Year Treasury	0.12%	0.13%	0.11%	0.10%	0.10%	0.08%	0.07%	0.05%	0.05%	0.07%	0.07%	0.07%
Fed Funds (target)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
20-Year Municipals	2.21%	2.34%	2.13%	2.12%	2.14%	2.35%	2.35%	2.27%	2.20%	2.14%	2.04%	2.14%
SIFMA (BMA) Index (month end)	0.11%	0.12%	0.11%	0.09%	0.04%	0.03%	0.07%	0.06%	0.05%	0.03%	0.02%	0.02%

**ANNUAL YIELDS**



## Diesel Fuel Hedging Program - FY 2022

	Diesel Fuel Budget \ Actual Comparison:	Jun-21	Jul-21	Aug-21	Year to Date	Life to Date
a	Gallons consumed-actual	310,961	365,021	341,315	706,336	96,016,302
b=(c/a)	Average cost per gallon-actual	\$ 2.15	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.09
c	Total Diesel Fuel Cost-Actual	\$ 668,131	\$ 804,032	\$ 751,815	\$ 1,555,846	\$ 200,242,111
d	Gallons consumed- budget	455,193	371,235	363,186	734,421	100,463,506
e=(f/d)	Average cost per gallon- budget	\$ 1.99	\$ 1.74	\$ 1.74	\$ 1.74	\$ 2.28
f	Total Diesel Fuel Cost- Budget	\$ 904,195	\$ 645,318	\$ 631,326	\$ 1,276,644	\$ 229,001,116
g=(f-c)	Budget Variance (Unfavorable)	\$ 236,064	\$ (158,714)	\$ (120,489)	\$ (279,202)	\$ 28,759,005
h	Realized Futures Gains (Losses)	\$ 134,337	\$ 186,026	\$ 124,219	\$ 310,246	\$ (818,103)
i=(c-h)	Net Cost of Fuel	\$ 533,794	\$ 618,006	\$ 627,596	\$ 1,245,600	\$ 201,060,214
j=(i-f)	Net Budget Variance (Unfavorable)	\$ 370,401	\$ 27,312	\$ 3,730	\$ 31,044	\$ 27,940,902
j=(i/f)	Net Cost of Fuel, Per Gallon, inc. Hedge	\$ 1.72	\$ 1.69	\$ 1.84	\$ 1.76	\$ 2.09
k=(e-i)	Net Budget Variance Per Gallon	\$ 0.27	\$ 0.05	\$ (0.10)	\$ (0.03)	\$ 0.19
	Futures Activity:			Price of Barrel of Oil:		
	Futures Contracts Purchased	8	10	8	Date	Price
	Futures Contracts Sold	16	20	16	04/31/21	\$ 63.58
	Futures Contracts Net Change at month end	(8)	(10)	(8)	05/31/2021	\$ 66.32
	Total Open Futures Contracts, at month end	213	203	195	06/30/2021	\$ 73.47
	Futures Contracts Unrealized Gain/(Loss) *	\$4,695,146	\$4,993,196	\$4,279,863	07/31/2021	\$ 73.95
	(% of Estimated Future Consumption)	83%	82%	83%	08/31/2021	\$ 68.50

\* = At month end

### **Explanatory Notes:**

Consumption budgeted at approximately 100,000 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 2021 through Jul 2023 (22 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 2021**

Item	Investment:	Par Amount	Settled	Maturity Date	Term(days)	Yield	Purchased From	Fund
1	US Treasury	\$ 2,405,000	08/16/21	08/11/22	360	0.06%	Jefferson Bank and Trust	Transit Self-Insurance
Total		\$ 2,405,000			360	0.06%		

**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	
Bank of America, N.A.	A+	Aa2	AA	A-1	P-1	F1+
Commerce Bank	A	A2		A-1	P-1	
PNC Bank	A	Aa3	AA-	A-1	P-1	F1+
Trust Companies:						
Bank of New York Mellon Trust	AA-	Aa1	AA+	A-1+	P-1	F1+
BOK Financial	A-	A3	A	A-2	P-1	F1
Money Market Funds:						
	S&P			Moody's		
Black Rock Fed Trust		AAAm			Aaa-mf	
Black Rock Fed Fund		AAAm			Aaa-mf	
Black Rock T Fund		AAAm			Aaa-mf	
FFI Treasury Fund		AAAm			Aaa-mf	
Columbia (BOA/Merrill) Money		AAAm			Aaa-mf	
Columbia (BOA/Merrill) Government		AAAm			Aaa-mf	
Dreyfus Government Cash Management		AAAm			Aaa-mf	
Federated Treasury		AAAm			Aaa-mf	
Federated Government		AAAm			Aaa-mf	
Fidelity Government		AAAm			Aaa-mf	
Fidelity Treasury		AAAm			Aaa-mf	
Goldman Financial Government		AAAm			Aaa-mf	
Invesco Government and Agency		AAAm			Aaa-mf	
Invesco Treasury		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 (FHL)	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	2013		2019		2020A		2020B		Total Cross County
	2013A Bonds 1-Aug-13	2013B Loan 1-Aug-13	Refunding 26-Sep-19	Refunding 21-Jul-20	Refunding 21-Jul-20	Refunding 21-Jul-20			
Issue date									
Principal (original)	\$381,225,000	\$75,000,000	\$164,430,000	\$12,950,000	\$158,225,000	\$158,225,000			
Principal (currently outstanding)	\$22,125,000	\$135,000,000	\$164,430,000	\$12,950,000	\$158,255,000	\$158,255,000			\$492,760,000
Lien on 1\4 cent Prop M, Prop M2, Prop A tax	Senior	Subordinate	Senior	Senior	Senior	Senior			
Stand alone credit rating (S&P\Moody's\Kroll)	AA+\Aa2\NA	NA	AA+\NA\AA+	AA-\Aa2\AA+	AA-\Aa2\AA+	AA-\Aa2\AA+			
Maturity date(s)	2048	2053	2048	2045	2043	2043			
Optional Call Date	Various	Anytime	2029	2030	2030	2030			
Optional Put Date	NA	2018	NA	NA	NA	NA			
Interest rate mode	Fixed	1% + SIFMA	Fixed	Fixed	Fixed	Fixed			
Rate	3.00%-5.00%	1.02%-1.06%	3.00%-5.00%	4.00%	0.75%- 3.00%	0.75%- 3.00%			
Interest pmt. Dates (4/1 &10/1)	April, October	April, October	April, October	April, October	April, October	April, October			
Annual debt service:									
Interest - FY 2021	\$5,094,906	\$1,413,000	\$7,086,500	\$359,722	\$2,292,147	\$2,292,147			\$16,246,275
Principal - (Previous payment 10/1/20 - \$10,445,000) (next payment 10/1/21 - \$12,230,000)	\$10,855,000	\$0	\$0	\$0	\$1,375,000	\$1,375,000			\$12,230,000
total princ.&int.	\$15,949,906	\$1,413,000	\$7,086,500	\$359,722	\$3,667,147	\$3,667,147			\$28,476,275
Debt Service Reserve Fund (DSRF)	\$12.5 million in DSRF with bond trustee, Bank of Oklahoma Financial.	NA	NA	Common DSRF with 2013A	Common DSRF with 2013A	Common DSRF with 2013A			
Other	Refunded Series 2002A,B,C, 2007, and Series 2010B.	Refunded Series 2010A Bonds	Refunding balance of 2009, and 2013A Bonds Maturing in 2019, 2028, 2046 and 2048	Refunding balance of 2013A Bonds Maturing in 2020					

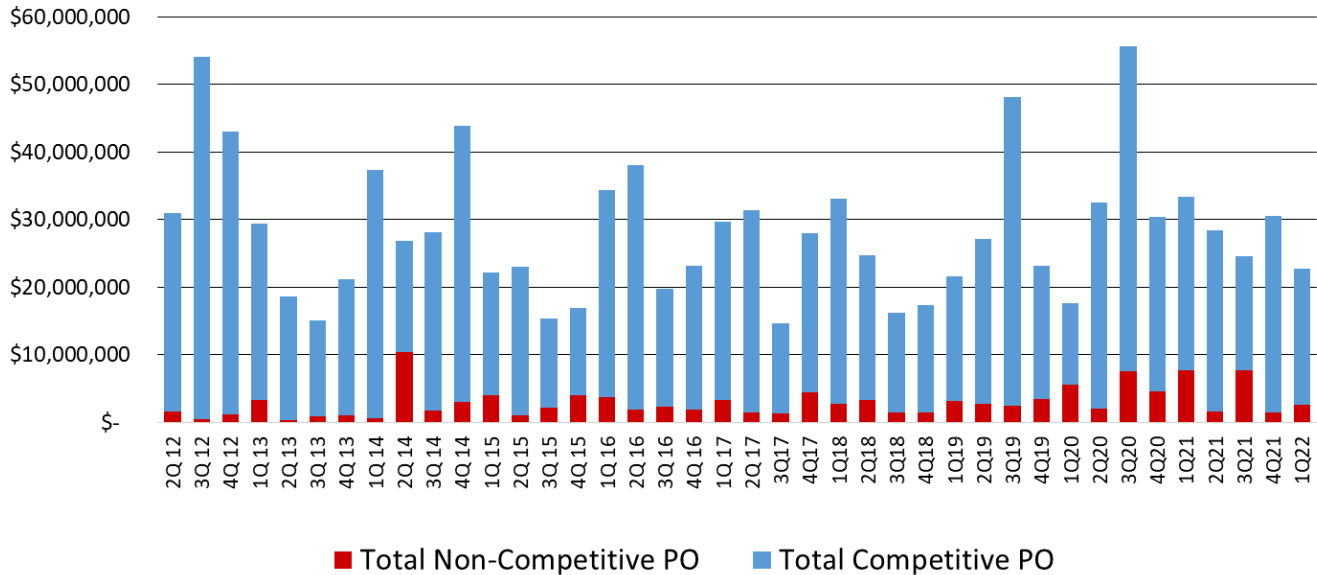
## Procurement Activity Report

### Non-Competitive Procurement Trend

#### First Quarter FY 2022

First Quarter FY 2022 Non-Competitive Procurements totaled \$2,659,089 or 11.7% of the total Purchase Order Commitment volume of \$22,769,081.

**Procurement Spend by Quarter**



Non-Competitive Procurements totaled \$13,590,986 or 12.8% of the total Purchase Order Commitment volume of \$106,430,298 during the last twelve months.

**Non-Competitive Procurement Spend % of Total Procurement Spend**

