BI·STATE DEVELOPMENT

Notice of Meeting and Agenda

Finance & Administration Committee
Friday, March 18, 2016, 8:00 a.m.

FY 2017 – 2019 Operating and Capital Budget Presentation

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

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

Agenda	Disposition	Presentation
1. Call to Order	Approval	Chairman Kicielinski
2. Roll Call	Quorum	B. Krieger
3. Public Comment	Information	Chairman Kicielinski
4. Finance and Administration Committee Open Session Minutes: August 28, 2015	Approval	Chairman Kicielinski
5. Fiscal Year 2017 Fare Recommendation	Approval	R. Friem
6. Sole Source Contract Award: Gateway Fire Protection Systems, Inc.	Approval	L. Jackson/R. Friem
7. Disadvantaged Business Enterprise Program Update	Approval	L. Jackson/F. Wiggins
8. Bi-State Development Operating and Capital Budget FY 2017 – 2019	Approval/ Presentation	K. Klevorn/M. Vago/ T. Beidleman
9. 2nd Quarter Financial Statements	Information	K. Klevorn/M. Vago
10. 2nd Quarter Performance Indicators	Information	K. Klevorn/M. Vago
11. 2nd Quarter Procurement Report	Information	L. Jackson
12. January Treasury Report	Information	K. Klevorn/T. Fulbright
13. Pension Plan & 401(k) Retirement Savings Program Investment Performance Update as of 12/31/15	Information	C. Stewart
14. Pension Audit Update	Information	C. Stewart
15. 2015 Pension Valuation Update	Information	C. Stewart
16. Pension & Insurance – Internal Service Funds Update	Information	C. Stewart
17. Health Care Reform Impact Update	Information	C. Stewart/D. Toben

Agenda	Disposition	Presentation
18. Other Post-Employment Benefits (OPEB) Trust Review	Information	C. Stewart/D. Toben
19. Unscheduled Business	Approval	Chairman Kicielinski
20. Call of Dates for Future Committee Meetings	Information	B. Krieger
21. 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 under §610.021(1), RSMo; leasing, purchase or sale of real estate under §610.021(2); personnel actions under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for reporting abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).*	Approval	Chairman Kicielinski

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

BI·STATE DEVELOPMENT

BI-STATE DEVELOPMENT
FINANCE & ADMINISTRATION COMMITTEE MEETING
OPEN SESSION MINUTES
AUGUST 28, 2015

Committee Members in Attendance

Missouri
Vernal Brown
Constance Gully
Aliah Holman

Illinois
Tadas Kicielinski, Chair
David Dietzel

Other Commissioners in Attendance
Michael Buehlhorn
Kelley Farrell
Irma Golliday

Staff in Attendance
John Nations, President & CEO
Barbara Enneking, General Counsel and Deputy Secretary
Shirley Bryant, Certified Paralegal
Kathy Klevorn, Sr. Vice-President, Chief Financial Officer
Melva Pete, Vice President, Human Resources
Jim Cali, Director Internal Audit
Ray Friem, Executive Director – Metro Transit
Brenda Krieger, Senior Administrative Assistant
Kathy Brittin, Director of Risk Management, Claims & Safety
Tammy Fulbright, Director, Treasury Services
David Toben, Director, Benefits
Mark Vago, Controller
Larry Jackson, Vice-President, Procurement, Inventory Management & Supplier Diversity
Charles Stewart, Vice President Pension and Benefits
Dianne Williams, Vice President Communications & Marketing
Patti Beck, Director of Communications
Tracy Beidleman, Director Program Development & Grants
Barbara Georgeff, Executive Assistant to the President & CEO
Scott Grott, Chief MetroLink Operations
Jerry Vallely, External Communications Manager
John Langa, Vice President Economic Development
Michael Shane Jennings, Manager IT ERP Systems
Linda Espy, Sr. Administrative Assistant
John Wagner, Project Manager – Economic Development
Larry Wise, Sr. Transit Service Manager - Security

Others in Attendance
Melissa Vighi, Lashly & Baer
Jeff White, Columbia Capital Management, LLC
Scott Nickerson, Crowe Horwath

1. **Call to Order**
8:00 a.m. Commissioner Kicielinski called the Open Session Finance & Administration Committee Meeting to order at 8:00 a.m.

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

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

4. **Minutes of Prior Open Session Finance and Administration Committee Meeting**
8:00 a.m. The May 15, 2015, Open Session Finance and Administration Committee Meeting minutes were provided in the Committee packet. A motion to approve the minutes was made by Commissioner Dietzel and seconded by Commissioner Holman. **Motion passed unanimously.**

5. **Potential Refunding of Series 2009 Cross County Bonds Fifth Amendment to Memorandum of Agreement**
8:01 a.m. The briefing paper regarding the potential refunding of Series 2009 Cross County Bonds, Fifth Amendment to Memorandum of Agreement was provided in the Committee packet. Kathy Klevorn, Sr. Vice President and Chief Financial Officer, introduced Jeff White, Principal, Columbia Capital Management, LLC to provide a brief overview. A number of years ago Bi-State Development **(BSD)** entered into a Memorandum of Agreement **(MOA)** with the City of St. Louis and St. Louis County in order to direct certain sales tax for the purpose of repaying debt service bonds issued to support the Cross County Light Rail Project. The MOA as it is written today would not allow BSD to issue any new sales tax related debt. BSD currently has approximately $97 million in Series 2009 Bonds outstanding, and those bonds are not subject to optional redemption until October 2019. The proposed Fifth Amendment would provide flexibility to refund the Series 2009 Bonds to reduce BSD's borrowing costs. Pursuant to the MOA, the City of St. Louis and St. Louis County must approve any financing secured by Prop M, Prop M2 and Prop A receipts, including any financing to reduce BSD's borrowing costs. Depending on the competitiveness of the pricing and structure of the refunding bonds, the potential savings from this transaction could be as much as $5 million, in 2015 dollars, over the remaining term of the bonds. Management is not recommending that BSD immediately move to execute a refunding transaction. However, if the opportunity arises to take advantage of an unusual drop in interest rates, having the Fifth Amendment to the MOA in place would allow BSD to act quickly to take advantage of such an opportunity. A motion for the Committee to approve and refer to the Board for approval the Fifth Amendment to MOA, permitting Bi-State Development to proceed with a refunding of its Series 2009 Bonds for economic savings if the opportunity is presented was made by Commissioner Gully and seconded by Commissioner Dietzel. **Motion passed unanimously.**

6. **Sole Source Contract Award Four Nines Technologies for Transit Asset Management Phase II Software Selection and Implementation Oversight**
8:07 a.m. The briefing paper regarding the Sole Source Contract Award with Four Nines Technologies for Transit Asset Management Phase II Software Selection and Implementation Oversight was provided in the Committee packet. Shane Jennings, Manager IT ERP Systems, provided a brief overview. As part of the Moving Ahead for Progress in the 21st Century Act **(MAP-21)**, a new FTA formula based funding program, State of Good Repair Grants **(SGR)** was developed to provide dedicated funding to repair and maintain the nation's rail infrastructure. BSD, in support of the SGR program, initiated the Transit Asset Management Program **(TAM)** in May 2014, to achieve "Total Asset Visibility" and provide asset

management tools that would promote better management of safety-related public transportation capital assets. In October 2014, BSD awarded a contract to Four Nines Technologies for the first phase of the project. The findings of Phase I included a need for more enhanced asset management applications as well as more improved capital planning and budgeting solutions. A high-level project plan for Phase II of the project was developed to define requirements, assess solutions, and acquire and implement new software. Four Nines is uniquely qualified to complete this task. Four Nines has performed detailed analysis of BSD processes, procedures, and applications and has gained an in-depth knowledge of how BSD manages its assets as well as how it plans and budgets the funds to acquire and maintain them. Four Nines has the resources in place to immediately address the further implementation of this program. Competitive bidding of these tasks would result in delay and additional costs to redevelop what Four Nines had begun. This delay would likely delay BSD's TAM implementation plan that is required to continue receiving TAM funding. A motion for the Committee to approve and refer to the Board for approval of the sole source procurement request with Four Nines Technologies in an amount not to exceed $418,000, contingent upon successful negotiations with Four Nines Technologies was made by Commissioner Gully and seconded by Commissioner Holman. **Motion passed unanimously.**

7. **Contract Award Arrowhead Industries LLC**
8:14 a.m. The briefing paper regarding the Contract Award for Arrowhead Industries, LLC was provided in the Committee packet. Larry Jackson, Vice President Procurement, Inventory Management & Supplier Diversity, provided a brief overview. A bid was issued on March 13, 2015, seeking bids from companies that could provide servicing, transporting, delivery, and remanufacturing for 27 Alstom Model 5F Power Operated Switch Machines. Thirteen companies were invited to participate, and one bid was received from Arrowhead Industries, LLC on March 31, 2015. Alstom, the manufacturer of the switch machines, previously stated that they were not interested in bidding on this project. Arrowhead's bid was compared to the Independent Cost Estimate prepared by the Maintenance of Way Department, and it was determined that Arrowhead's bid was fair and reasonable. A motion for the Committee to approve and refer to the Board for approval the request to award a single bid contract to Arrowhead Industries, LLC for services to rebuild Alstom Model Switch Machines for the MetroLink system for a contract period not to exceed twenty-four (24) months was made by Commissioner Dietzel and seconded by Commissioner Brown. **Motion passed unanimously.**

8. **Contract Award Flow International Corporation Water Jet Cutting Machine**
8:15 a.m. The briefing paper regarding the Contract Award to Flow International Corporation for the Water Jet Cutting Machine was provided in the Committee packet. Larry Jackson, Vice President Procurement, Inventory Management & Supplier Diversity, provided a brief overview. The water jet cutting machine would be used in the Metal Shop to cut side panels on buses, vans, radiator doors, bellows plates, parts for MetroLink, or any item that involves repetitious cutting. The machine would also allow scroll work that is currently done by hand. A Request for Bids was issued, seeking qualified contractors to provide an all turnkey operation including the delivery, installation, start-up, and training that would be required to perform operations at Metro's Main Repair Shop. Seven vendors were solicited and one bid was received from Flow International Corporation.

A motion for the Committee to approve and refer to the Board for approval the request to award a single bid contract to Flow International Corporation in the amount of $170,760, the purchase of which includes delivery, installation, set-up and training was made by Commissioner Holman and seconded by Commissioner Gully. **Motion passed unanimously.**

9. **Amendments #23 and #24 to Pension Plan for Salaried Employees and Amendment #1 to 401(k) Retirement Savings Program**
8:17 a.m. The briefing paper regarding Amendments #23 and #24 to the Pension Plan for Salaried Employees and Amendment #1 to the 401(k) Retirement Savings Program was provided in the Committee packet. Barbara Enneking, General Counsel, provided a brief overview. In the management of the Salaried Pension Plan and the 401(k) Program, several situations arose which highlighted certain administrative difficulties. The Salaried Plan currently provides that if a participant has not designated a beneficiary, then the Plan designates that his or her estate is the beneficiary. However, a participant did not always have an estate or one that was still open due to delayed notification to BSD of the participant's death. In addition, the Plan didn't provide flexibility if a participant terminates employment and is then rehired within a short period of time. The 401(k) Plan had similar issues. These situations were brought to the attention of the Salaried Pension Committee and were reviewed and discussed at several meetings. The Salaried Pension Committee determined that corrective amendments to the Salaried Plan and the 401(k) Plan were needed to decrease administrative complexity and clarify certain eligibility rules. Amendments #23 and #24 to the Salaried Plan, and Amendment #1 to the 401(k) Program were approved by the Salaried Pension Committee. In accordance with the Salaried Pension Committee's recommendation, a motion for the Finance & Administration Committee to refer to the Board for approval Amendments #23 and #24 of the Pension Plan for Salaried Employees, and Amendment #1 of the 401(k) Retirement Savings Program was made by Commissioner Brown and seconded by Commissioner Gully. **Motion passed unanimously.**

10. **Contract Award for General Legal Counsel Services**
8:22 a.m. The briefing paper regarding the Contract Award for General Legal Counsel Services was provided in the Committee packet. Barbara Enneking, General Counsel, provided a brief overview. BSD issued a solicitation for legal services on April 14, 2015, seeking proposals from qualified law firms to provide legal services in six areas of practice. Firms were allowed to propose in one or more of the six areas of practice, and BSD received 58 proposals from 24 law firms. Following the completion of the evaluation and scoring of all proposals in each of the six practice areas, several firms were chosen in each practice category. A motion to refer to the Board for approval the request to enter into contracts with the recommended firms to provide Legal Services under the supervision of Bi-State Development's General Counsel for an aggregate not to exceed amount of $6,000,000 over the next three years and $4,000,000 for the option years was made by Commissioner Dietzel and seconded by Commissioner Brown. **Motion passed unanimously.**

11. **Update on Insurance Programs and Claims, Safety and Emergency Preparedness Activities**
8:24 a.m. The briefing paper regarding the Update on Insurance Programs and Claims, Safety and Emergency Preparedness Activities was provided in the Committee packet. Kathy Brittin, Director of Risk Management, Claims & Safety, provided an overview highlighting the Insurance Program, Claims, Safety Department Initiatives, and Emergency Preparedness. Ms. Brittin's overview included a PowerPoint presentation which had been distributed with the meeting packet. BSD has self-insured a substantial portion of the risk of its transit operations, including vehicle liability, rail liability, general liability and workers' compensation. Excess insurance coverage is purchased for all insured and self-insured risk exposures. Property liability insurance is purchased for the buildings, physical assets, and rolling stock. Primary liability insurance is purchased for the Airport, the Arch, the Gateway Arch Riverboats, and the Headquarters buildings. BSD currently has a contract with Arthur J. Gallagher Risk Management Services, Inc., the broker of record, to provide insurance marketing services, loss control consulting, and risk financing recommendations. BSD annually reviews and renews coverage on July 1 of each fiscal year. Some insurance programs are selectively marketed and others are renewed depending

on market conditions and changes in operating exposures. This report identified some improvements that were achieved for FY16.

Some discussion followed regarding the Drug and Alcohol Compliance Audit, the annual percentage of random testing and the pass/failure rate. Ms. Brittin stated that the entire process is being revaluated and her staff would be working with the Internal Audit Department to make sure BSD is compliant with any findings. Upon completion of the review of 2015 Drug and Alcohol Compliance Audit and in response to Commissioner Holman's request, Ms. Brittin will prepare a report identifying the percentage of pass/fail results during random drug testing and the percentage of post-accident testing. This report was informational only and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

12. Pension Plan and 401(k) Retirement Savings Program Investment Performance Update as of June 30, 2015

9:00 a.m. The briefing paper regarding the Pension Plan and 401(k) Retirement Savings Program Investment Performance Update as of June 30, 2015 was provided in the Committee packet. Charles Stewart, Vice President Pensions and Insurance, provided a brief overview. Mr. Stewart advised that Ellwood Associates **(Ellwood)** presented the Second Quarter 2015 Pension Plan, 401(k) Retirement Savings Program and OPEB Trust Investment Performance Reports to the respective Trustees at the August 2015 trustee meetings. Mr. Stewart presented the following updates to the Committee:

<u>Salaried Pension Plan:</u> As of June 30, 2015, total assets of the Salaried Pension Plan are at $57.3 million. Year-to-date 2015, the portfolio experienced modestly net negative cash flows, with favorable investment returns improving overall plan assets. In the second quarter, the portfolio gained 1.0% and was in line with the total portfolio benchmarks. No recommendations to rebalance the portfolio were advised at this time.

<u>IBEW Pension Trust – Local 2 and Local 309:</u> As of June 30, 2015, Plan assets reached $3.7 million gaining approximately $200,000 since the beginning of the calendar year. During the first six months of the year, the portfolio advanced 3.6% ahead of the benchmark by 20 basis points; and longer term performance remained favorable. Ellwood's previous recommendation to retain Vaughan Nelson as Perkins replacement was fully implemented in May 2015. No new recommendations are required at this time.

<u>Bi-State Development Agency – 788 Pension:</u> The total Plan assets are at $123.1 million. During the first six months of 2015, the portfolio gained $5.0 million in market value due to favorable investment returns. In June 2015, the Pension Trust deployed $4 million towards the Principal Core Real Estate Fund. This action finalized the decision by the Committee to reduce the number of real estate managers in the investment program, and terminate the AFL-CIO Core Real Estate Fund. The proceeds from that redemption were allocated towards the Principal Fund. Currently, no manager changes are recommended at this time. During the first quarter 2015, an agreement was reached to combine the Clerical and Operating Trusts. The process to implement this change is ongoing and should be completed by the third quarter. Since the two pension programs are fully integrated, Ellwood will analyze cash flow expectations and redefine the liquidation parameters. A recommendation will be presented at the Committee's next meeting.

<u>OPEB Trust:</u> As of June 30, 2015, the total assets are at $19.4 million. The asset allocation is in line with the target allocations and the portfolio continues to perform in line with expectations. All the portfolio's investment managers are performing in line with expectations, and no manager changes are

advised at this time. Ellwood provided an update regarding Blackstone Park to the trustees at the Pension Committee meetings. Barlow was fully liquidated in January 2015, and the proceeds were deployed in February to Blackstone. The balance of the investment with Barlow is expected to be fully redeemed by August 2015.

Some discussion followed regarding the actuarial funding percentage for all the pension plans. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

13. **2014 Pension Plan Audit Update**
9:37 a.m. The briefing paper regarding the 2014 Pension Plan Audit Update was provided in the Committee packet. Charles Stewart, Vice President Pensions and Insurance, provided a brief overview. The Pension Data Audit, issued by BSD's Internal Audit Department in March 2012, identified policy, procedure, recordkeeping and internal control deficiencies. The major recommendation was to engage an independent certified public accounting firm to perform annual financial statement audits. This recommendation was implemented, and Mayer Hoffman McCann, PC **(MHM)** completed the audits and issued the following audit findings: 1) MHM issued a "clean" audit opinion for the 401(k) Retirement Savings Program for years ended December 31, 2006 – 2012; and a "clean" audit opinion for all four Pension Plans 2013 – 2014. ***Mr. Stewart stated that he was proud to report that for the first time in many years, all audits of all Pension Plans are "clean" and up to date.*** 2) Disclosure of Actuarial Information - Due to errors in census data prior to the 2009 fiscal year end, the audit report included a qualification as to certain disclosures required under accounting principles. 3) Plan Transfers – There were a limited number of participants who participated in more than one pension plan during their years at BSD. Those participants may have been incorrectly paid due to the errors in census data prior to the 2009 fiscal year end. This disclosure will remain in the report as long as disclosure of the 2009 information is required. Other issues MHM discovered were reviewed with management and the pension trustees. Many of those issues were corrected prior to completion of the audit or corrective action is in process. This report was informational only and no Committee action is required. A copy of the report will be kept at the office of the Deputy Secretary.

14. **Crowe Horwath – 2015 External Audit Update**
9:12 a.m. This was an oral report and no documentation was provided in the Committee packet. Scott Nickerson, Crowe Horwath, provided a brief overview. Mr. Nickerson informed the Committee that in addition to today's update, a report on the final results of the audit will be provided in October. As part of their review, Crowe Horwath **(Crowe)** is focusing on risk management, claims, self-insurance liability, pension liabilities and their impact on the financial results. A lot of emphasis has been placed on the pension liabilities and the valuation of that liability because now BSD's balance sheets are required to reflect the value of that actuarial liability. Crowe has been working with BSD management, and the plan auditors to gather the necessary information. The interim field work that focused on the internal controls and compliance testing of the various activities of BSD has been conducted. As part of the process, Crowe reviews the significant transaction cycles, fare revenue, capital assets, etc. to make sure that the systems in place are actually designed properly and working effectively. There were no significant items to report. Crowe also reviews BSD's federal grants process to make sure that controls are in place and BSD is complying with all grant requirements. There were no significant items identified from this process. A Crowe team is currently in the field working with management on conducting year-end balance checks and at this point, there are no significant items to report. One significant change going forward will be that the audited financials will be reported for a single year rather than showing two years of results. This decision was made primarily because of the significant GASB account standard changes; and providing a single year presentation would make it easier to implement these new changes.

Condensing the report to a single year would also make the report smaller and easier to review and access information quickly and effectively.

Some discussion followed regarding the effect of the new GASB rules on BSD's bonding power. Mr. Nickerson informed the Committee that he has talked to several of the rating agencies who indicated that they anticipated what type of changes might occur. Because the reporting agencies were aware of the changes and had access to some of this information already, they tried to build it into their scoring process. Also there are other factors they are considering when preparing their ratings. BSD will get points on its credit ratings for issuing at the highest level by filing a Comprehensive Annual Financial Report **(CAFR)**. The reporting agencies are aware of what impact these changes might have on various organizations. One risk that BSD has is related to recording the liability as it relates to the assets of the pension plans. In conclusion, Mr. Nickerson advised the Committee that Crowe is in the midst of conducting the year-end field work that should be completed by the end of the week. This report was informational only, and no Committee action was required.

15. 4th Quarter Financial Statements

9:21 a.m. The 4th Quarter Financial Statements were provided with the Committee packet. Mark Vago, Comptroller, provided a brief overview. One key component Mr. Vago pointed out was the unfunded liability. At the most recent Finance & Administration Committee meeting, a topic of discussion was determining the best way to present the financial statements. Rather than present the financial statements in an accounting format, it was put in a more concise manner making it easier to understand. The new concept shows all incoming revenue, all operating and non-operating expenses and the income before depreciation.

John Nations, President & CEO, added that this new reporting concept has been one of his priorities to make sure that the financial statements reflect how BSD is managed. In the past, these statements would show the operating revenue, which was generally farebox, and then the expenses, and operating loss. That method of reporting does not reflect how BSD is actually managed. BSD contracts with St. Louis City and St. Louis County to provide transit service in return for appropriations received; and the reorganized financial statements better reflect BSD's management process.

Mr. Nations also reported that the appropriation process in the City of St. Louis and St. Louis County was unanimously approved in both jurisdictions for BSD to continue to provide transit service.

Mr. Vago continued his report adding that although Arts-In-Transit and the Research Institute had very small activity during the year, both entities would be included in the CAFR report. The purchase of new vans is reflected under Capital Assets – Paratransit. Under Non-Current Liabilities the unfunded pension liability final number for the audit was $89.2 million, which is the unfunded liability that will be on BSD's balance sheets. There are other aspects that must be reported for the audit, but this is an important piece, and there is an expanded footnote in the audit about it as well.

There was some discussion regarding the Internal Service Funds. Mr. Nations stated that Charles Stewart, Vice President Pension & Insurance, has been reassigned as his direct report, and will be heading up the efforts on the Internal Service Fund. This report was informational only and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

16. 4th Quarter Performance Indicators

9:21 a.m. The 4th Quarter Performance Indicators report was provided with the Committee packet. Mark Vago, Comptroller provided a brief overview. The Arch Tram ridership for the year end 2015 was down

8%, unfavorable to prior year actual. The riverboat passengers and cruises were down 40% and 30% respectively; and there has been a continuing decline in revenue from food and beverages reflected on the financial statements making for a challenging year. The St. Louis Downtown Airport has experienced a decline in revenue year over year and recently had a tenant leave a major hangar. Passenger boardings for FY15 decreased 3.1% compared to prior year. Despite a recent fare increase, total passenger revenue was down for MetroBus (2.3%), MetroLink (4.7%), and Call-A-Ride (0.6%). Passenger revenue is a small component of the total revenue. We also have contracting grant revenue, federal vehicle maintenance revenue, and funding from St. Clair County, the City of St. Louis and St. Louis County, which helps to keep BSD in a stable position. This report was informational only, and no Committee action was required. A copy of this report will be kept at the office of the Deputy Secretary.

17. 4th Quarter Procurement Report

9:32 a.m. The quarterly Procurement Activity Report was provided in the Committee packet. Larry Jackson, Vice-President, Procurement, Inventory Management & Supplier Diversity provided a brief update. The year-end procurement report shows that the FY15 Non-Competitive Procurements totaled 14.5% of the total Purchase Order Commitment volume. This number is abnormally high due to the nature of activity BSD has been having in the past year. A number of the major procurements have been focusing primarily on enhancing existing systems through additional technology assets and programming. Routine purchases are competitively bid and all sole source contracts in excess of $100,000 are presented to the Board for approval. The report also includes detailed information regarding larger expenditures. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

18. June Treasury Report

9:33 a.m. The June Treasury Report was provided in the Committee packet. Tammy Fulbright, Director Treasury Services, provided a brief overview. The Bi-State Directed – Prop M showed a total of approximately $200 million in investments. About one-third of the portfolio is invested in Agency securities and these investments, over a three year period, help BSD to guard against interest rate changes and those investments are earning approximately 60 basis points. The Trustee Directed Funds show a total of approximately $52 million in investments with an average return of about 1.35%. The Debt Service Revenue Funds are currently invested for about nine (9) years to allow BSD to earn a better rate. The recent turmoil in the stock market this past week has been unpredictable. There is a possibility that the rates would go up again but it is still uncertain at this time. More information is expected over the next few weeks, but the hope is that there will be an increase sometime this year. St. Louis County approved the additional $30 million loan that would allow BSD to pay off the Series 2050 bonds; which would lower the interest rate from 4.75% to approximately 1.02%. The actual percentage rate will not be known for sure until the funds are received sometime in October, but it is expected to be within that range. This report was informational only, and no Committee action was required. A copy of the report will be kept at the office of the Deputy Secretary.

19. Unscheduled Business

9:36 a.m. There was no unscheduled business.

20. **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 under §610.021(1); RSMo; leasing, purchase or sale of real estate under §610.021(2); personnel actions under §610.021(3); discussions regarding negotiations with employee groups under §610.021(9); sealed bids, proposals and documents related to negotiated contracts under §610.021(12); personnel records or applications under §610.021(13); records which are otherwise protected from disclosure by law under §610.021(14); records relating to hotlines established for report abuse and wrongdoing under §610.021(16); or confidential or privileged communications with the District's auditor, including auditor work products under §610.021(17).**
9:40 a.m. Pursuant to the requirements of Section 610.021(1) of the Revised Statutes of Missouri, Commissioner Kicielinski requested a motion to allow the Board to go into closed session. A motion was made by Commissioner Dietzel and seconded by Commissioner Brown. A roll call vote was taken, and the Commissioners present, Brown, Gully, Holman, Dietzel, Kicielinski, Farrell, Buehlhorn, and Golliday voted to approve this agenda item. **Motion passed unanimously.**

21. **Call of Dates for Future Committee Meetings**
9:40 a.m. No future Committee meeting dates were called.

22. **Adjournment**
9:40 a.m. The Open Session Finance & Administration Committee meeting was adjourned.

Deputy Secretary to the Board of Commissioners
Bi-State Development

Bi-State Development
Finance & Administration Committee
Agenda Item
March 18, 2016

From:	Raymond A. Friem, Executive Director Metro Transit
Subject:	**Fiscal Year 2017 Fare Recommendation**
Disposition:	Approval and Referral
Presentation:	Raymond A. Friem, Executive Director Metro Transit

Objective:
Provide the Finance & Administration Committee with a review of Bi-State Development/Metro **(BSD/Metro)** Transit's current fare structure and recommend adjustments going forward.

Board Policy:
Section 90.010 Transit Systems Fares

A. It is the policy of the Agency that only the Board of Commissioners may establish and revise transit system fares. The current fare structure shall be appended to these Board Policies and have the force and effect provided by the laws of the signatory states. The appended fare structure shall be supplemented as transit system fares are revised.

B. The Board shall evaluate the fare structure not less than once a year. During the evaluation the Board will consider changes recommended by individual members of the Board of Commissioners, the President & CEO, customers, and local governments. The evaluation of the fare structure may be made in conjunction with the adoption of the next fiscal year budget, or at other times during the fiscal year.

Funding Source:
Not Applicable

Background:
From the 1980's through the 2000's Bi-State Development/Metro pursued a strategy of holding fares steady for as long as possible. A cycle emerged where the pressures on the system would gradually increase until BSD/Metro was forced to take one of two actions, reduce service or increase fares, and often both simultaneously. During this period, the BSD/Metro's cash "base" fare increased approximately $0.25 at infrequent intervals. Each increase represented a significant percentage fare increase to the transit rider. The combination of high percentage increases and service reductions contributed greatly to ridership losses during that time frame.

In early 2010, the Board of Commissioners and East-West Gateway Council of Governments adopted the *Moving Transit Forward Long Range Transit Plan.* This plan included a financial model on projected growth from all sources of revenue. Passenger revenues are assumed to grow at approximately 5% every two years. Passenger revenue growth, coupled with appropriate levels of capital and operating support, will provide support for a restored and expanded transit system for the entire metropolitan area over a twenty year period.

Since that time, BSD/Metro has pursued a fare strategy that incorporated fare increases in alternate years as a way to ensure sufficient revenues to operate the system, and to control the percentage increase passed on to the customers. By pursuing smaller, more regular fare increases, the need to pass along a twenty five cent fare increase was eliminated. As such, BSD/Metro implemented smaller fare increases in FY 2011, 2013, 2015 and is scheduled for review and adjustment again in FY 2017.

Analysis:

The alternating year fare increase strategy sought revenue increases through the combination of higher fares and growth in ridership. Through FY 2014, the plan was successful in increasing system revenues just as it had been designed to do.

	FY 2010 Actual	**FY 2011 Actual**	**FY 2012 Actual**	**FY 2013 Actual**	**FY 2014 Actual**
Total MB/ML passenger revenue	$43,810,192	$45,227,025	$47,902,308	$49,624,444	$50,534,654
C-A-R revenue	820,937	888,397	990,042	1,100,998	1,135,787
Passenger revenue	44,631,129	46,115,422	48,892,350	50,725,441	51,670,441
TMA revenue	1,598,269	1,381,174	1,404,217	1,377,905	1,365,196
Paratransit Contract	3,765,177	3,753,095	3,788,866	3,451,127	3,216,567
Total Passenger Revenue	49,994,574	51,249,691	54,085,432	55,554,473	56,252,205
Percentage Revenue Growth		2.51%	5.53%	2.72%	1.26%

Table 1. System Revenue Growth 2010 - 2014

Fare increases in alternate years average around 5% with an effective annual increase of 2.5%. Changes in ridership patterns began to emerge in FY 2015. The combination of regional events, dramatically lower fuel prices and the fare increase of 2015 resulted in a negative trend impact on system ridership and revenues. This is illustrated in table 2 below.

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection
Total MB/ML passenger revenue	$49,624,444	$50,534,654	$50,039,787	$48,800,885
C-A-R revenue	1,100,998	1,135,787	1,221,237	1,217,074
Passenger revenue	50,725,441	51,670,441	51,261,024	50,017,958
TMA revenue	1,377,905	1,365,196	1,394,802	1,397,812
Paratransit Contract	3,451,127	3,216,567	2,891,057	2,973,038
Total Passenger Revenue	55,554,473	56,252,205	55,546,883	54,388,808
Percentage Revenue Growth		1.26%	-1.25%	-2.08%

The transit industry standard fare elasticity model is the Simpson Curtain formula, which suggests that for each 5% increase in passenger fares, ridership would drop 2.3%. In Metro Transit's current operating environment, an increase of fares in FY 2017 in the 5% range would further erode an already fragile ridership base, and would not likely generate additional revenue as a result.

In addition, BSD/Metro is developing and will implement a contactless fare payment system (smart card) over the next two years. Fare policy can be used to help encourage the public to make the transition to the new fare mechanisms through a range of strategies.

The combination of ridership loss and future flexibility with the deployment of the smart card system indicates that the best course of action for BSD/Metro is to hold system fares constant in FY 2017 while Metro Transit works to re-establish better ridership levels and new technologies.

A fare increase is not recommended in FY 2017.

Committee Action Requested:

Management recommends that the Finance and Administration Committee approve and recommend to the Board of Commissioners that no fare increase be implemented in FY 2017, and that the issue be reviewed again in the operational and business planning for the FY 2018 budget.

Bi-State Development
Finance & Administration Committee
Agenda Item
March 18, 2016

From:	Larry B. Jackson, Executive Vice President of Administration
Subject:	**Sole Source Contract Award: Gateway Fire Protection Systems, Inc.**
Disposition:	Approval and Referral
Presentation:	Raymond A. Friem – Executive Director of Metro Transit; Larry B. Jackson, Executive Vice President of Administration

Objective:
To present to the Finance & Administration Committee for discussion and referral to the Board of Commissioners a request for authorization to award Gateway Fire Protection Systems, Incorporated a contract to replace the buried loop fire protection system and the installment of an overhead system. Services are to be performed at the Illinois Bus Facility located at 801 N. 47th Street, East St. Louis, Illinois.

Board Policy:
Chapter 50 - accordance with Board Policy Chapter 50.010.E – Purchasing, requires Board approval of all non-competitive procurements exceeding $100,000.00.

It is the policy of the Agency to conduct all procurements in a manner which fosters full and open competition. In some cases, competition is not feasible or practical. Sole source procurements totaled 11.3% of all procurements over the last four quarters

Funding Source:
The funding sources for this project are Federal Transit Administration (**FTA**) Grant number MO-90-X296 and Local Funding.

Background:
The existing Illinois Underground Fire Suppression System Loop has had several breaks due to an excess of 32 years of settlement and site soil condition. It is necessary and prudent to replace the system in order to maintain reliable function as originally intended and meet fire code requirements.

Analysis:
Sealed Bid (**SB**) 15-SB-102506-CG was issued on January 6, 2016, seeking bids from companies that could replace the Illinois Bus Facility Underground Loop Fire Suppression System. The Sealed Bid was advertised in the Bi-State Development iSupplier Portal. The iSupplier Portal is Bi-State's web-based communication tool structured to allow interested bidders full and open access to view, communicate, and submit bids on active solicitations. Twenty-five companies were invited to participate and were provided an electronic copy of the solicitation.

To encourage competitive bidding from other suppliers, a transmittal was sent to all invited suppliers prior to the bid due date, requesting the status of their intentions to participate. One company indicated their intent to bid and four replied that they were not interested in the project. On February 9, 2016, one bid was received from Gateway Fire Protection Systems, Incorporated.

Gateway's bid was compared to the Independent Cost Estimate prepared by the Transit Operations Division and invoices received from Gateway Fire Protection for like services provided to their most favored customers.

Gateway Fire Protection System Bid	Like Services Provided to similar firm by Gateway per invoices received.	Independent Cost Estimate
Lump Sum $346,511.00	Lump Sum $363,261.53	Lump Sum $505,835

Based on the information above, the Gateway Fire Protection System, Incorporated bid has been determined to be fair and reasonable.

<u>Committee Action Requested:</u>

Management recommends that the Finance & Administration Committee discuss and forward to the Board of Commissioners for approval this request to award a sole source contract in the amount of $346,511.00 Gateway Fire Protection Systems for an Underground Loop Fire Suppression System. The contract period shall not exceed ninety days.

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From:	Larry B. Jackson, Executive Vice President of Administration
Subject:	**Disadvantaged Business Enterprise Program Update**
Disposition:	Approval
Presentation:	Francois Lyles-Wiggins – Manager, Office of Supplier Diversity

Objective:
To present to the Finance and Administration Committee for discussion and referral to the Board of Commissioners, the Bi-State Development (**BSD**) Disadvantaged Business Enterprise goal for the period October 1, 2015 through September 30, 2018.

Board Policy:
Section 50.030-Disadvantaged Business Enterprises:
B. DBE Plan. The Bi-State Development Agency recognizes its responsibilities to the communities it serves. It is the policy of the Agency to involve, to the greatest extent possible, socially and economically disadvantaged individuals in all phases of procurement activities. In order to honor this commitment, the Board reviews and approves a management-prepared, comprehensive DBE Plan every five years. Each year specific goals for participation are established, and accomplishments are assessed in an annual summary, which is reviewed by the Board.

Funding Source:
Funding for the BSD Office of Supplier Diversity is provided through the annual operating budget.

Background:
As a recipient of federal financial assistance via Federal Transit Administration (**FTA**) Bi-State Development is required to maintain a Disadvantaged Business Enterprise (**DBE**) Program. The BSD Office of Supplier Diversity (**OSD**) administers the DBE Program as outlined in U.S. Department of Transportation 49 CFR, Part 26 and ensures that DBE firms are afforded viable opportunities to participate on BSD projects agency wide.

OSD sets the agency's overall goal three year goal and monitors progress toward goal attainment; sets contract goals on various construction projects, goods and service contracts; manages the DBE Certification Program, monitors and enforces 49 CFR, Part 26 on its projects funded in whole or part with federal funds and provides various outreach services. The OSD is supported by one Disadvantaged Business Enterprise Liaison Officer (**DBELO**)/Manager; one-Senior Diversity Specialist; one-Diversity Specialist and an Administrative Assistant.

Analysis:
OSD submitted BSD's overall DBE goal setting report for the period October 1, 2015 and ending September 30, 2018 to the FTA on December 28, 2015. The report projects that the agency will achieve overall 20% DBE participation with 15% of the overall goal achieved through race neutral means and 5% through race conscious means. FTA approved BSD's 2016 - 2018 DBE goal on January 20, 2016. (**See Attachment A - Goal Setting Report and Concurrence Letter**)

FTA requires that recipients monitor goal attainment annually and make adjustments in their approach to goal attainment based on whether the agency is exceeding or falling short of the overall goal. During Federal Fiscal Year **(FFY**) 2012 and 2013, BSD exceeded its projected goal of 16% therefore, an adjustment to the use of contract goal was implemented. This adjustment resulted in a shortfall at the end of FFY 2015. As required under 49 CFR, Part 26, a shortfall analysis report was developed and submitted to FTA for review and approval on January 19, 2016. Within this analysis, OSD outlined a corrective action plan and began implementation of that plan.

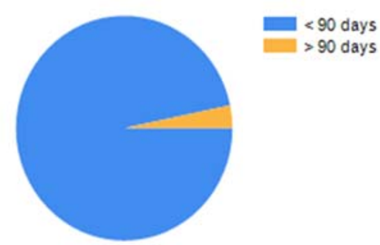
BSD utilizes an on-line application process to receive and review new applications for DBE certification and No Change Affidavits (**NCA**). OSD is required to review applications within 90 days. Additionally, DBE firms whose initial applications were processed by BSD are required to submit every year on the anniversary date of their certification a NCA, the firm's balance sheet and income statement and a completed and signed copy of their firm's federal tax return. The NCA affirms that there have been no changes in the firm's circumstances affecting its ability to meet size, disadvantaged status, ownership, or control.

DBE Certification Application Statistics

OSD has reviewed a total of 59 firms in less than 90 days (96.72%) and 2 firms past 90 days (3.28%) from July 1, 2015 through March 1, 2016.

Certification Processing Time

Threshold (days):	**90**	
Total Records:	**61**	
	< 90 days	> 90 days
Count:	**59**	**2**
Percent:	**96.72%**	**3.28%**



Monitoring and Enforcement

OSD reviews DBE participation on every bid and/or proposal. Once a bid/proposal becomes a contract, monitoring and enforcement through document review, verification of payment and site visits is initiated and continues until project completion. Below is a list of projects currently being monitored:

Bi-State Development Project Compliance Summary from 7/1/14-3/1/16						
Project Number	**Project Name**	**Prime Contractor**	**Amount**	**FTA**	**DBE Goal**	**Current Particpation**
46814	SM Tactile Warning Strip Replacement II Project	L. Keeley Construction	$ 718,062.00	Yes	15.0%	10.8%
47066	Shrewsbury Station Pavement and Wall Repair (Complete)	St Louis Bridge Co	$ 576,890.25	Yes	17.0%	20.5%
47229	Purchase & Installation of Analog Addressable Fire Alarm System	Artisan Constructors	$ 147,144.00	Yes	0.0%	0.0%
47400	Microsoft Office 2013	World Wide Tech, Inc.	$ 285,982.50	Yes	0.0%	0.0%
47439	PROJECT 1869 - SOLE SOURCE	Gets Global Signaling	$ 256,333.52	Yes	0.0%	0.0%
47605	North County Transfer Center - Phase I	C. Rallo Contracting	$ 5,085,000.00	Yes	27.0%	15.9%
48247	Wood Ties & Spikes	Natural Wood Sol.	$ 612,000.00	Yes	0.0%	0.0%
48398	Spruce St Bridge Replacement Design & Construction Phase Ser.	URS Corporation	$ 605,120.81	Yes	0.0%	0.0%
49319	Feeder Wire Rehab & Substation Waterproofing@MO-08&09	TGB, Inc.	$ 568,286.00	Yes	9.5%	15.8%
49533	Missouri Radio System Tower Site Upgrades	IHC Construction	$ 1,811,307.56	Yes	0.0%	0.0%
49639	Design/Build Ewing Yard Retaining Wall Remediation Part 2	St Louis Bridge Co	$ 4,142,110.00	Yes	23.0%	10.4%
49778	MO Rail Tie Replacement Services	Mussellman & Hall	$ 950,015.00	Yes	0.0%	0.0%
50446	**Spruce Street Bridge Replacement**	**Kozeny Wagner Inc**	**$ 5,283,792.70**	**Yes**	**0.0%**	**4.8%**
50745	Union Station Track Z-Crosing/DTC-Clark Avenue Improvements	Raineri Construction	$ 246,938.25	Yes	0.0%	0.0%
38009	Eads Bridge Rehabilitation	St. Louis Bridge Co	$ 40,565,704.00	Yes	11.79%	23.32%
46375	DeBaliviere Facility Cleaning	ISS Facility Services	$ 391,697.72	No	15.0%	0.0%
47039	MetroLink Manual Ticket Sales/Revenue Services	SM Huber ENT, INC	$ 666,638.08	No	10.0%	35.0%
50787	JNEM Arch Transportation System MG Set Replace	Harlan Company	$ 5,002,100.00	No	7.0%	0.0%
42991	Illinois Slope Stabilization Services & Scour Protection Phase 2	Illinois Excavators, Inc.	$ 1,704,357.61	No	15.0%	17.25%

Project 50446-Spruce Street Bridge Replacement has a 0% DBE goal set because this project was bid during the period which BSD had suspended its use of race-conscious goal setting. Kozeny Wagner, Inc., committed to 8.19% DBE participation even though no goal was set. Bi-State Development's Office of Supplier Diversity encourages prime contractors on projects with 0% DBE participation goals to evaluate the projects for contracting opportunities and attempt to maximize inclusion.

<u>Outreach</u>

OSD determined that some DBE contractors within the area were not aware of BSD's wide range of contracting opportunities. To address this issue and broaden interest in all BSD's contracting opportunities, meetings have been scheduled with various small, minority and community organizations in the area to make them aware of the BSD procurement process and encourage them to register with the BSD on-line procurement registry so they will receive notification of upcoming opportunities. Participation in various outreach sessions hosted for the disadvantaged, minority and women contracting community has increased. Additionally, we have organized informational sessions for prime contractors on counting DBE participation and what corrective actions they need to perform when confronted with situations that may arise to hinder goal attainment.

<u>Committee Action Requested:</u>

Management recommends that the Finance & Administration Committee discuss and forward to the Board of Commissioners for approval Bi-State Development's revised three-year Disadvantaged Business Enterprise goal of 20%, for the period October 1, 2015 through September 30, 2018.

Attachments:

Attachment A:	FTA FY 2014 DBE Goal Correction Action Letter dated 1/30/15
Attachment B:	BSD Corrective Action Plan Letter dated
Attachment C:	BSD Overall Goal Setting Report FY 2016-2018
Attachment D:	BSD DBE Participation Shortfall Analysis Report FFY 2014-2015

Attachment A

U.S. Department
Of Transportation
Federal Transit Administration

Headquarters

1200 New Jersey Avenue S.E.
Washington DC 20590

January 30, 2015

Bi-State Development Agency
707 North First Street
St. Louis, MO 63102

Attn: John Nations, CEO
Elke Campbell, DBELO

Re: FY2014 DBE Goal — Corrective Action Required

The Federal Transit Administration (FTA) has Bi-State Development Agency's (Bi-State) FY2014 Disadvantaged Business Enterprise (DBE) Semi-Annual Reports. These reports are used to annually access Bi-State's DBE participation and determine whether your agency achieved its DBE goal in accordance with the U.S. Department of Transportation's DBE regulations at 49 C.F.R. Part 26. The methods used to meet your agency's goal are paramount to overall compliance and help ensure the DBE program is narrowly tailored to combat discrimination, and its effects, during federally-assisted projects.

The DBE Program is, primarily, a race-neutral initiative that incorporates race-conscious elements, as needed. After reviewing Bi-State's DBE participation for the past two years, FTA noticed that your agency has exceeded its overall DBE goal and continues to incorporate race-conscious measures as part of its program. While there is no blanket prohibition against using race-conscious measures, your agency must reduce the use of contract goals "proportionately" when it exceeds the overall goal in two consecutive years. 49 C.F.R. 26.51(f)(4).

Bi-State is not required to eliminate all use of contract goals. It must, however, adjust the race-neutral/race-conscious breakdown in FY2015 to eliminate any potential misuse or overuse of contract goals. Your agency should first examine its FY14 semi-annual reports to determine the actual percentage of race-neutral and race-conscious participation attained throughout the fiscal year.

Bi-State must submit its adjusted race-neutral/race-conscious breakdown for FY2015 to the FTA Regional Civil Rights Officer (RCRO) by February 27, 2015. The submission must include the following: 1) the race-neutral and race-conscious attainment from FY2014; 2) the adjusted race-neutral projection for FY2015 and how your agency determined this adjusted percentage; 3) the race-neutral measures that will be used in FY2015 to achieve your agency's goal; and 4) the adjusted race-conscious projection for FY2015 and how your agency determined this adjusted percentage.

Please be mindful that your agency must, meet the "maximum feasible portion of [its] overall goal [...] using race-neutral measures" and must establish contract goals to meet any portion of the overall goal it does not anticipate meeting using race-neutral means. 49 C.F.R. 26.51 Bi-State's FY2015 race-neutral/race-conscious adjustment must reflect this standard.

We appreciate your cooperation and dedication to the DBE program. Please contact Kevin Osborn at Kevin.Osborn@dot.gov with any questions or concerns.

Sincerely,

Linda Ford
Director, Office of Civil Rights

Attachment B

Larry B. Jackson
VP – Procurement, Inventory
Management & Supplier Diversity
Email: LBJackson@metrostlouis.org

Metro

707 North First Street
St. Louis, Missouri 63102-2595
PH: 314.982.1400
www.metrostlouis.org

March 27, 2015

Ms Linda Ford
Director, Office of Civil Rights
U. S. Department of Transportation
Federal Transit Administration
Office of Civil Rights
East Building, 5th floor - TCR
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Bi-State Development Agency
FY2014 DBE Goal – Corrective Action Request dated January 30, 2015

Ms Ford;

BSDA/Metro has completed its review of the corrective action noted in your letter of January 30, 2015. Currently we are half way through the last year of our 3-year goal period and are starting to compile information for our upcoming goal submission for FY2016-18. In order to provide some insight to the goal setting process, we propose to complete FY2015 utilizing a race neutral process whereby contract goals will not be established for contract procurements.

If there are additional questions or concerns, please don't hesitate to contact us.

Best Regards,

Larry B Jackson

Larry B. Jackson

cc: J. M. Nations
Kevin Osborn (FTA)

Bi-State Development Bi-State Development
Overall DBE Goal Setting Report
FY 2016-2018
Federal Transit Administration

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OVERALL DISADVANTAGED BUSIENSS ENTERPRISE GOAL-SETTING METHODOLOGY REPORT FEDERAL FISCAL YEAR 2016-2018

I. INTRODUCTION

This report details the methodology and the process utilized by Bi-State Development (Bi-State Development) to formulate its three (3) year Fiscal Year (FY) 2016-2018 goal for US DOT-assisted projects. It describes the efforts by Bi-State Development to comply with the goal setting provisions outlined in 49 CFR Part 26.

The Board approves Bi-State Development's Operating and Capital Budget annually in March of each year. This scenario will be repeated in 2016 and 2017. Some projects included in the goal setting process may not be under taken and other projects may be added based on changing priorities of the Agency and Board authorizations.

Planned USDOT-assisted expenditures for FY 2016-18 encompass a wide range of initiatives meeting the Agency's major priorities. Included in the budget is a three-year program designed to build, maintain or replace Bi-State Development's core infrastructure critical to the efficient operation of the region's public transit system. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructures, as well as various expenditures for asset replacements that occur on an infrequent basis. Capital expenditures for FY 2016-2018 include current and future rail projects, vehicle and supporting equipment purchases, transit development (i.e. facility, centers, stations, parking lots, etc.) and information technology improvements.

II. PROPOSED OVERAL GOAL FOR FEDERAL FISCAL YEAR (FFY) 2016-2018

Based on the requirements set forth in 49 CFR Part 26, Bi-State Development formerly known as Bi-State Development is submitting a goal for FFY 2016-2018. The recommended overall DBE goal for the period is 20 percent (20%).

III. OVERALL GOAL SETTING METHODOLOGY AND EVIDENCE

In preparation for the 2016-2018 goal, the Disadvantaged Business Enterprise Liaison Officer (DBELO) obtained capital budget information from the grants department. Projects evaluated for contracting opportunities cover several NAICS codes-construction, professional services, electric, operating (CMAQ, JARC, ARRA, PM), consulting, materials/supplies, and other areas such as IT equipment.

Table 1 lists all anticipated DOT-assisted contracts by NAICS for projects during the FFY 2016-2018:

TABLE 1. CONTRACTING OPPORTUNTIES

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	237990	Other Heavy & Civil Engineering	$ 95,190,090.00	0.2783
2)	236220	Commercial and Institutional	$ 22,614,399.00	0.0661
3)	237310	Highway, Street and Bridge	$ 36,085,035.00	0.1055
4)	237130	Power & Communication Line	$ 2,591,764.00	0.0076
5)	238220	Plumbing, Heating, and Air	$ 1,403,770.00	0.0041
6)	238210	Electrical Contractors	$ 29,025,109.00	0.0848
7)	2381	Foundation Structure & Bldg.	$ 3,612,444.00	0.0106
8)	423430	Computer & Computer Peripheral	$ 12,987,526.00	0.0380
9)	423850	Service Est. Equip & Supplies	$ 20,260,207.00	0.0592
10)	441310	Automotive Parts & Accessories	$ 21,783,323.00	0.0637
11)	423690	Other Electronic Parts & Equip	$ 42,896,527.00	0.1254
12)	541	Professional, Scientific, Technical	$ 8,227,453.00	0.0241
13)	541512	Computer Sys. Design Services	$ 4,475,750.00	0.0131
14)	532420	Office Machinery and Equipment	$ 6,038,958.00	0.0177
15)	423420	Office Equipment Merchant	$ 12,987,526.00	0.0380
16)	561730	Landscaping Services	$ 899,179.00	0.0026
17)	561720	Janitorial Services	$ 5,000,000.00	0.0146
18)	238	Specialty Trade Contractors	$ 16,000,000.00	0.0468
				0.0000
				0.0000
	Total FTA-Assisted Contract Funds		**$342,079,060.00**	**1.0000**

49 CFR §26.45 requires a two-step process for setting the transit DBE goal that reflects the level of DBE participation on Bi-State Development contracts expected absent the effects of discrimination. Bi-State Development examined the relevant market area. The overall goal is based upon the availability of DBE firms ready, willing and able to work in the local market area. The local market area for Bi-State Development is known as the St. Louis Metropolitan Statistical Area (SMSA) which consists of eight counties and a portion of Crawford, County in Missouri (St. Charles, St. Louis City, St. Louis County, Lincoln, Warren, Washington, Franklin, Jefferson and the portion of Sullivan City in Crawford County, Missouri) and eight counties in Illinois (Bond, Monroe, Macoupin, Jersey, Clinton, Calhoun, St. Clair and Madison).

In order to determine the base figure for the availability of DBEs, Bi-State Development carefully examined the Missouri Unified Certification Program (MUCP)-Missouri Regional Certification Committee (MRCC) DBE directory. However, to ensure the goal reflects the actual availability of ready, willing and able DBEs in the SMSA, Bi-State Development examined the MBE/WBE Directories of the City of St. Louis, State of Missouri-Office of Administration/Office of Equal Opportunity and the Illinois UCP Directory to determine whether they contained firms which should be considered ready, willing and able DBEs within the NAICS identified within Bi-State Development's contracting opportunities. Additionally, data available for 2013 from the United States Census Bureau-County Business Patterns database (http://censtats.census.gov/cgi-bin/msanaic/msasel/pl)[1] was utilized.

IV. STEP 1-BASE FIQURE CALCULATION

The initial phase of the Step 1 analysis requires that recipient's first step is the calculation of a base figure for the relative availability of able, willing and ready DBEs. Bi-State Development utilized the number of DBEs within the relevant market area and NAICS codes determined to be within Bi-State Development's anticipated federally funded projects for FY 2016-2018. The number of ready, willing and able DBE firms within the market area totaled 1,354 (see Table 2). Bi-State Development examined the total number of establishments, including DBEs, available to perform within the same NAICS. The total number of establishments based off data reviewed in the County Business Patterns database totaled 16,630 (see Table 2). US DOT Tips requires the calculation of the relative base figure by dividing the total number of available, willing and able DBEs in the market area (1,354) by the total number of all market area businesses (16,630) multiplied by 100. The base figure estimate of DBE availability equals 8.14 percent as shown in Table 2.

[1]2014 County Business Pattern data was not available at the time the DBE goal was calculated.

TABLE 2. DBE AVAILABILITY ANALYSIS

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
1)	237990	Other Heavy & Civil Engineering	10	33	0.3030	
2)	236220	Commercial and Institutional	90	385	0.2338	
3)	237310	Highway, Street and Bridge	40	96	0.4167	
4)	237130	Power & Communication Line	7	56	0.1250	
5)	238220	Plumbing, Heating, and Air	96	842	0.1140	
6)	238210	Electrical Contractors	120	490	0.2449	
7)	238110	Foundation Structure & Bldg.	85	959	0.0886	
8)	423430	Computer & Computer Peripheral	10	67	0.1493	
9)	423850	Service Est. Equip & Supplies	5	54	0.0926	
10)	441310	Automotive Parts & Accessories	1	321	0.0031	
11)	423690	Other Electronic Parts & Equip	3	84	0.0357	
12)	541	Professional, Scientific ,Technical	300	7249	0.0414	
13)	541512	Computer Sys. Design Services	70	425	0.1647	
14)	532420	Office Machinery and Equipment	10	8	1.2500	
15)	423420	Office Equipment Merchant	1	84	0.0119	
16)	561730	Landscaping Services	58	1003	0.0578	
17)	561720	Janitorial Services	48	577	0.0832	
18)	238	Specialty Trade Contractors	400	3897	0.1026	
	Combined Totals		**1354**	**16630**	***0.0814***	***Overall availability of DBEs***

The number of DBEs ready, willing and able to bid on Bi-State Development's contracting opportunities is 1,354. The number of all establishments (DBEs and non-DBEs) within the appropriate NAICS codes associated with Bi-State Development's contracting opportunities is 16,630. 1,354 divided by 16,630 multiplies by 100 indicates that the overall availability of DBEs is 8.14%.

In the application of the overall DBE goal, not all DBEs have equal opportunity for participation as opportunity depends on the spend in each NAICS code. Weighting is recommended in USDOT tips to ensure the overall goal accurately reflects the scope of work. NOTE: The USDOT Tips for Goal Setting advises recipients to look to relevant data sources to supplement your DBE directory. When using the DBE directory and census data in goal setting and there is concern that the directory does not accurately reflect the number of potential DBEs in your area, you should seriously consider supplementing the number of firms in your DBE directory for the purposes of goal-setting. One of the listed tips is to examine lists of other DBEs and MBE/WBEs from other sources to ensure your list of DBEs and potential DBEs is accurate. Bi-State Development weighted the availability of firms based on

the spend in each NAICS, which resulted in a weighted step one base figure of 21 percent as indicated in Table 3.

TABLE 3-DBE GOAL ANALYSIS

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	237990	Other Heavy & Civil Engineering	0.27827	x	0.30303	0.0843
2)	236220	Commercial and Institutional	0.06611	x	0.23377	0.0155
3)	237310	Highway, Street and Bridge	0.10549	x	0.41667	0.0440
4)	237130	Power & Communication Line	0.00758	x	0.12500	0.0009
5)	238220	Plumbing, Heating, and Air	0.00410	x	0.11401	0.0005
6)	238210	Electrical Contractors	0.08485	x	0.24490	0.0208
7)	2381	Foundation Structure & Bldg.	0.01056	x	0.08863	0.0009
8)	423430	Computer & Computer Peripheral	0.03797	x	0.14925	0.0057
9)	423850	Service Est. Equip & Supplies	0.05923	x	0.09259	0.0055
10)	441310	Automotive Parts & Accessories	0.06368	x	0.00312	0.0002
11)	423690	Other Electronic Parts & Equip	0.12540	x	0.03571	0.0045
12)	541	Professional, Scientific, Technical	0.02405	x	0.04139	0.0010
13)	541512	Computer Sys. Design Services	0.01308	x	0.16471	0.0022
14)	532420	Office Machinery and Equipment	0.01765	x	1.25000	0.0221
15)	423420	Office Equipment Merchant	0.03797	x	0.01190	0.0005
16)	561730	Landscaping Services	0.00263	x	0.05783	0.0002
17)	561720	Janitorial Services	0.04677	x	0.08319	0.0039
18)	238	Specialty Trade Contractors	0.01462	x	0.10264	0.0015
					Total	0.2139
					Expressed as a % (*100)	21.39%
					Rounded, Weighted Base Figure:	**21%**

V. STEP 2-CONSIDERATION OF ADJUSTMENT TO THE BASE FIGURE

Bi-State Development examined all evidence in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on Bi-State Development's federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and input from interested parties.

Bi-State Development determined that an adjustment to the Step-One base figure was necessary. The methodology includes past participation in 2012, 2013, and 2014. The 2012 annual goal was 16 percent and achievement was 18.6 percent; 2013 annual goal was 16 percent and achievement was 24.7 percent and 2014 annual goal was 16 percent and achievement was 5.4 percent. Bi-State Development determined that the median number between 2012-2014 to be 18.6 percent (middle number) and averaged this number with the Step-One base figure weighted value of 21 percent. The result was 19.8 percent or 20 percent as shown in Table 4.

TABLE 4-ADJUSTMENT TO BASE FIGURE

GOAL LAST THREE YEARS	AWARDS/COMMITMENTS	AMOUNT EXCEEDED
2012 (16% goal)	18.6%	2.6
2013 (16% goal)	24.7%	8.7
2014 (16% Goal)	5.4%	-10.6

Median Past Participation values from lowest to highest: 5.4%, 18.6% 24.7%

Past Participation Adjustment:

Step 1 Goal: Base Rate (Weighted):	**21%**
Step 2 Adjustments (Past Participation Median + Weighted Total)/2	**21.0**
	18.6
	39.6
	20%

Adjusted Goal: **20%**

VI. PROJECTION OF RACE-NEUTRAL VS. RACE CONSCIOUS GOAL ATTAINMENT

The final requirement of the goal setting process is to determine the portion of the overall goal that will be achieved by race and gender-neutral means. As outlined in 49 CFR § 26.51, the maximum feasible portion of the overall DBE goal should be achieved using race and gender-neutral means.

Bi-State Development examined the achievement of its goal for FFY 2013-2015 since contracting opportunities are similar. The race neutral and race conscious components were determined by analyzing the DBE achievements against the actual goals set for federally-funded projects. Race-neutral includes, but is not limited to, the following: anytime a DBE wins a prime contract through customary competitive procurement procedures; a DBE is awarded a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contract that did not consider a firm's DBE status in making the award.

Based off upcoming contracting opportunities Bi-State Development determined that the race neutral and race-conscious split would utilize the adjusted base figure of 20 percent. Bi-State Development estimates that approximately $2,302,949 worth of its contracting opportunities can be bid to small businesses. Bi-State Development projects that 20 percent of these opportunities can be won by DBE firms which equates to approximately $460,589.80.

Examining larger opportunities Bi-State Development considered if prime bidders would solicit and afford viable opportunities to DBE firms, as well as small businesses, to perform on the larger opportunities. Bi-State Development estimated that approximately $51,639,508 worth of DBE participation exists within the remaining opportunities. Bi-State Development calculated the total to be approximately $52,100,097.80 of contracts awarded to DBE firms through race neutral means which equates to approximately 15 percent. Bi-State Development subtracted the race neutral percentage from the overall goal of 20 percent and determined the race conscious portion of the overall goal to be 5 percent. Therefore, the breakdown is as follows: 20 percent overall goal – 15 percent race neutral and 5 percent race conscious.

The triennial overall goal stated above is an aspirational target for expending federal funds with DBE firms. Funding, local market conditions and capacity of DBE firms in specific industry classifications may make ongoing adjustments of the overall goal necessary.

CONTRACT GOALS

In accordance with 49 CFR § 26.51(e)(1)(2), contract goals will be utilized to meet any portion of the overall goal that Bi-State Development projects cannot be met through race-neutral participation. Bi-State Development will assign contract goals only on those projects that have subcontracting possibilities. In accordance with §26.51(e)(4), Bi-State Development will also ensure the assignment of contract goals provided for the participation of all certified DBEs and will not be sub-divided into group specific goals. Contract goals will be expressed as a percentage of the total amount of the US DOT-assisted contract. In accordance with 49 CFR § 26.51(f), to ensure that Bi-State Development's DBE program continues to be narrowly tailored to overcome the effects of discrimination, Bi-State Development adjusted its use of contract goals by reducing and eliminating the use of contract goals to the extent necessary in efforts not to exceed the overall goal.

49 CFR § 26.51 (f) (4) states that if DBE participation exceeds your overall in two consecutive years through the use of contract goals, you must reduce your use of contract goals proportionately in the following year. In 2012, Bi-State Development's DBE goal was 16 percent. Awards/Commitments totaled 18.6 percent; 7.4 percent race neutral and 11.2 percent race conscious. In 2013, the DBE goal was 16 percent. Awards/Commitments totaled 24.7 percent; race neutral totaled 16.7 percent and 8.0 percent race conscious. In 2014, the DBE goal was 16 percent. Awards/Commitments totaled 5.4 percent; 2.6 percent race neutral and 2.8 percent race conscious. For federally-assisted projects, the DBE goal attainment from 2012, 2013 and 2014 indicates that Bi-State Development exceeded the DBE goal in 2012 and 2013. The overall goal for both years was 16 percent. The overage of DBE participation for 2012 was 2.6 percent (with rounding 3 percent) and in 2013 8.7 percent (with rounding 9 percent). Bi-State Development has exceeded its goal over a two-year period by an average of 38 percent. In 2014, Bi-State Development reduced its use of contract goals.

Based off information obtained from the Uniform Report of DBE Commitments/Awards and Payments. Therefore, Bi-State Development must reduce its contract goal projection by 38 percent and set contract goals accordingly during the upcoming year.

In compliance with §26.51(f), Bi-State Development will continue to monitor DBE participation and will make necessary adjustments to ensure that the program is narrowly tailored.

GOOD FAITH EFFORTS

In accordance with §26.53, Bi-State Development will require a prime contractor to submit a good faith waiver request in instances where the prime contractor is unable to meet the contract goal.

In determining whether a prime contractor has demonstrated good faith in meeting the goal, the goal will follow provisions contained in §26.53. Bi-State Development has implemented policies and procedures to provide administrative reconsideration to contractors deemed not to have demonstrated good faith in meeting the goal. As part of this administrative reconsideration, the contractor is afforded an opportunity to provide written documentation or argument concerning the issue of whether it met the goal, or made adequate good faith efforts to do so.

The result of the reconsideration will not be administratively appealable to the United States Department of Transportation (USDOT).

COUNTING DBE PARTICIPATION TOWARDS THE OVERALL AND CONTRACT GOALS

Bi-State Development will determine DBE credit and counting toward the overall and contract goals as outlined in the provisions contained in §26.55 on USDOT-assisted projects.

IV. PUBLIC NOTICE OF PROPOSED OVERALL GOALS

In accordance with 49 CFR §26.45(g), the goal setting process used by recipients to establish their overall goal submitted to the operating administrations for approval must include consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of DBEs and non-DBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for DBEs, if present, and establishing a level playing field for the participation of DBEs.

On September 17, 2015, Bi-State Development invited the following minority, women and general contractor groups, community organizations and other officials (interested parties) within Bi-State Development's contracting market to attend a public meeting aimed at gathering information relative to the goal-setting process:

- Associated General Contractors of Missouri
- Community Renewal & Development, Inc.
- Minority Contractor Initiative (MCI)
- MOKAN
- NAACP
- Missouri First Congressional District Congressman Lacy Clay Representative
- St. Louis Minority Supplier Development Council (SLMSDC)
- Hispanic Chamber of Commerce

Bi-State Development's attempts to contact the Missouri Women in Trades (MOWIT), the National Association of Women Business Owners (NAWBO) and the National Association of Women in Construction were to no avail. A message was left with staff of the Bi-State Development East Black Contractors Organization (MEBCO) regarding the meet date, time and location.

A face to face dialogue was held Monday, September 28, 2015. Attendees included Associated General Contractors-Missouri, St. Louis Minority Business Council and MOKAN. During that meeting Bi-State Development discussed goal setting, methodology Bi-State Development utilized to set the 2016-2018 goal, North American Industry Code System (NAICS) as it relates to counting DBE participation toward goal attainment, compliance monitoring, outreach and notification of upcoming contracting opportunities.

MOKAN advised Bi-State Development to examine hiring a consultant to assist with compliance monitoring and ensuring that contractors are adhering to goals on projects. MOKAN felt that more communication of bid opportunities between Bi-State Development and minority and women contractors beyond email blasts needed to occur. Additionally, MOKAN suggested that Bi-State Development look at special financing, escrow accounts, for minority and women contractors on projects in order to maximize participation.

Minority contractors present during dialogue requested notification from Bi-State Development on available opportunities.

Associated General Contractors-Missouri indicated that they will assist in any manner to ensure that their membership cooperates fully with Bi-State Development as it relates to inclusion. They invited Bi-State Development to address its membership.

Additionally, Bi-State Development published its FY 2016-2018 DBE goal in the main lobby of its headquarters location at 211 North Broadway, Suite 700, St. Louis, Missouri 63102. This notice informed the public that the proposed goal is 20% and its rationale is available for inspection during normal business hours at this same location for 30 days following the date of the notice. Bi-State Development posted notices on Bi-State Development's Website (www.Bi-State Developmentstlouis.org/dbe).

Bi-State Development took public comments and stakeholder groups' recommendations and/or comments into consideration as warranted in the goal setting process. Bi-State Development's final DBE goal is representative of the input provided by the stakeholder groups during the public consultation and comment periods. Bi-State Development made every attempt to be inclusive and solicit input from a diverse group of community organizations within the local contracting area.

Bi-State Development will begin using the overall three-(3) year goal on October 1, 2015.

ACRONYMS

49 CFR PART 26:	**Code for Federal Regulation that governs the DBE Program**
DBE:	**Disadvantaged Business Enterprise**
DBELO:	**DBE Liaison Officer**
IL UCP:	**Illinois Unified Certification Program**
MBE:	**Minority Business Enterprise**
MRCC:	**Missouri Regional Certification Committee (Missouri UCP)**
NAICS:	**North American Industry Classification System**
SMSA:	**St. Louis Bi-State Metropolitan Statistical Area**
USDOT:	**United States Department of Transportation**
WBE:	**Women Business Enterprise**

SUPPLIER DIVERSITY
DISADVANTAGED BUSINESS ENTERPRISE
PARTICIPATION SHORTFALL ANALYSIS REPORT
FFY 2014-2015

FEDERAL TRANSIT ADMINISTRATION

PREPARED BY:
Francoise Lyles-Wiggins
Bi-State Development Supplier Diversity Program Manager/DBELO

OVERVIEW

Planned USDOT-assisted expenditures for Bi-State Development in FY 2013-15 encompassed a wide range of initiatives meeting the Agency's major priorities. Included in the budget is a three-year program designed to build, maintain or replace Bi-State Development's core infrastructure critical to the efficient operation of the region's public transit system. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructures, as well as various expenditures for asset replacements that occur on an infrequent basis. Capital expenditures for FY 2013-2015 included current and future rail projects, vehicle and supporting equipment purchases, transit development (i.e. facility, centers, stations, parking lots, etc.) and information technology improvements.

Bi-State Development Triennial Goal for FFY 2013-2015 was 16% (2.7% RN/13.3% RC). Review of the Uniform Report of DBE Commitments/Awards and Payments from June 1ST (Oct. 2014-Mar. 2015) and December 1ST (Apr. 2015-Sept. 2015) reporting periods indicated that Bi-State Development only achieved 10% through commitments and awards to DBE firms. Therefore, Bi-State Development's DBE participation shortfall is 6%.

This shortfall analysis describes the efforts by Bi-State Development to comply with the provisions outlined in 49 CFR Part 26 and is inclusive of all Federal Transit Administration (FTA) funded projects.

SHORTFALL PERCENTAGE

Bi-State Development's total awards and commitments for October 2014-March 2015 (June 1ST reporting period) totaled $6,141,465. Awards and commitments for April 2015-September 2015 (December 1St reporting period) totaled $3,768,317. The combined total of awards and commitments for both reporting periods totals $9,090,782.

Total DBE awards and commitments for October 2014-March 2015 totaled $888,110. DBE Awards and commitments for April 2015-September 2015 totaled $56,185. The combined total of DBE awards and commitments for both reporting periods totals $944,295.

Bi-State Development divided the total DBE awards and commitments ($944,295) by the total awards ($9,909,782) resulting in .0952, 10% with rounding. Bi-State Development Triennial goal was 16% and achieved 10% which is a 6% shortfall.

RACE CONSCIOUS /RACE NEUTRAL BREAKDOWN

Bi-State Development Triennial goal for 2013-2015 was 16% (2.7% RN/13.3% RC). Bi-State Development examined its awards and commitments for FFY 2013. The agency exceeded its goal during this timeframe (25% achieved-8% race conscious/17% race neutral) yet race conscious fell short of the 13.3% and race neutral exceeded the 2.7% projection. In 2014 Bi-State Development adjusted its use of contract goals and failed to meet its DBE goal (5.4% achieved-2.8% race conscious/2.6% race neutral). During FFY 2015, Bi-State Development continued to adjust its use of contract goals and failed to meet its DBE goal (10% achieved-10% race conscious/0% race neutral).

RACE NEUTRAL MEASURES

Contracts are unbundled where economically feasible. The agency exceeded the goal during FFY 2013 in part due to unbundling. During FFY 2014, the agency made an adjustment to its race conscious measures due to exceeding the goal two years consecutively. Supplier Diversity is present during the contract solicitation process.

REASONS FOR SHORTFALL

Review of the contracts awarded during FFY 2014-2015, indicates that Bi-State Development made every effort to achieve the goal. However, discontinuing contract goal setting in its entirety was an attributing factor to the shortfall. Below is a breakdown of all contracts undertaken during FFY 2014-2015.

DBE PARTICPATION ON PROJECTS UNDERTAKEN DURING FFY 2014-2015

PROJECT NAME	FTA FUNDS	DBE GOAL	DBE COMMITMENT	RACE NEUTRAL	RACE CONSCIOUS
Shrewsbury Station Pavement and Wall Repair	$ 461,512.20	17%	17%	$ -	$ 71,402.24
Purchase & Installation of Analog Addressable Fire Alarm Sys.	$ 117,715.20	0%	0%	$ -	$ -
Microsoft Office 2013	$ 228,786.00	0%	0%	$ -	$ -
Project 1869 Sole Source	$ 205,066.82	0%	0%	$ -	$ -
Fabick Cat 12/2/2014	$ 86,688.00	0%	0%	$ -	$ -
North County Transfer Center Phase I	$ 4,068,000.00	15%	26.2%	$ -	$ 854,286.40
Wood Ties & Spikes	$ 489,600.00	0%	0%	$ -	$ -
Spruce Street Bridge Replacement Design & Construction	$ 484,096.65	0%	0%	$ -	$ -
Feeder Wire Rehabilitation & Substation Waterproofing @ MO-08 & 09	$ 454,628.80	0%	0%	$ -	$ -
Design/Build Ewing Yard Retaining Wall Remediation Part 2	$ 3,313,688.00	23%	23%	$ -	$ 37,646.40
TOTAL	**$ 9,909,781.67**				**$ 963,335.04**

Three out of ten projects undertaken in FFY 2014-2015 by Bi-State Development included contract goals-Design/Build Ewing Yard Retaining Wall Remediation-Part 2, Shrewsbury Station Pavement and Wall Repair and North County Transfer Center Phase I.

The Design/Build Ewing Yard Retaining Wall Remediation-Part 2 project was a $4,4142,110 contract for design and construction services to restore structural stability and prevent damages to the Ewing Yard, public utility infrastructure and Scott Avenue due to a wall collapse into the Ewing Yard undermining the southern portion of Scott Avenue and taking yard Tracks 114 and 115 out of service. The goal for this project was 23% and 0% DBE commitment was attained in FFY 2015. DBE commitment levels are based off the current level of the project. This project is a design build and was only 10% complete during this period. The design has not been reviewed and approved. Also, since this project experienced two collapses the clean-up stage was still in progress. Due to the nature of the project, the prime contractor commits to examine and identify all subcontracting opportunities as the project progresses as indicated on their commitment statement. Bi-State Development Supplier Diversity will work closely with the project team during all phases of the project to ensure that as scope becomes identified DBE participation is maximized within those areas. Bi-State Development anticipates that DBE participation will increase as the project evolves.

The Shrewsbury Station Pavement and Wall Repair project consisted of construction of a retaining wall, removal and replacement of a pedestrian track crossing and installation of the concrete collar around sewer grates. Review of this contract indicated that the initial award amount of $576,890.25 included an allowance totaling $150,000 of which $63,568.15 was not utilized thereby the award amount was reduced to $513,322.10. Additionally, some payments to DBE subcontractors occurred after the reporting time period for this analysis. Examination of RC totals, $71,402.24/$513,322.10 indicates that the prime contractor did not achieve 17% but 14% during the reporting time period.

Bi-State Development examined ridership in North St. Louis County and determined that building a facility capable of providing both a major transfer hub and a bus garage and maintenance facility would meet the needs in the North St. Louis County. Bi-State Development proceeded with the design for both phases and plans to construct both elements concurrently, but based on funding constraints, the project could potentially proceed in two phases. Phase I would meet the community's immediate need for a permanent, highly visible bus transfer center. It would provide a high level of passenger amenities including, parking, climate-controlled waiting area, and retail space. Review of the North County Transfer Center Phase I contract indicated the goal was 15% and commitment by the prime contractor was 26.2%. Review of the current level of participation suggests this project is at 17%. The participation on this contract is race conscious. Examination of commitments versus the actual goal set has this project with a shortfall of 9.2% during the reporting time period.

CORRECTIVE ACTION PLAN

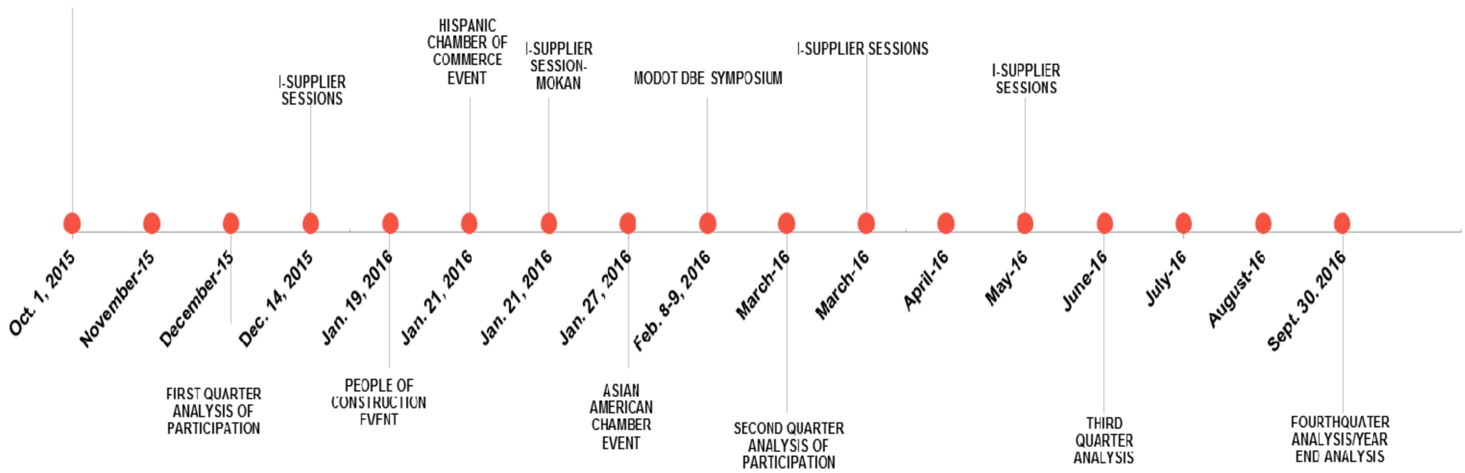
Examination of projects with no goal set indicated that no effort by prime contractors was put forth although there might have been some contracting opportunities. Bi-State Development will strongly encourage prime contractors to put forth a robust good faith effort toward inclusion where contracting opportunities are evident with no goal set on projects.

Bi-State Development will monitor FTA assisted contracts on a quarterly basis to examine participation levels to ensure that DBE goals are being met. More frequent monitoring allows Bi-State Development to identify potential shortfalls and address them in a timely manner. Additionally, this allows Bi-State Development time to meet with contractors and develop a plan to correct deficiencies.

Bi-State Development re-examined outreach efforts and determined that contractors within the area were not aware that Bi-State Development had a wide range of contracting opportunities. Supplier Diversity has begun meeting with various small, minority and disadvantaged contracting agencies in the St. Louis Metropolitan Area to make them aware of the procurement system (*i*-Supplier) Bi-State utilizes to notify potential vendors of upcoming and active opportunities. If vendors are not registered for *i*-Supplier they will not receive updates and/or specific information surrounding open solicitations. Supplier Diversity is introducing the system and encouraging potential vendors to set up an account in order to receive direct notification via email of upcoming opportunities. *I*-Suppler sessions began December 14, 2015. Additionally, during FFY 2016 Bi-State Development will increase its participation in various outreach sessions:

People of Construction-1/19/16
Hispanic Chamber of Commerce-Business After Hours-1/21/16
Asian American Chamber of Commerce-Business After Hours-1/27/16
Missouri Dept. of Transportation DBE Symposium-2/8-2/9/16
St. Louis Business Expo-4/12/16

Bi-State Development Supplier Diversity Milestones



Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From:	Kathy S. Klevorn Sr. Vice President and Chief Financial Officer
Subject:	**Bi-State Development Operating and Capital Budget FY 2017–2019**
Disposition:	Approval/Presentation
Presentation:	Kathy Klevorn, Sr. Vice President & CFO; Tracy Beidleman, Director of Program Development and Grants; Mark Vago, Controller

Objective:
To present the following to the Finance and Administration Committee for discussion and approval:

- The Bi-State Development Operating and Capital Budget FY 2017-2019;
- The three-year Transportation Improvement Plan;
- Grant resolutions required to apply for federal and state funding necessary to support the Bi-State Development's projects and programs; and
- Authorization of management to seek grants and/or appropriations from federal programs, the City of St. Louis, St. Louis County, and the states of Missouri and Illinois.

Board Policy:
The annual budget is presented in accordance with Board Policy Chapter 30, Section 30.030, which states:

A. General. Each year the President & CEO shall prepare an annual budget for the forthcoming fiscal year that will be presented to the Board of Commissioners. The President & CEO will work with the Board in setting strategic objectives, update the Agency's long range planning document, and prepare both an operating and capital budget. The operating budget shall include proposed expenditures for current operations during the ensuing fiscal year and the method of financing such expenditures. The capital budget shall include capital expenditures during the ensuing fiscal year and the proposed method of financing such expenditures.

B. Approval. The President & CEO will present the annual budget at a regularly scheduled meeting of the Board of Commissioners. The Board of Commissioners shall approve annual operating and capital budgets prior to the beginning of the ensuing fiscal year.

Funding Source:
The funding source for the Bi-State Development's Operating and Capital Budget includes operating revenue of each entity, local, state and federal funding sources.

Background:

The attached document presents the Bi-State Development's Operating and Capital Budget for FY 2017–2019.

Summaries of the FY 2017-2019 Operating and Capital Budgets are as follows:

OPERATING BUDGET (000s omitted)

	FY 2017			FY 2018			FY 2019		
	Total Revenue	Total Expense	Net Inc(Loss)*	Total Revenue	Total Expense	Net Inc(Loss)*	Total Revenue	Total Expense	Net Inc(Loss)*
Metro Transit	$309,445	$310,814	$ (1,369)	$317,117	$ 318,645	$ (1,528)	$323,539	$325,350	$ (1,811)
Executive Services	4,270	4,019	251	4,623	4,138	485	4,763	4,296	467
Gateway Arch Tram	7,648	5,518	2,130	9,157	6,986	2,171	9,158	7,156	2,002
St. Louis Downtown Airport	1,505	1,628	(122)	1,600	1,659	(59)	1,706	1,721	(15)
Riverfront Attractions	2,652	2,556	96	2,776	2,627	149	2,880	2,702	178
St. Louis Regional Freightway	215	852	(637)	215	1,062	(847)	215	1,075	(860)
BSD Research Institute	63	116	(53)	64	119	(55)	84	127	(43)
Arts In Transit	48	47	1	50	49	1	50	49	1
Internal Service Funds	44,011	44,011	-	45,273	45,273	-	46,624	46,624	-
Total	$369,857	$369,561	$ 296	$380,875	$ 380,558	$ 317	$389,019	$389,100	$ (81)

* Before Depreciation

Capital Budget

(in thousands)	FY 2017	FY 2018	FY 2019	Total
Metro Transit	$469,421	$ 82,278	$ 82,219	$633,918
Executive Services	-	-	-	-
Gateway Arch Tram	6,200	7,000	2,000	15,200
St. Louis Downtown Airport	5,125	4,610	6,238	15,973
Riverfront Attractions	80	-	-	80
St. Louis Regional Freightway	-	-	-	-
BSD Research Institute	-	-	-	-
Arts In Transit	-	-	-	-
Internal Service Funds	-	-	-	-
Total	$480,826	$ 93,888	$ 90,457	$665,171

Analysis:

Bi-State Development has developed the FY 2017–2019 Operating and Capital Budgets, taking into account current economic conditions and conservatively estimating revenue, expense, and capital replacement and rehabilitation needs. The Bi-State Development Operating and Capital Budget, as presented, is supportive of the mission and vision statements.

Committee Action Requested:

Management recommends that the Finance & Administration Committee approve and refer to the Board of Commissioners for approval the Operating and Capital Budget FY 2017–2019.

Attachments:

1. Bi-State Development Operating and Capital Budget FY 2017–2019
2. Budget Presentation

FISCAL YEAR **2016**

QUARTERLY FINANCIAL STATEMENTS

Second Quarter

Ending December 31, 2015

BI-STATE DEVELOPMENT

65 YEARS

Bi-State Development of the Missouri-Illinois Metropolitan District

BI·STATE DEVELOPMENT

To: John M. Nations
President and Chief Executive Officer

From: Kathy S. Klevorn,
Sr. Vice President Finance and CFO

Date: February 2, 2016

Subject: Bi-State Development Financial Statements – December 31, 2015

Enclosed is the financial statement package for December 31, 2015. Results, including the analysis and financial position, are provided by operating unit. These results are *unaudited* and subject to change. The financial statements presented are not prepared in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP). A U.S. GAAP presentation would include, among other things, revenue and expenses identified as operating or non-operating and segregated accordingly, depreciation shown as an operating expense; full disclosure of all material financial and non-financial events with accompanying footnote disclosures; and a Management Discussion and Analysis (MD&A) section.

Changes to the Quarterly Financial Package

There are additions to quarterly financial package beginning with the quarter ending December 31, 2015.

Bi-State Development (BSD) established an Internal Service Fund (ISF) to report on health and welfare expenses for the entire organization. The Health and Welfare Internal Service Fund is used to report on medical and health related services and their related costs which are provided to other business units within Bi-State Development. The ISF is being reported separately with its own income statement, balance sheet, cash flow statement and statement of cash receipts and disbursements.

There continues to be a Combining Statement of Net Income or Loss for the Enterprise Funds with eliminations for the operational business units. Beginning this quarter, a Combining Statement of Net Position (Balance Sheet) has been added for the operational business units.

A Government Wide Combining Statement of Net Income or Loss and a Government Wide Statement of Net Position (Balance Sheet) has been included. The Government Wide financials statements combine the operating business unit and internal service fund information into organizational totals with proper eliminations. The Government Wide financials provide accurate financial for BSD in its entirety.

Executive Services

Revenue has remained constant from the prior year for the Gateway Arch Tram and the St. Louis Downtown Airport. Metro transit's management fee is lower than budget. It is based on a percent of Executive Services expenses. Prudent management has controlled expense thereby lowering the management fee. There is operating revenue of $172.8 thousand related to regional support and sponsorship of the annual meeting. Executive Services is generating a net income before depreciation of $304.0 thousand. *Please see page 13 for the Statement of Revenue and Expense.*

Gateway Arch

Arch ticket sales revenue are 2.5% lower than last year primarily due to construction. Savings in the cost of a project has allowed the National Park Service (NPS) to temporarily return $1.2 million in funds. These funds will be set aside to help fund future capital projects at the Arch. The Gateway Arch Tram System is generating a net income before depreciation of $2.1 million. *Please see page 22 for the Statement of Revenue and Expense.*

Metro Transit

Revenue

Total Metro Transit revenue and passenger revenue are down 7.0% and 5.9% respectively compared to prior year. Passenger ridership for MetroLink was down 6.4%, MetroBus was down 5.7% and Metro Call-A-Ride ridership remained flat. Contract, appropriation and grant revenue are slightly higher than prior year.

Expense

Year over year operating expenses are up 2.3% year to date. The two categories showing notable increases are wages and benefits and casualty insurance. This is the result of the wage increases and severity of claims. Combined wages and benefit expense of $86.5 million is 60.7% of total expenses. The net income before depreciation is $9.7 million. *Please see page 32 for the Statement of Revenue and Expense.*

St. Louis Downtown Airport

Total revenue and hangar rental are greater than prior year. Expenses have increased slightly year over year. The increased revenue has resulted in net income before depreciation of $44.3 thousand compared to a net income last year of $29.1 thousand. *Please see page 46 for the Statement of Revenue and Expense.*

Riverfront Attractions

Operating revenues are down 43.6% compare to budget due to flooding and construction. There were 30 lost cruising days. Riverfront Attractions has net loss before depreciation of $77.7 thousand. *Please see page 56 for the Statement of Revenue and Expense.*

Freight District

The Regional Freight District has $192.5 thousand in operating revenue. Revenues are provided by outside agencies. Operating expenses consist primarily of staff wages and benefits and consulting services. Regional Freight District has net loss before depreciation of $7.8 thousand. *Please see page 64 for the Statement of Revenue and Expense.*

Research Institute

The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation. The Institute has $39.8 thousand in operating revenue and minimal operating expense. The Institute has net income before depreciation of $39.7 thousand. *Please see page 70 for the Statement of Revenue and Expense.*

Arts in Transit

Arts In Transit, Inc. is a non-profit 501(c)(3). Its primary role is to establish and coordinate a collaboration of artists to design and build standalone artwork which is intergraded into the transit system. AIT has grant revenue from the Regional Arts Commission of $26.5 thousand. *Please see page 76 for the Statement of Revenue and Expense.*

Health and Welfare Internal Service Fund

The Health and Welfare Internal Service Fund is used to report on medical and health related services and their related costs which are provided to other business units within Bi-State Development. Revenue of $15.9 million includes $12.6 million in employer contributions and $3.3 million in employee/participant contributions. Expenses of $15.4 million include $10.7 million in medical claims and $3.1 million in prescription claims paid. Income before depreciation for the Internal Service Fund for the six months ended December 31, 2015 was $493.4 thousand. *Please see page 82 for the Statement of Revenue and Expense.*

BI-STATE DEVELOPMENT

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Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Government Wide
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Enterprise Funds Total	Internal Service Fund Total	Total	Eliminations	Government-Wide Financial Total
Assets					
Current assets					
Cash and investments	$ 247,195,352	$ 3,290,462	$ 250,485,814	$ -	$ 250,485,814
Accounts and notes receivable	6,076,352	18,406	6,094,758	-	6,094,758
Interfund accounts receivable	-	504,250	504,250	(504,250)	-
Restricted accounts receivable	111,361	-	111,361	-	111,361
assistance receivable	40,824,026	-	40,824,026	-	40,824,026
Materials and supplies inventory	9,036,691	-	9,036,691	-	9,036,691
Other current assets	3,107,019	-	3,107,019	-	3,107,019
Total current assets	306,350,801	3,813,118	310,163,919	(504,250)	309,659,669
Capital assets					
Capital assets - motorbus	365,505,813	-	365,505,813	-	365,505,813
Capital assets - paratransit	18,230,491	-	18,230,491	-	18,230,491
Capital assets - lightrail	1,549,191,314	-	1,549,191,314	-	1,549,191,314
Capital assets, net depr	67,549,696	-	67,549,696	-	67,549,696
Total capital assets	2,000,477,314	-	2,000,477,314	-	2,000,477,314
Accumulated depreciation	(1,125,594,209)	-	(1,125,594,209)	-	(1,125,594,209)
Total capital assets, net	874,883,105	-	874,883,105	-	874,883,105
Land	100,749,855	-	100,749,855	-	100,749,855
Construction-in-process	76,545,387	-	76,545,387	-	76,545,387
Total capital assets	1,052,178,347	-	1,052,178,347	-	1,052,178,347
Non-current assets					
Restricted investments	94,568,092	-	94,568,092	-	94,568,092
Deferred charges	16,653	-	16,653	-	16,653
Other non-current assets, net amort	158,400	-	158,400	-	158,400
Total non-current assets	94,743,145	-	94,743,145	-	94,743,145
Total assets	1,453,272,293	3,813,118	1,457,085,411	(504,250)	1,456,581,161
Deferred outflow of resources					
Deferred pension loss	2,128,588	-	2,128,588	-	2,128,588
Deferred pension expense	2,113,257	-	2,113,257	-	2,113,257
Deferred loss on hedging instruments	4,647,842	-	4,647,842	-	4,647,842
Deferred loss on debt refunding	3,422,726	-	3,422,726	-	3,422,726
Total deferred outflow of resources	12,312,413	-	12,312,413	-	12,312,413
Total	$ 1,465,584,706	$ 3,813,118	$ 1,469,397,824	$ (504,250)	$ 1,468,893,574

Bi-State Development Agency of the Missouri-Illinois Metropolitan District
Government Wide
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Enterprise Funds Total	Internal Service Fund Total	Total	Eliminations	Government-Wide Financial Total
Liabilities					
Current liabilities					
Accounts payable	$ 6,134,657	$ -	$ 6,134,657	$ -	$ 6,134,657
Interfund accounts payable	(506,118)	1,010,368	504,250	(504,250)	-
Accrued expenses	18,476,280	50,800	18,527,080	-	18,527,080
Other current liabilities	32,838,001	-	32,838,001	-	32,838,001
Total current liabilities	56,942,820	1,061,168	58,003,988	(504,250)	57,499,738
Current liab payable from restricted assets					
Accounts payable and retention	3,215,017	-	3,215,017	-	3,215,017
Accrued interest payable	5,344,728	-	5,344,728	-	5,344,728
General self-insurance liability	9,405,964	-	9,405,964	-	9,405,964
Medical self-insurance liability	-	2,255,254	2,255,254	-	2,255,254
Current portion of long-term debt	7,953,010	-	7,953,010	-	7,953,010
Total current liabilities payable from restricted assets	25,918,719	2,255,254	28,173,973	-	28,173,973
Total current liabilities	82,861,539	3,316,422	86,177,961	(504,250)	85,673,711
Non-current liabilities					
Other post-employment benefits	53,918,371	3,264	53,921,635	-	53,921,635
Long-term self-insurance	6,444,923	-	6,444,923	-	6,444,923
Long-term debt	554,433,511	-	554,433,511	-	554,433,511
Capital lease obligations	94,553,120	-	94,553,120	-	94,553,120
Unfunded pension liabilities	89,160,637	-	89,160,637	-	89,160,637
Other non-current liabilities	6,625,923	-	6,625,923	-	6,625,923
Total non-current liabilities	805,136,485	3,264	805,139,749	-	805,139,749
Total liabilities	887,998,024	3,319,686	891,317,710	(504,250)	890,813,460
Net Position					
Net position - capital investments	1,117,745,324	-	1,117,745,324	-	1,117,745,324
Net position - unrestricted	(515,827,488)	-	(515,827,488)	-	(515,827,488)
Net income (loss)	(24,331,154)	493,432	(23,837,722)	-	(23,837,722)
Total net position	577,586,682	493,432	578,080,114	-	578,080,114
Total	$ 1,465,584,706	$ 3,813,118	$ 1,469,397,824	$ (504,250)	$ 1,468,893,574

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Government Wide
Bi-State Development Wide Statement of Revenues, Expenses and Changes in Net Position
For the Six Months Ended December 31, 2015
(unaudited)

	Enterprise Funds Total	Internal Service Fund Total	Total	Eliminations	Government-Wide Financial Total
Revenue					
Passenger and service revenues	$ 29,963,081	$ -	$ 29,963,081	$ -	$ 29,963,081
Partnership fees	192,469	-	192,469	-	192,469
City of St. Louis	17,785,724	-	17,785,724	-	17,785,724
St. Louis County	63,892,292	-	63,892,292	-	63,892,292
St. Clair County Transit District	28,000,579	-	28,000,579	-	28,000,579
State of Missouri and Illinois	720,367	-	720,367	-	720,367
Federal funding	10,987,010	-	10,987,010	-	10,987,010
Other local/regional funding	734,432	-	734,432	-	734,432
Contributions	39,805	-	39,805	-	39,805
Advertising, maint services, rental income	3,910,496	-	3,910,496	-	3,910,496
Interest income	677,008	-	677,008	-	677,008
Other Operating Revenue	515,701	-	515,701	-	515,701
Charges for services	-	15,910,812	15,910,812	(12,654,314)	3,256,498
Total revenue	157,418,964	15,910,812	173,329,776	(12,654,314)	160,675,462
Expense					
Wages and benefits	89,573,958	442,341	90,016,299	-	90,016,299
Services	17,208,811	109,856	17,318,667	-	17,318,667
Fuel and lube consumed	8,217,434	-	8,217,434	-	8,217,434
Materials and supplies	11,140,904	3,864	11,144,768	-	11,144,768
Utilities	3,897,455	1,062	3,898,517	-	3,898,517
Casualty and liability costs	3,421,180	-	3,421,180	-	3,421,180
Other expenses	2,582,162	12,563	2,594,725	-	2,594,725
Interest expense	9,840,015	-	9,840,015	-	9,840,015
Contribution to outside entities	(604,772)	-	(604,772)	-	(604,772)
Other non-operating expense	2,565	-	2,565	-	2,565
Claims paid and insurance administrative costs	-	14,847,694	14,847,694	(12,654,314)	2,193,380
Total expense	145,279,712	15,417,380	160,697,092	(12,654,314)	148,042,778
Income (loss) before depreciation	12,139,252	493,432	12,632,684	-	12,632,684
Depreciation and amortization expense	36,470,406	-	36,470,406	-	36,470,406
Net income (loss)	$ (24,331,154)	$ 493,432	$ (23,837,722)	$ -	$ (23,837,722)

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Enterprise Funds
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	Metro Transit System	Regional Freight District	Bi-State Development Research Inst.	Arts In Transit, Inc.	Totals	Interfund Eliminations	Totals After Eliminations
Assets											
Current assets											
Cash and investments	$ 3,988,357	$ 19,540,816	$ 60,545	$ 683,497	$ 222,851,063	$ -	$ 44,375	$ 26,699	$ 247,195,352	$ -	$ 247,195,352
Accounts and notes receivable	19,142	120,738	11,000	71,879	5,686,124	167,469	-	-	6,076,352	-	6,076,352
Interfund accounts receivable	2,099,432	473,833	-	43,888	1,092,979	-	-	-	3,710,132	(3,710,132)	-
Restricted accounts receivable	-	-	-	-	111,361	-	-	-	111,361	-	111,361
assistance receivable	-	199,599	-	-	40,624,427	-	-	-	40,824,026	-	40,824,026
Materials and supplies inventory	-	-	44,287	61,609	8,930,795	-	-	-	9,036,691	-	9,036,691
Other current assets	-	33,767	76,514	67,721	2,929,017	-	-	-	3,107,019	-	3,107,019
Total current assets	6,106,931	20,368,753	192,346	928,594	282,225,766	167,469	44,375	26,699	310,060,933	(3,710,132)	306,350,801
Capital assets											
Capital assets - motorbus	-	-	-	-	365,505,813	-	-	-	365,505,813	-	365,505,813
Capital assets - paratransit	-	-	-	-	18,230,491	-	-	-	18,230,491	-	18,230,491
Capital assets - lightrail	-	-	-	-	1,549,191,314	-	-	-	1,549,191,314	-	1,549,191,314
Capital assets, net depr	56,240	9,599,793	5,165,449	52,728,214	-	-	-	-	67,549,696	-	67,549,696
Total capital assets	56,240	9,599,793	5,165,449	52,728,214	1,932,927,618	-	-	-	2,000,477,314	-	2,000,477,314
Accumulated depreciation	(52,863)	(9,539,639)	(3,485,817)	(33,670,654)	(1,078,845,236)	-	-	-	(1,125,594,209)	-	(1,125,594,209)
Total capital assets, net	3,377	60,154	1,679,632	19,057,560	854,082,382	-	-	-	874,883,105	-	874,883,105
Land	-	-	-	4,542,564	96,207,291	-	-	-	100,749,855	-	100,749,855
Construction-in-process	-	1,714,644	-	144,887	74,685,856	-	-	-	76,545,387	-	76,545,387
Total capital assets	3,377	1,774,798	1,679,632	23,745,011	1,024,975,529	-	-	-	1,052,178,347	-	1,052,178,347
Non-current assets											
Restricted investments	-	-	-	-	94,568,092	-	-	-	94,568,092	-	94,568,092
Deferred charges	-	-	-	16,653	-	-	-	-	16,653	-	16,653
Other non-current assets, net amort	-	-	-	-	158,400	-	-	-	158,400	-	158,400
Total non-current assets	-	-	-	16,653	94,726,492	-	-	-	94,743,145	-	94,743,145
Total assets	6,110,308	22,143,551	1,871,978	24,690,258	1,401,927,787	167,469	44,375	26,699	1,456,982,425	(3,710,132)	1,453,272,293
Deferred outflow of resources											
Deferred pension loss	-	-	-	-	2,128,588	-	-	-	2,128,588	-	2,128,588
Deferred pension expense	-	-	-	-	2,113,257	-	-	-	2,113,257	-	2,113,257
Deferred loss on hedging instruments	-	-	-	-	4,647,842	-	-	-	4,647,842	-	4,647,842
Deferred loss on debt refunding	-	-	-	-	3,422,726	-	-	-	3,422,726	-	3,422,726
Total deferred outflow of resources	-	-	-	-	12,312,413	-	-	-	12,312,413	-	12,312,413
Total	$ 6,110,308	$ 22,143,551	$ 1,871,978	$ 24,690,258	$ 1,414,240,200	$ 167,469	$ 44,375	$ 26,699	$ 1,469,294,838	$ (3,710,132)	$ 1,465,584,706

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Enterprise Funds
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	Metro Transit System	Regional Freight District	Bi-State Development Research Inst.	Arts In Transit, Inc.	Totals	Interfund Eliminations	Totals After Eliminations
Liabilities											
Current liabilities											
Accounts payable	$ 82,091	$ 578,136	$ 40,699	$ 16,428	$ 5,412,303	$ -	$ 5,000	$ -	$ 6,134,657	$ -	$ 6,134,657
Interfund accounts payable	248,789	150,452	1,311,315	92,872	1,231,700	168,886	-	-	3,204,014	(3,710,132)	(506,118)
Accrued expenses	253,800	62,900	109,900	54,800	17,989,580	5,300	-	-	18,476,280	-	18,476,280
Other current liabilities	-	66,677	164,732	2,257	32,604,335	-	-	-	32,838,001	-	32,838,001
Total current liabilities	584,680	858,165	1,626,646	166,357	57,237,918	174,186	5,000	-	60,652,952	(3,710,132)	56,942,820
Current liab payable from restricted assets											
Accounts payable and retention	-	-	-	-	3,215,017	-	-	-	3,215,017	-	3,215,017
Accrued interest payable	-	25,622	-	-	5,319,106	-	-	-	5,344,728	-	5,344,728
General self-insurance liability	-	-	-	-	9,405,964	-	-	-	9,405,964	-	9,405,964
Current portion of long-term debt	-	73,010	-	-	7,880,000	-	-	-	7,953,010	-	7,953,010
from restricted assets	-	98,632	-	-	25,820,087	-	-	-	25,918,719	-	25,918,719
Total current liabilities	584,680	956,797	1,626,646	166,357	83,058,005	174,186	5,000	-	86,571,671	(3,710,132)	82,861,539
Non-current liabilities											
Other post-employment benefits	848,722	11,179	374,855	350,727	52,331,820	1,068	-	-	53,918,371	-	53,918,371
Long-term self-insurance	300	5,414	33,654	28,991	6,376,564	-	-	-	6,444,923	-	6,444,923
Long-term debt	-	7,582,990	-	-	546,850,521	-	-	-	554,433,511	-	554,433,511
Capital lease obligations	-	-	-	-	94,553,120	-	-	-	94,553,120	-	94,553,120
Unfunded pension liabilities	592,090	183,752	449,172	183,752	87,751,871	-	-	-	89,160,637	-	89,160,637
Other non-current liabilities	-	-	-	-	6,625,923	-	-	-	6,625,923	-	6,625,923
Total non-current liabilities	1,441,112	7,783,335	857,681	563,470	794,489,819	1,068	-	-	805,136,485	-	805,136,485
Total liabilities	2,025,792	8,740,132	2,484,327	729,827	877,547,824	175,254	5,000	-	891,708,156	(3,710,132)	887,998,024
Net Position											
Net position - capital investments	234,215	-	254,907	32,880,637	1,084,375,565	-	-	-	1,117,745,324	-	1,117,745,324
Net position - unrestricted	3,547,519	11,380,465	(621,083)	(8,179,768)	(521,956,600)	-	(282)	2,261	(515,827,488)	-	(515,827,488)
Net income (loss)	302,782	2,022,954	(246,173)	(740,438)	(25,726,589)	(7,785)	39,657	24,438	(24,331,154)	-	(24,331,154)
Total net position	4,084,516	13,403,419	(612,349)	23,960,431	536,692,376	(7,785)	39,375	26,699	577,586,682	-	577,586,682
Total	$ 6,110,308	$ 22,143,551	$ 1,871,978	$ 24,690,258	$ 1,414,240,200	$ 167,469	$ 44,375	$ 26,699	$ 1,469,294,838	$ (3,710,132)	$ 1,465,584,706

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Enterprise Funds
Combining Statement of Revenues, Expenses by Business Unit
For the Six Months Ended December 31, 2015
(unaudited)

	Executive Services	Gateway Arch Tram	Riverfront Attractions	St. Louis Downtown Airport	Metro Transit System	Regional Freight District	Bi-State Development Research Inst.	Arts In Transit, Inc.	Totals	Eliminations	Totals After Eliminations
Revenue											
Passenger and service revenues	$ -	$ 2,873,071	$ 923,696	$ 662,336	$ 25,512,372	$ -	$ -	$ 26,800	$ 29,998,275	$ (35,194)	$ 29,963,081
Interfund administrative fees	1,580,408	-	-	-	-	-	-	-	1,580,408	(1,580,408)	-
Partnership fees	-	-	-	-	-	192,469	-	-	192,469	-	192,469
City of St. Louis	-	-	-	-	17,785,724	-	-	-	17,785,724	-	17,785,724
St. Louis County	-	-	-	-	63,892,292	-	-	-	63,892,292	-	63,892,292
St. Clair County Transit District	-	-	-	-	28,000,579	-	-	-	28,000,579	-	28,000,579
State of Missouri and Illinois	-	-	-	-	720,367	-	-	-	720,367	-	720,367
Federal funding	-	-	-	-	10,987,010	-	-	-	10,987,010	-	10,987,010
Other local/regional funding	-	-	-	-	734,432	-	-	-	734,432	-	734,432
Contributions	-	-	-	-	-	-	39,805	-	39,805	-	39,805
Advertising, maint services, rental income	172,800	1,824	62,182	48,384	3,625,306	-	-	-	3,910,496	-	3,910,496
Interest income	1,452	2,449	-	2,106	671,001	-	-	-	677,008	-	677,008
Other operating revenue	188,250	(31,357)	-	62,235	296,573	-	-	-	515,701	-	515,701
Total revenue	1,942,910	2,845,987	985,878	775,061	152,225,656	192,469	39,805	26,800	159,034,566	(1,615,602)	157,418,964
Expense											
Wages and benefits	1,078,769	837,292	571,886	436,594	86,543,172	106,245	-	-	89,573,958	-	89,573,958
Services	405,196	382,179	150,047	79,975	16,116,401	72,503	148	2,362	17,208,811	-	17,208,811
Fuel and lube consumed	467	55	23,067	8,917	8,184,928	-	-	-	8,217,434	-	8,217,434
Materials and supplies	8,526	40,006	160,703	47,290	10,884,366	13	-	-	11,140,904	-	11,140,904
Utilities	2,681	62,736	32,924	78,216	3,720,898	-	-	-	3,897,455	-	3,897,455
Casualty and liability costs	-	29,393	74,970	32,271	3,284,546	-	-	-	3,421,180	-	3,421,180
Other expenses	143,273	510,113	49,995	44,944	3,427,946	21,493	-	-	4,197,764	(1,615,602)	2,582,162
Interest expense	-	153,732	-	-	9,686,283	-	-	-	9,840,015	-	9,840,015
Contribution to outside entities	-	(1,233,194)	-	-	628,422	-	-	-	(604,772)	-	(604,772)
Other non-operating expense	-	-	-	2,565	-	-	-	-	2,565	-	2,565
Total expense	1,638,912	782,312	1,063,592	730,772	142,476,962	200,254	148	2,362	146,895,314	(1,615,602)	145,279,712
Income (loss) before depreciation	303,998	2,063,675	(77,714)	44,289	9,748,694	(7,785)	39,657	24,438	12,139,252	-	12,139,252
Depreciation and amortization expense	1,216	40,094	168,459	784,727	35,475,910	-	-	-	36,470,406	-	36,470,406
Net income (loss) before transfers	302,782	2,023,581	(246,173)	(740,438)	(25,727,216)	(7,785)	39,657	24,438	(24,331,154)	-	(24,331,154)
Net transfers in (out)	-	(627)	-	-	627	-	-	-	-	-	-
Net income (loss)	$ 302,782	$ 2,022,954	$ (246,173)	$ (740,438)	$ (25,726,589)	$ (7,785)	$ 39,657	$ 24,438	$ (24,331,154)	$ -	$ (24,331,154)

BI•STATE DEVELOPMENT

EXECUTIVE SERVICES

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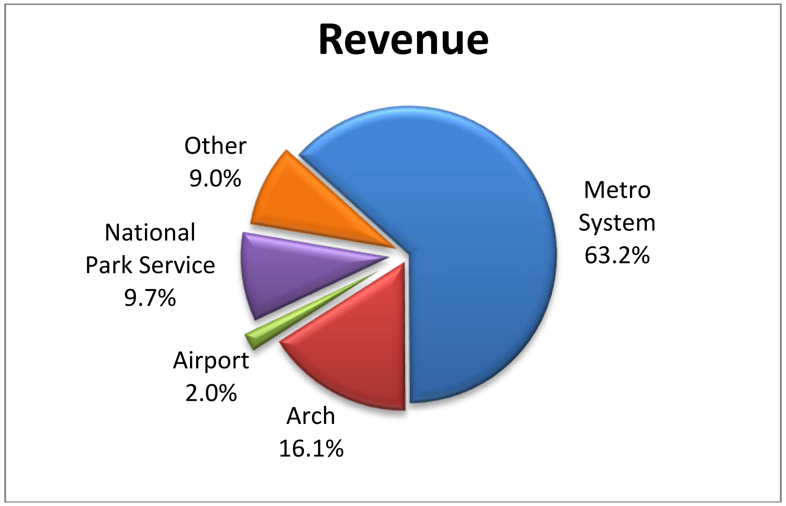
Executive Services

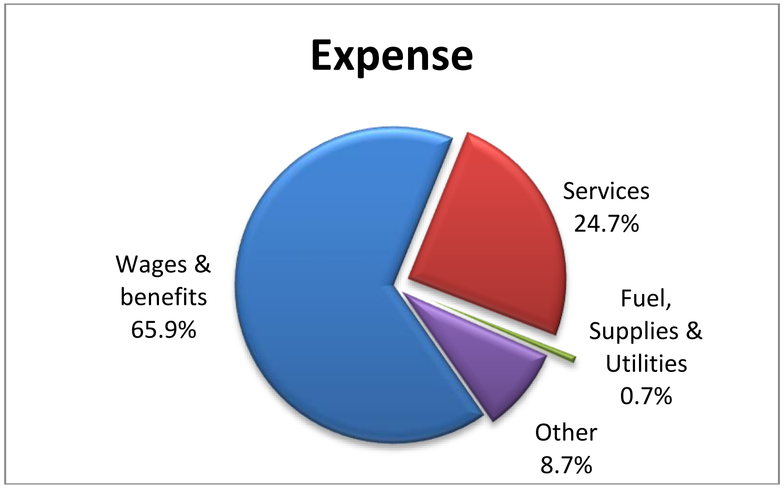
Six Months Ended December 31, 2015

Executive Services is a service company which supports all Bi-State Development operating companies.

Income before depreciation of $303,998 is favorable to the budget as a result of expense lower than budget.

Total revenue includes the management fee assessments to Bi-State operating companies and the National Park Service. There are management fee waivers for the Riverfront Attractions and the Freight District. Total revenue for the period was 5.4% lower than budget because actual management fees from Transit were assessed on Executive Services operating expenses which were below budget.





Wages and benefits are $218,424 or 16.8% favorable to budget due to position vacancies and positive changes to the post 65 retiree medical program.

Services are favorable to budget by $182,192. Fees for legal, audit and consulting are favorable. Outside services include the cost of the annual meeting.

Materials and supplies are $4,504 or 34.6% favorable to budget primarily due to lower spending for office supplies, computer supplies and training materials.

Other expenses are $36,178 favorable to budget due to lower travel, training and meetings expense.

Executive Services
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Cash and investments	$ 3,988,357	$ 4,248,276	$ (259,919)	(6.1)	$ 4,422,294	$ (433,937)	(9.8)
Accounts and notes receivable	19,142	111,658	(92,516)	(82.9)	42,129	(22,987)	(54.6)
Interfund accounts receivable	2,099,432	1,653,078	446,354	27.0	613,270	1,486,162	242.3
Restricted accounts receivable	-	-	-	n/a	67	(67)	(100.0)
Total current assets	6,106,931	6,013,012	93,919	1.6	5,077,760	1,029,171	20.3
Capital assets							
Capital assets	56,240	56,240	-	-	56,240	-	-
Accumulated depreciation	(52,863)	(52,255)	(608)	(1.2)	(50,431)	(2,432)	(4.8)
Total capital assets, net	3,377	3,985	(608)	(15.3)	5,809	(2,432)	(41.9)
Total capital assets	3,377	3,985	(608)	(15.3)	5,809	(2,432)	(41.9)
Total	$ 6,110,308	$ 6,016,997	$ 93,311	1.6	$ 5,083,569	$ 1,026,739	20.2

Executive Services
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Liabilities							
Current liabilities							
Accounts payable	$ 82,091	$ 77,960	$ 4,131	5.3	$ 94,694	$ (12,603)	(13.3)
Interfund accounts payable	248,789	177,837	70,952	39.9	5,978	242,811	n/a
Accrued expenses	253,800	214,815	38,985	18.1	218,605	35,195	16.1
Total current liabilities	584,680	470,612	114,068	24.2	319,277	265,403	83.1
Total current liabilities	584,680	470,612	114,068	24.2	319,277	265,403	83.1
Non-current liabilities							
Other post-employment benefits	848,722	846,927	1,795	0.2	820,713	28,009	3.4
Long-term self-insurance	300	300	-	-	300	-	-
Unfunded pension liabilities	592,090	592,090	-	-	651,462	(59,372)	(9.1)
Total non-current liabilities	1,441,112	1,439,317	1,795	0.1	1,472,475	(31,363)	(2.1)
Total liabilities	2,025,792	1,909,929	115,863	6.1	1,791,752	234,040	13.1
Net Position							
Net position - capital investments	234,215	234,215	-	-	234,215	-	-
Net position - unrestricted	3,547,519	3,547,519	-	-	2,474,308	1,073,211	43.4
Net income (loss)	302,782	325,334	(22,552)	(6.9)	583,294	(280,512)	(48.1)
Total net position	4,084,516	4,107,068	(22,552)	(0.5)	3,291,817	792,699	24.1
Total	$ 6,110,308	$ 6,016,997	$ 93,311	1.6	$ 5,083,569	$ 1,026,739	20.2

Executive Services
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Admin fees - Transit	$ 534,080	$ 774,477	$ (240,397)	(31.0)	$ 700,000	$ 1,229,184	$ 1,548,954	$ (319,770)	(20.6)	$ 1,400,000
Admin fees - Gateway Arch	70,344	53,534	16,810	31.4	67,907	312,471	245,486	66,985	27.3	312,146
Admin fees - Airport	20,581	18,665	1,916	10.3	20,861	38,753	37,790	963	2.5	36,766
Admin fees - Gateway Parking Facility	-	-	-	-	9,341	-	-	-	-	48,823
National Park Service management fee	56,218	50,820	5,398	10.6	67,019	188,250	220,264	(32,014)	(14.5)	233,705
Other operating revenue	8,150	-	8,150	-	-	172,800	-	172,800	-	-
Interest income	789	638	151	23.7	533	1,452	1,275	177	13.9	1,000
Total revenue	690,162	898,134	(207,972)	(23.2)	865,661	1,942,910	2,053,769	(110,859)	(5.4)	2,032,440
Expense										
Wages and benefits [1]	547,104	648,597	101,493	15.6	519,186	1,078,769	1,297,193	218,424	16.8	1,061,250
Services	120,723	281,939	161,216	57.2	135,500	405,196	587,388	182,192	31.0	238,231
Fuel and lube consumed	239	396	157	39.6	55	467	792	325	41.0	339
Materials and supplies	6,099	6,515	416	6.4	4,995	8,526	13,030	4,504	34.6	6,339
Utilities	1,342	2,125	783	36.8	1,410	2,681	4,250	1,569	36.9	2,855
Other expenses	36,599	90,424	53,825	59.5	35,857	143,273	179,451	36,178	20.2	138,916
Total expense	712,106	1,029,996	317,890	30.9	697,003	1,638,912	2,082,104	443,192	21.3	1,447,930
Income (loss) before depreciation	(21,944)	(131,862)	109,918	83.4	168,658	303,998	(28,335)	332,333	1,172.9	584,510
Depreciation and amortization expense	608	608	-	-	608	1,216	1,216	-	-	1,216
Net income (loss)	$ (22,552)	$ (132,470)	$ 109,918	83.0	$ 168,050	$ 302,782	$ (29,551)	$ 332,333	1,124.6	$ 583,294

[1] - Detailed schedule included.

Executive Services
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 455,991	$ 497,752	$ 41,761	8.4	$ 398,288	$ 875,599	$ 995,504	$ 119,905	12.0	$ 810,511
Company paid benefits										
Payroll related taxes and insurance										
FICA	20,191	38,078	17,887	47.0	21,251	49,367	76,156	26,789	35.2	47,655
Unemployment insurance	37	525	488	93.0	(11)	523	1,050	527	50.2	274
Worker's compensation insurance	-	1,502	1,502	100.0	-	-	3,004	3,004	100.0	-
Health and welfare										
Medical	34,946	35,756	810	2.3	20,382	70,217	71,511	1,294	1.8	41,600
Dental	899	953	54	5.7	961	2,006	1,907	(99)	(5.2)	1,925
Other post retiree medical	1,796	32,772	30,976	94.5	35,761	10,272	65,545	55,273	84.3	70,771
Life insurance / AD&D	406	233	(173)	(74.2)	454	896	467	(429)	(91.9)	914
Short and long term disability	2,673	374	(2,299)	(614.7)	3,083	5,517	747	(4,770)	(638.6)	5,971
FMLA administration expense	103	108	5	4.6	110	231	217	(14)	(6.5)	224
EAP expense	52	69	17	24.6	57	117	137	20	14.6	117
Retirement										
Pension expense	11,649	19,330	7,681	39.7	25,868	24,866	38,658	13,792	35.7	54,501
401 K contributions	17,280	21,145	3,865	18.3	12,982	38,927	42,290	3,363	8.0	26,787
Other										
Miscellaneous benefits	2,390	-	(2,390)	-	-	2,390	-	(2,390)	-	-
Benefit costs applied to capital projects.	(1,309)	-	1,309	-	-	(2,159)	-	2,159	-	-
Total company paid benefits	91,113	150,845	59,732	39.6	120,898	203,170	301,689	98,519	32.7	250,739
Total wages and benefits	$ 547,104	$ 648,597	$ 101,493	15.6	$ 519,186	$ 1,078,769	$ 1,297,193	$ 218,424	16.8	$ 1,061,250

Executive Services
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

Description	Total	Executive Services Operating Fund	Investments Operating Fund	Other Restricted Fund
Balance at September 30, 2015				
Cash & Investments	$ 4,248,276	$ 25,004	$ 3,376,345	$ 846,927
Add:				
Interest received	790	384	406	-
Transit	-	-	-	-
Gateway Arch	111,193	111,193	-	-
St Louis Downtown Airport	20,170	20,170	-	-
Riverboats	258,809	258,809	-	-
Arts in Transit	13,975	13,975	-	-
Total cash receipts	404,937	404,531	406	-
Interfund transfers	-	260,324	(262,119)	1,795
Less:				
Cash disbursements	(664,856)	(664,856)	-	-
	(664,856)	(664,856)	-	-
Balance at December 31, 2015				
Cash & Investments	$ 3,988,357	$ 25,003	$ 3,114,632	$ 848,722

Executive Services
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from customers	$ 428,533
Payments to employees	(1,029,512)
Payments to vendors	(613,883)
Receipts (payments) from inter-fund activity	586,618
Net cash provided by (used in) operating activities	(628,244)
Cash flow from noncapital financing activities	
None noted.	
Cash flow from capital and related financing activities	
None noted.	
Cash flows from investing activities	
Interest received	1,452
Net cash provided by (used in) investing activities	1,452
Net increase (decrease) in cash and cash equivalents	(626,792)
Cash and cash equivalents, beginning of year	4,615,149
Cash and cash equivalents, year to date	$ 3,988,357

Reconciliation of operating income to net cash used for operating activities	
Operating income (loss)	$ 302,547
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	67,483
Interfund accounts receivable	(1,022,893)
Accounts payable	(53,740)
Interfund accounts payable	29,102
Other current liabilities	38,985
Other post employment benefits liability	10,272
Total adjustments	(930,791)
Net cash provided by (used for) operating activities	$ (628,244)

Supplemental disclosure of cash flow information

No disclosures.

Executive Services
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description	Budget	Current	Year-To-Date	Life-To-Date	Balance
	$ -	$ -	$ -	$ -	$ -
Total Executive Services	$ -	$ -	$ -	$ -	$ -

BI•STATE DEVELOPMENT

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Capital Expenditures for Active Projects....26

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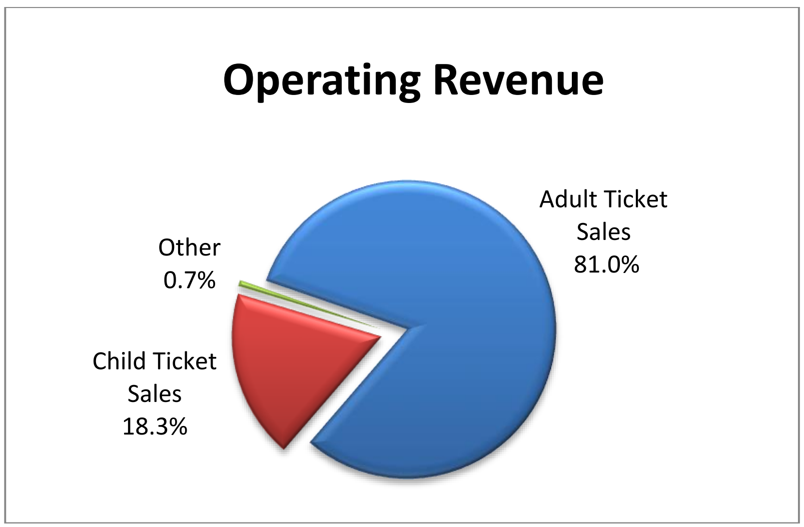
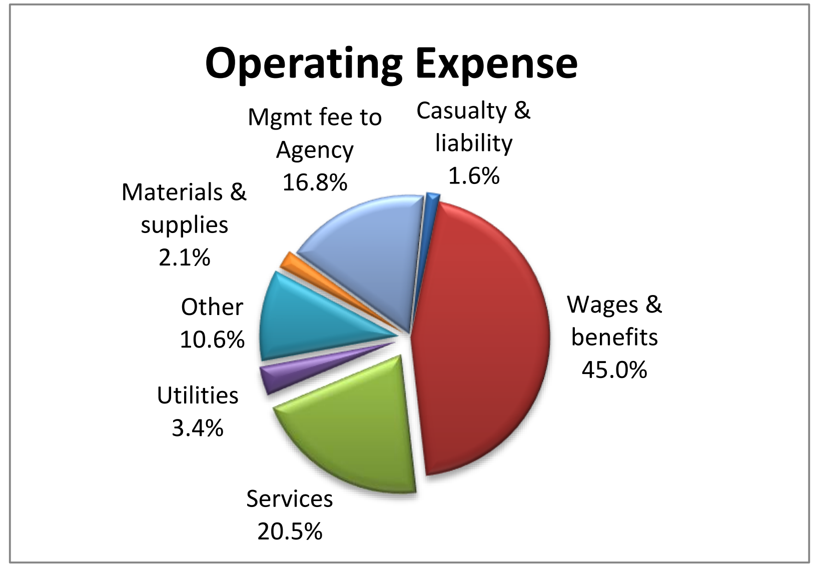
Gateway Arch Tram

Six Months Ended December 31, 2015

Income before depreciation for the Gateway Arch Tram for the six months ended December 31, 2015 was $2,063,675 which resulted in a $1,587,706 favorable variance to budget. This favorable variance was primarily due to a reduction in Contributions to Outside Entities for excess funds returned from the National Park Service.

Total revenue was 0.3% greater than budget and 2.9% unfavorable to prior year. Arch ticket sales make up the majority of the revenue and were 0.9% higher than budget and 2.5% less than prior year. Ticket sales, as expected, are down compared to prior year due to on-going Arch grounds construction.





Wages and benefits are 12.7% or $121,809 below budget as a result of vacant part time intern positions. Salaried medical, pension and 401k expense was also favorable.

Services are 27.2% favorable to budget as a result of the timing of legal fees, website maintenance, National Park Service mechanics and lower credit card bank fees.

Materials and supplies are $60,244 or 60.1% favorable to budget as a result of lower Arch tram repair parts, ticket stock, office furniture and computer equipment expenses.

Utilities are $101 or 0.2% unfavorable to budget due to higher electricity usage.

Other expenses are $23,557 or 4.4% favorable to budget due to lower advertising costs offset partially by higher than budgeted management fees paid to the Executive Services.

Contributions to outside entities includes a return of funds from the National Park Service of $1.2 million.

Interest expense is $153,732 and relates to the bonds issued for Arch improvements.

Tram Ridership Comparison

	Adult	Child	Total
FY16 Actual	336,199	105,539	441,738
FY16 Budget	328,647	109,659	438,306
FY15 Actual	338,394	113,595	451,989

Tram ridership for the six months ended December 31, 2015 was 0.8% greater than budget. Tram ridership decreased 2.3% compared to prior year due to the Arch grounds construction.

Gateway Arch Tram
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Cash and investments	$ 19,540,816	$ 18,580,434	$ 960,382	5.2	$ 20,275,570	$ (734,754)	(3.6)
Accounts and notes receivable	120,738	138,359	(17,621)	(12.7)	128,074	(7,336)	(5.7)
Interfund accounts receivable	473,833	395,532	78,301	19.8	536,752	(62,919)	(11.7)
Restricted accounts receivable	-	-	-	n/a	421	(421)	(100.0)
Federal, state and local assistance receivable	199,599	(9,652)	209,251	n/a	-	199,599	n/a
Other current assets	33,767	55,076	(21,309)	(38.7)	34,230	(463)	(1.4)
Total current assets	20,368,753	19,159,749	1,209,004	6.3	20,975,047	(606,294)	(2.9)
Capital assets							
Capital assets	9,599,793	9,599,793	-	-	9,599,793	-	-
Accumulated depreciation	(9,539,639)	(9,519,984)	(19,655)	(0.2)	(9,349,856)	(189,783)	(2.0)
Total capital assets, net	60,154	79,809	(19,655)	(24.6)	249,937	(189,783)	(75.9)
Construction-in-process	1,714,644	1,214,835	499,809	41.1	883,667	830,977	94.0
Total capital assets	1,774,798	1,294,644	480,154	37.1	1,133,604	641,194	56.6
Total	$ 22,143,551	$ 20,454,393	$ 1,689,158	8.3	$ 22,108,651	$ 34,900	0.2

Gateway Arch Tram
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Liabilities							
Current liabilities							
Accounts payable	$ 578,136	$ 392,470	$ 185,666	47.3	$ 1,048,873	$ (470,737)	(44.9)
Interfund accounts payable	150,452	59,225	91,227	154.0	17,495	132,957	760.0
Accrued expenses	62,900	69,601	(6,701)	(9.6)	56,574	6,326	11.2
Other current liabilities	66,677	63,427	3,250	5.1	55,710	10,967	19.7
Total current liabilities	858,165	584,723	273,442	46.8	1,178,652	(320,487)	(27.2)
Current liab payable from restricted assets							
Accrued interest payable	25,622	102,487	(76,865)	(75.0)	-	25,622	n/a
Current portion of long-term debt	73,010	-	73,010	n/a	-	73,010	n/a
Total current liabilities payable from restricted assets	98,632	102,487	(3,855)	(3.8)	-	98,632	n/a
Total current liabilities	956,797	687,210	269,587	39.2	1,178,652	(221,855)	(18.8)
Non-current liabilities							
Other post-employment benefits	11,179	10,493	686	6.5	44,010	(32,831)	(74.6)
Long-term self-insurance	5,414	2,061	3,353	162.7	1,749	3,665	209.5
Long-term debt	7,582,990	7,656,000	(73,010)	(1.0)	7,656,000	(73,010)	(1.0)
Unfunded pension liabilities	183,752	183,752	-	-	335,602	(151,850)	(45.2)
Total non-current liabilities	7,783,335	7,852,306	(68,971)	(0.9)	8,037,361	(254,026)	(3.2)
Total liabilities	8,740,132	8,539,516	200,616	2.3	9,216,013	(475,881)	(5.2)
Net Position							
Net position - unrestricted	11,380,465	11,380,465	-	-	17,245,262	(5,864,797)	(34.0)
Net income (loss)	2,022,954	534,412	1,488,542	278.5	(4,352,624)	6,375,578	146.5
Total net position	13,403,419	11,914,877	1,488,542	12.5	12,892,638	510,781	4.0
Total	$ 22,143,551	$ 20,454,393	$ 1,689,158	8.3	$ 22,108,651	$ 34,900	0.2

Gateway Arch Tram
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Arch tickets	$ 840,066	$ 861,256	$ (21,190)	(2.5)	$ 822,617	$ 2,873,071	$ 2,848,824	$ 24,247	0.9	$ 2,946,182
Other operating revenue	409	-	409	-	(149)	1,824	-	1,824	-	2,331
Service fee revenue	2,850	3,460	(610)	(17.6)	3,008	14,157	15,791	(1,634)	(10.3)	17,213
Interest income	1,657	3,573	(1,916)	(53.6)	921	2,449	7,147	(4,698)	(65.7)	3,157
Sales discount	(24,322)	(10,231)	(14,091)	(137.7)	(7,270)	(45,514)	(34,453)	(11,061)	(32.1)	(38,648)
Total revenue	820,660	858,058	(37,398)	(4.4)	819,127	2,845,987	2,837,309	8,678	0.3	2,930,235
Expense										
Wages and benefits [1]	326,978	413,109	86,131	20.8	313,540	837,292	959,101	121,809	12.7	758,929
Services	186,899	233,495	46,596	20.0	205,503	382,179	525,169	142,990	27.2	469,703
Fuel and lube consumed	55	-	(55)	-	-	55	-	(55)	-	46
Materials and supplies	17,643	73,049	55,406	75.8	24,354	40,006	100,250	60,244	60.1	60,026
Utilities	23,490	25,481	1,991	7.8	24,133	62,736	62,635	(101)	(0.2)	60,492
Casualty and liability costs	17,231	13,391	(3,840)	(28.7)	12,071	29,393	26,783	(2,610)	(9.7)	24,143
Other expenses	168,628	203,376	34,748	17.1	197,567	510,113	533,670	23,557	4.4	643,143
Interest expense	76,866	153,732	76,866	50.0	153,592	153,732	153,732	-	-	153,592
Contribution to outside entities	(1,505,327)	-	1,505,327	-	4,996,324	(1,233,194)	-	1,233,194	-	5,051,801
Total expense	(687,537)	1,115,633	1,803,170	161.6	5,927,084	782,312	2,361,340	1,579,028	66.9	7,221,875
Income (loss) before depreciation	1,508,197	(257,575)	1,765,772	685.5	(5,107,957)	2,063,675	475,969	1,587,706	333.6	(4,291,640)
Depreciation and amortization expense	19,655	33,655	14,000	41.6	85,832	40,094	89,453	49,359	55.2	173,282
Net income (loss) before transfers	1,488,542	(291,230)	1,779,772	611.1	(5,193,789)	2,023,581	386,516	1,637,065	423.5	(4,464,922)
Net transfers in (out)	-	-	-	-	(6,012)	(627)	-	(627)	-	112,298
Net income (loss)	$ 1,488,542	$ (291,230)	$ 1,779,772	611.1	$ (5,199,801)	$ 2,022,954	$ 386,516	$ 1,636,438	423.4	$ (4,352,624)

[1] - Detailed schedule included.

Gateway Arch Tram
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 271,128	$ 303,347	$ 32,219	10.6	$ 243,785	$ 700,441	$ 730,135	$ 29,694	4.1	$ 602,129
Company paid benefits										
Payroll related taxes and insurance										
FICA	20,809	23,207	2,398	10.3	17,809	52,958	55,856	2,898	5.2	44,156
Unemployment insurance	1,100	5,364	4,264	79.5	1,359	4,883	10,728	5,845	54.5	5,429
Worker's compensation insurance	3,451	4,661	1,210	26.0	1,583	10,519	9,323	(1,196)	(12.8)	8,620
Health and welfare										
Medical	22,102	28,361	6,259	22.1	17,711	46,796	56,721	9,925	17.5	33,830
Dental	612	756	144	19.0	732	1,427	1,512	85	5.6	1,426
Other post retiree medical	686	13,149	12,463	94.8	10,778	3,906	26,299	22,393	85.1	23,512
Life insurance / AD&D	168	185	17	9.2	191	385	370	(15)	(4.1)	374
Short and long term disability	899	296	(603)	(203.7)	959	1,983	593	(1,390)	(234.4)	1,947
FMLA administration expense	564	86	(478)	(555.8)	673	1,331	172	(1,159)	(673.8)	1,469
EAP expense	42	54	12	22.2	45	94	109	15	13.8	87
Retirement										
Pension expense	3,213	15,332	12,119	79.0	6,781	6,817	30,664	23,847	77.8	15,615
401 K contributions	8,271	16,773	8,502	50.7	8,874	19,781	33,542	13,761	41.0	17,993
Other										
Uniform allowance	2,516	1,538	(978)	(63.6)	-	2,516	3,077	561	18.2	-
Miscellaneous benefits	2,437	-	(2,437)	-	2,260	2,437	-	(2,437)	-	2,342
Benefit costs applied to capital projects.	(11,020)	-	11,020	-	-	(18,982)	-	18,982	-	-
Total company paid benefits	55,850	109,762	53,912	49.1	69,755	136,851	228,966	92,115	40.2	156,800
Total wages and benefits	$ 326,978	$ 413,109	$ 86,131	20.8	$ 313,540	$ 837,292	$ 959,101	$ 121,809	12.7	$ 758,929

Gateway Arch Tram
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

Description	Total	Arch Collection Facility Fund	Arch Tram Fee Account	JNEM Arch Operating Fund	JNEM Beneficial Fund	Drainage Project Fund	Exhibit Rehabilitation Fund	Motor Generator Sets Design Fund	Corrosion Study Fund	Other Restricted Funds	2014 Arch Bonds Project Fund	2014 Arch Bonds Debt Service Reserve	2014 Arch Bonds Debt Service Fund	2014 Arch Bonds Debt Revenue Fund
Balance at September 30, 2015														
Cash & Investments	$18,580,434	$ 413,263	$ 461,078	$ 1,166,089	$5,993,914	$ 548,724	$ 3,569,675	$ 100,294	$ 27,518	$ 500,000	$ 5,243,876	$ 453,515	$ 102,488	$ -
Add:														
Receipts	2,959,620	1,253,349	102,350	-	-	-	-	-	-	-	1,603,921	-	-	-
Interest received	1,656	-	23	22	1,039	7	47	1	-	-	467	31	10	9
Total cash receipts	2,961,276	1,253,349	102,373	22	1,039	-	-	-	-	-	-	31	10	9
Interfund transfers	-	(918,291)	-	-	66,735	-	-	-	-	-	-	-	204,977	646,579
Less:														
Cash disbursements	(2,000,894)	(614,274)	(203,790)	-	(4,577)	(11,411)	(108,883)	-	(121)	-	(257,517)	-	(153,733)	(646,588)
Balance at December 31, 2015														
Cash & Investments	$19,540,816	$ 134,047	$ 359,661	$ 1,166,111	$6,057,111	$ 537,320	$ 3,460,839	$ 100,295	$ 27,397	$ 500,000	$ 6,590,747	$ 453,546	$ 153,742	$ -

Gateway Arch Tram
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from customers	$ 2,863,100
Payments to employees	(840,087)
Payments to vendors	(433,940)
Payments for self-insurance	(29,483)
Receipts (payments) from inter-fund activity	(527,194)
Net cash provided by (used in) operating activities	1,032,396
Cash flows from noncapital financing activities	
Operating assistance	(197,252)
Contributions to outside entities	1,233,194
Net transfers	(627)
Net cash provided by (used in) financing activities	1,035,315
Cash flows from capital and related financing activities	
Acquisitions of capital assets	(603,152)
Interest paid	(153,732)
Net cash provided by (used in) capital and related financing activities	(756,884)
Cash flows from investing activities	
Interest received	2,449
Net cash provided by (used in) investing activities	2,449
Net increase (decrease) in cash	1,313,276
Cash and cash equivalents, beginning of year	18,227,540
Cash and cash equivalents, year to date	$ 19,540,816

Reconciliation of operating loss to net cash used for operating activities	
Operating income (loss)	$ 981,763
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	19,562
Interfund accounts receivable	(266,862)
Prepaid expenses, deferred charges and other current assets	(11,666)
Accounts payable	254,606
Other current liabilities	(962)
Interfund accounts payable	52,139
Other post employment benefits liability	3,906
Self-insurance liability	(90)
Total adjustments	50,633
Net cash provided by (used for) operating activities	$ 1,032,396

Supplemental disclosure of cash flow information

No disclosures.

Gateway Arch Tram
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
ATS Motor Generator Set Replacement - Construction	x	$ 7,490,083	$ 279,596	$ 302,637	$ 916,088	$ 6,573,995
Arch Transportation System (ATS) Load Zone Rehab	x	2,718,280	139,118	236,919	719,089	1,999,191
Exhibit Rehabilitation	x	1,446,720	-	-	-	1,446,720
JNEM Trench Drain Project	xy	2,288,001	9,959	17,405	1,528,006	759,995
JNEM Arch Lobby Rehabilitation	y	1,087,107	-	1,048	76,807	1,010,300
Arch Ticketing Upgrade	y	400,000	81,095	81,095	81,095	318,905
JNEM Rail Station Improvements	z	359,612	-	627	97,457	262,155
Distributed Antenna System	x	300,000	-	-	-	300,000
PGAV - Arch Welcoming Portal		44,000	13,238	13,238	13,238	30,762
Copier Machine	x	5,000	-	-	-	5,000
Total Gateway Arch		$ 16,108,803	$ 523,006	$ 652,969	$ 3,431,780	$ 12,707,023

x Projects are carryover from prior year.

y Upon completion of this project, assets to be contributed to National Park Service (NPS).

z Upon completion of this project, assets to be contributed to Metro Transit

BI-STATE DEVELOPMENT

Metro®

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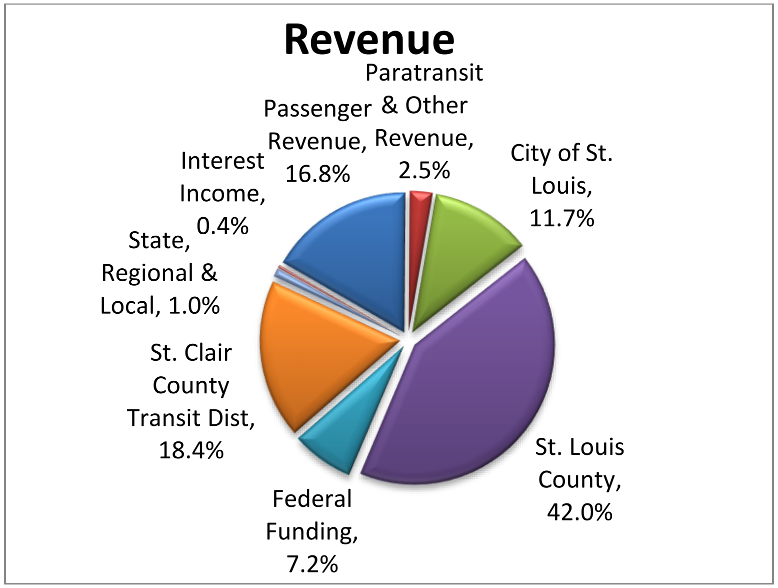
Metro Transit

Six Months Ended December 31, 2015

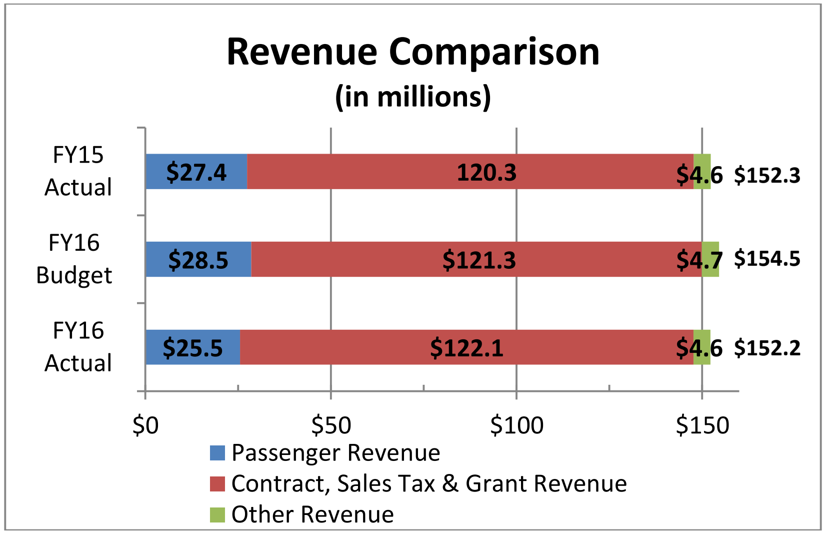
Income before depreciation for the six months ended December 31, 2015 is $8.7 million favorable to the budget. Compared to budget, revenue is down 1.5% and total expenses are favorable 7.2%.

Revenue

The chart below illustrates the relative importance of each revenue source in fiscal year 2016. The chart to the right reports revenue trends in each major revenue category.



Passenger Revenue of $25.5 million is 10.6% less than budget and 7.0% less than prior year due to ridership.



Contract, Sales Tax & Grant Revenue

The City of St. Louis sales tax funding to operations is 0.4% unfavorable to budget. St. Louis County sales tax funding to operations is 0.1% unfavorable to budget. Combined St. Louis City and County sales tax appropriated to Bi-State Development was 1.7% less than FY 2015 actual.

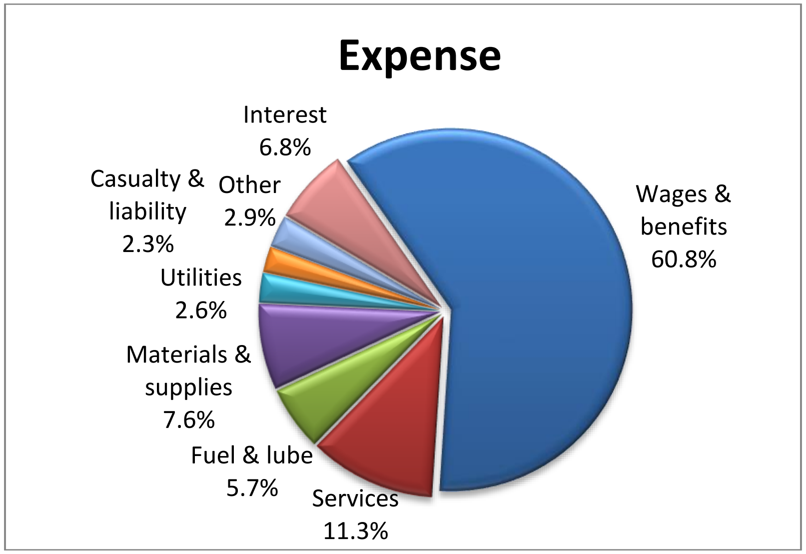
St. Clair County Transit District payment of $28.0 million is 1.3% greater than budget and 10.2% greater than prior year. St. Clair County contracts for service and pays 100% of the cost of service.

Federal funding of $11 million includes federal vehicle maintenance funds of $8.0 million.

Advertising, maintenance services and rental income is below budget due to lower than expected paratransit contract and advertising revenue.

Interest revenue is 95.2% favorable to budget due to longer term investment strategy.

Expense
The chart below illustrates the relative significance of each expense in FY 2016.



Wages and benefits of $86.5 million are 8.9% favorable to budget. The favorable variance in wages and benefits is due to vacant positions, changes in retiree medical benefit policy and lower than expected medical claims.

Services of $16.1 million are 0.4% unfavorable to budget. There were greater than planned outside services cost.

Fuel and lube consumed is $1.2 million or 12.5% favorable to budget mainly due to lower than budgeted diesel prices.

Materials and supplies expenditures are 6.6% favorable to budget due to lower than anticipated passes, tickets, transfers and timetable stock purchases.

Utilities are favorable to budget by 13.4% as a result of lower than budgeted natural gas prices and less electric propulsion expense.

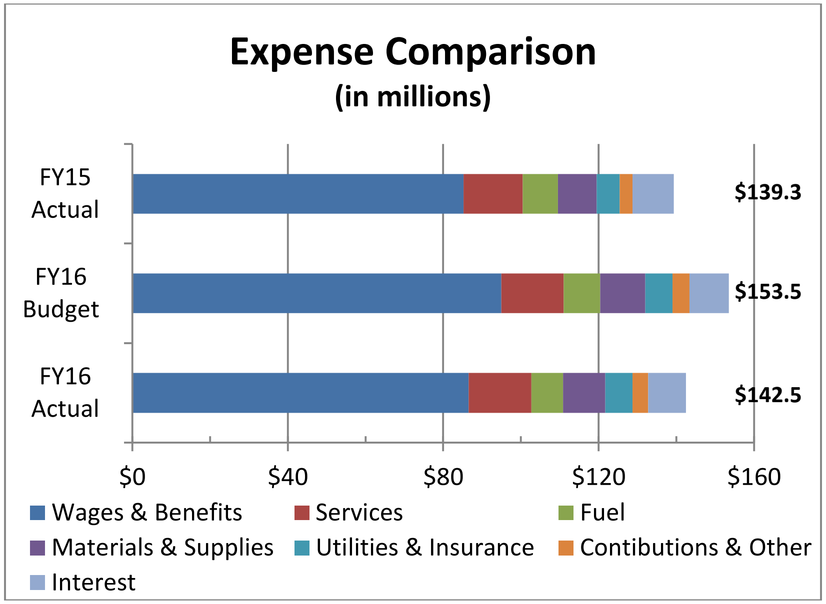
Casualty & liability expense is $0.6 million unfavorable to budget due to higher than expected self-insured claims that include MetroBus and MetroLink related accidents.

Other expense is favorable to budget by 2.6% due to favorable travel, training and advertising spending.

Interest expense of $9.7 million is 4.2% favorable to budget. The acceleration of debt lowers interest expense to BSD.

Other non-operating expense is favorable to budget due to gain on disposal of former headquarters building.

The chart below shows expense trends in each major expense category.



Passenger boardings year to date for FY 2016 are 5.9% below FY 2015 ridership. The decrease for MetroBus is 5.7% and MetroLink is 6.4%. Call-A-Ride remained near FY 2015 levels.

Ridership has trended downward since 2014 based on a number of factors. The effects of Ferguson has impacted many aspects of the region including transportation. Lower fuel prices continue with the oil glut making it more attractive to return to the automobile. Employment centers and city population has shifted changing work commute practices. These changes have been trending away from the core city which has historically Metro's highest service area.

Passenger Boardings

(in millions – YTD)

	FY 2016	FY 2015	FY 2014
MetroBus	14.64	15.52	15.47
MetroLink	8.18	8.74	9.02
Call-A-Ride	0.29	0.29	0.29
Total System	23.11	24.55	24.78

Metro Transit System
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Cash and investments	$ 222,851,063	$ 277,106,705	$ (54,255,642)	(19.6)	$ 220,261,296	$ 2,589,767	1.2
Accounts and notes receivable	5,686,124	6,261,293	(575,169)	(9.2)	5,174,838	511,286	9.9
Interfund accounts receivable	1,092,979	177,837	915,142	514.6	184,876	908,103	491.2
Restricted accounts receivable	111,361	94,693	16,668	17.6	183,448	(72,087)	(39.3)
Federal, state and local assistance receivable	40,624,427	25,048,538	15,575,889	62.2	32,770,023	7,854,404	24.0
Materials and supplies inventory	8,930,795	8,850,912	79,883	0.9	9,925,409	(994,614)	(10.0)
Other current assets	2,929,017	3,585,156	(656,139)	(18.3)	3,089,304	(160,287)	(5.2)
Total current assets	282,225,766	321,125,134	(38,899,368)	(12.1)	271,589,194	10,636,572	3.9
Capital assets							
Capital assets - motorbus	365,505,813	358,448,690	7,057,123	2.0	362,442,241	3,063,572	0.8
Capital assets - paratransit	18,230,491	18,700,775	(470,284)	(2.5)	13,091,718	5,138,773	39.3
Capital assets - lightrail	1,549,191,314	1,549,191,314	-	-	1,548,300,363	890,951	0.1
Total capital assets	1,932,927,618	1,926,340,779	6,586,839	0.3	1,923,834,322	9,093,296	0.5
Accumulated depreciation	(1,078,845,236)	(1,074,689,765)	(4,155,471)	(0.4)	(1,039,573,062)	(39,272,174)	(3.8)
Total capital assets, net	854,082,382	851,651,014	2,431,368	0.3	884,261,260	(30,178,878)	(3.4)
Land	96,207,291	96,207,291	-	-	97,432,663	(1,225,372)	(1.3)
Construction-in-process	74,685,856	65,782,532	8,903,324	13.5	59,729,524	14,956,332	25.0
Total capital assets	1,024,975,529	1,013,640,837	11,334,692	1.1	1,041,423,447	(16,447,918)	(1.6)
Non-current assets							
Restricted investments	94,568,092	93,110,494	1,457,598	1.6	88,767,777	5,800,315	6.5
Other non-current assets, net amort	158,400	141,631	16,769	11.8	60,083	98,317	163.6
Total non-current assets	94,726,492	93,252,125	1,474,367	1.6	88,827,860	5,898,632	6.6
Total assets	1,401,927,787	1,428,018,096	(26,090,309)	(1.8)	1,401,840,501	87,286	-
Deferred outflow of resources							
Deferred pension loss	2,128,588	2,432,688	(304,100)	(12.5)	3,040,894	(912,306)	(30.0)
Deferred pension expense	2,113,257	2,113,257	-	-	2,254,784	(141,527)	(6.3)
Deferred loss on hedging instruments	4,647,842	3,614,575	1,033,267	28.6	5,130,288	(482,446)	(9.4)
Deferred loss on debt refunding	3,422,726	3,528,656	(105,930)	(3.0)	3,852,444	(429,718)	(11.2)
Total deferred outflow of resources	12,312,413	11,689,176	623,237	5.3	14,278,410	(1,965,997)	(13.8)
Total	$ 1,414,240,200	$ 1,439,707,272	$ (25,467,072)	(1.8)	$ 1,416,118,911	$ (1,878,711)	(0.1)

Metro Transit System
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Liabilities							
Current liabilities							
Accounts payable	$ 5,412,303	$ 6,734,115	$ (1,321,812)	(19.6)	$ 16,996,186	$ (11,583,883)	(68.2)
Interfund accounts payable	1,231,700	3,236,981	(2,005,281)	(61.9)	980,555	251,145	25.6
Accrued expenses	17,989,580	19,481,137	(1,491,557)	(7.7)	18,655,951	(666,371)	(3.6)
Other current liabilities	32,604,335	28,233,019	4,371,316	15.5	26,357,982	6,246,353	23.7
Total current liabilities	57,237,918	57,685,252	(447,334)	(0.8)	62,990,674	(5,752,756)	(9.1)
Current liab payable from restricted assets							
Accounts payable and retention	3,215,017	2,794,661	420,356	15.0	2,115,473	1,099,544	52.0
Accrued interest payable	5,319,106	11,342,144	(6,023,038)	(53.1)	6,027,322	(708,216)	(11.8)
General self-insurance liability	9,405,964	9,405,964	-	-	6,450,868	2,955,096	45.8
Medical self-insurance liability	-	-	-	n/a	2,682,305	(2,682,305)	(100.0)
Current portion of long-term debt	7,880,000	37,220,000	(29,340,000)	(78.8)	7,220,000	660,000	9.1
Total current liabilities payable from restricted assets	25,820,087	60,762,769	(34,942,682)	(57.5)	24,495,968	1,324,119	5.4
Total current liabilities	83,058,005	118,448,021	(35,390,016)	(29.9)	87,486,642	(4,428,637)	(5.1)
Non-current liabilities							
Other post-employment benefits	52,331,820	52,189,378	142,442	0.3	60,906,261	(8,574,441)	(14.1)
Long-term self-insurance	6,376,564	6,369,959	6,605	0.1	5,310,253	1,066,311	20.1
Long-term debt	546,850,521	555,371,295	(8,520,774)	(1.5)	557,411,611	(10,561,090)	(1.9)
Capital lease obligations	94,553,120	93,095,522	1,457,598	1.6	88,752,805	5,800,315	6.5
Unfunded pension liabilities	87,751,871	87,751,871	-	-	90,501,568	(2,749,697)	(3.0)
Other non-current liabilities	6,625,923	6,674,520	(48,597)	(0.7)	8,026,941	(1,401,018)	(17.5)
Total non-current liabilities	794,489,819	801,452,545	(6,962,726)	(0.9)	810,909,439	(16,419,620)	(2.0)
Total liabilities	877,547,824	919,900,566	(42,352,742)	(4.6)	898,396,081	(20,848,257)	(2.3)
Net Position							
Net position - capital investments	1,084,375,565	1,054,156,318	30,219,247	2.9	1,004,231,307	80,144,258	8.0
Net position - unrestricted	(521,956,600)	(521,956,600)	-	-	(465,110,976)	(56,845,624)	(12.2)
Net income (loss)	(25,726,589)	(12,393,012)	(13,333,577)	(107.6)	(21,397,501)	(4,329,088)	(20.2)
Total net position	536,692,376	519,806,706	16,885,670	3.2	517,722,830	18,969,546	3.7
Total	$ 1,414,240,200	$ 1,439,707,272	$ (25,467,072)	(1.8)	$ 1,416,118,911	$ (1,878,711)	(0.1)

Metro Transit System
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Passenger revenue	$ 12,081,022	$ 13,748,250	$ (1,667,228)	(12.1)	$ 12,786,662	$ 25,512,372	$ 28,524,139	$ (3,011,767)	(10.6)	$ 27,428,771
City of St. Louis [1]	8,541,635	8,509,951	31,684	0.4	8,417,336	17,785,724	17,850,750	(65,026)	(0.4)	18,018,018
St. Louis County [1]	30,553,141	30,182,006	371,135	1.2	29,713,865	63,892,292	63,980,572	(88,280)	(0.1)	65,084,323
St. Clair County Transit District [1]	14,599,415	13,848,284	751,131	5.4	12,113,900	28,000,579	27,641,963	358,616	1.3	25,409,349
State of Missouri and Illinois [1]	339,031	552,497	(213,466)	(38.6)	703,205	720,367	1,104,993	(384,626)	(34.8)	1,666,519
Federal funding [1]	5,510,337	5,185,719	324,618	6.3	5,071,763	10,987,010	10,371,437	615,573	5.9	9,456,767
Other local/regional funding [1]	369,039	190,000	179,039	94.2	336,684	734,432	380,000	354,432	93.3	643,617
Contributions	-	25,000	(25,000)	(100.0)	-	-	25,000	(25,000)	(100.0)	26,500
Advertising, maint services, rental income	1,729,353	2,107,586	(378,233)	(17.9)	1,970,255	3,625,306	4,312,024	(686,718)	(15.9)	4,018,974
Other revenue	603,587	-	603,587	-	103,525	296,573	-	296,573	-	27,534
Interest income	499,038	169,475	329,563	194.5	344,725	671,001	343,781	327,220	95.2	513,213
Total revenue	74,825,598	74,518,768	306,830	0.4	71,561,920	152,225,656	154,534,659	(2,309,003)	(1.5)	152,293,585
Expense										
Wages and benefits [1]	43,890,099	47,336,278	3,446,179	7.3	45,751,693	86,543,172	94,992,662	8,449,490	8.9	85,228,705
Services	7,319,275	7,876,928	557,653	7.1	6,705,928	16,116,401	16,046,892	(69,509)	(0.4)	15,265,510
Fuel and lube consumed	3,926,511	4,620,026	693,515	15.0	4,236,983	8,184,928	9,352,126	1,167,198	12.5	9,058,672
Materials and supplies	5,575,242	5,849,675	274,433	4.7	4,976,373	10,884,366	11,648,379	764,013	6.6	9,965,815
Utilities	1,748,892	2,084,946	336,054	16.1	1,712,091	3,720,898	4,296,839	575,941	13.4	3,706,472
Casualty and liability costs	1,222,881	1,358,427	135,546	10.0	1,526,333	3,284,546	2,718,125	(566,421)	(20.8)	2,206,059
Other expenses	1,783,923	1,772,035	(11,888)	(0.7)	1,280,487	3,427,946	3,521,213	93,267	2.6	2,552,488
Interest expense	4,689,588	5,054,092	364,504	7.2	5,340,141	9,686,283	10,108,312	422,029	4.2	10,621,796
Contribution to outside entities	300,250	276,675	(23,575)	(8.5)	503,001	628,422	601,474	(26,948)	(4.5)	732,409
Other non-operating expense	-	105,895	105,895	100.0	-	-	211,790	211,790	100.0	-
Total expense	70,456,661	76,334,977	5,878,316	7.7	72,033,030	142,476,962	153,497,812	11,020,850	7.2	139,337,926
Income (loss) before depreciation	4,368,937	(1,816,209)	6,185,146	340.6	(471,110)	9,748,694	1,036,847	8,711,847	840.2	12,955,659
Depreciation and amortization expense	17,702,514	18,603,006	900,492	4.8	17,099,635	35,475,910	36,791,526	1,315,616	3.6	34,365,862
Net income (loss) before transfers	(13,333,577)	(20,419,215)	7,085,638	34.7	(17,570,745)	(25,727,216)	(35,754,679)	10,027,463	28.0	(21,410,203)
Net transfers in (out)	-	-	-	-	6,012	627	-	627	-	12,702
Net income (loss)	$ (13,333,577)	$ (20,419,215)	$ 7,085,638	34.7	$ (17,564,733)	$ (25,726,589)	$ (35,754,679)	$ 10,028,090	28.0	$ (21,397,501)

[1] - Detailed schedule included.

Metro Transit System
Detailed Schedule of Contract, Sales Tax and Grant Revenue
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Contract, sales tax and grant revenue										
Missouri assistance										
City of St. Louis 1/2 cent	$ 4,613,315	$ 4,568,811	$ 44,504	1.0	$ 4,577,024	$ 9,641,654	$ 9,743,996	$ (102,342)	(1.1)	$ 9,798,886
City of St. Louis 1/4 cent	2,177,592	2,239,536	(61,944)	(2.8)	2,162,143	4,530,972	4,520,503	10,469	0.2	4,639,435
City of St. Louis Prop M2 (1/4 cent)	1,750,728	1,701,604	49,124	2.9	1,678,169	3,613,098	3,586,251	26,847	0.7	3,579,697
Total City of St. Louis	8,541,635	8,509,951	31,684	0.4	8,417,336	17,785,724	17,850,750	(65,026)	(0.4)	18,018,018
St. Louis County 1/2 cent	9,892,834	9,856,179	36,655	0.4	9,429,078	20,719,373	21,050,195	(330,822)	(1.6)	20,770,640
St. Louis County 1/4 cent	8,581,370	8,083,532	497,838	6.2	8,210,129	18,077,197	17,985,190	92,007	0.5	18,066,490
St. Louis County Prop A (1/2 cent)	12,078,937	12,242,295	(163,358)	(1.3)	12,074,658	25,095,722	24,945,187	150,535	0.6	26,247,193
Total St. Louis County	30,553,141	30,182,006	371,135	1.2	29,713,865	63,892,292	63,980,572	(88,280)	(0.1)	65,084,323
East-West Gateway Council of Govts.	40,000	40,000	-	-	40,000	80,000	80,000	-	-	80,000
Non-capital projects and other	329,039	150,000	179,039	119.4	296,684	654,432	300,000	354,432	118.1	563,617
Total other local	369,039	190,000	179,039	94.2	336,684	734,432	380,000	354,432	93.3	643,617
State of Missouri	275,512	67,538	207,974	307.9	52,594	275,512	135,075	140,437	104.0	150,962
Total State of Missouri	275,512	67,538	207,974	307.9	52,594	275,512	135,075	140,437	104.0	150,962
Total Missouri assistance	39,739,327	38,949,495	789,832	2.0	38,520,479	82,687,960	82,346,397	341,563	0.4	83,896,920
Illinois assistance										
St. Clair Transit District	14,599,415	13,848,284	751,131	5.4	12,113,900	28,000,579	27,641,963	358,616	1.3	25,409,349
State of Illinois	63,519	484,959	(421,440)	(86.9)	650,611	444,855	969,918	(525,063)	(54.1)	1,515,557
Total Illinois assistance	14,662,934	14,333,243	329,691	2.3	12,764,511	28,445,434	28,611,881	(166,447)	(0.6)	26,924,906
Total local and state assistance	54,402,261	53,282,738	1,119,523	2.1	51,284,990	111,133,394	110,958,278	175,116	0.2	110,821,826
Federal assistance										
Vehicle maintenance	4,000,000	4,000,000	-	-	3,250,000	8,000,000	8,000,000	-	-	6,500,000
Non-capital grants (i.e. JARC)	1,510,337	1,185,719	324,618	27.4	1,821,763	2,987,010	2,371,437	615,573	26.0	2,956,767
Total federal assistance	5,510,337	5,185,719	324,618	6.3	5,071,763	10,987,010	10,371,437	615,573	5.9	9,456,767
Total contract, sales tax and grant revenue	$ 59,912,598	$ 58,468,457	$ 1,444,141	2.5	$ 56,356,753	$ 122,120,404	$ 121,329,715	$ 790,689	0.7	$ 120,278,593

Metro Transit System
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 30,669,079	$ 30,648,272	$ (20,807)	(0.1)	$ 31,265,221	$ 59,813,438	$ 61,561,205	$ 1,747,767	2.8	$ 58,819,476
Company paid benefits										
Payroll related taxes and insurance										
FICA	2,080,676	2,275,556	194,880	8.6	2,184,122	4,135,491	4,575,346	439,855	9.6	4,104,831
Unemployment insurance	13,837	15,918	2,081	13.1	20,641	34,198	38,658	4,460	11.5	40,347
Worker's compensation insurance	1,067,610	993,949	(73,661)	(7.4)	633,834	1,923,369	1,992,403	69,034	3.5	1,700,509
Health and welfare										
Medical	5,995,405	7,561,150	1,565,745	20.7	5,612,715	12,220,557	15,120,374	2,899,817	19.2	11,392,650
Dental	124,647	123,113	(1,534)	(1.2)	137,827	267,664	246,188	(21,476)	(8.7)	273,645
Other post retiree medical	144,815	1,916,920	1,772,105	92.4	2,354,539	724,082	3,847,319	3,123,237	81.2	4,727,266
Life insurance / AD&D	124,319	123,958	(361)	(0.3)	109,135	234,902	247,900	12,998	5.2	233,667
Short and long term disability	63,394	11,199	(52,195)	(466.1)	55,425	128,203	22,398	(105,805)	(472.4)	111,043
FMLA administration expense	15,070	11,505	(3,565)	(31.0)	16,315	31,369	23,005	(8,364)	(36.4)	32,276
EAP expense	8,303	8,760	457	5.2	8,883	17,206	17,518	312	1.8	17,723
Retirement										
Pension expense	3,141,097	2,899,901	(241,196)	(8.3)	3,041,499	6,113,491	5,798,692	(314,799)	(5.4)	3,100,196
401 K contributions	311,644	664,153	352,509	53.1	298,613	613,259	1,328,305	715,046	53.8	586,632
Other										
Uniform allowance	202,916	178,356	(24,560)	(13.8)	73,013	410,213	366,214	(43,999)	(12.0)	205,240
Miscellaneous benefits	648	3,590	2,942	81.9	649	8,337	7,180	(1,157)	(16.1)	12,025
Benefit costs applied to capital projects.	(73,361)	(100,022)	(26,661)	(26.7)	(60,738)	(132,607)	(200,043)	(67,436)	(33.7)	(128,821)
Total company paid benefits	13,221,020	16,688,006	3,466,986	20.8	14,486,472	26,729,734	33,431,457	6,701,723	20.0	26,409,229
Total wages and benefits	$ 43,890,099	$ 47,336,278	$ 3,446,179	7.3	$ 45,751,693	$ 86,543,172	$ 94,992,662	$ 8,449,490	8.9	$ 85,228,705

Metro Transit System
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

	Total	Revenue Fund	Operating Fund	Internally Restricted Fund	Prop M Fund	Prop A Fund	Sales Tax Capital Fund	Commodity Funds	Insurance Funds	Other Restricted Funds
Balance October 1, 2015										
Cash & Investments	$ 194,195,777	$ 1,228,994	$ 51,818,802	$ 14,662,012	$ 56,865,593	$ 19,636,459	$ 18,102,219	$ 6,086,909	$ 17,562,774	$ 8,232,015
Add :										
Passenger Fares	12,859,821	12,766,040	93,781	-	-	-	-	-	-	-
City of St. Louis	9,395,549	-	8,483,741	-	817,660	-	94,148	-	-	-
St. Louis County	29,231,431	-	28,553,825	-	265,404	-	412,202	-	-	-
State of Illinois	364,745	-	364,745	-	-	-	-	-	-	-
St. Clair County	18,852,463	-	18,852,463	-	-	-	-	-	-	-
FTA	16,228,912	-	16,228,912	-	-	-	-	-	-	-
Commodity Fund	19,568	-	19,568	-	-	-	-	-	-	-
All Other	1,591,814	-	1,458,952	21,279	63,413	30,027	8,356	-	9,787	-
Cash Receipts	88,544,303	12,766,040	74,055,987	21,279	1,146,477	30,027	514,706	-	9,787	-
Interfund Transfers	-	(12,696,800)	11,175,369	(18,420)	(3,235,798)	1,050,342	(308,361)	2,000,000	2,032,965	702
Less:										
Cash Disbursements	(102,045,676)	-	(98,904,266)	-	-	-	-	(1,742,836)	(1,398,574)	-
Balance December 31, 2015										
Cash & Investments	180,694,403	1,298,234	38,145,892	14,664,871	54,776,272	20,716,828	18,308,564	6,344,073	18,206,952	8,232,717
Less:										
Pre-Encumbrances & Restrictions										
Local Match - Approved Grants	39,635,614	-	-	-	37,198,511	-	2,437,103	-	-	-
- Grant Applications	2,200,000	-	-	-	2,200,000	-	-	-	-	-
- Long Range Capital Programs (1)	31,249,222	-	-	-	15,377,761	-	15,871,461	-	-	-
SIR Worker Comp Pledged Funds	2,405,000	-	-	-	-	-	-	-	2,405,000	-
Other Restrictions	105,204,567	1,298,234	38,145,892	14,664,871	-	20,716,828	-	6,344,073	15,801,952	8,232,717
Total Restrictions	180,694,403	1,298,234	38,145,892	14,664,871	54,776,272	20,716,828	18,308,564	6,344,073	18,206,952	8,232,717
Unencumbered Cash & Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) Restricted to finance obligations.

Metro Transit System
Cross County Metrolink Debt
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

	Total Trustee Statements	Revenue Funds	Debt Service Funds	Expense Funds	Debt Service Reserve Funds
Balance at October 1, 2015					
Cash & investments	$ 82,910,928	$ -	$ 48,562,144	$ 77,288	$ 34,271,496
Add cash receipts:					
St. Louis County sales tax - Prop M	10,560,673	10,560,673	-	-	-
St. Louis County sales tax - Prop A	13,129,280	13,129,280	-	-	-
St. Louis City sales tax - Prop M	2,501,040	2,501,040	-	-	-
St. Louis City sales tax - Prop M2	2,501,040	2,501,040	-	-	-
Realized gain	32,457	-	-	-	32,457
Interest received	309,865	2,104	1,936	23	305,801
Total cash receipts	29,034,354	28,694,137	1,936	23	338,258
Less fund disbursements:					
Debt service - Series 2009	(2,383,988)	-	(2,383,988)	-	-
Debt service - Series 2013A	(8,404,656)	-	(8,404,656)	-	-
Debt service - Series 2013B	(553,500)	-	(553,500)	-	-
Debt Principal - Series 2013A	(37,220,000)	-	(37,220,000)	-	-
Expenses/Accrued interest reclassication	(9,800)	(6,000)	-	(3,800)	-
Prop M/Prop A to Metro	(23,216,678)	(23,216,678)	-	-	-
Total disbursements	(71,788,622)	(23,222,678)	(48,562,144)	(3,800)	-
Interfund transfers:					
Transfer from 2013 DSR to 2013 DS	-	-	1,815,726	-	(1,815,726)
Interest/principal transfers	-	(5,471,459)	5,471,459	-	-
Total interfund transfers	-	(5,471,459)	7,287,185	-	(1,815,726)
Balance at December 31, 2015					
Cash & investments	$ 40,156,660	$ -	$ 7,289,121	$ 73,512	$ 32,794,027

Transit System
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities		
Receipts from customers	$	23,760,316
Payments to employees		(86,352,801)
Payments to vendors		(35,559,100)
Payments for self-insurance		(4,675,323)
Receipts (payments) from inter-fund activity		(1,033,056)
Net cash provided by (used in) operating activities		(103,859,964)
Cash flows from non capital financing activities		
Operating assistance received		105,582,247
Contributions to outside entities		(978,173)
Net cash provided by (used in) non capital financing activities		104,604,074
Cash flows from capital and related financing activities		
Acquisitions of capital assets		(38,513,674)
Payments of long-term debt		(8,540,864)
Interest Paid		(10,093,763)
Contributed capital		40,822,917
Cash flows from capital and related financing activities		(16,325,384)
Cash flows from investing activities		
Purchases of investments		(54,611,605)
Proceeds from sale of investments		59,426,009
Interest received		671,001
Net cash provided by (used in) investing activities		5,485,405
Net increase (decrease) in cash and cash equivalents		(10,095,869)
Cash and cash equivalents, beginning of year		121,670,532
Cash and cash equivalents, year to date	$	111,574,663

Reconciliation of operating loss to net cash used for operating activities		
Operating income (loss)	$	(103,024,579)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Change in assets and liabilities		
Accounts and notes receivables		(5,377,361)
Interfund accounts receivable		(858,190)
Materials and supplies		98,069
Prepaid expenses, deferred charges and other current assets		(1,186,540)
Accounts payable		(1,972,400)
Other current liabilities		8,607,126
Interfund accounts payable		1,054,317
Accrued expenses		(533,711)
Other post employment benefits liability		724,082
Self-insurance liability		(1,390,777)
Total adjustments		(835,385)
Net cash provided by (used for) operating activities	$	(103,859,964)

Supplemental disclosure of cash flow information

Noncash Activities:

>	Interest received on capital lease	$	2,915,196
>	Interest accrued on capital lease		(2,915,196)
>	Gain/(Loss) on hedging commodities		(3,041,594)
>	Gain on disposal of fixed assets		645,147
>	Non-operating noncash activity		(211,790)
>	Net transfers for rail station improvements		627
>	Deferred Loss Amortization		213,039
>	Prior period adjustment		(46,793)

Note: Cash and cash equivalents for this cash flow statement are defined according to General Accepted Accounting Principles as cash and all investments with a maturity of 90 days or less. The Consolidated Cash Receipts & Disbursement (CR&D), the Cross County CR&D report and the Balance Sheet report on cash and all investments, regardless of maturity date. Therefore, the beginning and ending cash balances on this report may not agree to the CR&D report and the balance sheet.

Metro Transit System
Schedule of Aged Receivables - Invoiced
December 31, 2015
(unaudited)

	Less than 30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 361 days	Total
Due from TMA Customers	$ 329,813	$ 339	$ 13,418	$ 11,546	$ 21,833	$ 26,709	$ 403,658
Due from Call-A-Ride	422,335	357	-	135	-	-	422,827
Due from Advertising (Marketing)	-	-	838	-	3,970	-	4,808
Due from Leases and Rents	55,104	458	-	3,353	789	1,217	60,921
Due from Auxiliary Services/Others	(4,228,656)	103,327	16,081	617,182	255	-	(3,491,811)
Due from Grants (Accounting)	14,367,534	62,596	35,727	3,293	38,000	24,936	14,532,086
Due from Passes	1,698,222	340,515	84,374	14,374	7,903	-	2,145,388
Subtotal	12,644,352	507,592	150,438	649,883	72,750	52,862	14,077,877
Due from Engineering	-	-	-	1,030	-	-	1,030
Due from Airport	43,876	19,129	4,110	4,884	2,351	270	74,620
Total	$ 12,688,228	$ 526,721	$ 154,548	$ 655,797	$ 75,101	$ 53,132	$ 14,153,527

Metro Transit System
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Project #	Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
0034	Van Procurement FY04-FY08 (X204) 2		$ 2,740,824	$ -	$ -	$ 2,720,471	$ 20,353
1237	CAR Van Replacement FY07		2,975,815	-	-	2,913,172	62,643
1279	Fare Collection System Upgrade/Replacement (06 Earmark)		29,707,512	253,508	866,006	22,403,483	7,304,029
1290	Buses FY05 Fed Earmark (25)		1,210,235	-	-	1,210,235	-
1361	Radio System CAD/AVL		23,857,144	12,257	18,277	9,761,849	14,095,295
1530	Eads Bridge Rehab ARRA		25,338,774	-	-	25,338,774	-
1531	Rail & Tie Replacement		1,718,025	-	-	1,718,025	-
1574	CAR Van Replacement		8,650,165	-	1,586,637	7,132,307	1,517,858
1666	Slope Stabilization	z	4,097,297	-	193,907	4,088,949	8,348
1668	Embankment Erosion	z	3,223,073	63,519	257,465	399,155	2,823,918
1708	Feeder Wire/Water Mitigation MO--12	z	1,058,564	-	1,576	704,294	354,270
1717	Non-Revenue Vehicles FY12 MO		1,718,858	103,022	103,022	1,499,321	219,537
1722	Missouri Slopes Stability	z	1,144,600	135,628	582,231	823,742	320,858
1723	MO OCS Wire Rehab	z	1,646,670	49,340	130,265	1,438,176	208,494
1734	EADS Bridge Rehab Phase II		29,708,943	3,259,486	8,489,419	13,572,334	16,136,609
1739	Downtown Transfer Center		8,498,596	44,920	60,236	788,497	7,710,099
1754	IT Systems Upgrade Yr 1 - FY12		1,121,406	-	-	973,819	147,587
1755	IT Systems Upgrade Yr 2 - FY13		1,425,750	-	81,407	397,665	1,028,085
1756	North County Transit Center		10,280,000	1,906,765	3,404,706	8,715,166	1,564,834
1817	Radio System Tower Sites		6,212,885	368,352	994,185	2,505,855	3,707,030
1834	Rail Tie Replacement Year 2	z	1,939,408	19,934	20,375	1,480,772	458,636
1844	Tactile Warning Strip Phase II	z	1,719,616	5,195	4,884	764,194	955,422
1845	MOW SGR Inventory-Database Development		1,037,955	-	222	1,025,321	12,634
1848	Articulated Buses		11,441,319	-	-	6,490,426	4,950,893

Metro Transit System
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description			Budget	Current	Year-To-Date	Life-To-Date	Balance
Projects continued							
1855	Arch Bike Trail		$ 1,105,000	$ (4,670)	$ 71,879	$ 186,012	$ 918,988
1860	Bus Procurement Duluth		20,911,804	-	-	20,908,285	3,519
1862	North County Transit Phase II		2,200,481	121,161	122,283	1,543,356	657,125
1863	Bus Procurement Duluth II		11,582,762	-	-	10,893,680	689,082
1869	Phase 1 Audio Frequency Circuit		3,101,678	119,828	128,502	265,486	2,836,192
1875	Rail Tie Replace Year 3	z	2,147,572	914,968	1,618,855	1,655,385	492,187
1885	TOI Operation Management Software		2,859,367	198,820	227,783	515,237	2,344,130
1887	TOI Transit Business Intellegence		1,031,572	-	-	-	1,031,572
1905	Buses - FY13 CMAQ		18,565,431	7,658,877	7,660,132	18,186,145	379,286
1933	FY14 Preventive Maintance	z	20,000,000	-	-	20,000,000	-
1937	Innovative High School Career	z	2,129,435	-	-	-	2,129,435
1941	Duluth Piggyback III 40'		12,698,501	12,350,194	12,350,194	12,350,194	348,307
1955	Spruce Street Bridge		6,871,621	1,865,201	2,124,858	2,325,330	4,546,291
1959	Z-Gate Ped Barriers & Fence		1,257,938	66,977	126,924	159,924	1,098,014
1960	Rail ROW Repairs-MP 0-15.4 MO		1,905,200	-	514	514	1,904,686
1962	Elevator Rehab - 8 Units - MO		1,302,000	15,164	16,402	19,538	1,282,462
1973	Portable Bus Lifting System - MO		1,004,619	-	-	-	1,004,619
1983	DC to AC Rail Car Upgrades		22,500,000	-	-	-	22,500,000
1988	Ewing Wall Rehabilitation		10,037,743	233,797	357,966	373,075	9,664,668
1991	Financial Report-Budget Software		1,307,680	24,000	24,000	24,000	1,283,680
1997	IL Bus Facility Rehabilitation		1,850,692	-	14,850	14,850	1,835,842
2000	Administrative Facility		1,700,000	26,446	878,423	878,423	821,577
2020	Feeder Wire-Water Mitigation	z	1,644,372	404,771	741,298	746,310	898,062
2021	Bus Northwest Connector	z	2,355,536	-	-	-	2,355,536
2029	FY15 Preventive Maintenance	z	16,250,000	-	-	16,250,000	-
2030	FY15 100% 7 SCCTD Buses		2,076,050	-	338	2,169	2,073,881
2035	Mobile Data Terminal		1,050,000	-	-	-	1,050,000
2053	Buses (4) FY15 Formula		1,856,000	-	-	-	1,856,000
2054	Call-A-Ride Vans (7) FY15		2,161,300	-	-	-	2,161,300
2057	Non-Rev Vehicles (16) MO FY14		1,146,145	-	-	-	1,146,145

Metro Transit System
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
Projects continued						
2060 Boyle Street ML Station		$ 12,655,022	$ 15,109	$ 15,109	$ 15,109	$ 12,639,913
2061 CWE ML Station Rehab		1,888,009	-	-	-	1,888,009
2070 DC to AC Propulsion YR 2		2,033,859	-	-	-	2,033,859
2077 Buses FY15 Bus Facility		3,615,724	-	-	-	3,615,724
2078 Buses FY14 CMAQ		5,210,000	-	-	-	5,210,000
2079 MO Buses		3,709,048	-	-	-	3,709,048
2081 Convention Center Escalator FY15 SGR		1,103,500	-	-	-	1,103,500
2094 CAR Vans (7) FY14 Fed Formula		1,479,456	-	-	-	1,479,456
All others	*z	43,247,005	837,475	1,439,837	18,190,196	25,056,809
Total active projects		$ 434,025,556	$ 31,070,044	$ 44,714,967	$ 244,369,220	$ 189,656,336

* "All Others" list all projects with a budget less than one million dollars.

z Some Projects/Awards do not produce a fixed asset; they are considered operating expenditures.

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DOWNTOWN AIRPORT

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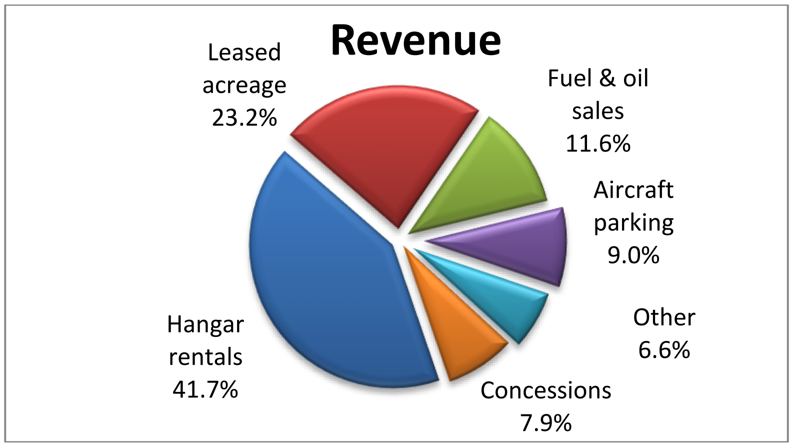
St. Louis Downtown Airport

Six Months Ended December 31, 2015

`

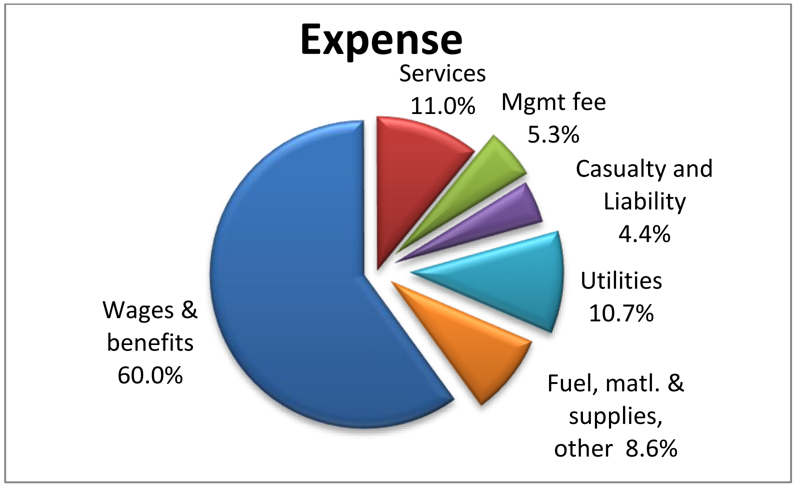
Income before depreciation for the St. Louis Downtown Airport for the six months ended December 31, 2015 was $44,289. This is favorable to budget by $50,031. These results are greater than the prior year by $15,201.

Revenue is greater than last year by $39,739 or 5.4% and unfavorable to budget by 2.6% or $19,287. Farm income was budgeted evenly throughout the year and received on a seasonal basis. The Airport also benefited from charges for after-hours firefighter coverage.



Wages and benefits are favorable to budget by $15,241 or 3.4% due to lower pension and other benefits costs.

Materials and supplies are favorable to budget by $15,462 due to planned purchases relating to firefighting supplies; buildings and grounds, repair parts, training materials and computer equipment occurring later in the fiscal year.



Services are $22,324 unfavorable to budget and $38,557 unfavorable to prior year primarily due to higher consulting fees and maintenance services.

Utilities are $15,204 favorable to budget. Electricity expense is favorable.

Other expenses are favorable to budget by $5,370 or 10.7% due to lower travel, staff training, and farm expenses.

Performance Indicators			
YTD	**Fuel sales (gallons)**	**Aircraft movements**	**Avg. based aircraft**
FY16 Actual	935,229	49,722	329
FY16 Budget	886,815	45,000	320
FY15 Actual	871,010	44,412	318

St. Louis Downtown Airport
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Cash and investments	$ 683,497	$ 660,851	$ 22,646	3.4	$ 839,970	$ (156,473)	(18.6)
Accounts and notes receivable	71,879	59,037	12,842	21.8	73,381	(1,502)	(2.0)
Interfund accounts receivable	43,888	15,907	27,981	175.9	11	43,877	n/a
Materials and supplies inventory	61,609	61,584	25	-	62,321	(712)	(1.1)
Other current assets	67,721	54,259	13,462	24.8	63,925	3,796	5.9
Total current assets	928,594	851,638	76,956	9.0	1,039,608	(111,014)	(10.7)
Capital assets							
Capital assets	52,728,214	52,728,214	-	-	51,305,742	1,422,472	2.8
Accumulated depreciation	(33,670,654)	(33,277,894)	(392,760)	(1.2)	(32,107,359)	(1,563,295)	(4.9)
Total capital assets, net	19,057,560	19,450,320	(392,760)	(2.0)	19,198,383	(140,823)	(0.7)
Land	4,542,564	4,542,564	-	-	4,542,564	-	-
Construction-in-process	144,887	144,887	-	-	1,197,077	(1,052,190)	(87.9)
Total capital assets	23,745,011	24,137,771	(392,760)	(1.6)	24,938,024	(1,193,013)	(4.8)
Non-current assets							
Deferred charges	16,653	16,653	-	-	20,542	(3,889)	(18.9)
Total non-current assets	16,653	16,653	-	-	20,542	(3,889)	(18.9)
Total	$ 24,690,258	$ 25,006,062	$ (315,804)	(1.3)	$ 25,998,174	$ (1,307,916)	(5.0)

St. Louis Downtown Airport
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Liabilities							
Current liabilities							
Accounts payable	$ 16,428	$ 15,705	$ 723	4.6	$ 21,329	$ (4,901)	(23.0)
Interfund accounts payable	92,872	5,870	87,002	n/a	43,737	49,135	112.3
Accrued expenses	54,800	53,307	1,493	2.8	60,675	(5,875)	(9.7)
Other current liabilities	2,257	3,812	(1,555)	(40.8)	4,464	(2,207)	(49.4)
Total current liabilities	166,357	78,694	87,663	111.4	130,205	36,152	27.8
Non-current liabilities							
Other post-employment benefits	350,727	349,957	770	0.2	342,684	8,043	2.3
Long-term self-insurance	28,991	28,991	-	-	28,991	-	-
Unfunded pension liabilities	183,752	183,752	-	-	315,860	(132,108)	(41.8)
Total non-current liabilities	563,470	562,700	770	0.1	687,535	(124,065)	(18.0)
Total liabilities	729,827	641,394	88,433	13.8	817,740	(87,913)	(10.8)
Net Position							
Net position - capital investments	32,880,637	32,880,637	-	-	32,669,069	211,568	0.6
Net position - unrestricted	(8,179,768)	(8,179,768)	-	-	(6,759,437)	(1,420,331)	(21.0)
Net income (loss)	(740,438)	(336,201)	(404,237)	(120.2)	(729,198)	(11,240)	(1.5)
Total net position	23,960,431	24,364,668	(404,237)	(1.7)	25,180,434	(1,220,003)	(4.8)
Total	$ 24,690,258	$ 25,006,062	$ (315,804)	(1.3)	$ 25,998,174	$ (1,307,916)	(5.0)

St. Louis Downtown Airport
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Airport parking	$ 34,638	$ 34,853	$ (215)	(0.6)	$ 35,724	$ 69,475	$ 69,705	$ (230)	(0.3)	$ 70,653
Leased acreage	80,966	43,169	37,797	87.6	104,941	179,622	86,339	93,283	108.0	198,895
Hangar rental	173,872	202,553	(28,681)	(14.2)	135,324	322,954	405,106	(82,152)	(20.3)	251,765
Aviation sales flowage	44,025	41,274	2,751	6.7	44,745	90,285	91,750	(1,465)	(1.6)	85,697
Other operating revenue	27,280	22,514	4,766	21.2	29,546	48,384	45,027	3,357	7.5	47,462
Concessions	48,644	28,790	19,854	69.0	66,294	61,435	57,580	3,855	6.7	80,169
Service fee revenue	800	50	750	1,500.0	600	800	100	700	700.0	600
Interest income	125	84	41	48.8	43	2,106	167	1,939	1,161.1	81
Total revenue	410,350	373,287	37,063	9.9	417,217	775,061	755,774	19,287	2.6	735,322
Expense										
Wages and benefits [1]	236,233	225,592	(10,641)	(4.7)	213,403	436,594	451,835	15,241	3.4	417,245
Services	58,307	28,825	(29,482)	(102.3)	31,221	79,975	57,651	(22,324)	(38.7)	41,418
Fuel and lube consumed	3,547	6,097	2,550	41.8	4,031	8,917	13,038	4,121	31.6	9,738
Materials and supplies	33,310	31,963	(1,347)	(4.2)	27,690	47,290	62,752	15,462	24.6	69,348
Utilities	40,450	45,771	5,321	11.6	42,605	78,216	93,420	15,204	16.3	92,973
Casualty and liability costs	16,136	16,255	119	0.7	15,539	32,271	32,506	235	0.7	25,079
Other expenses	31,279	30,027	(1,252)	(4.2)	32,911	44,944	50,314	5,370	10.7	50,433
Other non-operating expense	2,565	-	(2,565)	-	-	2,565	-	(2,565)	-	-
Total expense	421,827	384,530	(37,297)	(9.7)	367,400	730,772	761,516	30,744	4.0	706,234
Income (loss) before depreciation	(11,477)	(11,243)	(234)	(2.1)	49,817	44,289	(5,742)	50,031	871.3	29,088
Depreciation and amortization expense	392,760	398,145	5,385	1.4	370,953	784,727	785,251	524	0.1	758,286
Net income (loss)	$ (404,237)	$ (409,388)	$ 5,151	1.3	$ (321,136)	$ (740,438)	$ (790,993)	$ 50,555	6.4	$ (729,198)

[1] - Detailed schedule included.

St. Louis Downtown Airport
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 168,312	$ 141,766	$ (26,546)	(18.7)	$ 141,672	$ 305,027	$ 284,096	$ (20,931)	(7.4)	$ 273,228
Company paid benefits										
Payroll related taxes and insurance										
FICA	12,031	10,845	(1,186)	(10.9)	10,122	21,725	21,733	8	-	19,392
Unemployment insurance	67	315	248	78.7	63	158	630	472	74.9	116
Worker's compensation insurance	9,068	9,168	100	1.1	6,973	17,837	18,335	498	2.7	13,946
Health and welfare										
Medical	25,251	22,970	(2,281)	(9.9)	23,444	51,650	45,940	(5,710)	(12.4)	47,246
Dental	536	612	76	12.4	636	1,203	1,225	22	1.8	1,271
Other post retiree medical	769	12,149	11,380	93.7	11,156	3,666	24,342	20,676	84.9	23,582
Life insurance / AD&D	160	150	(10)	(6.7)	198	360	300	(60)	(20.0)	395
Short and long term disability	965	240	(725)	(302.1)	1,039	2,038	480	(1,558)	(324.6)	2,038
FMLA administration expense	63	70	7	10.0	78	141	139	(2)	(1.4)	156
EAP expense	38	44	6	13.6	47	84	88	4	4.5	93
Retirement										
Pension expense	3,143	12,418	9,275	74.7	7,018	6,695	24,836	18,141	73.0	15,272
401 K contributions	9,375	13,584	4,209	31.0	9,285	18,221	27,168	8,947	32.9	18,014
Other										
Uniform allowance	6,455	1,261	(5,194)	(411.9)	1,672	7,789	2,523	(5,266)	(208.7)	2,496
Total company paid benefits	67,921	83,826	15,905	19.0	71,731	131,567	167,739	36,172	21.6	144,017
Total wages and benefits	$ 236,233	$ 225,592	$ (10,641)	(4.7)	$ 213,403	$ 436,594	$ 451,835	$ 15,241	3.4	$ 417,245

St. Louis Downtown Airport
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

	Total	Revenue Fund	Investments Operating Fund	Other Restricted Funds
Balance at September 30, 2015				
Cash & Investments	$ 660,851	$ 128,229	$ 182,665	$ 349,957
Add:				
Customer payments	395,830	395,830	-	-
Interest received	125	13	112	-
Total cash receipts	395,955	395,843	112	-
Interfund transfers	-	(375,000)	374,230	770
Less:				
Cash disbursements	(373,309)	(704)	(372,605)	-
Balance at December 31, 2015				
Cash & Investments	$ 683,497	$ 148,368	$ 184,402	$ 350,727

St. Louis Downtown Airport
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from customers	$ 813,425
Payments to employees	(431,436)
Payments to vendors	(281,114)
Payments for self-insurance	(32,271)
Receipts (payments) from inter-fund activity	(10,897)
Net cash provided by (used in) operating activities	57,707
Cash flows from noncapital financing activities	
Non operating contributions	(2,565)
Net cash provided by (used in) noncapital and related financing activities	(2,565)
Cash flows from capital and related financing activities	
Acquisitions of capital assets	(77)
Net cash provided by (used in) capital and related financing activities	(77)
Cash flows from investing activities	
Interest received	2,106
Net cash provided by (used in) investing activities	2,106
Net increase (decrease) in cash and cash equivalents	57,171
Cash and cash equivalents, beginning of year	626,326
Cash and cash equivalents, year to date	$ 683,497

Reconciliation of operating income to net cash used for operating activities	
Operating income (loss)	$ 44,748
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	40,470
Interfund accounts receivable	(43,888)
Materials and supplies	(25)
Prepaid expenses, deferred charges and other current assets	(53,004)
Accounts payable	(8,417)
Other current liabilities	2,413
Interfund accounts payable	71,744
Other post employment benefits liability	3,666
Total adjustments	12,959
Net cash provided by (used for) operating activities	$ 57,707

Supplemental disclosure of cash flow information

No disclosures.

St. Louis Downtown Airport
Schedule of Aged Receivables - Invoiced
December 31, 2015
(Unaudited)

Customers owing over $1,000	Less than 30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 361 days	Total
Aviation Business Corporation	$ 3,677	$ 1,777	$ 2,772	$ 973	$ -	$ -	$ 9,199
Charlie Booth	230	230	-	690	1,380	200	2,730
EAA Chapter 64	84	74	-	140	888	-	1,186
Ideal Aviation Illinois	13,010	8,906	98	-	-	-	22,014
Jet Aviation - Cahokia, IL	1,304	-	-	-	-	-	1,304
Jet Aviation - Teterboro, NJ	18,063	6,991	775	-	-	-	25,829
Parks Aviation Holdings LLC	4,625	666	43	-	-	-	5,334
Parks College	77	-	-	2,528	-	-	2,605
Subtotal	41,070	18,644	3,688	4,331	2,268	200	70,201
All other customers	2,806	485	422	553	83	70	4,419
Total	**$ 43,876**	**$ 19,129**	**$ 4,110**	**$ 4,884**	**$ 2,351**	**$ 270**	**$ 74,620**

St. Louis Downtown Airport
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description		Budget	Current	Year-To-Date	Life-To-Date	Balance
Reconstruct Taxiway B, Phase 1	x	$ 4,500,000	$ -	$ -	$ -	$ 4,500,000
Land acquisition for future airport expansion	x	4,000,000	-	-	-	4,000,000
Improve 4-way intersection - turn lanes and traffic lights	x	900,000	-	-	-	900,000
Rapid Intervention Vehicle	x	500,000	-	-	-	500,000
Rehab parking lot by Hangar 1 and 2.	x	312,000	-	-	-	312,000
Terminal Roof Replacement	x	144,700	-	493	129,773	14,927
Taxiway B Northside Drainage Improvements		1,000,000	-	-	-	1,000,000
Taxiway B Northside Environmental Assessment	x	125,000	-	-	-	125,000
Total St. Louis Downtown Airport		$ 11,481,700	$ -	$ 493	$ 129,773	$ 11,351,927

x Projects are carryover from prior year.

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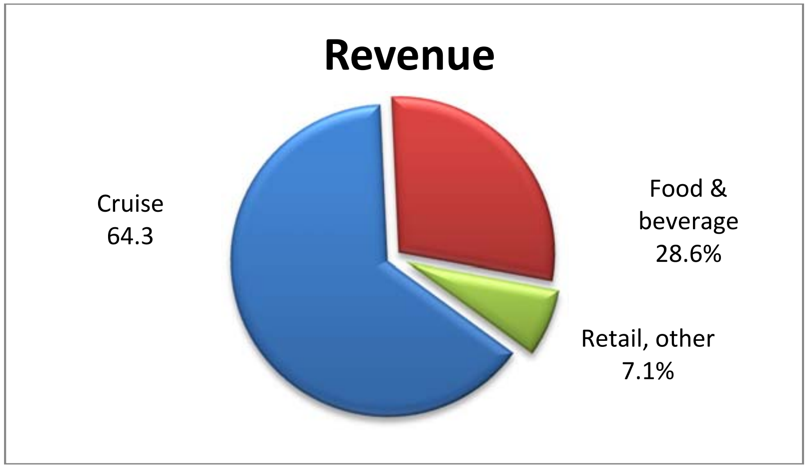
Riverfront Attractions

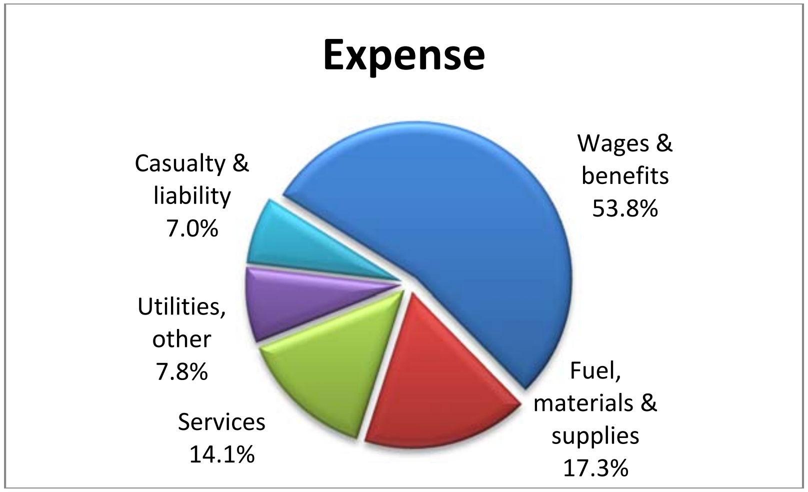
Six Months Ended December 31, 2015

Riverfront Attractions includes the Tom Sawyer and Becky Thatcher riverboats which feature sightseeing, dinner, and specialty cruises, a gift shop, snack bar, and photography sales. There is also leased heliport operations.

Loss before depreciation for all Riverfront Attractions for the six months ended December 31, 2015 was $77,714. This is $457,140 unfavorable to budget but $45,686 higher than prior year.

Revenue is $985,878 which is 43.6% lower than budget because of flooding. Riverfront flooding to date resulted in the loss of 30 cruising days. Revenue is favorable to prior year by $105,421 or 12.0% because the south end of the Leonor K. Sullivan Boulevard construction project is complete.





Wages and benefits are $79,019 or 12.1% favorable to budget due to position vacancies and benefits.

Services are 0.8% favorable to budget and include boat maintenance and repair, removing flood debris and cost of musicians for dinner and specialty cruises.

Fuel and lube consumed is $22,933 favorable to budget because of lower than expected fuel prices and 209 fewer cruises than budgeted.

Materials and supplies are $159,815 favorable to budget primarily due to fewer purchases of food and beverages related to the fewer dinner and specialty cruises.

Utilities are $13,510 or 29.1% favorable to budget due to lower electricity, natural gas, telephone, water and sewer, and waste removal expenses.

Casualty and liability expense is $12,998 or 14.8% favorable to budget as a result of lower self insured property and casualty expense.

Other expenses are favorable to budget by $15,180. The favorable variance to budget is primarily related to lower advertising and promotion expenses.

Performance Indicators			
YTD	**Passengers**	**Cruises**	**Passengers per Cruise**
FY16 Actual	40,289	354	114
FY16 Budget	63,735	563	113
FY15 Actual	39,007	339	115

Riverboat passengers increased 3.3% from FY 2015 but was 36.8% lower than budget. Riverfront flooding and construction unfavorably impacted the number of passengers.

The number of **Cruises** increased from FY 2015 by 15 or 4.4% but 209 less than budget. This was the result of the cruising days lost due to flooding and construction. The average **Passengers per Cruise** in FY 2016 is consistent with the FY 2016 Budget and with FY 2015 Actual.

Riverfront Attractions
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Cash and investments	$ 60,545	$ 42,988	$ 17,557	40.8	$ 19,435	$ 41,110	211.5
Accounts and notes receivable	11,000	10,535	465	4.4	5,647	5,353	94.8
Interfund accounts receivable	-	4,123	(4,123)	(100.0)	1,491	(1,491)	(100.0)
Materials and supplies inventory	44,287	45,280	(993)	(2.2)	46,565	(2,278)	(4.9)
Other current assets	76,514	114,771	(38,257)	(33.3)	74,890	1,624	2.2
Total current assets	192,346	217,697	(25,351)	(11.6)	148,028	44,318	29.9
Capital assets							
Capital assets	5,165,449	5,165,207	242	-	4,786,579	378,870	7.9
Accumulated depreciation	(3,485,817)	(3,403,920)	(81,897)	(2.4)	(3,181,455)	(304,362)	(9.6)
Total capital assets, net	1,679,632	1,761,287	(81,655)	(4.6)	1,605,124	74,508	4.6
Construction-in-process	-	-	-	n/a	3,283	(3,283)	(100.0)
Total capital assets	1,679,632	1,761,287	(81,655)	(4.6)	1,608,407	71,225	4.4
Total	$ 1,871,978	$ 1,978,984	$ (107,006)	(5.4)	$ 1,756,435	$ 115,543	6.6

Riverfront Attractions
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Liabilities							
Current liabilities							
Accounts payable	$ 40,699	$ 33,860	$ 6,839	20.2	$ 55,532	$ (14,833)	(26.7)
Interfund accounts payable	1,311,315	1,097,987	213,328	19.4	601,331	709,984	118.1
Accrued expenses	109,900	89,803	20,097	22.4	96,915	12,985	13.4
Other current liabilities	164,732	343,389	(178,657)	(52.0)	123,508	41,224	33.4
Total current liabilities	1,626,646	1,565,039	61,607	3.9	877,286	749,360	85.4
Non-current liabilities							
Other post-employment benefits	374,855	374,019	836	0.2	366,371	8,484	2.3
Long-term self-insurance	33,654	33,654	-	-	37,654	(4,000)	(10.6)
Unfunded pension liabilities	449,172	449,172	-	-	434,308	14,864	3.4
Total non-current liabilities	857,681	856,845	836	0.1	838,333	19,348	2.3
Total liabilities	2,484,327	2,421,884	62,443	2.6	1,715,619	768,708	44.8
Net Position							
Net position - capital investments	254,907	254,907	-	-	254,907	-	-
Net position - unrestricted	(621,083)	(621,083)	-	-	55,403	(676,486)	n/a
Net income (loss)	(246,173)	(76,724)	(169,449)	(220.9)	(269,494)	23,321	8.7
Total net position	(612,349)	(442,900)	(169,449)	(38.3)	40,816	(653,165)	n/a
Total	$ 1,871,978	$ 1,978,984	$ (107,006)	(5.4)	$ 1,756,435	$ 115,543	6.6

Riverfront Attractions
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Cruise	$ 239,177	$ 225,255	$ 13,922	6.2	$ 136,569	$ 633,531	$ 1,087,446	$ (453,915)	(41.7)	$ 506,253
Food and beverage	134,271	162,595	(28,324)	(17.4)	79,958	282,357	561,877	(279,520)	(49.7)	299,289
Retail	6,668	9,084	(2,416)	(26.6)	4,575	27,606	51,949	(24,343)	(46.9)	26,260
Other operating revenue	30,707	23,574	7,133	30.3	22,628	62,182	67,349	(5,167)	(7.7)	61,437
Sales discount	(7,174)	(7,220)	46	0.6	(3,374)	(19,798)	(21,005)	1,207	5.7	(12,782)
Total revenue	403,649	413,288	(9,639)	(2.3)	240,356	985,878	1,747,616	(761,738)	(43.6)	880,457
Expense										
Wages and benefits [1]	292,640	277,653	(14,987)	(5.4)	199,684	571,886	650,905	79,019	12.1	516,869
Services	63,984	82,670	18,686	22.6	60,838	150,047	151,190	1,143	0.8	136,714
Fuel and lube consumed	11,934	10,000	(1,934)	(19.3)	6,768	23,067	46,000	22,933	49.9	28,352
Materials and supplies	48,797	62,018	13,221	21.3	52,145	160,703	320,518	159,815	49.9	138,338
Utilities	13,498	22,035	8,537	38.7	16,614	32,924	46,434	13,510	29.1	38,589
Casualty and liability costs	37,564	42,926	5,362	12.5	36,956	74,970	87,968	12,998	14.8	73,913
Other expenses	22,785	32,538	9,753	30.0	34,007	49,995	65,175	15,180	23.3	71,082
Total expense	491,202	529,840	38,638	7.3	407,012	1,063,592	1,368,190	304,598	22.3	1,003,857
Income (loss) before depreciation	(87,552)	(116,552)	29,000	24.9	(166,656)	(77,714)	379,426	(457,140)	(120.5)	(123,400)
Depreciation and amortization expense	81,897	78,853	(3,044)	(3.9)	69,824	168,459	157,707	(10,752)	(6.8)	146,094
Net income (loss)	$ (169,449)	$ (195,405)	$ 25,956	13.3	$ (236,480)	$ (246,173)	$ 221,719	$ (467,892)	(211.0)	$ (269,494)

[1] - Detailed schedule included.

Riverfront Attractions
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 227,392	$ 192,329	$ (35,063)	(18.2)	$ 138,392	$ 439,161	$ 472,819	$ 33,658	7.1	$ 375,814
Company paid benefits										
Payroll related taxes and insurance										
FICA	14,886	14,713	(173)	(1.2)	9,807	30,199	36,171	5,972	16.5	27,051
Unemployment insurance	439	1,997	1,558	78.0	226	1,527	3,984	2,457	61.7	1,942
Worker's compensation insurance	693	2,038	1,345	66.0	673	1,418	4,074	2,656	65.2	6,345
Health and welfare										
Medical	19,199	25,435	6,236	24.5	17,126	39,410	50,690	11,280	22.3	33,026
Dental	623	679	56	8.2	739	1,399	1,353	(46)	(3.4)	1,478
Other post retiree medical	836	11,126	10,290	92.5	9,881	3,742	22,253	18,511	83.2	22,501
Life insurance / AD&D	171	166	(5)	(3.0)	212	384	331	(53)	(16.0)	421
Short and long term disability	1,083	264	(819)	(310.2)	1,118	2,224	525	(1,699)	(323.6)	2,214
FMLA administration expense	397	77	(320)	(415.6)	525	873	153	(720)	(470.6)	1,089
EAP expense	38	49	11	22.4	47	85	97	12	12.4	93
Retirement										
Pension expense	21,038	13,746	(7,292)	(53.0)	17,884	40,832	27,396	(13,436)	(49.0)	37,979
401 K contributions	4,679	15,034	10,355	68.9	2,696	9,466	29,959	20,493	68.4	6,405
Other										
Uniform allowance	1,166	-	(1,166)	-	358	1,166	1,100	(66)	(6.0)	511
Total company paid benefits	65,248	85,324	20,076	23.5	61,292	132,725	178,086	45,361	25.5	141,055
Total wages and benefits	$ 292,640	$ 277,653	$ (14,987)	(5.4)	$ 199,684	$ 571,886	$ 650,905	$ 79,019	12.1	$ 516,869

Riverfront Attractions
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

	Total	Operating Fund	Change Fund
Balance at September 30, 2015			
Cash & Investments	$ 42,988	$ 37,088	$ 5,900
Add:			
Revenue receipts	83,311	83,311	-
Transfers from Airport	-	-	-
Transfers from Arch Tram	194,159	194,159	-
Total cash receipts	277,470	277,470	-
Interfund transfers	-	-	-
Less:			
Transfers to Arch Tram	-	-	-
Transfers to Executive Services	(258,809)	(258,809)	-
Cash disbursements	(1,104)	(1,104)	-
Total cash disbursements	(259,913)	(259,913)	-
Balance at December 31, 2015			
Cash & Investments	$ 60,545	$ 54,645	$ 5,900

Riverfront Attractions
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from customers	$ 982,760
Payments to employees	(548,049)
Payments to vendors	(595,912)
Payments for self-insurance	(76,870)
Receipts (payments) from inter-fund activity	315,915
Net cash provided by (used in) operating activities	77,844
Cash flows from noncapital financing activities	
Acquisitions of capital assets	(41,871)
Net cash provided by (used in) capital and related financing activities	(41,871)
Cash flows from capital and related financing activities	
None noted.	
Cash flows from investing activities	
None noted.	
Net increase (decrease) in cash and cash equivalents	35,973
Cash and cash equivalents, beginning of year	24,572
Cash and cash equivalents, year to date	$ 60,545

Reconciliation of operating loss to net cash used for operating activities	
Operating income (loss)	$ (77,714)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	(3,118)
Interfund accounts receivable	-
Materials and supplies	5,032
Prepaid expenses, deferred charges and other current assets	(76,382)
Accounts payable	18,850
Other current liabilities	(106,581)
Interfund accounts payable	315,915
Other post employment benefits liability	3,742
Self-insurance liability	(1,900)
Total adjustments	155,558
Net cash provided by (used for) operating activities	$ 77,844

Supplemental disclosure of cash flow information

No disclosures.

Riverfront Attractions
Capital Expenditures for Active Projects
For the Quarter Ended December 31, 2015
(unaudited)

Description	Budget	Current	Year-To-Date	Life-To-Date	Balance
Copy machine	$ 5,000	$ -	$ -	$ -	$ 5,000
Total Riverfront Attractions	$ 5,000	$ -	$ -	$ -	$ 5,000

BI-STATE DEVELOPMENT

REGIONAL FREIGHT DISTRICT

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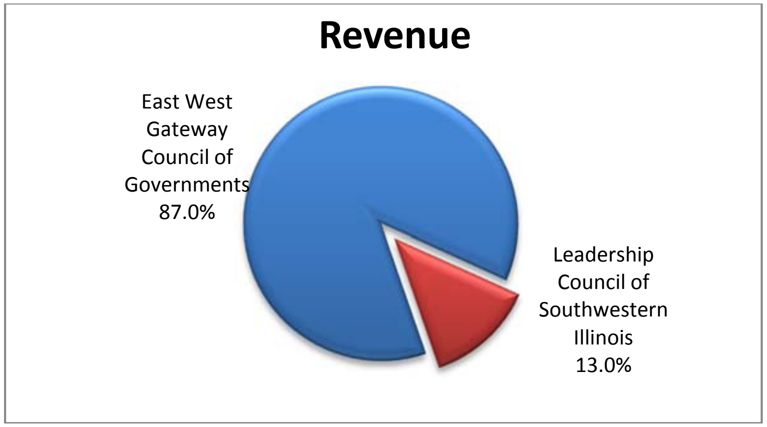
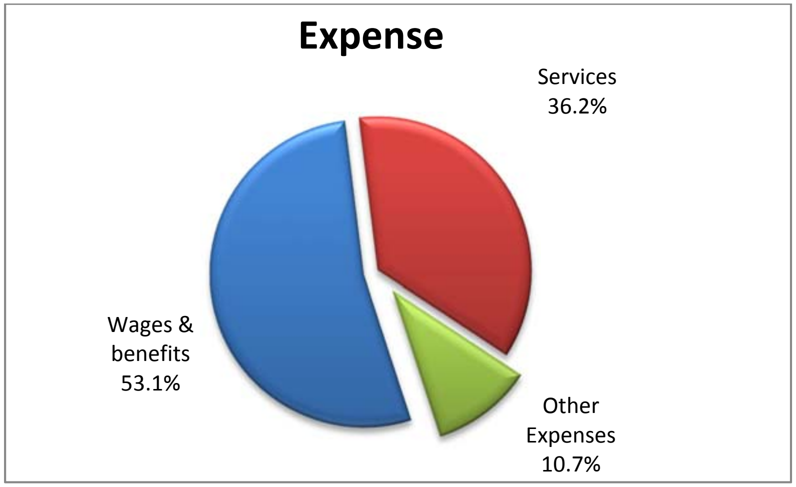
Regional Freight District

Six Months Ended December 31, 2015

Loss before depreciation for the Regional Freight District for the six months ended December 31, 2015 was $7,785. This is unfavorable to budget by $93,687.

Revenue of $192,469 is less than budget by $32,531 or 14.5%. Partnership Revenue Fees are from the Leadership Council of Southwestern Illinois and the East-West Gateway Council of Governments.





Wages and benefits are favorable to budget by $9,753 or 8.4%.

Services are $52,503 unfavorable to budget due to higher consulting expenses.

Other expenses of $21,493 are unfavorable to budget by $19,743 due to non-budgeted advertising and lease and rent expense.

Regional Freight District
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Assets							
Current assets							
Accounts and notes receivable	$ 167,469	$ 86,683	$ 80,786	93.2	$ -	$ 167,469	n/a
Total current assets	167,469	86,683	80,786	93.2	-	167,469	n/a
Total	$ 167,469	$ 86,683	$ 80,786	93.2	$ -	$ 167,469	n/a

Regional Freight District
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Liabilities							
Current liabilities							
Interfund accounts payable	168,886	48,042	120,844	251.5	-	168,886	n/a
Accrued expenses	5,300	-	5,300	n/a	-	5,300	n/a
Total current liabilities	174,186	48,042	126,144	262.6	-	174,186	n/a
Non-current liabilities							
Other post-employment benefits	1,068	862	206	23.9	-	1,068	n/a
Total non-current liabilities	1,068	862	206	23.9	-	1,068	n/a
Total liabilities	175,254	48,904	126,350	258.4	-	175,254	n/a
Net Position							
Net income (loss)	(7,785)	37,779	(45,564)	(120.6)	-	(7,785)	n/a
Total net position	(7,785)	37,779	(45,564)	(120.6)	-	(7,785)	n/a
Total	$ 167,469	$ 86,683	$ 80,786	93.2	$ -	$ 167,469	n/a

Regional Freight District
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Partnership fees	$ 80,786	$ 112,500	$ (31,714)	(28.2)	$ -	$ 192,469	$ 225,000	$ (32,531)	(14.5)	$ -
Total revenue	80,786	112,500	(31,714)	(28.2)	-	192,469	225,000	(32,531)	(14.5)	-
Expense										
Wages and benefits [1]	54,802	61,715	6,913	11.2	-	106,245	115,998	9,753	8.4	-
Services	52,503	10,000	(42,503)	(425.0)	-	72,503	20,000	(52,503)	(262.5)	-
Materials and supplies	13	375	362	96.5	-	13	750	737	98.3	-
Utilities	-	300	300	100.0	-	-	600	600	100.0	-
Other expenses	19,032	875	(18,157)	(2,075.1)	-	21,493	1,750	(19,743)	(1,128.2)	-
Total expense	126,350	73,265	(53,085)	(72.5)	-	200,254	139,098	(61,156)	(44.0)	-
Income (loss) before depreciation	(45,564)	39,235	(84,799)	(216.1)	-	(7,785)	85,902	(93,687)	(109.1)	-
Net income (loss)	$ (45,564)	$ 39,235	$ (84,799)	(216.1)	$ -	$ (7,785)	$ 85,902	$ (93,687)	(109.1)	$ -

[1] - Detailed schedule included.

Regional Freight District
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Personnel expense										
Wages	$ 46,166	$ 48,412	$ 2,246	4.6	$ -	$ 87,607	$ 89,922	$ 2,315	2.6	$ -
Company paid benefits										
Payroll related taxes and insurance										
FICA	2,924	3,704	780	21.1	-	5,941	6,879	938	13.6	-
Unemployment insurance	-	-	-	-	-	203	-	(203)	-	-
Worker's compensation insurance	-	148	148	100.0	-	-	296	296	100.0	-
Health and welfare										
Medical	3,651	4,334	683	15.8	-	7,550	8,668	1,118	12.9	-
Dental	79	116	37	31.9	-	180	231	51	22.1	-
Other post retiree medical	206	-	(206)	-	-	1,068	-	(1,068)	-	-
Life insurance / AD&D	39	28	(11)	(39.3)	-	88	57	(31)	(54.4)	-
Short and long term disability	237	45	(192)	(426.7)	-	237	91	(146)	(160.4)	-
FMLA administration expense	6	14	8	57.1	-	13	26	13	50.0	-
EAP expense	3	8	5	62.5	-	8	16	8	50.0	-
Retirement										
Pension expense	149	2,343	2,194	93.6	-	355	4,686	4,331	92.4	-
401 K contributions	1,342	2,563	1,221	47.6	-	2,995	5,126	2,131	41.6	-
Total company paid benefits	8,636	13,303	4,667	35.1	-	18,638	26,076	7,438	28.5	-
Total wages and benefits	$ 54,802	$ 61,715	$ 6,913	11.2	$ -	$ 106,245	$ 115,998	$ 9,753	8.4	$ -

Regional Freight District
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from partnership fees	$ 25,000
Payments to employees	(99,877)
Payments to vendors	(94,009)
Receipts (payments) from inter-fund activity	168,886
Net cash provided by (used in) operating activities	-
Cash flows from noncapital financing activities	
None noted.	
Net cash provided by (used in) noncapital financing activities	-
Cash flows from capital and related financing activities	
None noted.	
Cash flows from investing activities	
None noted.	
Net cash provided by (used in) investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, year to date	$ -

Reconciliation of operating loss to net cash used for operating activities	
Operating income (loss)	$ (7,785)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	(167,469)
Inter-fund accounts payable	168,886
Other current liabilities	5,300
Other post employment benefits liability	1,068
Total adjustments	7,785
Net cash provided by (used for) operating activities	$ -

Supplemental disclosure of cash flow information

No disclosures.

BI-STATE DEVELOPMENT

BI-STATE DEVELOPMENT
RESEARCH
INSTITUTE

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Bi-State Development Research Institute

Six Months Ended December 31, 2015

The Bi-State Development Research Institute is a 501(c)(3) non-profit corporation under the organizational umbrella of Bi-State Development. The Board of Commissioners granted approval to establish the Institute on March 28, 2014 and subsequently approved the organization's bylaws on May 23, 2014.

The Bi-State Development Research Institute was developed to focus on three primary goals:

- Focus on real estate acquisition and conveyance in support of Transit-Oriented Development ("TOD") and regional economic development; and
- Plan, study and evaluate regional land use, public policy, economic and community development and infrastructure investment, including, but not limited to transit activities; and
- Insure that the Institute is self-sustaining and able to fiscally support itself; that is serve as a conduit for charitable donations supporting Institute goals and specific community support, such as providing transit tickets for deserving youth and as a fund raising conduit for events.

Income before depreciation for the Research Institute for the six months ended December 31, 2015 was $39,657.

Revenue of $39,805 is greater than budget by $37,305, resulting from the receipt of a grant award.

Services are $2,352 favorable to budget due to the lower legal expenses.

Bi-State Development Research Institute
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Assets							
Current assets							
Cash and investments	$ 44,375	$ 4,644	$ 39,731	855.5	$ 4,951	$ 39,424	796.3
Total current assets	44,375	4,644	39,731	855.5	4,951	39,424	796.3
Total	$ 44,375	$ 4,644	$ 39,731	855.5	$ 4,951	$ 39,424	796.3

Bi-State Development Research Institute
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	**Prior Period**	**Dollar Change**	**Percent Change**	**Prior Year**	**Dollar Change**	**Percent Change**
Liabilities							
Current liabilities							
Accounts payable	$ 5,000	$ 5,000	$ -	-	$ 5,000	$ -	-
Total current liabilities	5,000	5,000	-	-	5,000	-	-
Total liabilities	5,000	5,000	-	-	5,000	-	-
Net Position							
Net position - unrestricted	(282)	(282)	-	-	-	(282)	n/a
Net income (loss)	39,657	(74)	39,731	n/a	(49)	39,706	n/a
Total net position	39,375	(356)	39,731	n/a	(49)	39,424	n/a
Total	$ 44,375	$ 4,644	$ 39,731	855.5	$ 4,951	$ 39,424	796.3

Bi-State Development Research Institute
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Not for Profit Revenue	$ 39,805	$ 1,250	$ 38,555	3,084.4	$ 900	$ 39,805	$ 2,500	$ 37,305	1,492.2	$ 900
Total revenue	39,805	1,250	38,555	3,084.4	900	39,805	2,500	37,305	1,492.2	900
Expense										
Services	74	1,250	1,176	94.1	25	148	2,500	2,352	94.1	25
Materials and supplies	-	-	-	-	74	-	-	-	-	74
Other expenses	-	-	-	-	850	-	-	-	-	850
Total expense	74	1,250	1,176	94.1	949	148	2,500	2,352	94.1	949
Income (loss) before depreciation	39,731	-	39,731	-	(49)	39,657	-	39,657	-	(49)
Net income (loss)	$ 39,731	$ -	$ 39,731	-	$ (49)	$ 39,657	$ -	$ 39,657	-	$ (49)

Bi-State Development Research Institute
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

Description	Total	Operating Fund
Balance at September 30, 2015		
Cash & Investments	$ 4,644	$ 4,644
Add:		
Receipts	39,806	39,806
Total cash receipts	39,806	39,806
Interfund transfers	-	-
Less:		
Bank charges	(75)	(75)
	(75)	(75)
Balance at December 31, 2015		
Cash & Investments	$ 44,375	$ 44,375

Bi-State Development Research Institute
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from awards/grants	$ 39,805
Payments to vendors	(148)
Net cash provided by (used in) operating activities	39,657
Cash flow from noncapital financing activities	
None noted.	
Cash flow from capital and related financing activities	
None noted.	
Cash flows from investing activities	
None noted.	
Net increase (decrease) in cash and cash equivalents	39,657
Cash and cash equivalents, beginning of year	4,718
Cash and cash equivalents, year to date	$ 44,375

Reconciliation of operating income to net cash used for operating activities	
Operating income (loss)	$ 39,657
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
None noted.	
Total adjustments	-
Net cash provided by (used for) operating activities	$ 39,657

Supplemental disclosure of cash flow information

No disclosures.

Arts in Transit

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Arts In Transit, Inc.
Six Months Ended December 31, 2015

Arts In Transit, Inc. is a non-profit 501(c)(3). Its primary role is to establish and coordinate a collaboration of artists to design and build standalone artwork which is integrated into the transit system.

Income before depreciation for Arts In Transit, Inc. for the six months ended December 31, 2015 was $24,438.

Total revenue includes the annual contribution of $26,500 from the Regional Arts Commission and sales of MetroScapes posters. MetroScapes are original works of art created by ten St. Louis artists and showcases local art at Metro transit locations. The posters were reproduced in large-scale and featured at more than 200 MetroBus shelters in the St. Louis region.

Services are $2,362 and include expenses for an art bus painting project.

Arts In Transit, Inc.
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Assets							
Current assets							
Cash and investments	$ 26,699	$ 36,586	$ (9,887)	(27.0)	$ -	$ 26,699	n/a
Interfund accounts receivable	-	6,390	(6,390)	(100.0)	-	-	n/a
Total current assets	26,699	42,976	(16,277)	(37.9)	-	26,699	n/a
Total	$ 26,699	$ 42,976	$ (16,277)	(37.9)	$ -	$ 26,699	n/a

Arts In Transit, Inc.
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current				Prior Year		
	Current Period	Prior Period	Dollar Change	Percent Change	Prior Year	Dollar Change	Percent Change
Liabilities							
Current liabilities							
Interfund accounts payable	-	13,975	(13,975)	(100.0)	-	-	n/a
Total current liabilities	-	13,975	(13,975)	(100.0)	-	-	n/a
Total liabilities	-	13,975	(13,975)	(100.0)	-	-	n/a
Net Position							
Net position - unrestricted	$ 2,261	$ 2,261	$ -	-	$ -	$ 2,261	n/a
Net income (loss)	24,438	26,740	(2,302)	(8.6)	-	24,438	n/a
Total net position	26,699	29,001	(2,302)	(7.9)	-	26,699	n/a
Total	$ 26,699	$ 42,976	$ (16,277)	(37.9)	$ -	$ 26,699	n/a

Arts In Transit, Inc.
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current					Year to Date				
	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year	Actual	Budget	$ Favorable (Unfavorable)	% Fav (Unfav)	Prior Year
Revenue										
Not for Profit Revenue	$ 25	$ -	$ 25	-	$ -	$ 26,800	$ -	$ 26,800	-	$ -
Total revenue	25	-	25	-	-	26,800	-	26,800	-	-
Expense										
Services	2,327	-	(2,327)	-	-	2,362	-	(2,362)	-	-
Total expense	2,327	-	(2,327)	-	-	2,362	-	(2,362)	-	-
Income (loss) before depreciation	(2,302)	-	(2,302)	-	-	24,438	-	24,438	-	-
Net income (loss)	$ (2,302)	$ -	$ (2,302)	-	$ -	$ 24,438	$ -	$ 24,438	-	$ -

Arts in Transit, Inc.
Cash Receipts and Disbursements Schedule
For the Quarter Ended December 31, 2015
(unaudited)

Description	Total	Operating Fund
Balance at September 30, 2015		
Cash & Investments	$ 36,586	$ 36,586
Add:		
Income	6,415	6,415
Total cash receipts	6,415	6,415
Interfund transfers	-	-
Less:		
Bank charges	(27)	(27)
Cash disbursements	(16,275)	(16,275)
	(16,302)	(16,302)
Balance at December 31, 2015		
Cash & Investments	$ 26,699	$ 26,699

Arts in Transit, Inc.
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities		
Receipts from contributions	$	30,800
Payments to vendors		(6,557)
Receipts (payments) from inter-fund activity		(6,390)
Net cash provided by (used in) operating activities		17,853
Cash flow from noncapital financing activities		
None noted.		
Net cash provided by (used in) financing activities		
Cash flow from capital and related financing activities		
None noted.		
Cash flows from investing activities		
None noted.		
Net increase (decrease) in cash and cash equivalents		17,853
Cash and cash equivalents, beginning of year		8,846
Cash and cash equivalents, year to date	$	26,699

Reconciliation of operating income to net cash used for operating activities		
Operating income (loss)	$	24,438
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Change in assets and liabilities		
Accounts and notes receivables		4,000
Interfund accounts receivable		-
Accounts payable		(4,195)
Interfund accounts payable		(6,390)
Total adjustments		(6,585)
Net cash provided by (used for) operating activities	$	17,853

Supplemental disclosure of cash flow information

No disclosures.

BI-STATE DEVELOPMENT

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BU150096

Health and Welfare Internal Service Fund
Six Months Ended December 31, 2015

Health and welfare benefits are a major expense for BSD. BSD has elected to establish an Internal Service Fund for this major expense category. An Internal Service Fund (ISF) is a proprietary fund used to account for goods or services provided by one department or agency to another department or agency on a cost-reimbursement basis.

The Health and Welfare Internal Service Fund will provide Management and the Board of Commissioners with greater visibility and enhanced financial reporting for Bi-State Development's $30 million self-funded health and welfare insurance activities. The implementation of the Internal Service Fund enhances the governance and oversight of the Agency's annual contribution and will provide a means to clearly see the true cost of the health insurance benefit covering the Agency's employees and retirees.

The ISF will be directly responsible for functions which were previously in different divisions of BSD. This will improve coordination and effort. The Vice President in charge of the ISF will be responsible for the Benefits Department and the Wellness Department.

Revenue for the Internal Service fund is generated from other BSD operational units for services provided and from participant contributions. Expense includes staff compensation and other general operating expenses to operate the fund and claims paid expense.

Income before depreciation for the Internal Service Fund for the six months ended December 31, 2015 was $493.4 thousand.

Revenue was $15.9 million includes $12.6 million in employer contributions and $3.3 million in employee/participant contributions.

Expense of $15.4 million includes $10.7 million in medical claims and $3.1 million in prescription claims paid.

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Health Self-Insurance
Internal Service Fund
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current Period	Prior Period	Current Dollar Change	Current Percent Change
Assets				
Current assets				
Cash and investments	$ 3,290,462	$ -	$ 3,290,462	n/a
Accounts and notes receivable	18,406	-	18,406	n/a
Interfund accounts receivable	504,250	2,387,053	(1,882,803)	(78.9)
Total current assets	3,813,118	2,387,053	1,426,065	59.7
Total	$ 3,813,118	$ 2,387,053	$ 1,426,065	59.7

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Health Self-Insurance
Internal Service Fund
Quarterly Statement of Net Position
December 31, 2015
(unaudited)

	Current Period	Prior Period	Current Dollar Change	Current Percent Change
Liabilities				
Current liabilities				
Interfund accounts payable	$ 1,010,368	$ -	$ 1,010,368	n/a
Accrued expenses	50,800	-	50,800	n/a
Total current liabilities	1,061,168	-	1,061,168	n/a
Current liab payable from restricted assets				
Medical self-insurance liability	2,255,254	2,255,254	-	-
Total current liabilities payable from restricted assets	2,255,254	2,255,254	-	-
Total current liabilities	3,316,422	2,255,254	1,061,168	47.1
Non-current liabilities				
Other post-employment benefits	3,264	-	3,264	n/a
Total non-current liabilities	3,264	-	3,264	n/a
Total liabilities	3,319,686	2,255,254	1,064,432	47.2
Net Position				
Net income (loss)	493,432	131,799	361,633	274.4
Total net position	493,432	131,799	361,633	274.4
Total	$ 3,813,118	$ 2,387,053	$ 1,426,065	59.7

Bi-State Development Agency of the Missouri-Illinois Metropolitan District
Health Self-Insurance
Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Quarter Ended December 31, 2015
(unaudited)

	Current Actual	Year to Date Actual
Revenue		
Employee medical contributions	$ 1,352,302	$ 3,125,143
Employee dental contributions	109,636	226,581
Employee gym membership	1,672	1,672
Bi-State Dev medical contributions	6,189,355	12,347,708
Bi-State Dev dental contributions	138,446	285,831
Bi-State Dev EAP contributions	12,219	20,775
Healthy Savings Plan	(49,829)	(96,898)
Total revenue	7,753,801	15,910,812
Expense		
Wages and benefits	272,638	442,341
Services	85,150	109,856
Materials and supplies	3,815	3,864
Utilities	909	1,062
Other expenses	11,906	12,563
Medical claims paid	4,957,465	10,704,305
Contra medical	(915,105)	(1,291,623)
Dental claims paid	218,675	433,068
Medical TPA fees	376,641	658,666
Prescription (RX) claims/admin fees	1,271,327	3,057,398
Medical stop loss	85,732	171,206
Medicare C+ and Part D program	744,483	789,548
Other administrative and third party fees	278,532	325,126
Total expense	7,392,168	15,417,380
Income (loss) before depreciation	361,633	493,432
Net income (loss)	$ 361,633	$ 493,432

Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Health Self-Insurance
Internal Service Fund
Detailed Schedule of Wages and Benefits
For the Quarter Ended December 31, 2015
(unaudited)

	Current Actual	Year to Date Actual
Personnel expense		
Wages	$ 222,739	$ 349,413
Company paid benefits		
Payroll related taxes and insurance		
FICA	11,728	20,910
Unemployment insurance	406	406
Worker's compensation insurance	(25)	-
Health and welfare		
Medical	15,866	27,868
Dental	585	1,104
Other Post Retiree Medical	892	3,264
Life Insurance / AD&D	190	353
Short and Long Term Disability	955	2,022
FMLA administration expense	58	103
EAP expense	35	64
Retirement		
Pension expense	12,901	26,436
401 K contributions	6,308	10,398
Total company paid benefits	49,899	92,928
Total wages and benefits	$ 272,638	$ 442,341

Health Self-Insurance Internal Service Fund
Cash Receipts and Disbursements Schedule
For the Six Months Ended December 31, 2015
(unaudited)

Description	Total	Health and Welfare	Medical HRA	Medical Self Insurance	Medical RRA
Balance at July 1, 2015					
Cash & investments	$ -	$ -	$ -	$ -	$ -
Add:					
Receipts	15,523,882	10,272,065	134,000	5,051,784	66,033
Total cash receipts	15,523,882	10,272,065	134,000	5,051,784	66,033
Interfund transfers	1,882,800	1,882,800	-	-	-
Less:					
Cash disbursements	(14,116,220)	(8,973,672)	(83,630)	(5,008,314)	(50,604)
Balance at December 31, 2015					
Cash & investments	$ 3,290,462	$ 3,181,193	$ 50,370	$ 43,470	$ 15,429

Health Self-Insurance Internal Service Fund
Statement of Cash Flows
For the Six Months Ended December 31, 2015
(unaudited)

Cash flows from operating activities	
Receipts from interfund services provided	$ 15,892,406
Payments to employees	(388,277)
Payments to vendors	(127,345)
Payments for self-insurance	(12,592,440)
Receipts (payments) from inter-fund activity	506,118
Net cash provided by (used in) operating activities	3,290,462
Cash flows from noncapital financing activities	
None noted.	
Cash flows from capital and related financing activities	
None noted.	
Cash flows from investing activities	
None noted.	
Net increase (decrease) in cash	3,290,462
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, year to date	$ 3,290,462

Reconciliation of operating loss to net cash used for operating activities	
Operating income (loss)	$ 493,432
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Change in assets and liabilities	
Accounts and notes receivable	(18,406)
Interfund accounts receivable	(504,250)
Accrued expenses	50,800
Interfund accounts payable	1,010,368
Other post employment benefits liability	3,264
Self-insurance liability	2,255,254
Total adjustments	2,797,030
Net cash provided by (used for) operating activities	$ 3,290,462

Supplemental disclosure of cash flow information

No disclosures.

Staffing Level Report..86

BU150096

BI-STATE DEVELOPMENT
STAFFING LEVEL REPORT
December 2015

	EMPLOYEES AT END OF MONTH						
	PRIOR MONTH	ADDED	DELETED	CURRENT MONTH	BUDGETED POSITIONS	VARIANCE	PERCENT VARIANCE
A.T.U. Maintenance & Operations:							
Light Rail Vehicle Operators	102	0	(1)	101	102	(1)	-1.0%
PT Bus Operators	87	0	(2)	85	83	2	2.4%
Bus Operators	824	2	(5)	821	792	29	3.7%
Van Operators	200	0	(4)	196	200	(4)	-2.0%
Vehicle Maintenance	269	3	(1)	271	286	(15)	-5.2%
MetroBus Support Services and Facility Maintenance	22	1	(2)	21	24	(3)	-12.5%
Maintenance of Way	50	1	0	51	53	(2)	-3.8%
Revenue	13	0	(2)	11	13	(2)	-15.4%
Materials Management	26	0	0	26	27	(1)	-3.7%
SUBTOTAL A.T.U. Maintenance & Operations	1,593	7	(17)	1,583	1,580	3	0.2%
Other:							
A.T.U. Clerical Unit	51	1	(1)	51	52	(1)	-1.9%
I.B.E.W.	63	1	0	64	66	(2)	-3.0%
Salaried	467	2	(6)	463	498	(35)	-7.0%
SUBTOTAL Other	581	4	(7)	578	616	(38)	-6.2%
TOTAL	2,174	11	(24)	2,161	2,196	(35)	-1.6%
ARCH							
Salaried:	12	0	0	12	12	0	0.0%
Hourly:*	85	0	(5)	80	84	(4)	-4.8%
TOTAL ARCH	97	0	(5)	92	96	(4)	-4.2%
AIRPORT	11	0	0	11	11	0	0.0%
RIVERBOAT CRUISES							
Salaried:	11	0	0	11	12	(1)	-8.3%
Hourly:*	60	0	0	60	49	11	22.4%
TOTAL RIVERBOAT CRUISES	71	0	0	71	61	10	16.4%
EXECUTIVE OFFICE	26	0	0	26	27	(1)	-3.7%
GRAND TOTAL	2,379	11	(29)	2,361	2,391	(30)	-1.3%

Does not include Security Officers, Interns or Temporary Employees
*Includes PT and Seasonal - Actual depends on availability
1/8/2016

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FINANCE@BISTATEDEV.ORG

BU150094

FISCAL YEAR **2016**

PERFORMANCE INDICATORS

Second Quarter
Ending December 31, 2015

BI-STATE DEVELOPMENT

65 YEARS

Bi-State Development of the Missouri-Illinois Metropolitan District

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EXECUTIVE SUMMARY

METRO

SERVICE CHANGES AND FARE INCREASES

There have been no major service changes in FY 2016 when compared to the prior year. Metro continues to modify bus routes on a quarterly basis to improve efficiencies in scheduling and to match customer needs. System revenue miles and hours varied less than 1.0%, when compared to the prior year. On July 1, 2014 Metro increased fares affecting the price of MetroLink base and reduced fares and weekly, monthly and university semester passes. The cost of the MetroLink base fare increased 25¢ to $2.50; weekly passes increased $1 to $27; monthly passes increased $6 to $78 and the university semester pass increased $25 to to $175.

REVENUES AND EXPENSES

Passenger revenue of $25.5 million is 7.0% less than prior year as a result of lower ridership. Operating expenses are 3.3% greater than prior year and 7.3% below budget. Expenses are greater than prior year due to higher wage and benefit costs, revenue equipment parts expense and self-insured casualty losses. The favorable variance to budget is related to wages and benefits, fuel, utilities and material and supplies' tickets and passes.

RIDERSHIP AND OTHER CUSTOMER MEASURES

Passenger boardings for FY 2016 decreased 5.9% when compared to the prior year. By mode, the decrease was MetroBus 5.7%, MetroLink 6.4% and Call-A-Ride 0.1%. Ridership on Metrobus and Metrolink was down due to lower fuel prices and employment shift away from Metro's core service area. System passenger injuries per 100,000 boardings is 1.7 compared to 1.5 last year.

BUSINESS MEASURES

The average fare for FY 2016 is $1.08, compared to $1.09 for the prior year and $1.11 for the budget. Farebox recovery is lower than the prior year primarily due to lower passenger revenue. Operating expense per revenue hour increased 3.1% compared to the prior year, while remaining below budget. Operating expense per passenger boarding increased 9.8% to $5.72, when compared to the prior year, but remained 2.6% below budget. The increase over prior year was due to higher operating expenses and lower ridership.

OPERATING MEASURES

In FY 2016, vehicle accidents per 100,000 vehicle miles was 1.6, which was below budget by 0.3 and above prior year by 0.1. Unscheduled absenteeism was 3.4%, against a prior year of 3.3%. Passenger boardings per revenue mile and revenue hour were below prior year due to lower ridership.

EXECUTIVE SUMMARY (Cont.)

EXECUTIVE SERVICES

Income before depreciation for Executive Services was greater than budget by $332,333 primarily as a result of expenses being lower than budget. The lower than budgeted expenses are due to unfilled positions and the timing of legal, auditing and consulting fees. Other expenses are favorable due to the timing of travel, training and meetings expense.

GATEWAY ARCH

Arch tram ridership was 0.8% favorable to budget and 2.3% unfavorable to prior year actual. Ticket sales are down compared to prior year due to the on-going City/Arch/River construction project. Income before depreciation of $2,063,675 is greater than budget due to returned funds from the National Park Service.

ST. LOUIS DOWNTOWN AIRPORT

Income before depreciation for the airport was $50,031 higher than budget as a result of lower than planned operating expenses and higher operating revenues. Revenue was favorable to budget by 2.6%. Airport activity varies because of the economy, special events and weather conditions. Aircraft movements increased 12.0% from last year while gallon fuel fees increased 7.4% and the average number of aircraft based at the airport increased 3.5% compared to last year.

RIVERFRONT ATTRACTIONS

Riverboat passengers for the six months ended December 31, 2015 were 36.8% lower than budget but 3.3% greater than FY 2015. There were 30 cruising days lost due to flooding. The days closed resulted in 209 fewer cruises and revenue being 43.6% unfavorable to budget. The lost cruising days resulted in expenses being under budget 22.3%, largely in wages and benefits, fuel, utilities, insurance and materials and supplies expense.

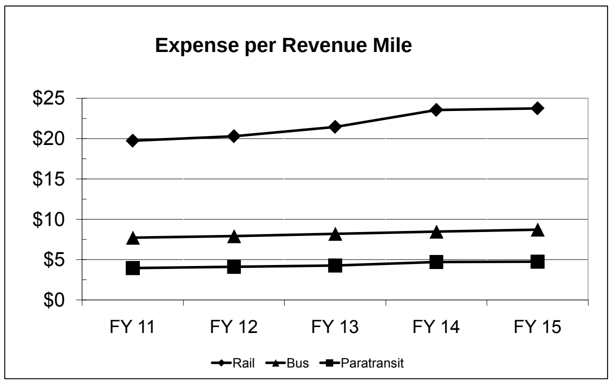
REGIONAL FREIGHT DISTRICT

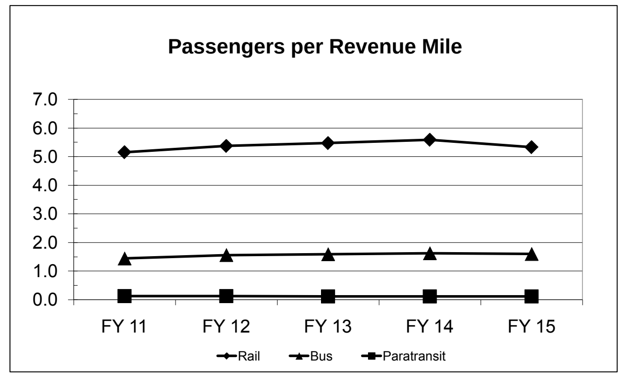
Loss before depreciation for the six months ended December 31, 2015 was $7,785. This is unfavorable to budget by $93,687. Revenue is $32,531 or 14.5% less than budget. Expenses are 44.0% greater than budget due to consulting, advertising and lease and rent expense.

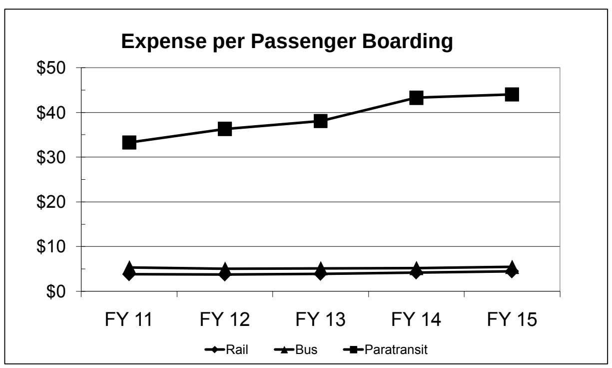
Metro

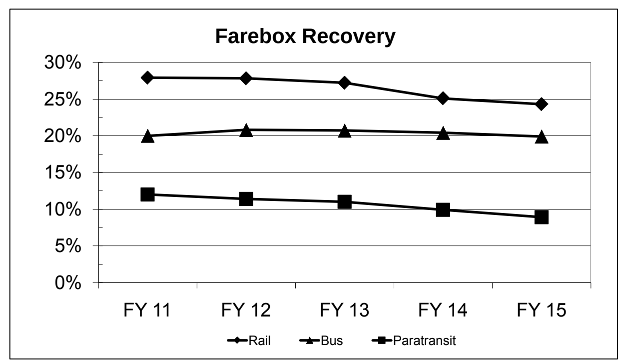
METROBUS METROLINK CALL-A-RIDE

ANNUAL TRANSIT PERFORMANCE

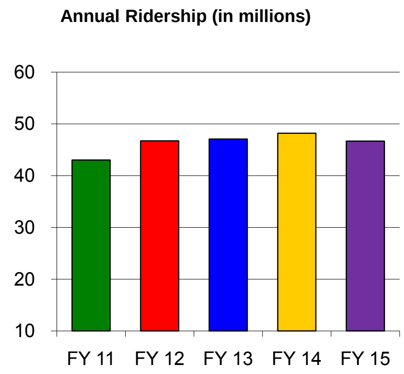


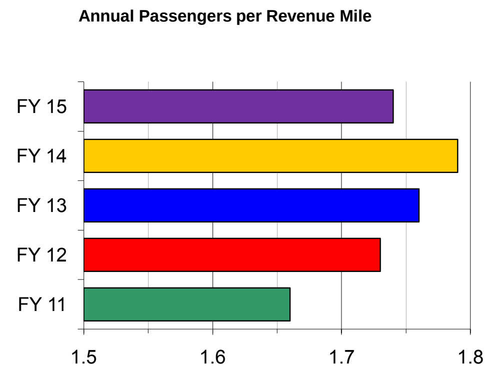






Metro System Profile

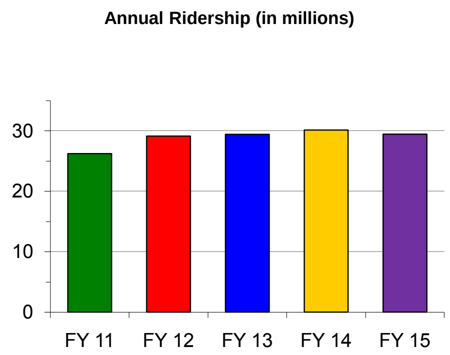


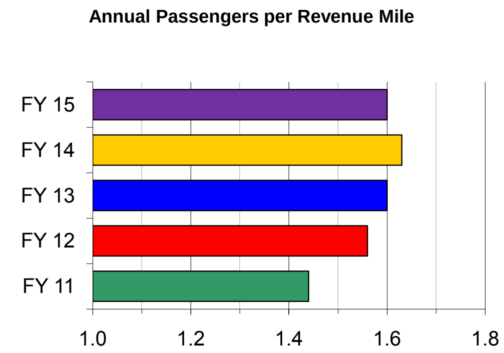


Six Months Ended December 31, 2015

Goal	FY 2016	FY 2015	Change		FY 2014	FY 2013	FY 2012
				Customer Measures			
156,825	144,283	153,164	-5.8%	Average Weekday Ridership	154,887	152,816	137,644
25,113,894	23,111,196	24,551,293	-5.9%	Passenger Boardings	24,780,866	24,152,524	23,371,250
1.0	1.7	1.5	19.9%	Passenger Injuries per 100,000 Boardings	1.1	1.5	1.0
10.0	13.4	11.7	15.0%	Customer Complaints per 100,000 Boardings	11.7	16.6	12.2
				Business Measures			
$1.11	$1.08	$1.09	-1.2%	Average Fare (Includes Fixed & Special)	$1.07	$1.08	$1.06
19.5%	18.8%	20.9%	-10.0%	Farebox Recovery	21.3%	22.2%	22.0%
$155.94	145.30	140.92	3.1%	Operating Expense per Revenue Hour	136.54	130.10	124.27
$5.87	5.72	5.21	9.8%	Operating Expense per Passenger Boarding	5.04	4.87	4.80
$4.35	4.44	3.91	13.6%	Subsidy per Passenger Boarding	3.78	3.60	3.54
				Operating Measures			
1.9	1.6	1.5	6.7%	Vehicle Accidents per 100,000 Vehicle Miles	1.5	1.6	1.6
3.0%	3.4%	3.3%	3.0%	Unscheduled Absenteeism	2.9%	3.3%	3.5%
1.83	1.71	1.81	-5.6%	Passenger Boardings per Revenue Mile	1.83	1.79	1.81
27.24	25.41	27.03	-6.0%	Passenger Boardings per Revenue Hour	27.11	26.69	25.87

MetroBus Profile



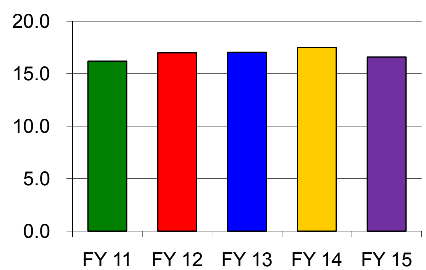


Six Months Ended December 31, 2015

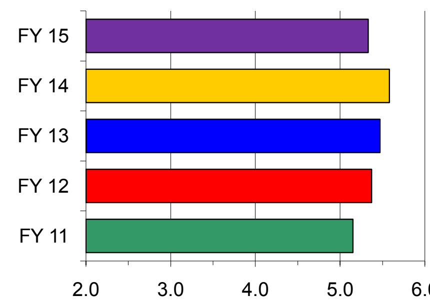
Goal	FY 2016	FY 2015	Change		FY 2014	FY 2013	FY 2012
				Customer Measures			
99,205	92,141	97,868	-5.9%	Average Weekday Ridership	97,515	96,877	84,979
15,722,918	14,639,988	15,523,874	-5.7%	Passenger Boardings	15,464,723	15,172,940	14,528,019
1.2	2.3	1.8	25.7%	Passenger Injuries per 100,000 Boardings	1.4	1.9	1.4
15.0	12.0	13.8	-13.0%	Customer Complaints per 100,000 Boardings	12.2	19.2	13.3
				Business Measures			
$1.10	$1.06	$1.08	-1.5%	Average Fare (Fixed and Special)	$1.06	$1.07	$1.05
19.0%	19.7%	20.9%	-5.7%	Farebox Recovery	21.5%	21.7%	21.4%
$128.81	114.98	116.77	-1.5%	Operating Expense per Revenue Hour	110.68	109.63	104.19
$5.81	5.42	5.17	4.8%	Operating Expense per Passenger Boarding	4.93	4.93	4.91
				Operating Measures			
2.3	2.2	2.1	4.8%	Vehicle Accidents per 100,000 Vehicle Miles	2.1	1.9	2.0
91.0%	92.1%	91.3%	0.9%	On-Time Performance	91.3%	92.0%	90.3%
1.66	1.57	1.66	-5.4%	Passenger Boardings per Revenue Mile	1.66	1.62	1.62
22.55	21.21	22.57	-6.0%	Passenger Boardings per Revenue Hour	22.45	22.22	21.23
99.9%	99.8%	99.8%	0.0%	Percent of Trips Completed	99.9%	99.9%	99.9%
22,000	18,898	17,601	7.4%	Revenue Miles Between Roadcalls	20,686	22,743	18,021

MetroLink Profile

Annual Ridership (in millions)



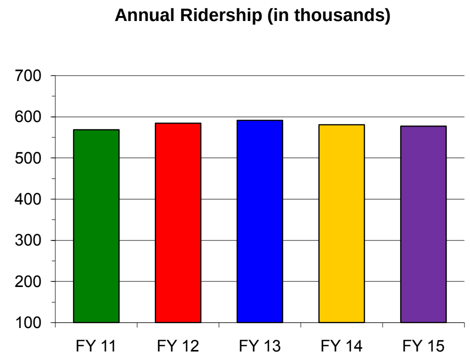
Annual Passengers per Revenue Mile

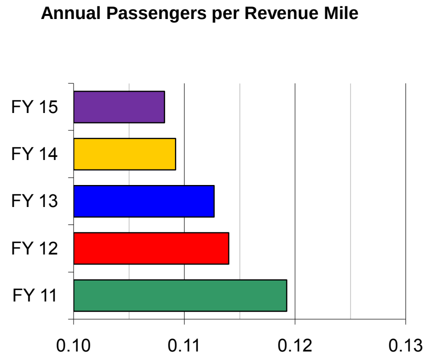


Six Months Ended December 31, 2015

Goal	FY 2016	FY 2015	Change		FY 2014	FY 2013	FY 2012
				Customer Measures			
55,643	50,217	53,367	-5.9%	Average Weekday Ridership	55,409	53,924	50,669
9,095,604	8,183,565	8,739,359	-6.4%	Passenger Boardings	9,023,696	8,682,249	8,553,937
0.6	0.5	0.7	-34.1%	Passenger Injuries per 100,000 Boardings	0.3	0.6	0.2
1.8	2.9	1.3	124.9%	Customer Complaints per 100,000 Boardings	1.4	1.5	0.7
				Business Measures			
$1.10	$1.06	$1.08	-1.5%	Average Fare (Fixed and Special)	$1.06	$1.07	$1.05
23.7%	21.7%	26.4%	-18.0%	Farebox Recovery	26.2%	29.2%	29.2%
$596.37	598.86	533.07	12.3%	Operating Expense per Revenue Hour	544.49	478.10	462.62
$4.65	4.87	4.07	19.7%	Operating Expense per Passenger Boarding	4.05	3.67	3.59
				Operating Measures			
0.1	0.1	0.1	35.1%	Vehicle Accidents per 100,000 Vehicle Miles	0.0	0.0	0.0
98.0%	95.7%	97.7%	-2.0%	On-Time Performance	97.0%	98.3%	98.8%
5.66	5.20	5.54	-6.1%	Passenger Boardings per Revenue Mile	5.72	5.46	5.39
133.70	123.08	131.11	-6.1%	Passenger Boardings per Revenue Hour	134.28	130.45	128.75
30,000	30,138	47,685	-36.8%	Vehicle Miles between Failures	38,037	39,918	40,756

Call-A-Ride Profile

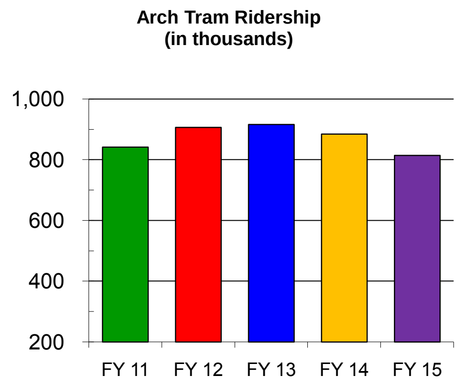


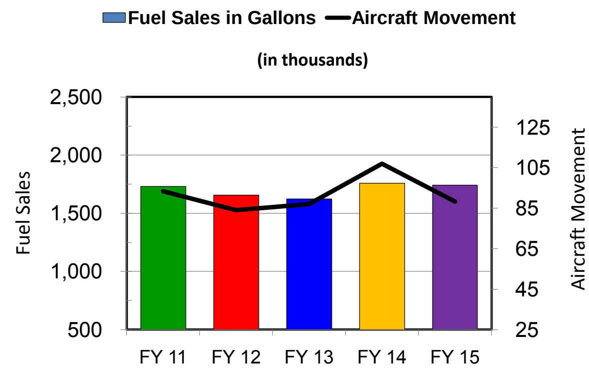


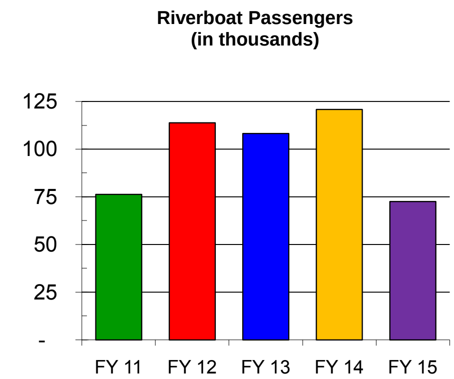
Six Months Ended December 31, 2015

Goal	FY 2016	FY 2015	Change		FY 2014	FY 2013	FY 2012
				Customer Measures			
1,977	1,925	1,928	-0.2%	Average Weekday Ridership	1,964	2,015	1,997
295,372	287,643	288,060	-0.1%	Passenger Boardings	292,447	297,335	289,294
5.0	11.8	5.9	100.3%	Passenger Injuries per 100,000 Boardings	8.5	7.1	4.1
15.0	25.7	27.8	-7.4%	Customer Complaints per 100,000 Boardings	17.8	15.5	15.9
				Business Measures			
$1.92	$2.18	$2.09	4.4%	Average Fare	$1.92	$1.86	$1.67
9.9%	9.9%	10.7%	-7.2%	Farebox Recovery (excludes contractual)	10.7%	11.4%	11.5%
22.2%	20.6%	23.0%	-10.3%	Revenue Recovery (includes contractual)	24.5%	27.7%	30.4%
$85.09	84.93	78.92	7.6%	Operating Expense per Revenue Hour	75.73	71.00	66.99
$44.87	45.14	42.10	7.2%	Operating Expense per Passenger Boarding	40.88	37.10	35.33
				Operating Measures			
1.5	1.2	0.7	71.4%	Vehicle Accidents per 100,000 Vehicle Miles	1.1	1.9	1.4
95.0%	92.5%	94.8%	-2.4%	On-Time Performance	94.2%	94.3%	95.7%
0.11	0.11	0.11	-0.3%	Passenger Boardings per Revenue Mile	0.11	0.12	0.12
1.88	1.88	1.87	0.5%	Passenger Boardings per Revenue Hour	1.85	1.91	1.90
50,000	34,310	32,998	4.0%	Revenue Miles between Maintenance Failure	58,302	37,288	41,089

Bi-State Development Enterprises







Six Months Ended December 31, 2015

Goal	FY 2016	FY 2015	Change		FY 2014	FY 2013	FY 2012
				Gateway Arch			
$475,969	$2,063,675	($4,291,640)	148.1%	Income (Loss) Before Depreciation	$1,121,975	$2,533,670	$590,249
438,306	441,738	451,989	-2.3%	Tram Ridership	471,239	496,110	476,749
				Riverfront Attractions			
$379,426	($77,714)	($123,400)	37.0%	Income (Loss) Before Depreciation	$362,382	$243,283	$258,681
63,735	40,289	39,007	3.3%	Passengers	78,961	68,673	56,362
563	354	339	4.4%	Cruises	587	667	599
155	124	105	18.1%	Days of Operation	151	156	141
				St. Louis Downtown Airport			
($5,742)	$44,289	$29,088	52.3%	Income (Loss) Before Depreciation	$225,575	$314,582	$129,472
886,815	935,229	871,010	7.4%	Fuel Sales (gallons)	910,878	796,733	800,000
45,000	49,722	44,412	12.0%	Aircraft Movements	57,712	43,667	45,727
320	329	318	3.5%	Average Based Aircraft	326	318	332
				Executive Services			
($28,335)	$303,998	$584,510	-48.0%	Income (Loss) Before Depreciation	$493,635	$749,050	$183,812
				Regional Freight District			
$85,902	($7,785)	n/a	n/a	Income (Loss) Before Depreciation	n/a	n/a	n/a

Average Weekday Ridership

	MetroBus			MetroLink			Call-A-Ride			System		
Period	**FY 2016**	**FY 2015**	**Change**	**FY 2016**	**FY 2015**	**Change**	**FY 2016**	**FY 2015**	**Change**	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	93,722	100,687	-6.9%	52,865	56,877	-7.1%	1,949	1,948	0.1%	148,536	159,512	-6.9%
2nd Qtr YTD	92,141	97,868	-5.9%	50,217	53,367	-5.9%	1,925	1,928	-0.2%	144,283	153,164	-5.8%
3rd Qtr YTD		94,326			51,214			1,950		-	147,490	
Full year		93,284			51,442			1,957		-	146,682	
July	88,084	96,481	-8.7%	51,382	56,267	-8.7%	1,940	1,903	1.9%	141,406	154,651	-8.6%
August	94,249	99,160	-5.0%	51,481	55,674	-7.5%	1,983	1,988	-0.3%	147,713	156,822	-5.8%
September	98,832	106,420	-7.1%	55,731	58,690	-5.0%	1,925	1,952	-1.4%	156,488	167,062	-6.3%
October	96,538	103,809	-7.0%	50,371	55,874	-9.8%	2,001	2,026	-1.2%	148,910	161,709	-7.9%
November	90,193	93,086	-3.1%	47,165	47,498	-0.7%	1,881	1,878	0.2%	139,239	142,462	-2.3%
December	84,951	88,254	-3.7%	45,172	46,200	-2.2%	1,818	1,822	-0.2%	131,941	136,276	-3.2%
January	-	87,201		-	46,033		-	1,921		-	135,155	
February	-	85,957		-	46,658		-	2,023		-	134,638	
March	-	88,566		-	48,030		-	2,039		-	138,635	
April	-	91,847		-	53,497		-	2,006		-	147,350	
May	-	90,640		-	51,827		-	1,950		-	144,417	
June	-	87,984		-	51,052		-	1,976		-	141,012	

Passenger Boardings

Period	MetroBus			MetroLink			Call-A-Ride			System		
	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change
1st Qtr YTD	7,547,124	8,039,048	-6.1%	4,367,923	4,730,660	-7.6%	144,989	144,792	0.1%	12,060,036	12,914,500	-6.6%
2nd Qtr YTD	14,639,988	15,523,874	-5.7%	8,183,565	8,739,359	-6.4%	287,643	288,060	-0.1%	23,111,196	24,551,293	-5.9%
3rd Qtr YTD	-	22,284,905	-	-	12,458,498	-	-	431,635	-	-	35,175,038	-
Full year	-	29,439,358	-	-	16,637,447	-	-	577,134	-	-	46,653,939	-

July	2,435,625	2,614,885	-6.9%	1,482,226	1,618,750	-8.4%	49,535	48,491	2.2%	3,967,386	4,282,126	-7.4%
August	2,516,668	2,659,210	-5.4%	1,386,198	1,528,210	-9.3%	47,939	48,349	-0.8%	3,950,805	4,235,769	-6.7%
September	2,594,831	2,764,953	-6.2%	1,499,499	1,583,700	-5.3%	47,515	47,952	-0.9%	4,141,845	4,396,605	-5.8%
October	2,594,484	2,837,701	-8.6%	1,389,283	1,562,305	-11.1%	50,066	51,699	-3.2%	4,033,833	4,451,705	-9.4%
November	2,245,054	2,289,928	-2.0%	1,205,121	1,201,463	0.3%	45,271	44,002	2.9%	3,495,446	3,535,393	-1.1%
December	2,253,326	2,357,197	-4.4%	1,221,238	1,244,931	-1.9%	47,317	47,567	-0.5%	3,521,881	3,649,695	-3.5%
January	-	2,286,288		-	1,226,807		-	47,835		-	3,560,930	
February	-	2,095,365		-	1,159,299		-	45,434		-	3,300,098	
March	-	2,379,378		-	1,333,033		-	50,306		-	3,762,717	
April	-	2,425,632		-	1,427,239		-	49,647		-	3,902,518	
May	-	2,369,603		-	1,375,524		-	47,302		-	3,792,429	
June	-	2,359,218		-	1,376,186		-	48,550		-	3,783,954	

Passengers by Jurisdiction

	MetroBus						MetroLink					
	Missouri			St. Clair			Missouri			St. Clair		
Period	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change
1st Qtr YTD	6,712,288	7,152,041	-6.1%	834,836	887,007	-5.9%	3,555,037	3,841,877	-7.5%	812,886	888,783	-8.5%
2nd Qtr YTD	13,093,524	13,862,702	-5.5%	1,546,464	1,661,172	-6.9%	6,674,798	7,103,544	-6.0%	1,508,767	1,635,815	-7.8%
3rd Qtr YTD	-	19,955,638	-	-	2,329,267	-	-	10,136,357	-	-	2,322,141	-
Full year	-	26,334,282	-	-	3,105,076	-	-	13,535,457	-	-	3,101,990	-

July	2,162,731	2,330,567	-7.2%	272,894	284,318	-4.0%	1,208,720	1,319,626	-8.4%	273,506	299,124	-8.6%
August	2,244,861	2,354,244	-4.6%	271,807	304,966	-10.9%	1,127,630	1,236,244	-8.8%	258,568	291,966	-11.4%
September	2,304,696	2,467,230	-6.6%	290,135	297,723	-2.5%	1,218,687	1,286,007	-5.2%	280,812	297,693	-5.7%
October	2,335,913	2,543,215	-8.2%	258,571	294,486	-12.2%	1,135,921	1,273,341	-10.8%	253,362	288,964	-12.3%
November	2,023,166	2,054,174	-1.5%	221,888	235,754	-5.9%	986,553	977,035	1.0%	218,568	224,428	-2.6%
December	2,022,157	2,113,272	-4.3%	231,169	243,925	-5.2%	997,287	1,011,291	-1.4%	223,951	233,640	-4.1%
January	-	2,055,213		-	231,075		-	996,050		-	230,757	
February	-	1,892,071		-	203,294		-	944,413		-	214,886	
March	-	2,145,652		-	233,726		-	1,092,350		-	240,683	
April	-	2,171,437		-	254,195		-	1,165,179		-	262,060	
May	-	2,106,188		-	263,415		-	1,113,838		-	261,686	
June	-	2,101,019		-	258,199		-	1,120,083		-	256,103	

Passenger Revenue

Period	MetroBus FY 2016	MetroBus FY 2015	MetroBus Change	MetroLink FY 2016	MetroLink FY 2015	MetroLink Change	Call-A-Ride * FY 2016	Call-A-Ride * FY 2015	Call-A-Ride * Change	System FY 2016	System FY 2015	System Change
1st Qtr YTD	$8,143,742	$8,844,890	-7.9%	$4,655,536	$5,153,495	-9.7%	$632,072	$643,724	-1.8%	$13,431,350	$14,642,109	-8.3%
2nd Qtr YTD	$15,604,859	$16,749,400	-6.8%	$8,622,614	$9,385,899	-8.1%	$1,284,900	$1,293,472	-0.7%	$25,512,372	$27,428,771	-7.0%
3rd Qtr YTD		$24,405,558			$13,607,822			$1,977,736			$39,991,116	
Full year		$31,881,150			$17,995,520			$2,616,039			$52,492,709	

1st Qtr	$8,143,742	$8,844,890	-7.9%	$4,655,536	$5,153,495	-9.7%	$632,072	$643,724	-1.8%	$13,431,350	$14,642,109	-8.3%
2nd Qtr	$7,461,117	$7,904,510	-5.6%	$3,967,078	$4,232,404	-6.3%	$652,827	$649,748	0.5%	$12,081,022	$12,786,662	-5.5%
3rd Qtr		$7,656,158			$4,221,923			$684,264			$12,562,345	
4th Qtr		$7,475,591			$4,387,697			$638,303			$12,501,592	

* Call-A-Ride passenger revenue does not include Medicaid and Department of Mental Health contractual subsidies.

Revenue Miles

Period	MetroBus* FY 2016	MetroBus* FY 2015	MetroBus* Change	MetroLink* FY 2016	MetroLink* FY 2015	MetroLink* Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Call-A-Ride Change	System FY 2016	System FY 2015	System Change
1st Qtr YTD	4,680,474	4,675,879	0.1%	788,550	787,374	0.1%	1,334,285	1,354,466	-1.5%	6,803,309	6,817,718	-0.2%
2nd Qtr YTD	9,259,390	9,297,580	-0.4%	1,567,159	1,573,591	-0.4%	2,669,369	2,676,164	-0.3%	13,495,918	13,547,335	-0.4%
3rd Qtr YTD	-	13,788,831		-	2,344,534		-	3,986,657		-	20,120,021	
Full year	-	18,396,462		-	3,123,958		-	5,335,156		-	26,855,576	
July	1,595,537	1,580,498	1.0%	267,305	268,160	-0.3%	449,461	452,806	-0.7%	2,312,303	2,301,463	0.5%
August	1,563,357	1,573,079	-0.6%	263,542	263,356	0.1%	442,206	449,359	-1.6%	2,269,105	2,285,794	-0.7%
September	1,521,581	1,522,303	0.0%	257,703	255,858	0.7%	442,618	452,301	-2.1%	2,221,902	2,230,462	-0.4%
October	1,563,396	1,599,734	-2.3%	260,628	266,487	-2.2%	467,532	476,950	-2.0%	2,291,557	2,343,170	-2.2%
November	1,467,430	1,472,726	-0.4%	251,888	253,504	-0.6%	423,870	405,168	4.6%	2,143,188	2,131,398	0.6%
December	1,548,090	1,549,241	-0.1%	266,093	266,227	-0.1%	443,682	439,580	0.9%	2,257,864	2,255,049	0.1%
January	-	1,534,238		-	264,499		-	439,592		-	2,238,330	
February	-	1,407,647		-	239,760		-	414,146		-	2,061,552	
March	-	1,549,366		-	266,683		-	456,755		-	2,272,804	
April	-	1,533,579		-	259,549		-	456,045		-	2,249,173	
May	-	1,530,930		-	262,362		-	442,595		-	2,235,887	
June	-	1,543,123		-	257,513		-	449,859		-	2,250,494	

* Scheduled

Total Miles

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change
1st Qtr YTD	5,347,458	5,336,309	0.2%	795,593	795,036	0.1%	1,421,459	1,439,390	-1.2%	7,564,510	7,570,734	-0.1%
2nd Qtr YTD	10,554,764	10,590,187	-0.3%	1,580,915	1,588,429	-0.5%	2,840,534	2,849,872	-0.3%	14,976,214	15,028,488	-0.3%
3rd Qtr YTD	-	15,696,714		-	2,365,589		-	4,244,563		-	22,306,866	
Full year	-	20,957,915		-	3,151,443		-	5,678,749		-	29,788,107	

Period	MetroBus* FY 2016	MetroBus* FY 2015	Change	MetroLink* FY 2016	MetroLink* FY 2015	Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Change	System FY 2016	System FY 2015	Change
July	1,824,368	1,802,358	1.2%	269,868	271,057	-0.4%	477,810	481,181	-0.7%	2,572,046	2,554,596	0.7%
August	1,783,018	1,797,276	-0.8%	265,688	265,683	0.0%	471,436	476,915	-1.1%	2,520,142	2,539,874	-0.8%
September	1,740,072	1,736,675	0.2%	260,038	258,295	0.7%	472,213	481,294	-1.9%	2,472,323	2,476,264	-0.2%
October	1,778,457	1,821,835	-2.4%	262,972	269,301	-2.4%	497,084	509,671	-2.5%	2,538,513	2,600,807	-2.4%
November	1,667,475	1,670,199	-0.2%	254,048	255,632	-0.6%	449,616	432,581	3.9%	2,371,139	2,358,412	0.5%
December	1,761,375	1,761,844	0.0%	268,302	268,461	-0.1%	472,375	468,230	0.9%	2,502,051	2,498,535	0.1%
January	-	1,744,931		-	266,591		-	468,131		-	2,479,653	
February	-	1,600,196		-	241,727		-	440,516		-	2,282,439	
March	-	1,761,400		-	268,842		-	486,044		-	2,516,286	
April	-	1,749,885		-	261,775		-	485,453		-	2,497,113	
May	-	1,747,668		-	264,421		-	470,008		-	2,482,097	
June	-	1,763,648		-	259,658		-	478,725		-	2,502,031	

* Scheduled

Revenue Hours

Period	MetroBus* FY 2016	MetroBus* FY 2015	MetroBus* Change	MetroLink* FY 2016	MetroLink* FY 2015	MetroLink* Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Call-A-Ride Change	System FY 2016	System FY 2015	System Change
1st Qtr YTD	351,540	347,612	1.1%	33,541	33,351	0.6%	76,485	77,549	-1.4%	461,566	458,512	0.7%
2nd Qtr YTD	690,237	687,880	0.3%	66,489	66,658	-0.3%	152,879	153,674	-0.5%	909,604	908,213	0.2%
3rd Qtr YTD	-	1,018,861		-	99,434		-	228,389		-	1,346,684	
Full year	-	1,363,258		-	132,595		-	305,467		-	1,801,320	

Period	MetroBus* FY 2016	MetroBus* FY 2015	MetroBus* Change	MetroLink* FY 2016	MetroLink* FY 2015	MetroLink* Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Call-A-Ride Change	System FY 2016	System FY 2015	System Change
July	120,016	117,212	2.4%	11,356	11,393	-0.3%	26,062	26,310	-0.9%	157,434	154,915	1.6%
August	116,969	117,552	-0.5%	11,230	11,156	0.7%	25,302	25,753	-1.8%	153,501	154,461	-0.6%
September	114,555	112,848	1.5%	10,954	10,803	1.4%	25,121	25,486	-1.4%	150,630	149,137	1.0%
October	115,672	117,968	-1.9%	11,044	11,225	-1.6%	26,257	26,910	-2.4%	152,972	156,103	-2.0%
November	108,440	108,155	0.3%	10,617	10,789	-1.6%	24,037	23,375	2.8%	143,094	142,319	0.5%
December	114,584	114,146	0.4%	11,288	11,293	0.0%	26,100	25,840	1.0%	151,972	151,279	0.5%
January	-	112,961		-	11,250		-	25,142		-	149,352	
February	-	103,837		-	10,194		-	23,526		-	137,557	
March	-	114,183		-	11,332		-	26,047		-	151,562	
April	-	114,075		-	11,021		-	25,971		-	151,068	
May	-	114,811		-	11,170		-	25,441		-	151,422	
June	-	115,512		-	10,969		-	25,666		-	152,147	

* Scheduled

Total Hours

Period	MetroBus*			MetroLink*			Call-A-Ride			System		
	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change
1st Qtr YTD	377,198	372,986	1.1%	34,073	33,901	0.5%	82,416	83,595	-1.4%	493,687	490,482	0.7%
2nd Qtr YTD	741,257	738,539	0.4%	67,539	67,742	-0.3%	164,834	165,875	-0.6%	973,629	972,156	0.2%
3rd Qtr YTD	-	1,094,446		-	101,016		-	246,480		-	1,441,942	
Full year	-	1,464,132		-	134,690		-	329,398		-	1,928,220	

July	128,751	125,809	2.3%	11,541	11,591	-0.4%	28,057	28,442	-1.4%	168,349	165,842	1.5%
August	125,480	126,057	-0.5%	11,403	11,331	0.6%	27,273	27,666	-1.4%	164,156	165,054	-0.5%
September	122,967	121,120	1.5%	11,128	10,979	1.4%	27,086	27,487	-1.5%	161,181	159,586	1.0%
October	124,311	126,687	-1.9%	11,221	11,420	-1.7%	28,270	29,056	-2.7%	163,802	167,163	-2.0%
November	116,548	116,043	0.4%	10,784	10,954	-1.6%	25,907	25,277	2.5%	153,239	152,274	0.6%
December	123,199	122,823	0.3%	11,461	11,467	-0.1%	28,241	27,947	1.1%	162,901	162,237	0.4%
January	-	121,490		-	11,418		-	27,179		-	160,087	
February	-	111,710		-	10,350		-	25,350		-	147,411	
March	-	122,707		-	11,505		-	28,076		-	162,288	
April	-	122,525		-	11,195		-	27,941		-	161,660	
May	-	123,148		-	11,336		-	27,329		-	161,813	
June	-	124,012		-	11,144		-	27,648		-	162,804	

* Scheduled

Operating Expense by Mode

Period	MetroBus FY 2016	MetroBus FY 2015	MetroBus Change	MetroLink FY 2016	MetroLink FY 2015	MetroLink Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Call-A-Ride Change	System FY 2016	System FY 2015	System Change
1st Qtr YTD	$40,627,406	$38,284,721	6.1%	$19,805,064	$17,499,441	13.2%	$6,241,262	$6,009,673	3.9%	$66,673,732	$61,793,836	7.9%
2nd Qtr YTD	$79,360,097	$80,322,360	-1.2%	$39,817,651	$35,533,900	12.1%	$12,984,509	$12,127,463	7.1%	$132,162,257	$127,983,723	3.3%
3rd Qtr YTD		$118,800,998			$53,761,005			$18,542,848			$191,104,851	
Full year		$158,469,543			$73,607,482			$24,967,327			$257,044,352	

Period	MetroBus FY 2016	MetroBus FY 2015	MetroBus Change	MetroLink FY 2016	MetroLink FY 2015	MetroLink Change	Call-A-Ride FY 2016	Call-A-Ride FY 2015	Call-A-Ride Change	System FY 2016	System FY 2015	System Change
1st Qtr	$40,627,406	$38,284,721	6.1%	$19,805,064	$17,499,441	13.2%	$6,241,262	$6,009,673	3.9%	$66,673,732	$61,793,835	7.9%
2nd Qtr	$38,732,691	$42,037,639	-7.9%	$20,012,587	$18,034,459	11.0%	$6,743,247	$6,117,790	10.2%	$65,488,525	$66,189,887	-1.1%
3rd Qtr		$38,478,638			$18,227,105			$6,415,385			$63,121,128	
4th Qtr		$39,668,545			$19,846,477			$6,424,479			$65,939,501	

Unscheduled Absenteeism

	Operators			Maintenance			Facility Support			Total		
Period	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change	FY 2016	FY 2015	Change
1st Qtr YTD	4.1%	3.0%	1.1%	2.0%	2.1%	0.0%	1.5%	2.2%	-0.7%	3.5%	3.0%	0.5%
2nd Qtr YTD	4.0%	3.3%	0.8%	1.8%	2.0%	-0.2%	1.8%	2.8%	-1.0%	3.4%	3.3%	0.1%
3rd Qtr YTD		3.4%			2.1%			2.5%			3.4%	
Full year		3.5%			2.1%			2.3%			3.5%	
July	3.9%	3.1%	0.8%	2.7%	3.0%	-0.3%	1.1%	1.8%	-0.8%	3.4%	3.1%	0.3%
August	4.1%	2.8%	1.3%	2.2%	1.9%	0.3%	1.8%	2.3%	-0.5%	3.6%	2.8%	0.8%
September	4.3%	3.1%	1.2%	1.1%	1.2%	-0.1%	1.6%	2.3%	-0.8%	3.5%	3.1%	0.4%
October	4.5%	3.3%	1.2%	2.0%	2.3%	-0.3%	2.7%	3.8%	-1.1%	3.9%	3.3%	0.5%
November	4.0%	3.2%	0.7%	1.5%	2.5%	-1.0%	1.9%	2.9%	-1.1%	3.3%	3.2%	0.1%
December	3.4%	4.0%	-0.6%	1.3%	1.3%	0.0%	1.5%	3.4%	-1.9%	2.8%	4.0%	-1.2%
January		3.6%			1.3%			2.0%			3.6%	
February		3.7%			2.7%			2.3%			3.7%	
March		3.7%			2.6%			1.1%			3.7%	
April		3.4%			1.6%			2.3%			3.4%	
May		4.4%			2.1%			1.8%			4.4%	
June		3.7%			2.1%			1.5%			3.7%	

Gateway Arch

	Income (Loss) Before Depreciation		
Quarter	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	$555,478	$816,317	-32.0%
2nd Qtr YTD	$2,063,675	($4,291,640)	148.1%
3rd Qtr YTD		($6,210,789)	
Full Year		($6,150,033)	

	Tram Ridership		
Quarter	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	313,500	327,008	-4.1%
2nd Qtr YTD	441,738	451,989	-2.3%
3rd Qtr YTD		555,271	
Full Year		814,737	

	Tram Ridership		
Month	**FY 2016**	**FY 2015**	**Change**
July	151,269	153,124	-1.2%
August	101,490	117,575	-13.7%
September	60,741	56,309	7.9%
October	55,554	52,740	5.3%
November	41,001	39,556	3.7%
December	31,683	32,685	-3.1%
January	-	25,878	
February	-	20,455	
March	-	56,949	
April	-	63,117	
May	-	84,144	
June	-	112,205	

Riverfront Attractions

	Riverboat Passengers		
Month	**FY 2016**	**FY 2015**	**Change**
July	1,665	6,496	-74.4%
August	17,180	20,101	-14.5%
September	10,463	4,446	135.3%
October	8,641	5,660	52.7%
November	2,233	1,964	13.7%
December	107	340	-68.5%
January	0	0	-
February	0	0	-
March	0	5,434	
April	0	9,405	
May	0	13,273	
June	0	5,972	

Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	29,308	31,043	-5.6%
2nd Qtr YTD	40,289	39,007	3.3%
3rd Qtr YTD		44,441	
Full Year		73,091	

	Income (Loss) Before Depreciation		
Quarter	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	$9,839	$43,255	-77.3%
2nd Qtr YTD	($77,714)	($123,400)	37.0%
3rd Qtr YTD		($382,265)	
Full Year		($363,372)	

	Riverboat Cruises		
Quarter	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	247	256	-3.5%
2nd Qtr YTD	354	339	4.4%
3rd Qtr YTD		382	
Full Year		667	

	Riverboat Days of Operation		
Quarter	**FY 2016**	**FY 2015**	**Change**
1st Qtr YTD	63	55	14.5%
2nd Qtr YTD	124	105	18.1%
3rd Qtr YTD		130	
Full Year		202	

St. Louis Downtown Airport

	Fuel Sales in Gallons		
Month	FY 2016	FY 2015	Change
July	169,207	147,048	15.1%
August	167,025	138,056	21.0%
September	171,343	146,556	16.9%
October	150,389	171,728	-12.4%
November	123,096	154,712	-20.4%
December	154,169	112,910	36.5%
January	0	117,692	
February	0	140,418	
March	0	155,977	
April	0	134,439	
May	0	160,934	
June	0	161,562	

Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	507,575	431,660	17.6%
2nd Qtr YTD	935,229	871,010	7.4%
3rd Qtr YTD		1,285,097	
Full Year		1,742,032	

	Income (Loss) Before Depreciation		
Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	$55,765	($20,727)	369.0%
2nd Qtr YTD	$44,289	$29,088	52.3%
3rd Qtr YTD		$19,927	
Full year		$144,525	

	Aircraft Movements		
Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	23,433	23,874	-1.8%
2nd Qtr YTD	49,722	44,412	12.0%
3rd Qtr YTD		64,523	
Full Year		88,345	

	Average Based Aircraft		
Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	329	317	3.9%
2nd Qtr YTD	329	318	3.5%
3rd Qtr YTD		322	
Full Year		325	

Regional Freight District

Income (Loss) Before Depreciation

Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	$37,779	n/a	n/a
2nd Qtr YTD	($7,785)	n/a	n/a
3rd Qtr YTD			
Full Year			

Quarter	FY 2016	FY 2015	Change
1st Qtr	$37,779	n/a	n/a
2nd Qtr	($45,564)	n/a	n/a
3rd Qtr			
4th Qtr			

Executive Services

Income (Loss) Before Depreciation

Quarter	FY 2016	FY 2015	Change
1st Qtr YTD	$325,942	$415,850	-21.6%
2nd Qtr YTD	$303,998	$584,509	-48.0%
3rd Qtr YTD		$742,130	
Full Year		$1,075,644	

Quarter	FY 2016	FY 2015	Change
1st Qtr	$325,942	$415,850	-21.6%
2nd Qtr	($21,944)	$168,659	-113.0%
3rd Qtr		$157,621	
4th Qtr		$333,515	

Definitions

Transit

Customer complaint

Passenger or general public dissatisfaction expressed to Customer Service by phone call, letter or email for which there is no immediate, satisfactory explanation; includes operator behavior, service, equipment maintenance or suitability, or other concerns. System customer complaints have been restated to include complaints not specifically related to an operating facility.

Expense

Excludes depreciation, amortization, debt expense and the 2% sheltered workshop pass-through. Allocations by mode are based on a management-developed model. (See also "Operating Expense.")

Failure

Metro Call A Ride: Revenue service interruption whereby a vehicle is unable to complete the assigned run and must be removed from service because of a mechanical, wheelchair lift, or other equipment failure. Road hazard tire failures, vandalism, accidents, and other failures not related to maintenance of vehicles are not reported.

MetroLink: Revenue service interruption whereby a train is delayed by five minutes or more or removed from service for mechanical reasons.

Farebox recovery

Passenger revenue as a percent of operating expense.

Fleet size

Number of revenue vehicles at the end of the reporting period.

On-time performance

MetroBus and MetroLink: A trip is considered "on-time" if the vehicle departs within the time frame of 59 seconds before schedule or arrives within 4:59 minutes after schedule.

Metro Call-A-Ride: Appointments are made giving the passenger an estimated arrival time. A trip is considered on-time if arrival for the appointment is within 20 minutes before or after the appointment time.

Transit

Operating expense
Expense less leases and rentals, which is a National Transit Database definition. Allocations by mode are based on National Transit Database instructions which are different than the management-developed cost allocation model. (See also "Expense.")

Passenger boardings
Includes original revenue vehicle boardings and all transfers based on bus farebox counts, MetroLink ridership modeling using Automatic Passenger Counter (APC) technology, and actual Call-A-Ride passengers.

Passenger injury
Physical harm or alleged physical harm to a passenger or bystander involved in an Agency accident. One vehicle accident may result in multiple injuries.

Revenue hours
Time that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service.

Revenue miles
Distance that MetroBus/Call-A-Ride vehicles or MetroLink trains operate in passenger service including special service.

Revenue recovery
Passenger revenue, Transit Management Association revenue, and paratransit contractual revenue as a percent of expense.

Ridership
Total passenger boardings.

Roadcall
MetroBus revenue service interruption whereby the vehicle is delayed because of mechanical, tire, farebox, wheelchair life or other equipment failure. A delay is not counted as a roadcall unless the delay is five minutes or more.

Transit

Subsidy

Subsidy as reported on "System Profile" - Expense less operating revenue except federal, state and local assistance.

Subsidy as reported on "Peer Performance - System" - Operating expense less passenger revenue.

Total hours

Revenue hours plus deadhead hours (e.g., from the facility to the start of a revenue trip).

Total miles

Revenue miles plus deadhead miles (e.g., from the facility to the start of a revenue trip).

Unscheduled absenteeism

Operator, mechanic and facility support sick time and unauthorized leave as a percent of current staffing, excluding overtime.

Vehicle accident

Incident in which an Agency vehicle makes physical contact with another vehicle, a fixed object or a person. It also includes derailments or leaving the road.

Vehicle miles

For MetroBus and Call-A-Ride, total miles and vehicle miles are the same. For MetroLink, total mileage for each car of a two-car train is included.

Non-Transit

Aircraft movement
Takeoff or landing recorded by the tower. Movements when the tower is closed are not included.

Airport fuel sales
Number of gallons of aviation fuel delivered to the fixed base operators.

Arch tram ridership
Number of adult and child tickets sold.

Based aircraft
Average number of aircraft stored in owned or leased hangers or outside ramps. Quarterly, the amount represents the average of the month-end counts.

Riverfront Attractions
Includes the Gateway Arch Riverboats and bike rentals, operated by Metro, and a heliport owned by Metro but operated under contract by another party.

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Memorandum

BI·STATE DEVELOPMENT

To: Finance & Administration Committee

From: Larry B. Jackson
Executive Vice President – Administration

Date: February 29, 2016

Subject: Quarterly Procurement Activity Report
Second Quarter Fiscal Year 2016

BSD Board Policy Chapter 50 Section 010 Paragraph N.3 requires that we provide quarterly reports to the Board relating to procurement activities, which exceed $100,000, including contract modifications and award of options. The report format that has been used the past several years includes the key sections that are explained below.

Section 1 – Non-Competitive Procurement Trend

Federal regulations and Board Policy require that all procurements be conducted in a manner which fosters full and open competition. In certain instances however, competition is not feasible or practical. This section of the report summarizes the trend and relationship of non-competitive spend to total spend. All individual non-competitive contract awards exceeding $100,000 are presented to the Board of Commissioners for approval prior to award. Other non-competitive expenditures must be approved by the appropriate Division Vice President, the Vice President of Procurement, and the President & CEO prior to award.

Section 2 – Procurement Contract Awards

This report lists all major (>$100,000) contract awards during the reporting period and the relevant contract information for each. Information in this report is now listed in descending contract dollar value as requested previously by the Committee.

Section 3 – Contract Modifications

This report lists all contract modification actions executed during the period where the total revised contract amount exceeds $100,000. Contract modifications include changes to contract scope, exercise of options and extensions, or other actions effecting the contract term. Information in this report is listed in descending contract dollar value as requested previously by the Committee.

Section 4 – Davis Bacon Act Projects

The Davis Bacon Act requires that all construction contracts financed with Federal assistance contain provisions requiring that all laborers and mechanics employed by the contractors or subcontractors to work on the project must be paid wages not less than those established for the area by the Secretary of Labor. The contractors listed in this section submit weekly "certified payrolls" to Metro, which we monitor in accordance with the regulatory requirements.

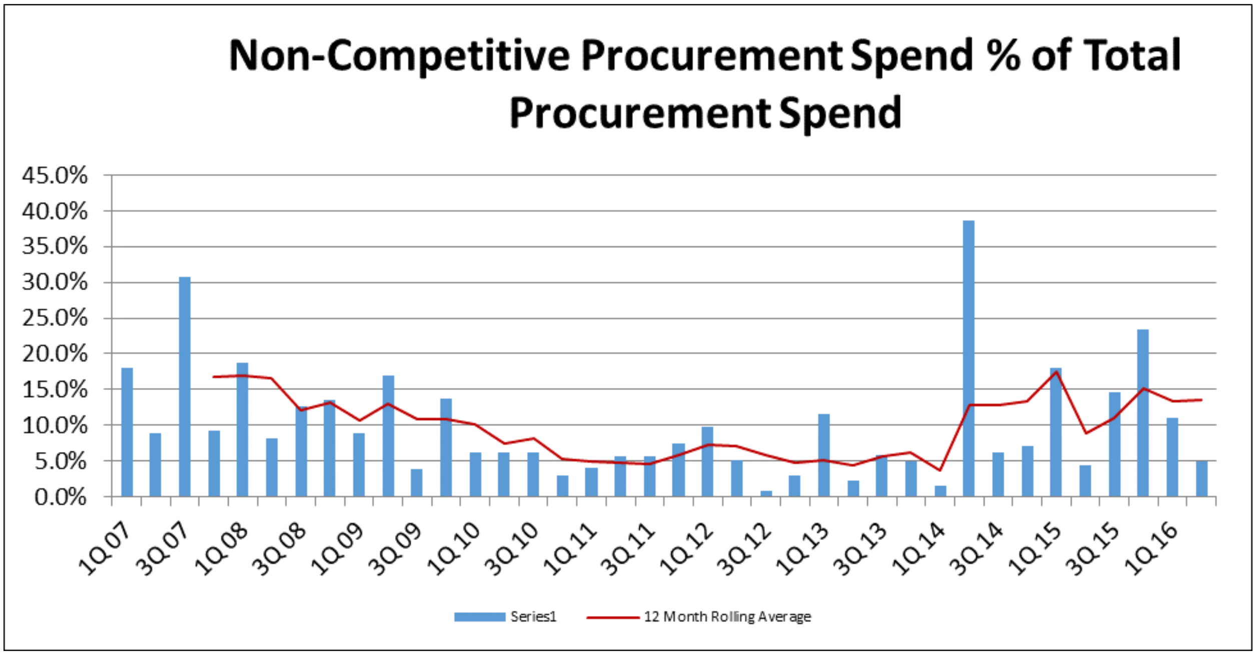
Section 5 – Procurement Card Administration

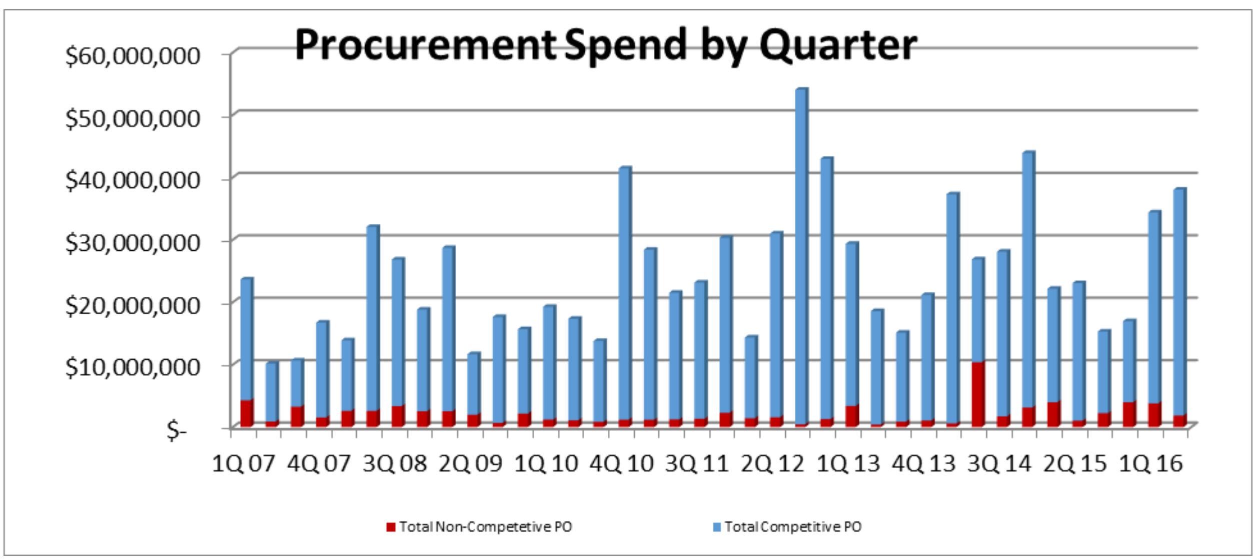
BSD's Procurement Department administers a Procurement Card Program, which provides a means for cardholders to procure low-dollar goods and services independently. This program reduces the administrative burden of processing Purchase Orders and Check Requests for small dollar purchases (typically less than $2500). The report included in this section details the overall volume of transactions and information related to procedural violations and administrative actions on those violations.

Please feel free to contact me with any suggestions, questions, or information requests that you may have.

Procurement Activity Report
Non-Competitive Procurement Trend
Second Quarter FY2016

Second Quarter 2016 Non-Competitive Procurements totaled $1,855,139 or 4.8% of total Purchase Order Commitment volume of $38,033,352. Last 12 months Non-Competitive Procurements totaled $11,856,913 or 11.3% of total Purchase Order Commitment volume of $104,712,510.





CONTRACT AWARDS EXCEEDING $100,000
JULY 1, 2015 - December 30, 2015

Number	Rev	Description	Type	Order Date	Supplier		Amount	Buyer	Closure Status	DBE Goal
51038	1	15-SB-101735-DAB Purchase & Delivery of Ultra Low Sulfur #2 Diesel and B5 Biodiesel, Two Base Years, Period of Performance December 1, 2015 - November 30, 2017	Contract Purchase Agreement	11/24/15	MANSFIELD OIL COMPANY	$	31,044,254	Baldwin, Deborah	Open	0.0%
51211	0	15-RFP-100793-DH Heavy Duty Transit Buses - TASK ORDER #1	Standard Purchase Order	12/17/15	GILLIG LLC	$	11,450,348	Hill, Diana	Open	0.0%
		15-RFP-101626-CG Agreement for Legal Counsel, Three Base Years and Two Option years, period of performance November 19, 2015 - November 18, 2020.			VARIOUS (13 Firms)	$	10,000,000	Gates, Carol		0.0%
50446	0	16-SB-101846-DGR Spruce Street Bridge Replacement, Period of Performance October 1, 2015 - June 30, 2016.	Standard Purchase Order	09/25/15	KOZENY WAGNER INC	$	5,283,793	Ramsay, David	Open	0.0%
50787	0	16-SB-101993-CB JNEM Arch Transportation System MG Set Replacement, Period of Performance November 2, 1015 - March 31, 2017.	Standard Purchase Order	11/02/15	HARLAN COMPANY (THE)	$	5,002,100	Bonds, Charcita	Open	7.0%
49639	0	15-RFP-101065-CB Design/Build Ewing Yard Retaining Wall Remediation Part 2, Period of Performance July 17, 2015 - September 2, 2016.	Standard Purchase Order	07/13/15	ST LOUIS BRIDGE CO	$	4,142,110	Bonds, Charcita	Open	23.0%
50705	0	16-SB-101807-DGR JNEM Gateway Arch Exhibit Rehabilitation, Period of Performance November 2015 - March 2016.	Standard Purchase Order	10/23/15	CONFERENCE TECHNOLOGIES INC	$	2,244,420	Ramsay, David	Open	0.0%
49668	0	Seven Refurbished Gillig 40' buses.	Standard Purchase Order	07/15/15	COMPLETE COACH WORKS	$	2,066,050	Hill, Diana	Open	0.0%
49533	0	15-SB-101657-DGR Missouri Radio System Tower Site Upgrades. Period of performance the end of July, 2015 - end of May, 2016.	Standard Purchase Order	07/02/15	IHC CONSTRUCTION COMPANIES LLC	$	1,811,308	Ramsay, David	Open	0.0%
49778	0	16-SB-101806-DGR Missouri Rail Tie Replacement Services, Period of Performance August, 2015 - December, 2015.	Standard Purchase Order	07/28/15	MUSSELMAN & HALL CONTRACTORS LLC	$	950,015	Ramsay, David	Open	0.0%
49525	1	15-SB-101528-CG Oracle Annual Maintenance - E-Business Suite, Two Base Years and Two Option Years, Period of Performance August 1, 2015 - July 31, 2019.	Contract Purchase Agreement	07/01/15	MYTHICS INC	$	894,867	Gates, Carol	Open	0.0%

CONTRACT AWARDS EXCEEDING $100,000
JULY 1, 2015 - December 30, 2015

Number	Rev	Description	Type	Order Date	Supplier		Amount	Buyer	Closure Status	DBE Goal
49744	0	SCADA and Public Address System Service Agreement, Five Base Years, Period of Performance July 1, 2015 - June 30, 2020.	Standard Purchase Order	07/22/15	ARINC INCORPORATED	$	527,905	Bonds, Charcita	Open	0.0%
50894	0	Structural Engineering Services Arch Transportation System MG Replacement.	Standard Purchase Order	11/12/15	MAIDA ENGINEERING INC	$	429,993	Griffin, Sandra	Open	0.0%
49737	0	Transit Master Hardware/Software Agreement with Trapeze Group, Period of Performance July 1, 2015 - June 30, 2016.	Standard Purchase Order	07/22/15	TRAPEZE SOFTWARE GROUP	$	423,101	Hill, Diana	Closed	0.0%
50671	0	16-SS-102282-VH Transit Asset Managment Phase II Period of Performance October 26, 2015 - October 25, 2018	Standard Purchase Order	10/20/15	FOUR NINES TECHNOLOGIES	$	418,000	Haynes, Vickie	Open	0.0%
50804	0	16-RFQ-102171-2, Rotor Squirrel Cage Assembly and Wound Stator Core	Standard Purchase Order	11/03/15	SHERWOOD ELECTROMOTION INC	$	285,980	Baldwin, Deborah	Open	0.0%
50884	0	Arch Transporation System MG Sets Replacement Project, System Integration Related Services.	Standard Purchase Order	11/11/15	MAIDA ENGINEERING INC	$	281,110	Griffin, Sandra	Open	0.0%
51562	0	15-RFP-101653-DR - Pension Plan Actuarial Services, Period of Performance Three Base Years and Two Option Years - November 9, 2015 - December 8, 2020	Contract Purchase Agreement	11/05/15	MILLIMAN INC	$	278,850	Rowey, Deborah	Open	0.0%
50295	1	16-RFQ-102093-DAB Winter Storm Supplies, Period of Performance October 1, 2015 - September 30, 2016	Standard Purchase Order	09/15/15	W. W. GRAINGER INC	$	260,000	Baldwin, Deborah	Open	0.0%
50745	1	16-SB-102052-CG Union Station Track Z-Crossing/DTC-Clark Avenue Improvements.	Standard Purchase Order	10/27/15	RAINERI CONSTRUCTION, LLC	$	246,938	Gates, Carol	Open	0.0%
49582	0	15-RFP-101675-CB On-Site Construction Management Services, Period of Performance July 8, 2015 - March 31, 2016.	Standard Purchase Order	07/08/15	JACOBS ENGINEERING GROUP INC	$	241,000	Baldwin, Deborah	Open	0.0%
50640	1	16-RFP-101944-VH Gateway Arch Ticketing Software, Period of Performance Oct 21, 2015 through October 20, 2018.	Standard Purchase Order	10/15/15	GATEWAY TICKETING SYSTEMS	$	219,250	Haynes, Vickie	Open	0.0%

CONTRACT AWARDS EXCEEDING $100,000
JULY 1, 2015 - December 30, 2015

Number	Rev	Description	Type	Order Date	Supplier		Amount	Buyer	Closure Status	DBE Goal
50061	0	14-SB-99133-DH Bulk Oils, Period of Performance September 2, 2015 - March 1, 2016.	Standard Purchase Order	08/24/15	WALLIS LUBRICANT INC.	$	194,520	Hill, Diana	Open	0.0%
50007	0	16-SB-101973-CB Replacement of Two Rooftop Heating Units and One A/C Unit at Central Facility, Period of Performance August 18, 2015 - November 11, 2015.	Standard Purchase Order	08/18/15	TRANE US, INC	$	181,876	Bonds, Charcita	Open	0.0%
50148	0	16-RFQ-102093-DAB Winter Storm Supplies, Period of Performance October 1, 2015 - September 30, 2016	Standard Purchase Order	08/31/15	LANGE-STEGMANN CO	$	178,750	Baldwin, Deborah	Open	0.0%
50401	0	15-RFP-101663-CG Engineering Design to Increase the Life of the MetroLink Elevators.	Standard Purchase Order	09/23/15	ROSS AND BARUZZINI INC	$	171,150	Gates, Carol	Open	0.0%
50608	0	15-SB-101727-DAB Water Jet Cutting Machine	Standard Purchase Order	10/09/15	FLOW INTERNATIONAL CORPORATION	$	170,760	Baldwin, Deborah	Closed	0.0%
50476	0	15-SB-101510-CG Services to Rebuild Twenty-seven (27) Alstom Model 5F Switch Machines.	Standard Purchase Order	09/29/15	ARROWHEAD INDUSTRIES LLC	$	149,265	Gates, Carol	Open	0.0%
51052	0	15-SB-101107-TJ Synthetic Transmission Fluid, Period of Performance November 11, 2015 - May 29, 2016.	Standard Purchase Order	11/30/15	WALLIS LUBRICANT INC.	$	128,250	Johnson, Theresa	Open	0.0%
49827	0	15-RFQ-101635-TJ Fuel Price Risk Management Consulting Services,Three Base Years and Two Option Years , Period of Performance August 1, 2015 - July 31, 2018	Contract Purchase Agreement	07/30/15	LINWOOD CAPITAL LLC	$	126,000	Johnson, Theresa	Open	0.0%
50584	0	Annual Service Agreement for software monitoring & support of SCADA & PACIS systems provided by ARINC, Period of performance July 1, 2015 - June 30, 2020.	Contract Purchase Agreement	10/07/15	ARINC INCORPORATED	$	123,853	Wright, Diane	Open	0.0%
49711	0	15-SB-101743-DH Furnish and Install 349 Task and Conference Room Chairs at Met Square.	Standard Purchase Order	07/20/15	INTERIOR INVESTMENTS OF ST LOUIS	$	109,096	Hill, Diana	Closed	0.0%
51203	0	Kronos Annual Maintenance, Period of Performance January 23, 2016 - January 22, 2017.	Standard Purchase Order	12/16/15	KRONOS	$	103,391	Haynes, Vickie	Closed	0.0%

Contract Modifications
July 1, 2015 - December 31, 2015

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
13-RFP-5980-SG		7	Security & Fare Enforcement Services	Additional Work Additional Funds	Securitas Security Services USA, Inc	10%	$3,235,705	12/16/15	$100,000	$11,099,792	Operations	0	0
13-RP-5980-SG		6	Security and Fare Enforcement	Change in Scope Additional Funds	Securitas Security Services USA, Inc.	10%	$3,235,705	09/18/15	$731,381	$10,999,792	Operations	0	0
10-RFP-5564-DH	CO 22		Fare Collection	Change in Scope	Indra, USA	0%	$ 6,625,896	12/03/15	$ 64,338	$10,810,788	MO-04-0113 MO-05-0028 Prop M SCCTD	0	0
10-RFP-5564-DH		10	Automatic Fare Collection and Smart Card System	Change Order 20	Indra, USA	0%	$ 6,625,896	07/01/15	$100,000	$10,746,450	MO-90-X231 Prop M SCCTD	0	0
13-RFP-5949-DH		2	Communications System Agreement	Time Extension	Motorola Solutions, Inc.	0%	$9,533,163	07/01/15	$ -	$ 9,533,163	MO-90-X204 Prop M	45	1
16-SB-100842-CB		2	North County Transfer Center -Phase 1 Mod 2	Change in Scope	C Rallo Contracting	0%	$5,085,000	09/24/15	$ 44,808	$ 5,182,147	MO-90-X296	0	0
16-SB-100842-CB	4	1	North County Transfer Center -Phase 1 Mod 1	Change in Scope	C Rallo Contracting	0%	$5,085,000	09/22/15	$ 52,389	$ 5,137,339	MO-90-X296	0	0
13-SB-5933-DGR		4	Illinois Slope Stabilization Services & Scour	Time Extension	Illinois Excavators, Inc.	15%	$4,705,629	07/01/15	$ -	$ 4,857,874	N/A	180	1
11-RFP-5737-DGR		9	Elevator and Escalator Full Maintenance and Repiair	Change in Scope	ThyssenKrupp Elevator Corporation	0	$2,092,660	11/03/15	$ -	$ 3,738,837	Operations	0	0
11-RFP-5737-DGR		8	Elevator and Escalator Full Maintenance and Repair	Exercise Option Year 2	ThyssenKrupp Elevator Corporation	0%	$2,092,660	10/16/15	$100,000	$ 3,738,837	Operations	0	0
11-RFP-5737-DGR		7	Elevator and Escalator Full Maintenance and Repair	Additional Funds	ThyssenKrupp Elevator Corporation	0%	$2,092,660	07/20/15	$ 19,968	$ 3,638,837	Operations	0	0

Contract Modifications
July 1, 2015 - December 31, 2015

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
11-RFP-5737-DGR		6	Elevator and Escalator Full Maintenance and Repair	Exercise Option Year 2	ThyssenKrupp Elevator Corporation	0%	$2,092,660	07/02/15	$684,486	$ 3,618,869	Operations	0	0
14-RFP-100998-DR		1	Metro Operator Uniforms	Additional Funds	Leon Uniform Company	0%	$3,257,250	07/08/15	$ 80,000	$ 3,337,250	Operations	0	0
12-RFP-5883-DGR		2	ML Structures Inspection ProGram Engineering Services	Additional Work Additional Funds	Juneau Associated, Inc.	15%	$2,512,030	11/30/15	$190,000	$2,702,030	Operations	0	0
13-RFP-5995-CB		4	Design & Construction Phase Services North County Transfer Center Phase I & II	Change in Scope	NCTC-2013 JV	13%	$2,243,447	12/02/15	$ 33,533	$ 2,629,087	MO-95X015 & STCF	0	0
13-RFP-5995-CB	4	3	Design & Constrution Phase Services North County Transfer Center Phase 1 & 2	Change in Scope	NCTC-2013 JV	13%	$2,243,447	09/01/15	$ 27,604	$ 2,595,555	MO-95X015 STCF	0	0
12-SB-5833-DAB		3	DeBaliviere Bus Cleaning	Exercise Option Year 2	MERS/Goodwill	15%	$617,776	10/21/15	$338,335	$ 1,294,446	Operations	0	0
11-SB-5788-CE/DAB		3	CAR Van Cleaning Option Year three	Exercise Option Year 3	World Management Inc.	12%	$478,806	09/03/15	$252,197	$ 1,218,552	Operations	0	0
P.O. 106658	CO 2	2	Agreement for Engineering, Design and Development of Bid Documents for the Replacement of Arch Transportation System Motor Generatory Sets with Variable Frequency Drives in Each Leg of the Arch.	Change in Scope	Maida Engineering, Inc.	0	$581,100	11/09/15	$429,993	$ 1,043,593	JNEM Beneficial Funds	0	0
15-SB-100757-SM/CG	CO 3	1	Shrewsbury Station Pavement & Wall Repairs	Adjustment to Pay Allowance	St. Louis Bridge Construction Company - Arnold	17%	$576,890	11/11/15	$ (63,568)	$ 513,322	MO-05-0028	0	0
11-SB-5688-CB		9	Refuse Removal Services	Time Extension	Allied Waste Inc.	0%	$170,925	10/20/15	$ 20,857	$ 476,750	Operations	180	1

Contract Modifications
July 1, 2015 - December 31, 2015

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
14-RFP-100638-SG		2	Passenger Counting & Surveying	Exercise Option Year 1 Additional Work	Critique Personnel, Inc.	10%	$165,720	08/20/15	$230,020	$ 420,740	Operations	0	0
11-RFP-5732-DW		2	Motorola Solutions Inc., Service Agreement	Time Extension	Motorola Solutions, Inc.	0%	$376,800	09/09/15	$ -	$ 376,800	MO-90-X204	365	1
11-SB-5751-CB		2	Roadbed Spraying Services	Exercise Option Year 2	Asplundh Tree Expert Co.	0%	$209,134	07/24/15	$ 73,269	$ 354,455	Operations	0	0
11-RFP-5756-DP/DAB		3	Safety Footwear Services	Time Extension	Red Wing	0%	$185,000	08/11/15	$ -	$ 345,000	Operations	90	1
15-RFP-101675-CB		1	On-Site Construction Management Services	Change in Scope	Jacobs Project Management Co.	0%	$240,259	07/29/15	$ -	$ 240,259	MO-90-X296	0	0
13-SB-5985-DGR		4	Feeder Wire Rehaabilitation & Substation Waterproofing @ MO-12	REDUCE COST	Reinhold Electric, Inc.	15%	$234,408	09/25/15	$ (40,063)	$ 198,637	MO-05-0028 Prop M	0	0
14-SB-99514-CB		2	HVAC System Repair and Preventative Maintenance-Headquarters Building & Gateway Arch Riverboats	Change in Scope	Trane Company	0	$85,122	11/05/15	$ -	$ 170,244	Operations	0	0
14-RFP-100702-VH		1	Transit Asset Management	Change in Scope	Four Nines Tecnology	0%	$130,720	08/20/15	$ 24,000	$ 154,720	Operations	180	2
13-RFQ-5947-SS/VH		3	Consulting and Design Service for Annual Report	Exercise Option Year 3	Falk Harrison	0%	$35,000	09/09/15	$ 45,000	$ 150,000	Operations	0	0
10-RFQ-5654-DR		7	Material Safety Data Sheet Chemical Management System-Year 2 & 2nd 90 day ext	Time Extension	Safetec Compliance Systems, Inc.	0%	$45,540	09/22/15	$ 5,455	$ 145,085	Operations	90	1
15-RFP-101566-CB		1	Procedure Review Consultant Services	Change in Scope	CGN Global	0%	$106,915	11/17/15	$ 8,085	$ 115,000	TSGP Funds - 2014-RA-00032	0	0

Contract Modifications
July 1, 2015 - December 31, 2015

Contract #	Task Order	Mod #	Description	Reason for Mod	Contractor	DBE %	Original Contract Amount	Mod Date	Mod Amount	Revised Contract Amount	Funding Source	# Days Extended	# of Extensions to Date
14-RFP-99224-DR		2	Fare Collection Web Design	Time Extension Additional Funds	Toky Branding & Design	0%	$99,238	09/11/15	$ 900	$ 100,138	Federal	90	1

DAVIS BACON CERTIFIED PAYROLL REPORT FY 16

OCTOBER - DECEMBER 2015

Project: 12-SB-5786-MM EADS BRIDGE REHABILITATION FTA Grant No. MO-96-x005; MO-90-x279; MO-90-x281

Project Control ID:

Is Community Hiring Goal a Requirement: No

Prime Contractor | **Subcontractor** | **Sub Subcontractor** | **Sub Sub Subcontractor** | **Sub Sub Sub Subcontractor**

6362963300
ST. LOUIS BRIDGE COMPANY

Start Date: **03/06/2012** End **06/30/2016**
Contract Amount: **$36,326,411.91**

655 LANDMARK DRIVE ,
ARNOLD , MO 63010

	Subcontractor	Start Date	End Date
636-274-0802	ATK SAFETY SUPPLY INC	**10/05/2012**	**05/25/2013**
314-524-6111	B & P Construction, Inc.	**10/02/2012**	**09/10/2013**
773-721-9350	Era Valdivia Contractors Inc	**03/23/2013**	**04/25/2014**
314-892-2963	M.T.C. Construction dba K. Bates Steel	**09/11/2012**	**11/14/2014**
6364753500	THOMAS INDUSTRIAL COATINGS, INC.	**08/19/2012**	**11/14/2014**
314-773-8813	WESTERN WATERPROOFING	**07/06/2013**	**01/24/2014**
618-398-7575	Wissehr Electrical Contractor	**09/09/2012**	**11/14/2014**

Project: 13-SB-5933-DGR ILLINOIS SLOPE STABILIZATION SERVICES & SCOUR PROTECTION PHASE 2 IDOT Grant IL CAP-11-98-ILL

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

6182823844
ILLINOIS EXCAVATORS, INC.
Start Date: **08/01/2013** End **12/30/2015**
Contract Amount: **$4,705,629.45**

55 E. MILL STREET ,
RUMA , IL 62278

3148698000
COLLINS & HERMANN
Start Date: **06/27/2013**

618-277-4280
MAYER LANDSCPAING INC
Start Date: **07/10/2013**

6185669117
N & W HORIZONTAL BORING CO.
Start Date: **06/27/2013**

636-978-0752
PJR ASSOCIATES
Start Date: **06/27/2013**

Project: 14-SB-99081-SM ARCH BIKE TRAIL SIGNAGE FTA Grant No. MO-20-x001 and GRG District

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

7853121020
STAR SIGNS
Start Date: **07/07/2014** End **07/07/2016**
Contract Amount: **$286,266.00**

801 E. 9TH STREET ,
LAWERENCE , KS 66044

Project: 15-RFP-101065-CB EWING YARD RETAINING WALL REMEDICATION PART 2 - FTA Grant Nos. MO-05-0028, MO-54-001, MO-90-x296

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

6362963300
ST. LOUIS BRIDGE COMPANY
Start Date: **08/02/2015** End **09/02/2016**
Contract Amount: **$4,142,110.00**

655 LANDMARK DRIVE ,

ARNOLD , MO 63010

6369378300
D & S FENCING CO INC
Start Date: **11/20/2015**

Project: 15-SB-100690-SM TACTILE WARNING STRIP REPLACEMENT II FTA Grant No. MO-90-x281

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor

3144215933
L. Keeley
Start Date: **10/06/2014** End **04/01/2015**
Contract Amount: **$718,062.00**

2901 Falling Springs Road ,
Sauget , IL 62206

3147310800
X-L CONTRACTING, INC.
Start Date: **11/04/2014**
Contract Amount: **$134,730.00**

Project: 15-SB-100757-SM SHREWSBURY PAVEMENT AND WALL REPAIR FTA Grant No. MO-05-0028

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor

6362963300
ST. LOUIS BRIDGE COMPANY
Start Date: **10/24/2014** End **10/24/2015**
Contract Amount: **$576,890.25**

655 LANDMARK DRIVE ,
ARNOLD , MO 63010

314-524-6111
B & P Construction, Inc.
Start Date: **08/05/2015**

636-300-0908
E. Meier Contracting
Start Date: **09/13/2015**

314-892-2963
M.T.C. Construction dba K. Bates Steel
Start Date: **07/15/2015**

Project: 15-SB-100842-CB NORTH COUNTY TRANSFER CENTER - PHASE 1 FTA Grant No. MO-90-x296, MO-95-x015

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor

3146642900
C. RALLO CONTRACTING CO., INC.
Start Date: **01/05/2015** End **03/30/2016**
Contract Amount: **$5,085,000.00**

5000 Kemper ,
St. Louis , MO 63139

Subcontractor		Start Date
AALCO ENTERPRISES, INC.	3149913255	**03/11/2015**
ACCURATE FIRE PROTECTION SYSTEMS, LLC.	6366779190	**03/31/2015**
BRK ELECTRICAL CONTRACTORS, LLC.	314-785-0078	**01/27/2015**
BRYDIE CONSTRUCTION	3147070232	**12/14/2015**
CCR, INC.	3142090935	**09/01/2015**
DH & A SHEET METAL	3143495801	**10/15/2015**
DH&A Sheet Metal	6363495801	**09/01/2015**
GATEWAY CONSTRUCTION SERVICES, INC.	3143301839	**02/06/2015**
GEORGE WEIS COMPANY	3142317799	**03/11/2015**
J. W. BOMMARITO CONSTRUCTION	3143530104	**02/01/2015**
KAEMMERLEN FACILITY SOLUTIONS	3145352222	**05/01/2015**

3145206844 KSG ENTERPRISES		Start Date: **02/01/2015**	
6363321099 MAR-II CONCRETE CO.		Start Date: **09/01/2015**	
	6363985255 Select Steel Services, Inc	Start Date: **09/01/2015**	
6362191860 NIGEL'S FLOORING, LLC		Start Date: **06/01/2015**	
6363871888 NOR-VEL GRADING & EXCAVATING		Start Date: **02/01/2015**	
6963985255 SELECT STEEL SERVICES, INC.		Start Date: **08/01/2015**	
6363988038 Select Steel Services		Start Date: **08/01/2015**	
6362966667 SHERRELL CONSTRUCTION		Start Date: **11/18/2015**	
6036214090 SPAN SYSTEMS, INC.		Start Date: **04/01/2015**	End Date: **05/31/2015**
636332889 ST. CHARLES GLASS & GLAZING		Start Date: **10/22/2015**	
343672181 TJ PLUMBING CO., INC.		Start Date: **03/01/2015**	

Project: 15-SB-101554-DGR FEEDER WIRE REHABILITATION & SUBSTATION WATERPROOFING AT MO - 08 & 09 FTA Grant No. MO-05-0028

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor
3146644444 TGB, INC.		Start Date: **07/16/2015**	End **01/16/2016**	

Contract Amount: **$568,286.00**

1104 S. JEFFERSON ,
ST. LOUIS , MO 63104

3148698000
COLLINS & HERMANN
Start Date: **10/20/2015**

3146441666
Scally Waterproofing
Start Date: **10/07/2015**
Contract Amount: **$6,750.00**

Project: 15-SB-101657-DGR MISSOURI RADIO SYSTEM TOWER SITE UPGRADES - FTA Grant No. MO-90-x231

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

8478417724
IHC Construction Companies, LLC
Start Date: **07/30/2015** End **05/30/2016**
Contract Amount: **$1,811,307.55**

1500 Executive Drive ,
Elgin , IL 60123

3147812400
RJP Electric, LLC
Contract ID: **15180-203**
Start Date: **08/26/2015** End Date: **04/01/2016**
Contract Amount: **$190,000.00**

Project: 16-RFQ-101937-CB AIRPORT BRIDGE (mp 0.42) SPAN 36 BEAM REPAIR - FTA Grant No. MO-54-0001

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

3145922119
Concrete Strategies
Start Date: **08/04/2015** End **09/20/2015**
Contract Amount: **$65,960.00**

2199 Innerbelt Business Center Drive ,
St. Louis , MO 63114

Project: 16-SB- 101807-DGR JNEM Gateway Arch Exhibit Rehabilitation

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

3149931400
Conference Technologies, Inc.
Start Date: **10/30/2015** End **12/30/2017**
Contract Amount: **$2,244,420.00**

11653 Adie Road ,
St. Louis , MO 63043

Project: 16-SB-101846-DGR SPRUCE STREET BRIDGE REPLACEMENT

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	Subcontractor	Sub Subcontractor	Sub Sub Subcontractor	Sub Sub Sub Subcontractor

6362962012
KOZENY WAGNER

Start Date: **10/27/2015** End **04/30/2016**
Contract Amount: **$5,283,792.70**

951 WEST OUTER ROAD ,
ARNOLD , MO 63010

3148698000	COLLINS & HERMANN	Start Date: **10/13/2015**
6369378300	D & S FENCING CO INC	Start Date: **10/20/2015**
3144325400	Metron Surveying & Layout Co.	Start Date: **10/13/2015**
573-893-2335	Meyer Electric Company, Inc.	Start Date: **10/01/2015**
4178646000	Palmerton & Parrish, Inc.	Start Date: **10/13/2015**
6363051877	Safway Services LLC	Start Date: **11/02/2015**
7037420020	Schnabel Foundation Company	Start Date: **10/27/2015**
636-255-0808	TRAMAR CONTRACTING INC.	Start Date: **10/06/2015**
3147310800	X-L CONTRACTING, INC.	Start Date: **10/06/2015**

Project: 16-SB-101993-CB JNEM ARCH TRANSPORTATION SYSTEM MOTOR-GENERATOR SET REPLACEMENT

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor **Subcontractor** **Sub Subcontractor** **Sub Sub Subcontractor** **Sub Sub Sub Subcontractor**

3148902351

THE HARLAN COMPANY

Start Date: **11/12/2015** End **05/31/2017**

Contract Amount: **$5,002,100.00**

9810 PAGE BLVD. ,
ST. LOUIS , MO 63132

6189310729
Platinum Scaffolding

Start Date: **11/23/2015** End Date: **02/29/2016**

Contract Amount: **$22,192.00**

Project: 16-SB-102052-CG UNION STATION TRACK Z CROSSING DTC CLARK AVENUE IMPROVEMENTS

Project Control ID: **Is Community Hiring Goal a Requirement:** No

Prime Contractor	**Subcontractor**	**Sub Subcontractor**	**Sub Sub Subcontractor**	**Sub Sub Sub Subcontractor**

3146675913
RAINERI CONSTRUCTION

Start Date: **11/09/2015** End **02/29/2016**

Contract Amount: **$246,938.25**

1300 Hampton Avenue Ste 200 ,
ST. LOUIS , MO 63109

PROCUREMENT CARD PROGRAM
ADMINISTRATIVE REVIEW STATISTICS
FISCAL YEAR 2015

	FY2015 YTD TOTAL		1ST QUARTER FY16		2nd QUARTER FY16		FY2016 YTD TOTAL	
	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT	TRANSACTION COUNT	TRANSACTION AMOUNT
TOTAL TRANSACTIONS	17553	$ 6,220,029	4134	$ 1,463,356	3831	$1,406,280.41	7965	$ 2,869,636
TRANSACTIONS REVIEWED	17553	$ 6,220,029	4134	$ 1,463,356	3831	$1,406,280.41	7965	$ 2,869,636
PERCENTAGE REVIEWED	100%	100%	100%	100%	100%	100%	100%	100%
TRANSACTIONS INVESTIGATED	113	$ 169,424	13	$ 23,137	7	$ 12,677	20	$ 35,814
PERCENTAGE OF TOTAL INVESTIGATED	0.6%	2.7%	0.3%	1.6%	0.2%	0.9%	0.3%	1.2%
CONFIRMED PROCEDURAL VIOLATIONS	8 TRANS 3 INCIDENTS	$ 26,553	0 TRANS 0 INCIDENTS	$ -	0 TRANS 0 INCIDENTS		0 TRANS 0 INCIDENTS	$ -
CONFIRMED VIOLATION PERCENTAGE OF TOTAL	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TRANSACTIONS WITH SALES TAX	148	$ 30,173	57	$ 17,318	103	$ 5,928	160	$ 23,246
SALES TAX CHARGED		$ 1,867	38	$ 549	44	$ 365		$ 914
PERCENTAGE OF TOTAL TRANSACTIONS WITH SALES TAX	0.8%	0.5%	1.4%	1.2%	2.7%	0.4%	2.0%	0.8%
REFUNDED SALES TAX	36	$ 765	18	$ 283	6	$ 263	24	$ 546

BI-STATE DEVELOPMENT
TREASURER'S REPORT
January 31, 2016

INVESTMENTS

Yields:
Bi-State investments had an average yield of .44% in January. For reference, yield on the one year U.S. Treasury was also .44%. The Federal Reserve raised the fed funds rate in mid-December from .25% to .5%, but future rate hikes in 2016 are unlikely due to weak inflation rates.

Invested Funds:
In January, Bi-State directed $194 million in invested funds compared to $190 million invested in December. Approximately 40% of the invested funds for December were invested in U.S. Treasury or U.S. Government Agency securities, and 15% were invested in collateralized Certificates of Deposit (CDs) or Repurchase Agreements (Repos). The balance was invested in AAA rated money market funds. The average maturity of Bi-State investments was approximately 185 days.

DEBT MANAGEMENT

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

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

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

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

Arch Tram Revenue Bonds, 2014:
On December 3, 2014, Bi-State closed on the Series 2014 Taxable Arch Tram Revenue Bonds. These bonds have a par value of $7,656,000 and a 30-year term. The initial fixed rate term is 10 years with a fixed interest rate of 4.016%. The funds from this bond issuance will pay for the cost of issuance, a portion of the interior roof

over the Arch visitor's center, and the replacement of the motor generator sets. The debt service requirement is approximately $454 thousand.

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

Capital Leases:
Bi-State has one remaining capital lease, its 2001 LRV Lease (C1, C2 Tranches). In February 2011, staff negotiated a default cure agreement with the 2001 C1 C2 lease investor. The agreement provided that Bi-State deposit additional collateral with the lease trustee, of which the St. Clair County Transit District (SCCTD) provided 70%. We currently have approximately $7.5 million in collateral.

FUEL HEDGING

In January, in conjunction with its diesel fuel hedging program, Bi-State had a *realized loss of $467 thousand* on the sale of Home Heating Oil #2 futures contracts. Oil prices decreased from December by approximately $3.42 a barrel or 9%. Bi-State's unrealized losses for January were approximately $672 thousand. 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 - MONTHLY TREASURER'S REPORT

	AS OF:	31-Jan-2016					31-Dec-2015			
BI-STATE DIRECTED:	**Wt. Avg. Maturity (1)**	**Dollars (,000 omitted)**	**Of Total**	**Rate**	**Market Value (2)**	**Wt. Avg. Maturity (1)**	**Dollars (,000 omitted)**	**Percentage Of Total**	**Rate**	**Market Value (2)**
Cash	0	$28,422	20.2%	0.00%	$28,422	0	$26,950	19.9%	0.00%	$26,950
Repurchase Agreements	3	23,332	16.6%	0.34%	23,332	4	22,739	16.8%	0.32%	22,739
Certificates of Deposit	476	4,150	3.0%	0.51%	4,150	507	4,150	3.1%	0.51%	4,150
U.S. Agencies (discounted)	215	5,981	4.3%	0.34%	5,982	246	5,981	4.4%	0.34%	5,975
U.S. Agencies (coupon)	480	21,329	15.2%	0.71%	21,339	469	23,332	17.2%	0.68%	23,262
U.S. Treasury Securities	258	18,783	13.4%	0.50%	18,847	260	13,803	10.2%	0.52%	13,849
Other Investments (3)	3	38,569	27.4%	0.20%	38,569	4	38,621	28.5%	0.15%	38,621
SUB-TOTAL BI-STATE	**132**	**$140,566**	**100.0%**	**0.40%**	**$140,641**	**135**	**$135,576**	**100.0%**	**0.37%**	**$135,546**
BI-STATE DIRECTED-PROP M:										
Certificates of Deposit	505	$1,510	2.9%	0.87%	$1,510	536	$1,510	2.8%	0.87%	$1,510
U.S. Agencies (discounted)	215	3,987	7.5%	0.34%	3,988	246	3,987	7.3%	0.34%	3,983
U.S. Agencies (coupon)	685	21,987	41.6%	0.90%	22,012	716	21,987	40.1%	0.90%	21,895
U.S. Treasury Securities	116	4,493	8.5%	0.17%	4,495	147	4,493	8.2%	0.17%	4,493
Other Investments (3)	3	20,868	39.5%	0.26%	20,868	4	22,786	41.6%	0.20%	22,786
SUB-TOTAL PROP M	**327**	**$52,845**	**100.0%**	**0.54%**	**$52,873**	**334**	**$54,763**	**100.0%**	**0.51%**	**$54,667**
TOTAL BI-STATE DIRECTED	**185**	**$193,411**		**0.44%**	**$193,514**	**192**	**$190,339**		**0.41%**	**$190,213**
TRUSTEE DIRECTED:										
Cash	0	$0	0.0%	0.00%	$0	0	$0	0.0%	0.00%	$0
Municipal Bonds	1890	9,125	18.3%	2.42%	9,215	1921	9,125	19.2%	2.42%	9,049
U.S. Agencies (coupon)	1616	23,429	47.0%	1.97%	23,793	1691	22,528	47.4%	2.00%	22,497
Commercial Paper	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
Other Investments (3)	3	17,258	34.6%	0.07%	17,258	4	15,918	33.5%	0.07%	15,918
SUB-TOTAL TRUSTEE	**1,107**	**$49,812**	**100.0%**	**1.39%**	**$50,266**	**1,171**	**$47,571**	**100.0%**	**1.43%**	**$47,464**
TOTAL BI-STATE & TRUSTEE	**374**	**$243,223**		**0.63%**	**$243,780**	**388**	**$237,910**		**0.61%**	**$237,677**
LRV LEASE\LEASEBACK 2001:										
Cash	0	0	0.0%	0.00%	0	0	0	0.0%	0.00%	0
US Treasury Securities	0	0	0.0%	0.00%	0	7	7,512	7.4%	0.18%	7,523
Other Investments (3)	3	7,523	7.3%	0.18%	7,523					
Other Investments (4)		95,054	92.7%	5.80%	95,054		94,568	92.6%	5.80%	94,568
SUB-TOTAL LRV 2001		**$102,577**	**100.0%**	**5.37%**	**$102,577**		**$102,080**	**100.0%**	**5.39%**	**$102,091**
SUB-TOTAL LEASES		**$102,577**			**$102,577**		**$102,080**			**$102,091**
Grand Total (5)		**$345,800**			**$346,357**		**$339,990**			**$339,768**

Explanatory Notes:

(1) Approximate weighted average of days to effective maturity, from last business day of the month.
(2) Market value of goverment securities provided by safekeeping agent. Cost equals market for other investments.
(3) Includes money market funds and fuel hedging accounts.
(4) Investment Contracts (leases). Values of investment contracts adjusted to conform to lease payment schedules.
(5) All amounts preliminary and subject to audit and adjustment.

Prepared by: 3/7/16
Terri Gudowicz Green, Mgr of Treas Ops — Date

Reviewed by: 3/7/16
Tammy Fulbright, Dir of Treasury Services — Date

Approved: 3/7/16
Kathy Klevorn, CFO — Date

BI-STATE DEVELOPMENT
MONTHLY TREASURER'S REPORT- ALL COMPANIES
BANK / ISSUER SUMMARY as of: 1/31/2016

Section 1 Bank/issuer Summary

BI-STATE DIRECTED * all non debt/lease assets, inc. Prop M:	CASH	CERTIFICATES OF DEPOSIT	REPURCHASE AGREEMENTS	OTHER	GOVERNMENT SECURITIES	COMMERCIAL PAPER\ BA's	TOTAL	MARKET VALUE	NOTES
BANK OF AMERICA MERRILL LYNCH	28,513,232	0	0	9,245,065	0	0	37,758,297	37,758,297	FDIC\tri-party collateral(deposits).
BLACK ROCK	0	0	0	1,297,284	0	0	1,297,284	1,297,284	Money Market Fund (Govt. Securities).
COMMERCE BANK	0	5,009,952	0	0	0	0	5,009,952	5,009,952	FDIC\FRB collateral.
FIDELITY	0	0	0	21,240,395	0	0	21,240,395	21,240,395	Money Market Fund (First Tier\Prime)
FIRST CLOVERLEAF	0	650,000	0	0	0	0	650,000	650,000	FDIC\tri-party collateral(deposits).
JEFFERSON BANK & TRUST	25,011	0	2,756,972	0	0	0	2,781,983	2,781,983	FDIC; repo collaterl held at JBT.
JP MORGAN CHASE	(437,434)	0	0	12,671,072	0	0	12,233,638	12,233,638	FDIC (bank acct.)MMKT (First Tier\Prime)
OPTUM	15,429	0	0	0	0	0	15,429	15,429	FDIC\FRB collateral.
HEALTHSCOPE	50,370	0	0	0	0	0	50,370	50,370	FDIC\FRB collateral.
PNC BANK	140,065	0	0	0	0	0	140,065	140,065	FDIC\FRB collateral.
RBC DAIN RAUSCHER	0	0	0	2,270,975	0	0	2,270,975	2,270,975	Commodities Margin Acct. (fuel hedging)
RJ O'BRIEN	0	0	0	2,285,695	0	0	2,285,695	2,285,695	Commodities Trading Acct. (fuel hedging)
REGIONS BANK	43,212	0	0	0	0	0	43,212	43,212	FDIC Insured.
UBS FINANCIAL	0	0	0	9,986,399	0	0	9,986,399	9,986,399	Money Market Fund (First Tier\Prime).
UMB BANK	95	0	20,575,000	0	0	0	20,575,095	20,575,095	FDIC\FRB Collateral.
U.S. BANK	72,485	0	0	0	0	0	72,485	72,485	FDIC\FRB Collateral.
ILLINOIS FUNDS	0	0	0	440,808	0	0	440,808	440,808	Illinois State Treasurer Investment Pool.
FARM CREDIT BANK	0	0	0	0	39,447,779	0	39,447,779	39,472,269	Safekept at Bank of America (BOA).
FEDERAL HOME LOAN BANK	0	0	0	0	13,836,087	0	13,836,087	13,848,894	Safekept at Bank of America (BOA).
U.S. TREASURY	0	0	0	0	23,275,511	0	23,275,511	23,342,152	Safekept by BOA or designated agent.
sub-total Bi-State directed	***28,422,465***	***5,659,952***	***23,331,972***	***59,437,693***	***76,559,377***	***0***	***193,411,459***	***193,515,397***	
TRUSTEE DIRECTED									
DEBT ISSUES									
Cross County Bonds									
Series 2009, 2013									
BANK OF NEW YORK -MELLON TRUST									
BANK OF NEW YORK	0	0	0	0	0	0	0	0	FDIC Insured.
BLACK ROCK	0	0	0	10,000,518	0	0	10,000,518	10,000,518	Money Market Fund (First Tier\Prime).
GOLDMAN	0	0	0	1,902,927	0	0	1,902,927	1,902,927	Money Market Fund (First Tier\Prime).
FEDERATED GOVT OBLIG	0	0	0	1,833,045	0	0	1,833,045	1,833,045	Safekept at Bank of New York
MORGAN STANLEY	0	0	0	3,521,397	0	0	3,521,397	3,521,397	Safekept at Bank of New York
GOVERNMENT AGENCIES	0	0	0	0	23,429,075	0	23,429,075	23,792,333	Safekept at Bank of New York
MUNICIPAL BONDS	0	0	0	0	9,124,982	0	9,124,982	9,214,581	Safekept at Bank of New York
sub-total	0	0	0	17,257,887	32,554,057	0	49,811,944	50,264,801	
SUB-TOTAL TRUSTEE (BONDS)	***0***	***0***	***0***	***17,257,887***	***32,554,057***	***0***	***49,811,944***	***50,264,801***	
SUB-TOTAL BI-STATE AND TRUSTEE	***28,422,465***	***5,659,952***	***23,331,972***	***76,695,580***	***109,113,434***	***0***	***243,223,403***	***243,780,198***	
LRV Lease\Leaseback 2001 C1 C2									
FSA\AIG	0	0	0	95,053,949	0	0	95,053,949	95,053,949	Guaranteed Investment Contract (GIC).
Wells Fargo Money Market	0	0	0	7,523,000	0	0	7,523,000	7,523,000	Safekept by Lease Trustee.
sub-total	0	0	0	102,576,949	0	0	102,576,949	102,576,949	
sub-total leases	***0***	***0***	***0***	***102,576,949***	***0***	***0***	***102,576,949***	***102,576,949***	
GRAND TOTAL	**$28,422,465**	**$5,659,952**	**$23,331,972**	**$179,272,529**	**$109,113,434**	**$0**	**$345,800,352**	**$346,357,147**	

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

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

INVESTMENT CATEGORY DESCRIPTIONS

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

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

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

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

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

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

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

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

CREDIT QUALITY RATING DEFINITIONS (also see Page 9)

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

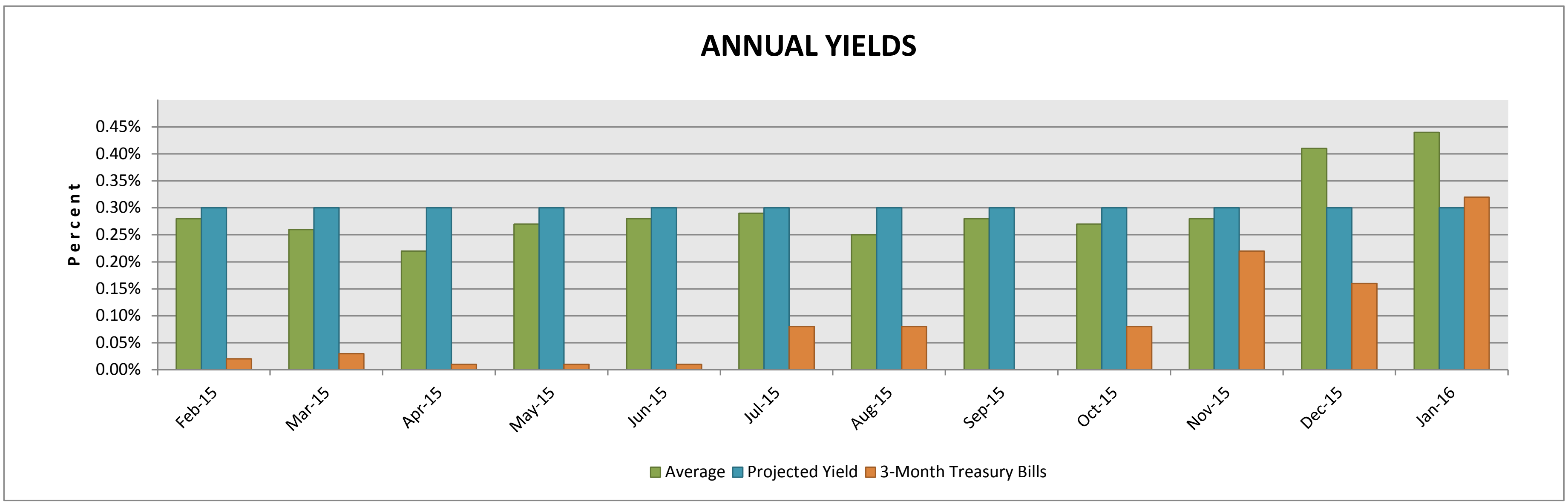
AAA Standard & Poor's, Moody's and Fitch rate credit quality on an A to C scale, with A generally regarded as "upper investment grade" and C as "speculative" (D would indicate default). Within each category are different gradients. The triple A rating indicates that the issuer's long term unsecured debt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

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

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

Funds (ooo's omitted)	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Bi-State Investments	134,345	138,409	155,553	139,961	142,512	127,764	120,216	146,970	142,105	139,346	135,576	**140,566**
Bi-State Prop M Investments	54,094	54,582	55,026	55,845	57,812	57,153	56,396	56,843	56,570	56,301	54,763	**52,845**
Total	188,439	192,991	210,579	195,806	200,324	184,917	176,612	203,813	198,675	195,647	190,339	**193,411**
Projected Total	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	**145,000**
Trustee Investments	53,448	56,193	46,760	49,325	51,842	57,738	61,678	88,714	42,492	45,196	47,571	**49,812**

Yields\Rates Information	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Bi-State	0.19%	0.18%	0.16%	0.20%	0.21%	0.24%	0.22%	0.22%	0.21%	0.22%	0.37%	**0.40%**
Prop M	0.49%	0.47%	0.38%	0.45%	0.43%	0.43%	0.31%	0.45%	0.42%	0.42%	0.51%	**0.54%**
Average	0.28%	0.26%	0.22%	0.27%	0.28%	0.29%	0.25%	0.28%	0.27%	0.28%	0.41%	**0.44%**
Projected Yield	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	**0.30%**
Trustee	1.37%	0.99%	1.18%	1.42%	1.35%	1.23%	1.15%	0.81%	1.25%	1.53%	1.43%	**1.39%**
3-Month Treasury Bills	0.02%	0.03%	0.01%	0.01%	0.01%	0.08%	0.08%	0.00%	0.08%	0.22%	0.16%	**0.32%**
1 Year Treasury	0.19%	0.26%	0.23%	0.25%	0.27%	0.31%	0.37%	0.31%	0.32%	0.48%	0.61%	**0.44%**
Fed Funds (target)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	**0.50%**
20-Year Municipals	3.62%	3.52%	3.62%	3.73%	3.80%	3.75%	3.79%	3.71%	3.66%	3.63%	3.57%	**3.38%**
SIFMA (BMA) Index (month end)	0.02%	0.02%	0.11%	0.10%	0.05%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	**0.01%**



Diesel Fuel Hedging Program - FY 2016

	Diesel Fuel Budget \ Actual Comparison:	***Jan-16***	***Year to Date***	***Life to Date***
a	Gallons consumed-actual	423,146	3,219,963	71,980,521
b=(c/a)	Average cost per gallon-actual	$ 1.12	$ 1.59	$ 2.17
c	***Total Diesel Fuel Cost-Actual***	**$ 472,443**	**$ 5,117,306**	**$ 156,255,877**
d	Gallons consumed- budget	463,202	3,308,814	75,274,226
e=(f/d)	Average cost per gallon- budget	$ 3.20	$ 3.20	$ 2.36
f	***Total Diesel Fuel Cost- Budget***	**$ 1,482,246**	**$ 10,588,205**	**$ 177,535,120**
g=(f-c)	**Budget Variance (Unfavorable)**	**$ 1,009,803**	**$ 5,470,899**	**$ 21,279,243**
h	**Realized Futures Gains (Losses)**	**$ (467,271)**	**$ (3,508,865)**	**$ 185,144**
i=(c-h)	**Net Cost of Fuel**	**$ 939,714**	**$ 8,626,171**	**$ 156,070,733**
j=(i-f)	***Net Budget Variance (Unfavorable)***	**$ 542,532**	**$ 1,962,034**	**$ 21,464,387**
j=(i/f)	Net Cost of Fuel, Per Gallon, inc. Hedge	$ 2.22	$ 2.68	$ 2.17
k=(e-i)	Net Budget Variance Per Gallon	$ 0.98	$ 0.52	$ 0.19

Futures Activity:		***Price of Barrel of Oil:***	
Futures Contracts Purchased	7	***Date***	***Price***
Futures Contracts Sold	17	09/30/2015	$ 45.09
Futures Contracts Net Change at month end	(8)	10/31/2015	$ 46.59
Total Open Futures Contracts, at month end	254	11/30/2015	$ 41.65
Futures Contracts Unrealized Gain/(Loss) *	($672,055)	12/31/2015	$ 37.04
(% of Estimated Future Consumption)	70%	01/31/2016	$ 33.62

* = At month end

Explanatory Notes:

Consumption budgeted at approximately 120,000 gallons per week.
Current diesel contracts: diesel =Platts +10.17 cents per gal.; B2 diesel= Platts + 10.93 cents per gal.
A futures contract equals 42,000 gallons.
Numbers above rounded.
Amounts do not include transaction or consulting costs.
Futures Contracts are purchased from Mar 2016 through Dec 2018 (34 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: January 2016

Item	Investment:	Par Amount	Settled	Maturity Date	Term(days)	Yield	Purchased From	Fund
1	US Treasury Bill	$ 1,493,819	01/26/16	01/05/17	345	0.44%	Bank of America	Transit Sales Tax
2	US Treasury Bill	$ 1,493,819	01/26/16	01/05/17	345	0.44%	Bank of America	Transit Self Insurance
3	US Treasury Bill	$ 1,991,758	01/26/16	01/05/17	345	0.44%	Bank of America	Internally Restricted
	Total	**$ 4,979,396**						
					345	**0.44%**		

Notes:

* Investments with an original term of over 14 days.

Bi-State Development
FY'16 Projected Cash Flow (draft, discussion only)
(dollars in thousands)

	Actuals	*Actuals*	*Actuals*	*Actuals*	*Actuals*	*Actuals*	*Actuals*	*Actuals*													
Note- Figures are estimates of CASH	***Fiscal Yr***	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**JAN**	FEB	MAR	APR	MAY	JUNE	***Fiscal Yr***	JULY	AUG	SEPT	OCT	NOV	DEC	***FY'17***
receipts and disb.: subject to change	***2016***	**2015**	**2015**	**2015**	**2015**	**2015**	**2015**	**2016**	2016	2016	2016	2016	2016	***2017***	2016	2016	2016	2016	2016	2016	***0***
BEGINNING CASH BAL. OPER.&REV. FUNDS	**$51,300**	**$50,600**	**$33,900**	**$21,200**	**$52,300**	**$41,800**	**$38,000**	**$39,000**	**$41,700**	**$44,402**	**$48,332**	**$61,910**	**$48,592**	**$50,600**	**$50,795**	**$45,699**	**$44,602**	**$51,964**	**$41,449**	**$37,609**	**$50,795**
CASH RECEIPTS- SALES TAXES :																					
St Louis County 1/2 cent (est. 1974)	42,087	0	0	11,278	3,601	2,796	3,908	3,819	3,091	3,785	3,416	2,652	3,761	42,107	3,759	3,759	3,759	3,601	2,796	3,908	21,582
St Louis City 1/2 cent (est. 1974)	19,716	1,825	1,090	2,217	1,614	1,126	1,967	1,717	1,001	2,092	1,548	1,079	2,076	19,352	1,825	1,090	2,217	1,614	1,126	1,967	9,839
sub-total 1/2 cent (1974)	**61,803**	**1,825**	**1,090**	**13,495**	**5,215**	**3,922**	**5,875**	**5,536**	**4,092**	**5,877**	**4,964**	**3,731**	**5,837**	**61,459**	**5,584**	**4,849**	**5,976**	**5,215**	**3,922**	**5,875**	**31,421**
Pledged to debt service X-County Bonds:																					
St Louis County 1/4 cent Prop M (1994)	42,907	0	0	11,360	3,710	2,824	4,026	3,866	3,148	3,292	2,999	2,332	3,294	40,851	3,787	3,787	3,787	3,710	2,824	4,026	21,920
St Louis City 1/4 cent Prop M (1994)	10,322	0	0	2,660	846	618	1,037	880	514	1,001	779	496	975	9,806	887	887	887	846	618	1,037	5,161
St Louis County 1/2 cent Prop A (2010)	52,081	0	0	14,149	4,614	3,512	5,003	4,799	3,904	5,318	4,851	3,765	4,424	54,339	4,716	4,716	4,716	4,614	3,512	5,003	27,278
St Louis City 1/4 cent Prop M2 (2010)	10,324	0	0	2,660	846	618	1,037	880	514	1,001	779	496	975	9,806	887	887	887	846	618	1,037	5,162
sub-total pledged sales taxes	**115,634**	**0**	**0**	**30,829**	**10,016**	**7,572**	**11,103**	**10,425**	**8,080**	**10,612**	**9,408**	**7,089**	**9,668**	**114,802**	**10,277**	**10,277**	**10,277**	**10,016**	**7,572**	**11,103**	**59,521**
Debt Service X-County Bonds, Interest	(22,484)	0	0	(4,959)	(1,773)	(1,773)	(1,775)	(1,775)	(1,775)	(1,775)	(1,775)	(1,775)	(1,775)	(20,930)	(1,775)	(1,775)	(1,775)	(1,700)	(1,700)	(1,700)	(10,425)
Debt Service X-County Bonds, Principal	(7,172)	0	0	(1,806)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(7,719)	(657)	(657)	(657)	(689)	(689)	(689)	(4,038)
sub-total debt service	**(29,656)**	**0**	**0**	**(6,765)**	**(2,430)**	**(2,430)**	**(2,432)**	**(2,432)**	**(2,432)**	**(2,432)**	**(2,432)**	**(2,432)**	**(2,432)**	**(28,649)**	**(2,432)**	**(2,432)**	**(2,432)**	**(2,389)**	**(2,389)**	**(2,389)**	**(14,463)**
sub-total pledged sales tax less debt	**85,978**	**0**	**0**	**24,064**	**7,586**	**5,142**	**8,671**	**7,993**	**5,648**	**8,180**	**6,976**	**4,657**	**7,236**	**86,153**	**7,845**	**7,845**	**7,845**	**7,627**	**5,183**	**8,714**	**45,058**
TOTAL SALES TAX RECEIPTS LESS DEBT	**147,781**	**1,825**	**1,090**	**37,559**	**12,801**	**9,064**	**14,546**	**13,529**	**9,740**	**14,057**	**11,940**	**8,388**	**13,073**	**147,612**	**13,429**	**12,694**	**13,821**	**12,842**	**9,105**	**14,589**	**76,479**
CASH RECEIPTS- OTHER:																					
Passenger Revenue, inc. Paratransit	60,390	4,780	4,657	4,505	4,664	4,073	4,123	5,270	4,029	6,107	5,785	4,723	4,802	57,518	4,780	4,657	4,505	4,664	4,073	4,123	26,802
Other	18,571	4,827	1,422	4,544	1,058	1,596	1,372	512	2,857	2,372	2,343	500	500	23,903	4,827	1,422	4,544	1,058	1,596	1,372	14,819
St. Clair County (inc. State of Illinois)	55,306	0	5,006	4,518	4,437	5,275	9,504	166	4,251	4,237	4,931	2,860	5,860	51,045	0	5,006	4,518	4,437	5,275	9,504	28,740
State of Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Assistance:																					0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CMAQ\ARC\ARRA\Other grants\reimb.	51,475	0	3,610	4,059	14	7,026	9,189	11,669	9,864	1,279	13,949	1,976	3,387	66,022	0	3,610	4,059	14	7,026	9,189	23,898
TOTAL CASH RECEIPTS	**333,523**	**11,432**	**15,785**	**55,185**	**22,974**	**27,034**	**38,734**	**31,146**	**30,741**	**28,052**	**38,948**	**18,447**	**27,622**	**346,100**	**23,036**	**27,389**	**31,447**	**23,015**	**27,075**	**38,777**	**170,738**
CASH DISBURSEMENTS:																					
Payroll & Related (not inc. OPEB)	(129,525)	(11,541)	(10,612)	(10,228)	(12,270)	(10,702)	(13,156)	(10,159)	(10,612)	(10,728)	(10,770)	(11,400)	(10,556)	(132,734)	(11,541)	(10,612)	(10,228)	(12,270)	(10,702)	(12,156)	(67,509)
Accounts Payable	(148,878)	(13,260)	(14,275)	(10,491)	(14,024)	(15,067)	(22,957)	(11,354)	(14,025)	(9,333)	(10,256)	(12,286)	(12,190)	(159,518)	(13,260)	(14,275)	(10,491)	(14,024)	(15,067)	(10,957)	(78,074)
Self-Insurance	(28,199)	(2,391)	(2,231)	(2,528)	(81)	(589)	(728)	(3,569)	(2,131)	(2,644)	(2,582)	(2,889)	(2,164)	(24,527)	(2,391)	(2,231)	(2,528)	(81)	(589)	(728)	(8,548)
Other (capital fund transfer., OPEB set aside)	(27,621)	(940)	(1,367)	(838)	(7,099)	(4,476)	(893)	(3,364)	(1,271)	(1,417)	(1,762)	(5,190)	(509)	(29,126)	(940)	(1,367)	(838)	(7,155)	(4,557)	(956)	(15,813)
TOTAL CASH DISBURSEMENTS	**(334,223)**	**(28,132)**	**(28,485)**	**(24,085)**	**(33,474)**	**(30,834)**	**(37,734)**	**(28,446)**	**(28,039)**	**(24,122)**	**(25,370)**	**(31,765)**	**(25,419)**	**(345,905)**	**(28,132)**	**(28,485)**	**(24,085)**	**(33,530)**	**(30,915)**	**(24,797)**	**(169,944)**
CASH SURPLUS (DEFICIT)	**(700)**	**(16,700)**	**(12,700)**	**31,100**	**(10,500)**	**(3,800)**	**1,000**	**2,700**	**2,702**	**3,930**	**13,578**	**(13,318)**	**2,203**	**195**	**(5,096)**	**(1,096)**	**7,362**	**(10,515)**	**(3,840)**	**13,980**	**794**
CUMULATIVE CASH SURPLUS (DEFICIT)	**50,600**	**33,900**	**21,200**	**52,300**	**41,800**	**38,000**	**39,000**	**41,700**	**44,402**	**48,332**	**61,910**	**48,592**	**50,795**	**50,795**	**45,699**	**44,602**	**51,964**	**41,449**	**37,609**	**51,589**	**51,589**
STABILIZATION FUND:																					
Beginning Balance	3	3	3	6	6	7	7	7	54	54	69	74	0	0	3	6	9	35	41	54	54
Fund Transfer - OPEB Trust	(74)	0	0	0	0	0	0	0	0	0	0	(74)	0	0	0	0	0	0	0	0	0
Ending Balance	**(71)**	**3**	**3**	**6**	**6**	**7**	**7**	**7**	**54**	**54**	**69**	**0**	**0**	**0**	**3**	**6**	**9**	**35**	**41**	**54**	**54**
INTERNALLY RESTRICTED FUND:																					
Beginning Balance	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659	14,659
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance (1)	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**	**14,659**

(1) = Additional temporary working capital for operations is provided, if needed, by Sales Tax Capital, Self-Insurance and Prop M Funds. Current balances: Sales Tax Capital $12 million; Prop M $61 million; Self Insurance $15 million. A large portion of these additional funds are encumbered for long range capital projects, local match, liability claims, or restricted for debt service or lease issues, but are currently liquid.

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

Depository Banks:	Long-Term Debt Rating S&P	Long-Term Debt Rating Moody's	Long-Term Debt Rating Fitch	Short-Term Debt Rating S&P	Short-Term Debt Rating Moody's	Short-Term Debt Rating Fitch	Fitch Bank Rating
Bank of America, N.A.	A	A1	AA-	A-1	P-1	F1	NA
Commerce Bank	A	A2			P-1		NA
PNC Bank	A	Aa2	AA-	A-1	P-1	F1+	NA
Regions Bank	BBB+	A3	BBB	A-2	P-2	F2	NA
U.S. Bank		Aa1	AA+		P-1	F1+	NA
UMB Bank	A-		A+	A-2		F1	NA
Trust Companies:							
Bank of New York Mellon Trust	AA-	Aa1	AA+	A-1+	P-1	F1+	NA

Money Market Funds:	S&P	Moody's
Black Rock FFI Treasury	AAAm	Aaa-mf
Black Rock Temp	AAAm	Aaa-mf
FFI Treasury Fund	AAAm	Aaa-mf
Columbia (BOA/Merrill) Money Market Reserves	AAAm	Aaa-mf
Columbia (BOA/Merrill) Government	AAAm	Aaa-mf
Dreyfus Government Cash Management	AAAm	Aaa-mf
Federated Prime	AAAm	Aaa-mf
Federated Treasury	AAAm	Aaa-mf
Federated Government	AAAm	Aaa-mf
Fidelity Prime	AAAm	Aaa-mf
Fidelity Treasury Only	AAAm	Aaa-mf
Goldman Sachs Prime	AAAm	Aaa-mf
JP Morgan Prime	AAAm	Aaa-mf
Morgan Stanley Government Institutional	AAAm	Aaa-mf
UBS Select Prime	AAAm	Aaa-mf
Wells Fargo Treasury	AAAm	Aaa-mf

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

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

Bi-State Development				
Mass Transit Sales Tax Appropriation Cross-County Bonds & St Louis County Loan				
Series	2009	2013		Total Cross County
	Refunding	2013A Bonds	2013B Loan	
Issue date	9-Nov-09	1-Aug-13	1-Aug-13	
Principal (original)	$97,220,000	$381,225,000	$75,000,000	
Principal (currently outstanding)	**$97,220,000**	**$306,990,000**	**$135,000,000**	**$539,210,000**
Lien on 1\4 cent Prop M, Prop M2, Prop A tax	Senior	Senior	Subordinate	
Stand alone credit rating (S&P\Moody's)	AA+\A2	AA+\Aa3	NA	
Maturity date(s)	2023 – 2039	2048	2053	
Optional Call Date	2019	Various	Anytime	
Optional Put Date	NA	NA	2018	
Interest rate mode	Fixed	Fixed	1% + SIFMA	
Rate	4.50%-5.00%	3.00%-5.00%	1.02%-1.06%	
Interest pmt. Dates (4/1/16 &10/1/16)	April, October	April, October	April, October	
Annual debt service:				
Interest	**$4,767,975**	**$15,095,513**	**$1,413,000**	**$21,276,488**
Principal - (1st pymt 10/1/14-$7,015,000, 2nd pymt 10/1/15 $7,220,000) (next payment 10/1/16 - $7,880,000)	**$0**	**$7,880,000**	**$0**	**$7,880,000**
total princ.&int.	**$4,767,975**	**$22,975,513**	**$1,413,000**	**$29,156,488**
Debt Service Reserve Fund (DSRF)	$9.1 million in DSRF with bond trustee, BONY-Mellon.	$25 million in DSRF with bond trustee, BONY-Mellon.	NA	
Other	Refunded balance of 2002 A	Refunded Series 2002A,B,C, 2007, and Series 2010B	Refunded Series 2010A Bonds	

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From:	Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject:	**Pension Plan and 401(k) Retirement Savings Program Investment Performance Update as of December 31, 2015**
Disposition:	Information
Presentation:	Charles A. Stewart, Jr., Vice President, Pension & Insurance

Objective:
To present the Finance and Administration Committee the Pension Plans and 401(k) Retirement Savings Program Investment Performance Update as of December 31, 2015.

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

A. General. The Bi-State Development Agency (**BSD**) sponsors four defined benefit pension plans and one defined contribution plan for employees of the Agency. It is the responsibility of the Board of Commissioners to:

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

Funding Source:
No funding request is made for this matter. The pension plans and 401(k) retirement savings programs are funded by employer and employee contributions.

Background:
Year-ended December 31, 2015, Pension Plan and 401(k) Retirement Savings Program Investment Performance Reports were presented to the respective trustees by Ellwood Associates, at the February 2016 trustee meetings.

Analysis:

Salaried Pension Plan

- As of December 31, Total Plan assets were $54.7M. After falling to $33.4M during 2008, assets have now steadily grown to new highs, increasing by over $20M since the depths of the financial crisis.

- Weak investment performance, coupled with modestly negative cash flows have resulted in a lower 2015 Portfolio value. Total assets are lower by $1.1M since the beginning of 2015. The Portfolio experienced net spending outflows of $800,000 since the beginning of the year.

- During the fourth quarter, the Salaried Pension Portfolio had 2.4% rate of return. For calendar year ended December 31, 2015, the Portfolio declined by 40 basis points. Since inception dating back to 1988, the Total Portfolio has a 7.6% average annual rate of return outpacing its benchmark by 40 basis points. The Portfolio has also outperformed its actuarial return target of 7.5%.

- The Portfolio's investments are in line with its target allocations. No recommendations to rebalance the Portfolio were advised at this time.

- All of the Portfolio's investment managers are performing in line with expectations. No recommendations for change were advised at this time.

Metro St. Louis Retirement Savings Program

- Similar to the other investment programs, Participants' investments in the 401(k) program have continued to grow with market activity. Total 401(k) Program assets are $40.3M as of the end of the fourth quarter 2015.

- Participant contributions into the Plan have been consistent throughout all market environments. During the full year 2015, the Plan saw $3.5M in new contributions. This contribution was higher than expected – historically, participants have added on average between $2-2.5M. 2014 annual contributions were uniquely high, as $6.2M in new contributions was added to the 401(k) plan. This increase was due to the modifications to the salaried pension plans that resulted in lump-sum sick leave conversions being deposited into the 401k plan.

- Allocations to individual funds and asset types remain relatively unchanged from the beginning of the year. The Vanguard Index Fund remains the most popular investment option among participants with $7.9M in investments or 20% of total assets. The T. Rowe Price Stable Value Fund (14%) and Dodge & Cox Balanced Fund (15%) both also have significant participation from employees.

- The T. Rowe Price Lifecycle Funds continue to grow in popularity. Nearly 27% of Participant money is now held in these funds.

- No changes to the investment manager lineup were recommended. Each investment is performing in line with Ellwood's expectations. Earlier in 2015, the Committee approved the replacement of Perkins Mid Cap Value with Vaughan Nelson Value Opportunity. This was successfully implemented during the second quarter 2015.

IBEW Pension Trust – Local 2 and Local 309

- As of 31 December, Plan assets are $3.7M, gaining approximately $200k since the beginning of the calendar year. Total portfolio market values have steadily increased – in 2008 the market value fell to $1.1M, but has more than tripled since then.

- The portfolio rallied strongly, following the sell-off that occurred during the third quarter. The total portfolio returned 3.4% during the quarter, bringing 2015 calendar year returns to -0.7%. Longer-term performance remains favorable. The IBEW Trust has strong performance, returning +7.0% and +6.8% over the trailing three and five year periods, respectively.

- All of the Portfolio's investment managers are performing in line with expectations. No recommendations for replacement were advised at this time.

- The asset allocation continues to be split 65% equities and 35% fixed income. Ellwood recommended rebalancing $70k of the Plan's cash balance. The Committee approved purchasing $50k of Harbor International and $20K of Vaughan Nelson.

Bi-State Development Agency – 788 Pension

- Total Plan assets are now $116.9M. Fund flows to date have been modestly negative, with contributions of $13.3M compared to benefit payments (or withdrawals) of $14.8M. This trend is consistent with previous calendar years.

- The fourth quarter rate of return was 2.5%. Calendar Year 2015 returns were -0.1%.

- Longer-term performance remains favorable. Since 2008, four of eight calendar years have outperformed the Plan's actuarial return assumptions. During the market decline, the Portfolio was also able to preserve value better than its market benchmark. The asset allocation changes approved by the Committee in 2013 have aided overall performance.

- The Portfolio's current real estate allocation is modestly overweight (8% versus 5% target). Underweight exposures to equities and hedge funds offset the real estate allocation. No action to rebalance the portfolio is recommended at this time.

- In November 2015, BlueCrest announced their decision to close their business to outside investors. BlueCrest returned 75% of the Trust's money by the end of January 2016, with an additional 15% to be received by the end of March. A 10% reserve will be withheld until July 2016, when the Fund completes its audit.

- Due to the fund closure, Ellwood recommended redeploying the proceeds from the BlueCrest redemption to the existing hedge fund managers (approximately $2M each). Ellwood explained the existing managers HBK and Och-Ziff are adequately diversified, and should retain the hedge fund portfolio's expected risk/ return profile.

- All other investment managers are performing in line with Ellwood's expectations. No additional recommendations were advised at this time.

Committee Action Requested:
None. Information only.

Attachments:
Year-ended December 31, 2015 Performance Reports

1. 4th Quarter 2015 Capital Markets Exhibit
2. Metro Salaried Pension Plan
3. 40l(k) Plan
4. Metro IBEW Pension Plan
5. Metro 788 Trust Plan

Attachment 1

Fourth Quarter 2015
Capital Markets Exhibits

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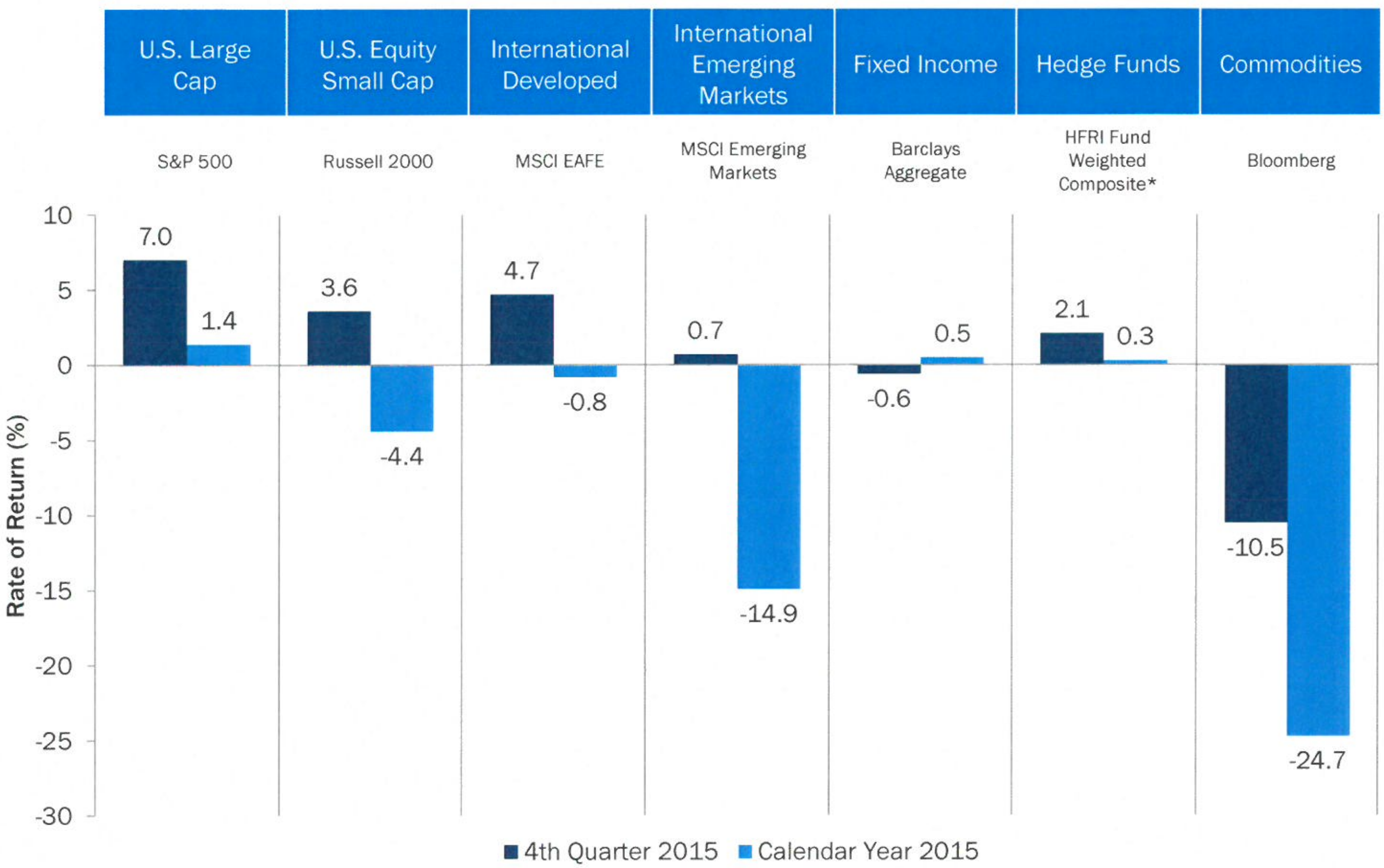
Fourth Quarter Rebound



Source: Morningstar Direct, S&P, Russell, MSCI, Barclays, HFRI, Bloomberg

*As of 11/30/2015

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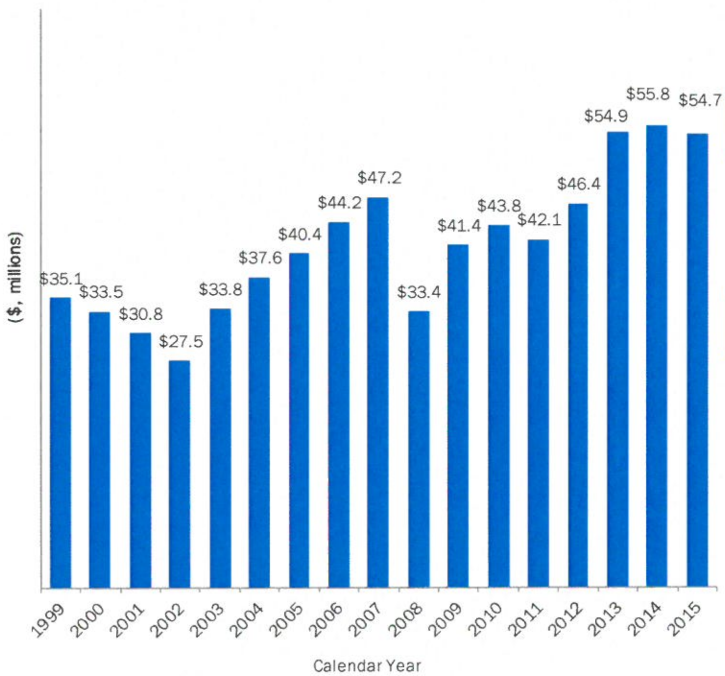
Attachment 2

Pension Plan Portfolio Review

Metro St. Louis Pension Plan for Salaried Employees

As of December 31, 2015

Growth of Assets



Asset Allocation

Total Assets: $54.7 million

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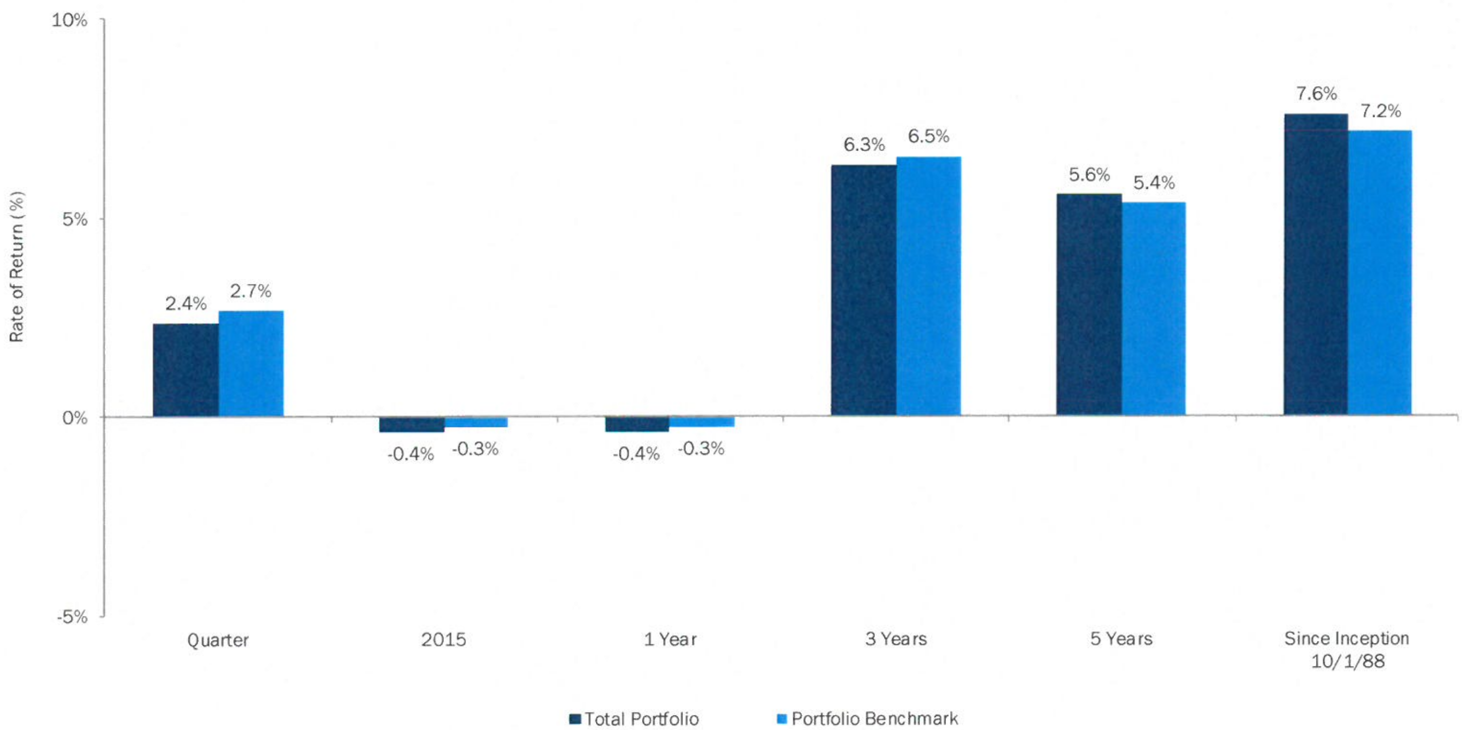
Cash Flow Activity ($, millions)

3rd Quarter Activity ($, millions)	
Beginning Value: (10/1/15)	**$53.7**
Contributions:	$0.8
Withdrawals:	($1.1)
Investment Earnings:	$1.3
Ending Value: (12/31/15)	**$54.7**

Year to Date Activity ($, millions)	
Beginning Value: (1/1/15)	**$55.8**
Contributions:	$3.7
Withdrawals:	($4.5)
Investment Earnings:	($0.3)
Ending Value: (12/31/15)	**$54.7**

Metro St. Louis Pension Plan for Salaried Employees

Total Portfolio Performance as of December 31, 2015



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Metro St. Louis Pension Plan Fee Summary

As of December 31, 2015

Investment Manager	Style	Fund Expense Ratio	Annual Fee in Dollar Terms	Morningstar Average Expense Ratio
Dodge & Cox Stock	LCV	0.52%	$27,849	1.12%
Fayez Sarofim	LCC	0.50%	$26,356	1.07%
Montag & Caldwell Growth	LCG	0.80%	$44,925	1.18%
Vaughan Nelson Value Opportunity	SMIV	0.10%	$23,431	1.38%
William Blair SMID Growth	SMIG	0.11%	$31,933	1.29%
Brandes International Equity	Non-US Large Value	0.98%	$27,371	1.25%
EuroPacific Growth	Non-US Large Blend	0.83%	$37,545	1.18%
Templeton Foreign Smaller Companies	Non-US Small \ Mid	0.98%	$13,917	1.53%
Credit Suisse Commodity Return Strategy	Commodity	0.78%	$4,258	1.38%
Jennison Natural Resources	Natural Resources	0.92%	$5,071	1.45%
Forester Offshore	Hedge Fund	0.10%	$27,994	1.86%
Wellington Archipelago	Hedge Fund	0.10%	$30,049	1.86%
MetWest Low Duration	Fixed Income	0.39%	$63,135	0.84%
BNY Cash	Money Market	0.18%	$2,578	–
Total Investment Management Fees[1]		0.67%	$366,412	
Ellwood Associates Consulting Fee[2]		0.11%	$59,111	
Total Fees		0.78%	$425,523	

(1) Investment management fee in dollar terms based on September 30, 2015 market values.
(2) Consulting fee based on most recent invoice.

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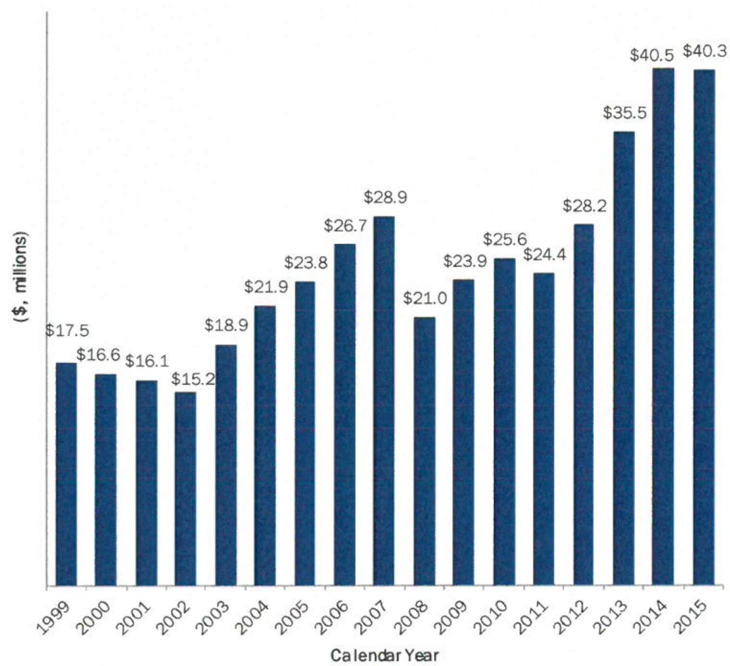
401(k) Retirement Savings Portfolio Review

Metro St. Louis 401(k) Retirement Savings Program

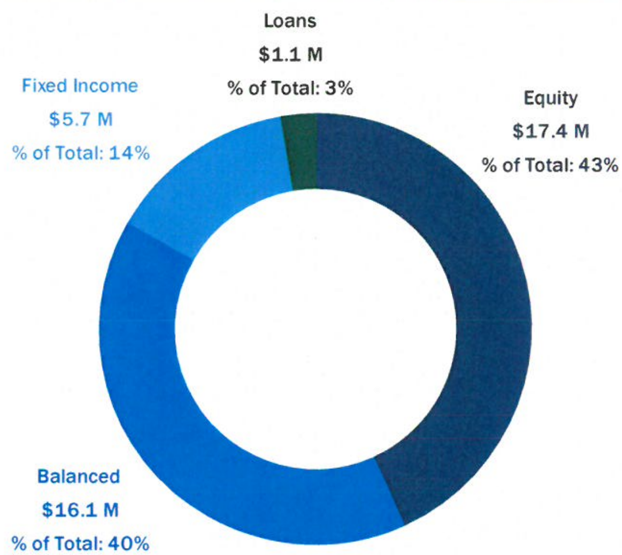
As of December 31, 2015

Growth of Assets



Note: Totals may not equal 100% due to rounding.

Asset Allocation



Total Assets: $40.3 million

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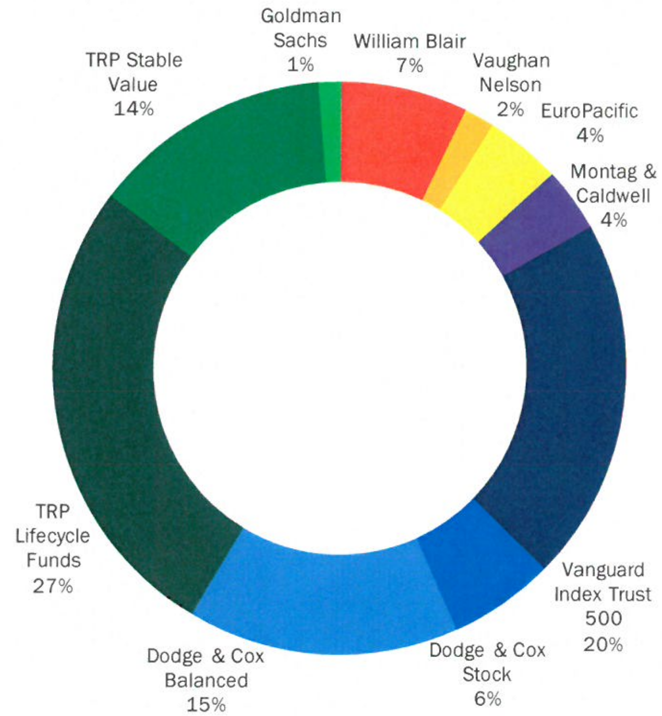
Metro St. Louis 401(k) Retirement Savings Overview

As of December 31, 2015

Asset Allocation ($, millions)		
	1/1/2015	12/31/2015
Investment Option	Assets	Assets
William Blair SMID Growth	$2.4	$2.7
Perkins MidCap Value	$0.7	–
Vaughan Nelson Value Opportunity	–	$0.7
EuroPacific Growth	$1.5	$1.7
Montag & Caldwell Growth	$1.3	$1.4
Vanguard Index Trust 500	$8.0	$7.9
Dodge & Cox Stock	$2.3	$2.3
Dodge & Cox Balanced	$6.4	$5.9
T. Rowe Price Lifecycle Funds	$9.3	$10.2
T. Rowe Price Stable Value	$6.0	$5.2
Goldman Sachs ILA MM	$0.6	$0.5
Total	**$38.4**	**$38.4**
Self-Directed	**$0.8**	**$0.8**
Loan Account	**$1.3**	**$1.1**
Total Plan Assets	**$40.5**	**$40.3**

% of Invested Assets



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Metro St. Louis 401(k) Retirement Savings Program

Plan Activity – As of December 31, 2015

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Beginning Assets ($000)	$14,553	$17,488	$16,584	$16,142	$15,159	$18,930	$21,456	$23,321	$25,945	$28,132
Inflows	1,506	1,561	1,659	1,704	1,859	2,071	2,266	2,171	2,133	2,388
Outflows	(1,031)	(2,294)	(1,588)	(908)	(1,207)	(1556)	(2,092)	(2,641)	(1,774)	(2,336)
Net Cash Flow	475	(733)	71	796	652	515	174	(470)	359	52
Investment Earnings	2,460	(179)	(513)	(1,779)	3,119	2,011	1,691	3,094	1,828	(7,911)
Ending Market Value ($000)	$17,488	$16,584	$16,142	$15,159	$18,930	$21,456	$23,321	$25,945	$28,132	$20,273
Loan Balance ($000)	–	–	–	–	–	$421	$543	$770	$835	$736

Calendar Year	2009	2010	2011	2012	2013	2014	2015
Beginning Assets ($000)	$20,273	$23,312	$24,987	$23,794	$27,252	$34,404	$39,218
Inflows	2,222	2,141	2,169	2,166	2,322	6,239	3,515
Outflows	(3,215)	(2,707)	(2,714)	(1,281)	(1,581)	(3,746)	(3,634)
Net Cash Flow	(993)	(566)	(545)	885	740	2,493	(118)
Investment Earnings	4,032	2,241	(648)	2,573	6,412	1,321	85
Ending Market Value ($000)	$23,312	$24,987	$23,794	$27,252	$34,404	$39,218	$39,185
Loan Balance ($000)	$569	$626	$632	$925	$1,042	$1,288	$1,084

Equity Options Performance Summary

Periods Ended December 31, 2015

Manager	Quarter	2015	Five Years	Ten Years	Since Inception	Inception Date
Dodge & Cox Stock Fund	4.5	-4.5	11.6	5.7	5.6	7/20/06
Russell 1000 Value Index	5.6	-3.8	11.3	6.2	5.8	
Vanguard 500 Index Fund	7.0	1.4	12.5	7.3	6.1	1/2/98
S&P 500 Index	7.0	1.4	12.6	7.3	6.1	
Montag & Caldwell Growth Fund	7.3	6.1	11.2	7.9	3.7	4/6/00
Russell 1000 Growth Index	7.3	5.7	13.5	8.5	2.2	
Vaughan Nelson Value Opportunity	0.0	-3.5	11.5	–	-11.5	7/14/15
Russell Midcap Value Index	3.1	-4.8	11.3	7.6	-5.8	
William Blair SMID Growth	2.9	4.7	12.6	9.5	8.8	3/16/06
Russell 2000 Growth Index	4.3	-1.4	10.7	8.0	7.0	
American Funds EuroPacific Growth	2.9	-0.8	3.6	4.6	5.9	6/4/01
MSCI EAFE Index	4.7	-0.8	3.6	3.0	4.4	

Note Illustrative performance shown prior to manager inception Returns less than one year are not annualized

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Balanced and Fixed Income Options Performance Summary

Periods Ended December 31, 2015

Manager	Quarter	2015	Five Years	Ten Years	Since Inception	Inception Date
Dodge & Cox Balanced Fund	3.2	-2.9	9.6	5.8	7.8	1/2/98
Blended Benchmark	4.0	1.3	9.0	6.5	5.7	
T. Rowe Price Retirement Income	1.7	-0.7	4.7	4.9	4.4	1/31/08
T. Rowe Price Retirement 2005	1.8	-0.7	5.2	5.2	4.7	1/31/08
T. Rowe Price Retirement 2010	2.0	-0.8	5.7	5.3	4.8	1/31/08
T. Rowe Price Retirement 2015	2.6	-0.6	6.5	5.7	5.2	1/31/08
T. Rowe Price Retirement 2020	3.2	-0.3	7.2	5.9	5.5	1/31/08
T. Rowe Price Retirement 2025	3.7	-0.2	7.7	6.1	5.7	1/31/08
T. Rowe Price Retirement 2030	4.2	0.0	8.2	6.2	6.0	1/31/08
T. Rowe Price Retirement 2035	4.6	0.1	8.5	6.3	6.1	1/31/08
T. Rowe Price Retirement 2040	4.9	0.2	8.7	6.5	6.2	1/31/08
T. Rowe Price Retirement 2045	4.9	0.2	8.7	6.5	6.2	1/31/08
T. Rowe Price Retirement 2050	5.0	0.2	8.8	--	6.2	1/31/08
T. Rowe Price Retirement 2055	4.9	0.2	8.8	--	6.2	1/31/08
T. Rowe Price Stable Value Fund	0.5	1.7	2.3	3.3	4.5	12/31/94
Stable Value Universe	0.3	1.2	1.5	2.5	3.9	
Money Market - Goldman Sachs	0.0	0.0	0.1	1.3	2.2	1/2/98
Merrill U.S. 91 Day T-Bill	0.0	0.1	0.1	1.2	2.2	

Note: Illustrative performance shown prior to manager inception. Returns less than one year are not annualized.

Metro St. Louis 401(k) Plan Fee Summary

As of December 31, 2015

Investment Manager	Style	Manager Expense Ratio	Annual Fee in Dollar Terms	Morningstar Average Expense Ratio
Dodge & Cox Stock	US Large Cap	0.52%	$11,918	1.12%
Vanguard Index Trust 500	US Large Cap	0.50%	$3,938	1.20%
Montag & Caldwell Growth	US Large Cap	0.80%	$11,212	1.18%
William Blair SMID Growth	US Mid Cap	0.11%	$30,138	1.29%
Vaughan Nelson Value Opportunity	US Small Cap	0.10%	$6,644	1.36%
EuroPacific Growth	Non US Equity	0.83%	$13,716	1.18%
Dodge & Cox Balanced	Balanced	0.53%	$31,222	1.23%
T. Rowe Price Retirement Income	Income	0.56%	$7,139	0.87%
T. Rowe Price Retirement 2005	2001-2005	0.58%	$691	0.82%
T. Rowe Price Retirement 2010	2006-2010	0.58%	$2,304	0.82%
T. Rowe Price Retirement 2015	2011-2015	0.62%	$6,206	0.83%
T. Rowe Price Retirement 2020	2016-2020	0.66%	$15,997	0.90%
T. Rowe Price Retirement 2025	2021-2025	0.69%	$9,592	0.87%
T. Rowe Price Retirement 2030	2026-2030	0.72%	$12,072	0.94%
T. Rowe Price Retirement 2035	2031-2035	0.74%	$5,676	0.90%
T. Rowe Price Retirement 2040	2036-2040	0.75%	$5,521	0.96%
T. Rowe Price Retirement 2045	2041-2045	0.75%	$2,069	0.91%
T. Rowe Price Retirement 2050	2046-2050	0.75%	$879	0.97%
T. Rowe Price Retirement 2055	2051+	0.75%	$387	0.91%
T. Rowe Price Stable Value	Stable Value	0.45%	$23,347	0.85%
Goldman Sachs Money Market	Money Market	0.18%	$883	–
Total Investment Management Fees[1]		0.50%	$201,551	
Ellwood Associates Consulting Fee[2]		0.04%	$15,353	
Lincoln Alliance Program Fee[3]		0.14%	$56,419	
Total Fees		0.68%	$273,323	

(1) Investment management fee calculated based on December 31, 2015 market values.
(2) Consulting fee based on most recent invoice.
(3) Many of the mutual funds listed above participate in revenue sharing which helps to offset a portion of Lincoln's expenses.
Note: Participants electing to invest in the self-directed brokerage option pay a $100 fee, plus any trading costs associated with the account.

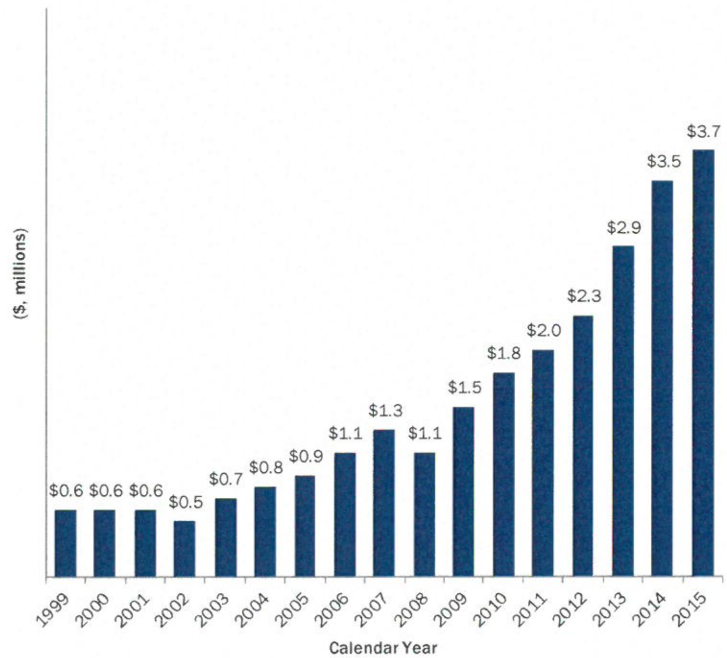
Attachment 4

Pension Trust Portfolio Review

Metro St. Louis IBEW Pension Trust – Local 2 and Local 309

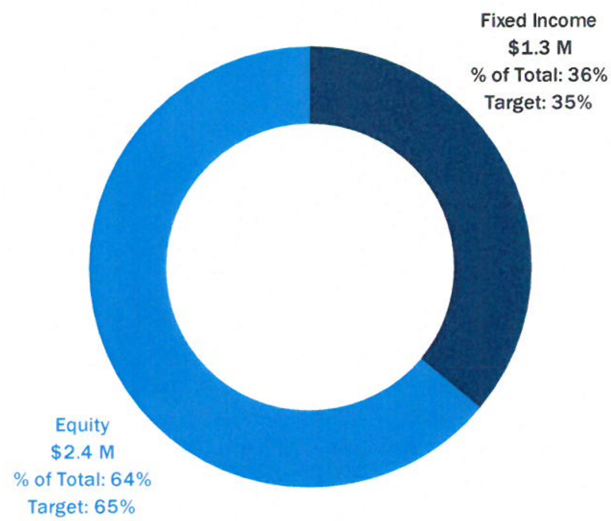
As of December 31, 2015

Growth of Assets



Note: Totals may not add to 100% due to rounding

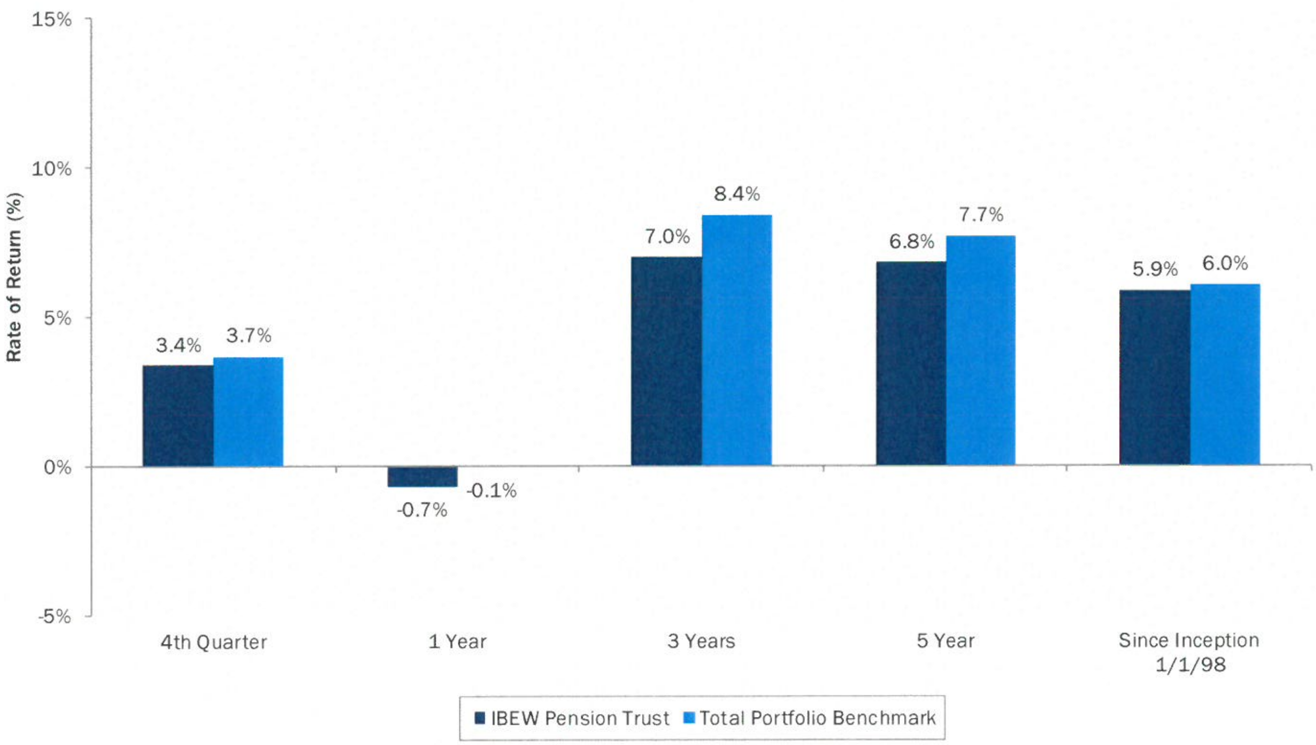
Asset Allocation



Total Assets: $3.7 Million

Total Portfolio Performance Review

As of December 31, 2015



IBEW Pension Trust Investment Program Fee Summary

Style	Fund	Market Value ($, M)	Manager Expense Ratio	Projected Annual Fee ($)	Morningstar Average Expense Ratio
Large Cap Core Equity	Vanguard 500 Index Fund	$1.5	0.17%	$2,635	1.08%
Mid Cap Value Equity	Vaughan Nelson Value Opportunity	$0.2	1.00%	$1,718	1.24%
Small Cap Growth	Artisan Small Cap Growth	$0.2	1.21%	$2,154	1.38%
International Equity	Harbor International	$0.5	0.73%	$3,614	1.21%
Fixed Income	Dodge & Cox Income	$1.3	0.44%	$5,575	0.85%
Money Market	First American Prime Obligation	$0.1	0.45%	$359	0.13%
Total		$3.7	0.43%	$16,055	1.02%

Attachment 5

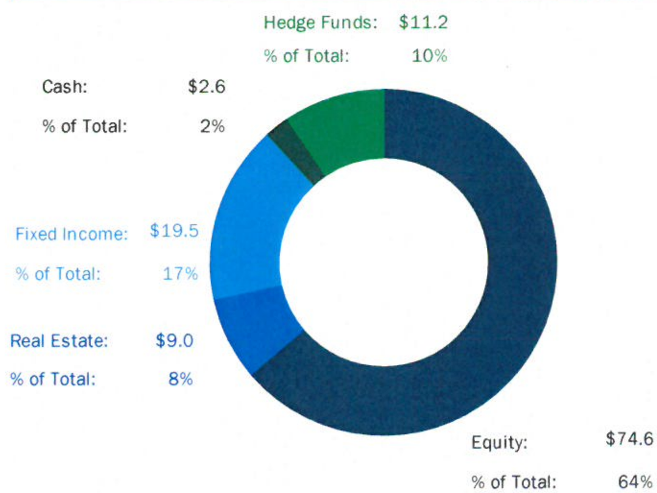
Division 788 A.T.U. Master Trust Pension Plan

Total Portfolio Overview

As of December 31, 2015

Total Fund Activity ($, millions)	
Assets as of 1/1/2015	$118.4
Contributions	$13.3
Withdrawals	($14.8)
Investment Earnings	($0.0)
Assets as of 12/31/2015	**$116.9**

Portfolio Overview ($, millions)



Note: Totals may not add up to 100% due to rounding.

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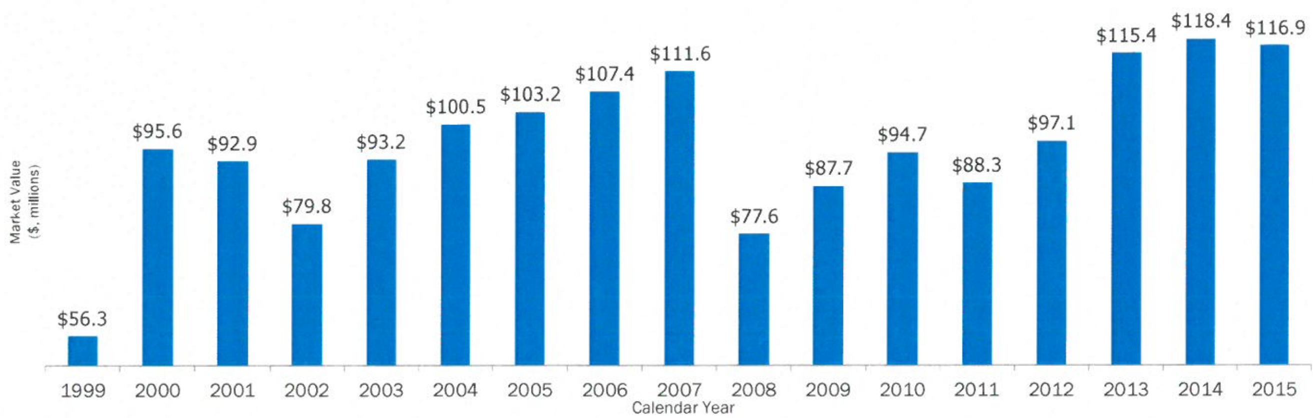
Historical Asset Growth

As of December 31, 2015

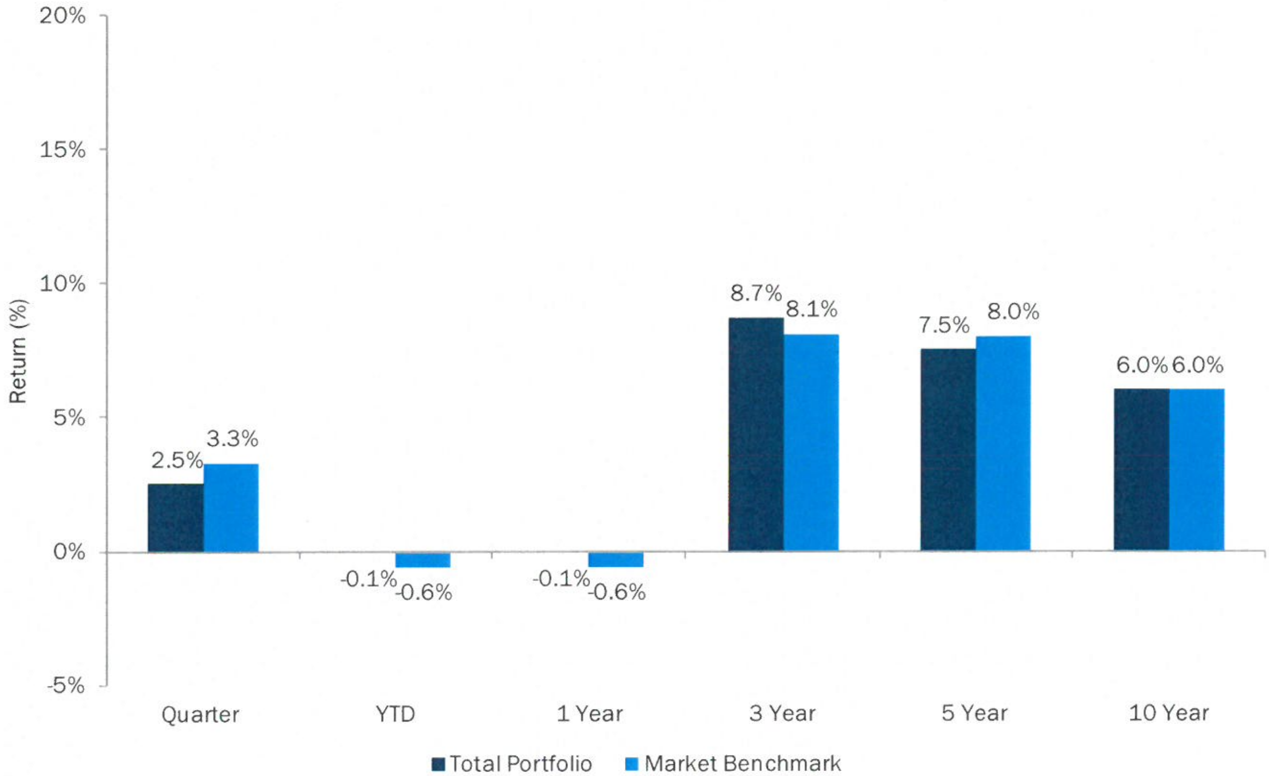


Portfolio Cash Flows ($, millions)					
	Quarter I	Quarter II	Quarter III	Quarter IV	YTD 2015
Beginning Assets	$118.4	$121.4	$123.1	$114.6	$118.4
Contributions	$3.5	$3.2	$3.2	$3.4	$13.3
Withdrawals	($4.2)	($2.8)	($3.9)	($3.9)	($14.8)
Investment Earnings	$3.7	$1.3	($7.8)	$2.8	($0.0)
Ending Assets	**$121.4**	**$123.1**	**$114.6**	**$116.9**	**$116.9**

Notes: All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.
Totals may not add up to 100% due to rounding.

Total Portfolio Performance Overview

As of December 31, 2015



Notes: Market Benchmark is currently 65% MSCI ACWI Index, 10% HFRI FOF Conservative Index, 5% NCREIF Open-End Diversified Core Index, and 20% Barclays Aggregate Index. Prior to June 2014, the Market Benchmark was 60% Dow Jones U.S. Total Stock Market Index, 5% MSCI EAFE Index, 5% NFI Index, and 30% Barclays Aggregate Index.

All performance data shown net of investment fees. Historical data prior to 2013 has been provided by the previous consultant.

Bi-State 788 Pension Plan

Investment Manager Fees

Style	Manager	Market Value ($,M)	Management Fee	Projected Annual Fee ($)	Average Expense Ratio for Style
Large Cap Value Equity	Dodge & Cox Stock	$13.7	0.52%	$71,025	0.94%
Large Cap Core Equity	Piedmont Strategic Core	$7.6	0.65%	$49,112	0.96%
Large Cap Growth Equity	Argent Large Cap Growth	$14.8	0.55%	$81,431	0.98%
Mid Cap Growth Equity	Artisan Mid Cap	$6.7	0.95%	$63,487	1.11%
Mid Cap Value Equity	Vaughan Nelson Value Opportunity	$6.1	1.00%	$61,040	1.04%
International Equity	EuroPacific Growth Fund	$11.1	0.49%	$54,375	1.08%
International Equity	Harbor International	$10.1	0.73%	$74,062	1.08%
Emerging Markets Equity	DFA Emerging Markets Value	$4.6	0.55%	$25,204	1.35%
Real Estate	Principal US Real Estate	$9.0	1.15%	$103,039	1.09%
Hedge Fund	BlueCrest AllBlue Fund	$3.9	2.00%	$77,172	1.77%
Hedge Fund	HBK Master Fund II	$3.5	1.50%	$53,140	1.77%
Hedge Fund	Och-Ziff OZ Overseas Fund II	$3.8	2.00%	$75,319	1.77%
Fixed Income	MetWest Total Return	$11.0	0.44%	$48,269	0.69%
Fixed Income	Dodge & Cox Income	$8.6	0.44%	$37,694	0.69%
Money Market	First American Prime Obligation	$2.6	0.00%	$0	0.13%
Total		**$116.9**	**0.75%**	**$874,368**	**1.03%**

Notes: Fees shown use actual market values as of December 31.
Hedge Fund managers also have an incentive fee structure.
Average expense ratio shown using Morningstar peer group data.

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

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

Objective:

To present to the Finance and Administration Committee an update on the audits of the four pension plans.

Board Policy:

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

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

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

Funding Source:

No funding request is made for this matter. The pension plans and 401(k) retirement savings programs are funded by employer and employee contributions.

Background:

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

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

This recommendation has been implemented and the audit reports referenced herein reflect significant progress in addressing the deficiencies noted by the internal auditors.

The status of the financial audits for the four pension plans is as follows:

- Financial audit reports for fiscal years ended 2007, 2008, 2009, and 2010 were issued by Mayer Hoffman McCann, PC (**MHM**) in September 2012.

- Financial audit reports for fiscal years ended 2011 and 2012 were issued by MHM in February 2014.

- Financial audit reports for fiscal years ended 2013 and 2014 were issued by MHM in May 2015.

- Financial audit reports for fiscal year ended 2015 were issued by MHM in September 2015.

The status of the financial audits for the 401(k) Retirement Savings Program is as follows:

- The audit report of the 401(k) Retirement Savings Program for the years ended December 31, 2006 – 2012 was issued in September 2014.

- The audit report of the 401(k) Retirement Savings Program for the years ended December 31, 2013– 2014 was issued in February 2016.

Request for Proposals-
At the February 2016 Pension Committee meetings, the Pension Trustees for all committees voted to seek audit proposals for the next round of annual audits.

Analysis:
Audit Results: 2015 Pension Plan Audits

MHM issued "clean" audit opinions for fiscal year ended 2015 for all four pension plans.

Audit Results 2013 - 2014 401(k) Retirement Savings Program

MHM issued a "clean" audit opinion for years ended December 31, 2013 – 2014 of the 401(k) Retirement Savings Program

Other Audit Findings or Issues

All matters discovered by MHM during the course of the audits were reviewed with management and disclosed to the pension trustees. Many of the issues were corrected prior to the completion of the audit or corrective action is in process.

Financial Statements

The comparative Financial Statements for fiscal year ended 2015 for the four pension plans and the years ended December 31, 2013-2014 for the 401k Retirement Savings Program follow this report.

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, 2015.

b. Financial Statements – Metro Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Worker's Employees' Pension Plan, Year Ended March 31, 2015.

c. Financial Statements – Metro Division 788 Amalgamated Transit Union Pension Plan, Year Ended March 31, 2015.

d. Financial Statements – Metro Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan, Year Ended March 31, 2015.

e. Financial Statements – Bi-State Development Agency 401k Retirement Savings Program, Years Ended December 31, 2014 and 2013.

Attachment a

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

Financial Statements and Required Supplementary Information

Year Ended May 31, 2015

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

Year Ended May 31, 2015

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MHM

Mayer Hoffman McCann P.C.
An Independent CPA Firm

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Main: 314.968.6649 ■ Fax: 314.692.4222 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Pension Plan for Salaried Employees of the Bi-State Development Agency of Missouri-Illinois Metropolitan District (the Plan), which comprise the statement of fiduciary net position as of May 31, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of May 31, 2015, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014 the Plan implemented the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67). GASB 67 enhances the Plan's note disclosures and expands the required supplementary information with new schedules. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
September 1, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. During the year ended May 31, 2015, the Plan adopted Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB No. 25* (GASB 67), which significantly changed the accounting requirements for pension plans. As such, this MD&A provides an overview for the fiscal year ended May 31, 2015 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 (Metro) 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 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. 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.

ORGANIZATION

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

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

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The 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 one year of data in the year of adoption and build on to the information in each subsequent period until ten full years are presented.

CONDENSED FINANCIAL INFORMATION

(In thousands)

	As of and for the Year Ended May 31, 2015
Assets	$ 58,113
Liabilities	82
Net Position	$ 58,031
Contributions	
Employer	$ 3,501
Participant	529
Investment Income, net	2,605
Benefits Paid to Participants	(6,012)
Administrative Expenses	(66)
Net Increase	$ 557

FINANCIAL HIGHLIGHTS

Pension Plan

The Plan's net position increased by $6.7 million in 2014 and increased by approximately $560 thousand in 2015. Net plan position totaled $58.0 million at May 31, 2015. This is an increase over the 2014 asset total of $57.5 million.

Liabilities totaled $82 thousand and $64 thousand as of May 31, 2015 and 2014, respectively. These liabilities are primarily driven by the timing of payment of certain plan expenses.

The Plan received employer contributions from Metro in the amounts of $3.5 million and $4.8 million for the years ended May 31, 2015 and 2014, respectively. Employer contributions are determined by the Plan's actuary. Metro also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan. Prior to January 1, 2014, contributions were paid 100% by Metro and there were no participant contributions. Effective January 1, 2014, employees began making mandatory contributions into the plan. Participant contributions for the years ended May 31, 2015 and 2014 were $529 thousand and $197 thousand, respectively.

The Plan paid $6.0 million and $3.8 million in benefits for the years ended May 31, 2015 and 2014, respectively.

Metro

As of June 30, 2014, Metro had assets in excess of $1.45 billion and net assets of $651 million. Operating revenues for the twelve months ended June 30, 2014 were $73 million and operating expenses were $334 million. The main operating expenses were wages and benefits ($175 million), depreciation ($70 million), and materials and supplies ($39 million). This created an operating loss of $261 million. Total non-operating revenues were $226 million and are primarily comprised of grants and assistance. Total non-operating expenses totaled $31 million. Additionally, capital contributions were $70 million creating net non-operating revenue of $265 million. When combined with the operating loss, Metro had a change in net position of $4 million. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.MetroStLouis.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@MetroStLouis.org.

CONDENSED CAFR DATA FOR METRO:
(In millions)

	As of and for the Year Ended June 30, 2014
Assets	$ 1,450
Liabilities	799
Net Position	$ 651
Operating Revenue	$ 73
Operating Expenses	334
Operating Loss	(261)
Non-Operating Revenue, net	265
Change in Net Position	$ 4

CONTACT

The financial section is designed to provide users with a general overview of the Plan's financial activity. If you have questions about this report or need additional financial information regarding the Plan, contact the Metro 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, 2015

ASSETS:		
Receivables:		
Participant contributions	$	19,414
Securities sold		16,351
		35,765
Investments:		
Money market funds		2,429,648
Investments in registered investment companies		52,815,028
Other		2,832,766
		58,077,442
TOTAL ASSETS		58,113,207
LIABILITIES:		
Accrued expenses		82,352
TOTAL LIABILITIES		82,352
NET POSITION RESTRICTED FOR PENSION BENEFITS	**$**	**58,030,855**

See accompanying notes to the financial statements.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended May 31, 2015

ADDITIONS:		
Contributions:		
Employer	$	3,500,784
Participant		529,436
Total contributions		4,030,220
Investment income:		
Net appreciation in fair value of investments		2,259,094
Interest and dividends		486,194
Total investment income		2,745,288
Less investment expense		140,315
Net investment income		2,604,973
Total additions		6,635,193
DEDUCTIONS:		
Benefits paid to participants		6,012,252
Administrative expenses		66,058
Total deductions		6,078,310
NET INCREASE IN NET POSITION		**556,883**
NET POSITION RESTRICTED FOR PENSION BENEFITS,		
Beginning of year		**57,473,972**
End of year	**$**	**58,030,855**

See accompanying notes to the financial statements.

PENSION PLAN FOR SALARIED EMPLOYEES OF THE BI-STATE DEVELOPMENT AGENCY OF MISSOURI-ILLINOIS METROPOLITAN DISTRICT NOTES TO THE FINANCIAL STATEMENTS May 31, 2015

(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 non-contributory 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 the Chair, four standing Trustees and up to five non-standing Trustees. Metro's Board of Commissioners appoints the Chairperson by Metro's Board Policy, the four standing Committee members are the Chief Operations Officer, the Vice President of Human Resources, the General Counsel and the Chief Financial Officer. The Chairperson of the Committee, with the concurrence of the Metro 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.

BNY of New York Mellon (BNY) serves as the Plan's asset custodian. The Bi-State Development Agency of Missouri-Illinois Metropolitan District (Metro) has historically served as the Plan's administrator. Milliman, Inc. is the third party administrator of the Plan. Ellwood Associates serves as the Plan's investment advisor. The Plan's membership consisted of:

	As of June 1, 2014
Active participants	368
Terminated vested participants	183
Long term disability participants	5
Participants receiving payments	314
	870

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

(1) Description of plan (continued)

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

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

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

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

1. Cease participation in the Plan and become a participant in the 401(k) Plan and receive contributions from Metro of 6% of eligible compensation along with a matching contribution from Metro 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 Metro 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 a Metro contributions to the 401(k) Plan.

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

(1) Description of plan (continued)

Tier 7 - terminated vested salaried employees in the Plan - During a ninety day window established by Metro, all terminated, vested participants will be 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 will have their accrued sick leave and vacation leave converted to paid time off (PTO). The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Metro contribution to the 401(k) Plan. Refer to the restated plan document for additional information.

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

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

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

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

Termination benefit - Participants who leave the service of Metro 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 Metro 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.

(1) Description of plan (continued)

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

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

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

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

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

Supplemental pension benefits - Upon retirement, a participant is entitled to receive a supplemental pension benefit for the participant's accumulated sick leave. Prior to June 25, 2009, the participant could elect 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 Metro's fiscal year beginning July 1, 2013, Metro will make 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 retiring under the Plan with excess sick leave may convert such leave into a supplemental pension benefit or receive a lump sum payment of eighty-five percent of the cash value of the excess sick leave. Any participant who has an excess sick leave balance on January 1, 2014 will be entitled to receive a supplemental pension benefit commencing on his pension commencement date.

(2) Summary of significant accounting policies

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

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

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

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

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

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

Implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67) **-** The provisions of GASB 67 separate financial reporting from funding and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total and net pension liability. It also includes comprehensive disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment activity disclosures. The implementation of GASB 67 did not significantly impact the accounting for receivables and investment balances. The total pension liability, determined in accordance with GASB 67, is presented in Note 6 and in the Required Supplementary Information section.

(2) Summary of significant accounting policies (continued)

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

(3) Investments

The Committee has established a formal investment policy that includes selecting professional investment advisors to manage investments, diversifying the investment portfolio between fixed income and equity securities, and making both short-term and long-term investments to help realize a consistent return. The following schedule presents the aggregate fair value for the Plan's investments as of May 31, 2015:

	May 31, 2015	
Money market funds:		
NY Mellon EB Temporary Investment Fund	$ 2,429,648	
Registered investment companies:		
Metropolitan West Low Duration	16,207,089	*
Dodge & Cox Stock Fund	5,765,379	*
Sarofim Equity Fund	5,513,791	*
Montag & Caldwell Growth Fund	5,494,249	*
Europacific Growth Fund- A	4,971,342	*
Brandes International Equity	3,150,745	*
Wellington Archipelago	3,043,076	*
William Blair Small Mid Cap	2,995,124	*
Vaughan Nelson Value Opportunities	2,638,452	
Templeton Institutional Funds	1,553,390	
Prudential Jennison Natural	782,803	
Credit Suisse Commodity	699,588	
Total registered investment companies	52,815,028	
Other	2,832,766	
	$ 58,077,442	

* Represents a concentration risk, as investment exceeds 5% of Plan's investments

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.

(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 May 31, 2015 subject to credit risk are shown with their respective credit ratings below:

Metropolitian West Low Duration	AA	$ 16,207,089
		$ 16,207,089

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

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

For the year ended May 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 4.65 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) 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.

(5) Funding policy

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

Metro also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan.

(6) Net pension liability

The following presents the components of net pension liability at May 31, 2015:

Total pension liability	$ 78,447,768
Plan fiduciary net position	58,030,855
Net pension liability	$ 20,416,913
Plan Fiduciary net position as a % of total pension liability	73.97%
Covered payroll	$ 21,841,333
Net pension liability as a % of covered payroll	93.48%

The total pension liability was determined by an actuarial valuation as of the valuation date (June 1, 2014) 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 June 1, 2014 actuarial valuation:

Valuation date	June 1, 2014
Measurement date	May 31, 2015
Discount rate	7.50%
Long-term expected rate of return, net of investment expense	7.50%

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.

(6) Net pension liability (continued)

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 11, 2015.

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
Short-Term Bonds	32.00%	**
Large Cap U.S. Equities	29.00%	7.23%
Small Cap U.S. Equities	9.00%	10.67%
Developed Foreign Equities	14.50%	7.51%
Non-U.S. Small Cap Equities	3.00%	11.33%
Hedge Funds/Absolute Return	10.00%	4.86%
Commodities	2.50%	4.03%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.50%

* As outlined in the Plan's investment policy dated May 2015
** Expected to earn less than inflation

(6) <u>Net pension liability</u> (continued)

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.50%, 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 (6.50%) and 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total pension liability	$ 87,077,656	$ 78,447,768	$ 71,094,061
Fiduciary net position	58,030,855	58,030,855	58,030,855
Net pension liability	29,046,801	20,416,913	13,063,206

(7) 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.

(8) 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 Metro, prior to being eligible for pension benefits.

(9) 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.

(10) Subsequent events

Management has evaluated subsequent events through September 1, 2015, which is the date that the financial statements were available for issuance. No significant matters were identified for disclosure during this evaluation.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended May 31, 2015

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of May 31, 2014	$ 77,215,250	$ 57,473,972	$ 19,741,278
Changes for the year:			
Service cost	1,558,149	-	1,558,149
Interest on total pension liability	5,686,621	-	5,686,621
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumption changes or inputs	-	-	-
Benefit payments	(6,012,252)	(6,012,252)	-
Employer contributions	-	3,500,784	(3,500,784)
Member contributions	-	529,436	(529,436)
Net investment income	-	2,604,973	(2,604,973)
Administrative expense	-	(66,058)	66,058
Balances as of May 31, 2015	$ 78,447,768	$ 58,030,855	$ 20,416,913

Plan fiduciary net position as a % of total pension liability	73.97%
Covered payroll	$ 21,841,333
Net pension liability as a % of covered payroll	93.48%

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

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended May 31, 2015

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Contribution as a % of Covered Payroll
2006	$ 1,767,645	$ 1,767,645	$ -	$ 27,630,438	6.40%
2007	1,711,386	1,711,386	-	25,601,698	6.68%
2008	1,731,125	1,731,125	-	25,417,682	6.81%
2009	2,234,053	2,234,053	-	25,645,092	8.71%
2010	2,803,934	2,803,934	-	25,465,982	11.01%
2011	1,924,940	1,924,940	-	25,286,621	7.61%
2012	3,129,976	3,129,976	-	26,578,943	11.78%
2013	4,370,010	4,370,010	-	26,309,983	16.61%
2014	4,998,198	4,998,198	-	27,621,000	18.10%
2015	3,500,784	3,500,784	-	21,841,333	16.03%

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

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

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

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending May 31,	Net Money-Weighted Rate of Return
2006	N/A
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	4.65%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the June 1, 2014 funding valuation. Please see the valuation report dated March 17, 2015 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	Entry Age Normal (level dollar)
Amortization method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 6/1/2014	26 years
Asset valuation method	
Smoothing period	5 years
Corridor	80%-120%
Inflation	2.50%
Salary increases	4.50%
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with White Collar adjustment, and Healthy Annuitants, with White Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Investment rate of return	7.50%
Cost of living adjustments	none

Attachment b

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

**Financial Statements and
Required Supplementary Information**

**Year Ended
March 31, 2015**

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, 2015

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MHM

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Plan), which comprise the statement of fiduciary net position as of March 31, 2015 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of March 31, 2015, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014 the Plan implemented the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25 (*GASB 67*)*. GASB 67 enhances the Plan's note disclosures and expands the required supplementary information with new schedules. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
September 1, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2015

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. During the year ended March 31, 2015, the Plan adopted Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67), which significantly changed the accounting requirements for pension plans. As such, this MD&A provides an overview for the fiscal year ended March 31, 2015 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 (Metro) and the International Brotherhood of Electrical Workers (the Union). The Plan is that of a governmental unit and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

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

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

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

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

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

ORGANIZATION

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

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

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The 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 one year of data in the year of adoption 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, 2015

CONDENSED FINANCIAL INFORMATION

(In thousands)

	As of and for the Year Ended March 31, 2015
Assets	$ 3,650
Liabilities	10
Net Position	$ 3,640
Contributions	
Employer	$ 405
Participant	108
Investment Income, net	194
Benefits Paid to Participants	(89)
Administrative Expenses	(19)
Net Increase	$ 599

FINANCIAL HIGHLIGHTS

Pension Plan

The Plan's fiduciary net position increased by $534 thousand in 2014 and increased by $599 thousand in 2015. The fiduciary net position totaled $3.6 million at March 31, 2015. The net increases in 2014 and 2015 are driven primarily from employee and employer contributions and investment income.

Liabilities totaled $10 thousand and $14 thousand as of March 31, 2015 and 2014, respectively. These liabilities are primarily driven by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of $108 thousand and $87 thousand for the years ended March 31, 2015 and 2014, respectively. The participant and employer contributions are determined by the Plan's actuary. The Plan received employer contributions from Metro in the amounts of $405 thousand and $227 thousand for the years ended March 31, 2015 and 2014, respectively.

The Plan paid $89 thousand and $79 thousand in benefits for the years ended March 31, 2015 and 2014, respectively.

Metro

As of June 30, 2014, Metro had assets in excess of $1.45 billion and net assets of $651 million. Operating revenues for the twelve months ended June 30, 2014 were $73 million and operating expenses were $334 million. The main operating expenses were wages and benefits ($175 million), depreciation ($70 million), and materials and supplies ($39 million). This created an operating loss of $261 million. Total non-operating revenues were $226 million and are primarily comprised of grants and assistance. Total non-operating expenses totaled $31 million. Additionally, capital contributions were $70 million creating net non-operating revenue of $265 million. When combined with the operating loss, Metro had a change in net position of $4 million. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.MetroStLouis.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@MetroStLouis.org.

CONDENSED CAFR DATA FOR METRO
(In millions)

		As of and for the Year Ended June 30, 2014
Assets	$	1,450
Liabilities		799
Net Postion	$	651
Operating Revenue	$	73
Operating Expenses		334
Operating Loss		(261)
Non-Operating Revenue, net		265
Change in Net Position	$	4

CONTACT

The financial section is designed to provide users with a general overview of the Plan's financial activity. If you have questions about this report or need additional financial information regarding the Plan, contact the Metro 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, 2015

ASSETS:	
Receivables:	
Employer contributions	$ 7,779
Participant contributions	2,789
	10,568
Investments:	
Interest bearing cash	95,624
Investments in registered investment companies	3,544,109
	3,639,733
TOTAL ASSETS	3,650,301
LIABILITIES:	
Accrued expenses	10,559
TOTAL LIABILITIES	10,559
NET POSITION RESTRICTED FOR PENSION BENEFITS	**$ 3,639,742**

See accompanying notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2015

ADDITIONS:	
Contributions:	
Employer	$ 405,484
Participant	107,686
Total contributions	513,170
Investment income:	
Net appreciation in fair value of investments	126,896
Interest and dividends	72,377
Total investment income	199,273
Less investment expense	5,000
Net investment income	194,273
Total additions	707,443
DEDUCTIONS:	
Benefits paid to participants	89,508
Administrative expenses	18,685
Total deductions	108,193
NET INCREASE IN NET POSITION	**599,250**
NET POSITION RESTRICTED FOR PENSION BENEFITS,	
Beginning of year	**3,040,492**
End of year	**$ 3,639,742**

See accompanying notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND LOCAL NO. 2 AND LOCAL NO. 309 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

(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 (Metro) 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 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 Metro's Board Policy, the Vice President of Human Resources is a standing member. The other three members of management are selected by the Chief Executive Officer and the Vice President of Human Resources.

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

	As of April 1, 2014
Active participants	60
Terminated vested participants	4
Participants receiving payments	6
Total participants	70

(1) Description of plan (continued)

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

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

Age	Credited Service
Any age	25 years
60	10 years

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

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

Termination benefit - Participants who leave the service of Metro 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 Metro 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.

(1) Description of plan (continued)

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

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

Supplemental pension benefits - Upon retirement, a participant is entitled to receive a supplemental pension benefit for the participant's accumulated sick leave. The participant may elect a lump sum or monthly payments over three, five, ten, fifteen or twenty years.

(2) Summary of significant accounting policies

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

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

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

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

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

(2) Summary of significant accounting policies (continued)

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.

Implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67) - The provisions of GASB 67 separate financial reporting from funding and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total and net pension liability. It also includes comprehensive disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment activity disclosures. The implementation of GASB 67 did not significantly impact the accounting for receivables and investment balances. The total pension liability, determined in accordance with GASB 67, is presented in Note 6 and in the Required Supplementary Information section.

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

(3) Investments

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

	2015	
Money Market:		
First American Prime Obligation	$ 95,623	
Registered Investment Companies:		
Vanguard Index Trust 500	1,446,938	*
Dodge & Cox Income Fund	1,200,909	*
Harbor International Fund #11	544,449	*
Artisan Small Cap Fund	181,592	
Perkins Mid Cap Value Fd	170,134	
Pimco Total Return	86	
Total Registered Investment Companies	3,544,108	
Total Investments	**$ 3,639,731**	

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

(3) Investments (continued)

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

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

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

The Plan's assets as of March 31, 2015 subject to credit risk are shown with their respective credit ratings below:

Dodge & Cox Income Fund	A	$1,200,909	93%
First American Prime Obligation	AAA	95,623	7%
		$1,296,532	100%

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

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

For the year ended March 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 5.56 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated June 8, 2012, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Committee believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

(5) Funding policy

Metro 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. Metro deducts such contributions from the pay of the employee. The following is a table of the weekly contribution levels for the Plan.

Period	Participant	Employer
September 13, 2013 to April 3, 2014	$ 30.11	$ 82.98
April 4, 2014 to March 31, 2015	34.34	95.80

Metro 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.

(6) Net pension liability

The following presents the components of net pension liability at March 31, 2015:

Total pension liability	$ 3,732,744
Plan fiduciary net position	3,639,742
Net pension liability	$ 93,002
Plan fiduciary net position as a % of total pension liability	97.51%
Covered payroll	$ 3,362,133
Net pension liability as a % of covered payroll	2.77%

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2014) 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.

(6) Net pension liability (continued)

The following significant assumptions were used for the April 1, 2014 actuarial valuation:

Valuation date	April 1, 2014
Measurement date	March 31, 2015
Discount rate	7.25%
Long-term expected rate of return, net of investment expense	7.25%

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

(6) Net pension liability (continued)

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 11, 2015.

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
Core fixed income	35.00%	0.79%
Large cap U.S. equities	40.00%	7.23%
Mid cap U.S. equities	5.00%	10.67%
Small cap U.S. equities	5.00%	10.67%
Developed foreign equities	15.00%	7.51%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.25%

* As outlined in the Plan's investment policy dated May 2015

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) and 1 percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	$ 4,222,765	$ 3,732,744	$ 3,319,371
Fiduciary net position	3,639,742	3,639,742	3,639,742
Net pension liability	583,023	93,002	(320,371)

(7) 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.

(8) 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 Metro, prior to being eligible for pension benefits.

(9) 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

(9) Risks and uncertainties (continued)

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.

(10) Subsequent events

Management has evaluated subsequent events through September 1, 2015, which is the date that the financial statements were available for issuance. No significant matters were identified for disclosure during this evaluation.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended March 31, 2015

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances as of March 31, 2014	$ 3,400,861	$ 3,040,492	$ 360,369
Changes for the year:			
Service cost	165,983	-	165,983
Interest on total pension liability	255,408	-	255,408
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(89,508)	(89,508)	-
Employer contributions	-	405,484	(405,484)
Member contributions	-	107,686	(107,686)
Net investment income	-	194,273	(194,273)
Administrative expense	-	(18,685)	18,685
Balances as of March 31, 2015	$ 3,732,744	$ 3,639,742	$ 93,002

Plan fiduciary net position as a % of total pension liability	97.51%
Covered payroll	$ 3,362,133
Net pension liability as a % of covered payroll	2.77%

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

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended March 31, 2015

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Contribution as a % of Covered Payroll
2006	$ 87,760	$ 87,760	$ -	$ 2,001,896	4.38%
2007	110,149	110,149	-	2,081,142	5.29%
2008	191,261	191,261	-	2,512,973	7.61%
2009	125,842	125,842	-	2,804,130	4.49%
2010	122,475	122,475	-	2,939,269	4.17%
2011	134,227	134,227	-	2,887,747	4.65%
2012	145,805	145,805	-	3,035,219	4.80%
2013	156,695	156,695	-	3,125,678	5.01%
2014	223,739	223,739	-	3,168,194	7.06%
2015	405,484	405,484	-	3,362,133	12.06%

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

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

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

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending March 31,	Net Money-Weighted Rate of Return
2006	N/A
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	5.56%

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

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the April 1, 2014 funding valuation. Please see the valuation report dated March 13, 2015 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 4/1/2014	21 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	7.25%
Cost of living adjustments	none

Attachment c

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN

Financial Statements and Required Supplementary Information

Year Ended March 31, 2015

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN

Year Ended March 31, 2015

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MHM

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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 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 Pension Plan (the Plan), which comprise the statement of fiduciary net position as of March 31, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of March 31, 2015, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014 the Plan implemented the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67). GASB 67 enhances the Plan's note disclosures and expands the required supplementary information with new schedules. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
September 1, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

March 31, 2015

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union Pension Plan (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. During the year ended March 31, 2015, the Plan adopted Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67), which significantly changed the accounting requirements for pension plans. As such, this MD&A provides an overview for the fiscal year ended March 31, 2015 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 (Metro) and the Metro Division 788 Amalgamated Transit Union (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 beneficiaries.

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).

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

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The Statement of Fiduciary Net Position includes information about assets, deferred outflows of resources, liabilities, deferred inflows or resources and fiduciary net position, as applicable, as of the end of a pension plan's reporting period. The Statement of Changes in Fiduciary Net Position summarizes the additions to, deductions from, and net increase in fiduciary net position for a pension plan's reporting period. The difference between assets and liabilities is one measure of a pension plan's financial position and the change in this measure over time is an indication of whether the Plan's financial health is improving or deteriorating.

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

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

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

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

CONDENSED FINANCIAL INFORMATION

(In thousands)

	As of and for the Year Ended March 31, 2015
Assets	$ 117,233
Liabilities	32
Net Position	$ 117,201
Contributions	
Employer	$ 8,717
Participant	3,475
Investment Income, net	6,784
Benefits Paid to Participants	(14,368)
Administrative Expenses	(203)
Net Increase	$ 4,405

FINANCIAL HIGHLIGHTS

<u>Pension Plan</u>

The Plan's net position increased by $14.6 million in 2014 and increased by $4.4 million in 2015. Net plan position totaled $117.2 million at March 31, 2015. The net increase in 2014 and 2015 is primarily due to strong overall market conditions.

Liabilities totaled $32 thousand and $97 thousand as of March 31, 2015 and 2014, respectively. These liabilities are primary driven by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of $3.5 million and $3.4 million for the years ended March 31, 2015 and 2014, respectively. The participant and employer contributions are determined by the Plan's actuary. The Plan received employer contributions from Metro in the amounts of $8.7 million and $8.8 million for the years ended March 31, 2015 and 2014, respectively.

The Plan paid $14.4 and $13.6 million in benefits for the years ended March 31, 2015 and 2014, respectively.

Metro

As of June 30, 2014, Metro had assets in excess of $1.45 billion and net assets of $651 million. Operating revenues for the twelve months ended June 30, 2014 were $73 million and operating expenses were $334 million. The main operating expenses were wages and benefits ($175 million), depreciation ($70 million), and materials and supplies ($39 million). This created an operating loss of $261 million. Total non-operating revenues were $226 million and are primarily comprised of grants and assistance. Total non-operating expenses totaled $31 million. Additionally, capital contributions were $70 million creating net non-operating revenue of $265 million. When combined with the operating loss, Metro had a changes in net position of $4 million. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.MetroStLouis.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@MetroStLouis.org.

CONDENSED CAFR DATA FOR METRO:
(In millions)

	As of and for the Year Ended June 30, 2014
Assets	$ 1,450
Liabilities	799
Net Position	$ 651
Operating Revenue	$ 73
Operating Expenses	334
Operating Loss	(261)
Non-Operating Revenue, net	265
Change in Net Position	$ 4

CONTACT

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

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN
STATEMENT OF FIDUCIARY NET POSTION
March 31, 2015

ASSETS:		
Receivables:		
Employer Contributions	$	252,729
Participant Contributions		95,213
		347,942
Investments:		
Cash and cash equivalents		1,167,848
Investment in Master Trust		115,717,080
		116,884,928
TOTAL ASSETS		117,232,870
LIABILITIES:		
Accrued expenses		32,244
TOTAL LIABILITIES		32,244
NET POSITION RESTRICTED FOR PENSION BENEFITS	**$**	**117,200,626**

See accompanying notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2015

ADDITIONS:	
Contributions:	
Employer	$ 8,716,712
Participant	3,475,572
Total contributions	12,192,284
Investment income:	
Net appreciation in fair value of investments	5,333,413
Interest and dividends	1,642,389
Total investment income	6,975,802
Less: investment expense	(191,540)
Net investment income	6,784,262
Total additions	18,976,546
DEDUCTIONS:	
Benefits paid to participants	14,368,426
Administrative expenses	203,184
Total deductions	14,571,610
NET INCREASE IN NET POSITION	**4,404,936**
NET POSITION RESTRICTED FOR PENSION BENEFITS,	
Beginning of year	**112,795,690**
End of year	**$ 117,200,626**

See accompanying notes to the financial statements.

(1) Description of plan

The following description of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union 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 (Metro) and Metro Division 788 Amalgamated Transit Union (the Union). 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 Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union 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 of the Plan's assets. The Committee has the authority to amend the Plan.

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

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

	As of April 1, 2014
Active participants	1,285
Disabled participants	5
Terminated vested participants	37
Terminated nonvested due refund	25
Participants receiving payments	1,023
Total participants	2,375

Funding policy - Metro 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.

(1) Description of plan (continued)

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

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

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

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

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

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

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

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

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

(1) Description of plan (continued)

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 three, five, seven, ten, fifteen, or twenty years.

(2) Summary of significant accounting policies

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

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

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

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

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

(2) Summary of significant accounting policies (continued)

Investment in Master Trust - The Plan's investments are held in a Master Trust. The fair value of the Plan's interest in the Master Trust is based on the unitized interest that it has in the Master Trust. The Plan's interest in the Master Trust was approximately 95.3% as of March 31, 2015. The allocation of investment income and administrative expenses between the two plans participating in the Master Trust is based on the number of units owned. Benefits, contributions, and administrative expenses are allocated to each plan directly. See Note 10.

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.

Implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67)- The provisions of GASB 67 separate financial reporting from funding and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total and net pension liability. It also includes comprehensive disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment activity disclosures. The implementation of GASB 67 did not significantly impact the accounting for receivables and investment balances. The total pension liability, determined in accordance with GASB 67, is presented in Note 6 and in the Required Supplementary Information section.

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

(3) Investments and Plan's investment in Master Trust

The following disclosures on investments and the Plan's investment in the Master Trust are made for the Master Trust as of and for the year ended March 31, 2015.

(3) Investments and Plan's investment in Master Trust (continued)

The following summarizes the fair value of investments for the Master Trust as of March 31:

	2015
Investments at fair value:	
Cash and equivalents	$ 3,826,753
Mutual funds - equity	57,235,142
Mutual funds - fixed income	20,823,157
Domestic common stock	21,308,892
Foreign stock	2,572,146
Other	15,668,521
Total investments	$ 121,434,611

The following summarizes the changes in net position for the Master Trust for the year ended March 31:

	2015
Changes in net position:	
Contributions:	$ 12,808,295
Net appreciation in fair value of investments	5,566,752
Interest and dividends	1,718,212
Total investment income	7,284,964
Less: investment expense	201,590
Net investment income	7,083,374
Total additions	19,891,669
Benefits paid to participants	15,246,587
Other	65,386
Administrative expenses	245,830
Total deductions	15,557,803
Net change	4,333,866
Net Position:	
Beginning of year	117,100,745
End of year	$ 121,434,611

(3) Investments and Plan's investment in Master Trust (continued)

The following represents the ownership interest held in the Master Trust as of March 31:

	2015
The Plan's interest in the Master Trust	$ 115,717,080
Division 788 Clerical plan interest in the Master Trust	5,717,531
Total investments of the Master Trust	$ 121,434,611

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

	2015
Dodge & Cox Stock Fund	$ 15,084,199
American Euro Pac Growth Fdcl	11,816,013
Harbor International Fund #11	11,157,543
Metropolitan West Tr Bond I	11,091,909
Dodge & Cox Income Fund	9,731,248
Artisan Mid Cap Fd Instl	6,777,018
Natixis Vaughan Nelson Value Opp Y	6,769,722

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 Master Trust's assets as of March 31, 2015 subject to credit risk are shown with their respective credit ratings below:

Dodge & Cox Income Fund	A	$ 9,731,248	36%
Metropolitan West Tr Bond I	AAA	11,091,909	42%
First American Prime Obligation Fund	AAA	5,785,955	22%
		$ 26,609,112	100%

(3) Investments and Plan's investment in Master Trust (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 year ended March 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 6.07 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated June 8, 2012, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code.

(5) Funding policy

Metro 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. Metro deducts such contributions from the pay of the employee. The following is a table of the weekly contribution levels for the Plan.

Period	Participant	Employer
April 1, 2014 - March 12, 2015	$ 49.60	$ 115.75
March 13, 2015- March 31, 2015	51.15	119.35

Metro 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.

(6) Net pension liability

The following table presents the components of net pension liability at March 31, 2015:

Total pension liability	$ 180,287,323
Plan fiduciary net position	117,200,626
Net pension liability	$ 63,086,697
Plan fiduciary net position as a % of total pension liability	65.01%
Covered payroll	$ 54,978,206
Net pension liability as a % of covered payroll	114.75%

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2014) 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, 2014 actuarial valuation:

Valuation date	April 1, 2014
Measurement date	March 31, 2015
Discount rate	7.25%
Long-term expected rate of return, net of investment expense	7.25%

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.

(6) Net pension liability (continued)

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 11, 2015.

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
Cash and cash equivalents	2.00%	0.00%
Core fixed income	18.00%	0.79%
Large cap U.S. equities	30.00%	7.23%
Mid cap U.S. equities	10.00%	10.67%
Developed foreign equities	20.00%	7.51%
Emerging market equities	5.00%	11.95%
Hedge funds/ Absolute return	10.00%	4.86%
Real estate	5.00%	4.36%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.25%

* As outlined in the Plan's investment policy dated May 2014

(6) Net pension liability (continued)

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) and 1 percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	$ 197,925,042	$ 180,287,323	$ 165,147,573
Fiduciary net position	117,200,626	117,200,626	117,200,626
Net pension liability	80,724,416	63,086,697	47,946,947

(7) 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.

(8) 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 Metro, prior to being eligible for pension benefits.

(9) 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.

(10) Subsequent events

Management has evaluated subsequent events through September 1, 2015, which is the date that the financial statements were available for issuance.

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. As such, the net assets of the Plan transferred into the merged plan during April and May of 2015. The final transfer was made on May 29, 2015. The Clerical Plan’s net assets were transferred on April 30, 2015 to the merged plan.

REQUIRED SUPPLEMENTARY INFORMATION

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended March 31, 2015

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances as of March 31, 2014	$ 179,261,743	$ 112,795,690	$ 66,466,053
Changes for the year:			
Service cost	2,712,608	-	2,712,608
Interest on total pension liability	12,681,398	-	12,681,398
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumption changes or inputs	-	-	-
Benefit payments	(14,368,426)	(14,368,426)	-
Employer contributions	-	8,716,712	(8,716,712)
Member contributions	-	3,475,572	(3,475,572)
Net investment income	-	6,784,262	(6,784,262)
Administrative expense	-	(203,184)	203,184
Balances as of March 31, 2015	$ 180,287,323	$ 117,200,626	$ 63,086,697

Plan fiduciary net position as a % of total pension liability	65.01%
Covered payroll	$ 54,978,206
Net pension liability as a % of covered payroll	114.75%

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

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

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788 AMALGAMATED TRANSIT UNION PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended March 31, 2015

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Contribution as a % of Covered Payroll
2006	$ 4,774,765	$ 4,774,765	$ -	$ 48,808,651	9.78%
2007	4,689,803	4,689,803	-	48,763,512	9.62%
2008	4,671,805	4,671,805	-	49,474,125	9.44%
2009	4,854,000	4,854,000	-	54,380,281	8.93%
2010	4,953,503	4,953,503	-	52,442,843	9.45%
2011	5,393,748	5,393,748	-	51,185,202	10.54%
2012	6,904,988	6,904,988	-	54,299,232	12.72%
2013	7,830,531	7,830,531	-	54,168,878	14.46%
2014	8,764,558	8,764,558	-	54,486,307	16.09%
2015	8,716,712	8,716,712	-	54,978,206	15.85%

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

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

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending March 31,	Net Money-Weighted Rate of Return
2006	N/A
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	6.07%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the April 1, 2014 funding valuation. Please see the valuation report dated March 10, 2015 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 4/1/2014	19 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	7.25%
Cost of living adjustments	none

Attachment d

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

Financial Statements and
Required Supplementary Information

Year Ended
March 31, 2015

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

Year Ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Bi-State Development Agency of Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan (the Plan), which comprise the statement of fiduciary net position as of March 31, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of March 31, 2015, and the changes in fiduciary net position for the year then ended, in accordance with U.S. GAAP.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2014 the Plan implemented the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67). GASB 67 enhances the Plan's note disclosures and expands the required supplementary information with new schedules. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis (MD&A) on pages 3-7 and the required supplementary information (the schedules of changes in net pension liability and related ratios, employer contributions, and money-weighted rate of return) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the U.S. Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
September 1, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788, CLERICAL UNIT, AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
March 31, 2015

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency of Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO, Employees' Pension Plan (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. During the year ended March 31, 2015, the Plan adopted Governmental Accounting Standards Board No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67), which significantly changed the accounting requirements for pension plans. As such, this MD&A provides an overview for the fiscal year ended March 31, 2015 with limited information provided on the previous years.

HISTORY

The Plan is a defined benefit plan that began on April 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 (Metro) and Metro Division 788, Clerical Unit, Amalgamated Transit Union (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 65 with at least ten years or more of credited service.

To qualify for early retirement benefits, an employee must attain age 62 and have ten years but less than 25 years of credited service or attain age 54 with at least 15 years but less than 25 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 a retiree's designated beneficiaries.

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).

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

FINANCIAL STATEMENTS

As described above, there is one year of data presented. The 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 one year of data in the year of adoption and build on to the information in each subsequent period until ten full years are presented.

CONDENSED FINANCIAL INFORMATION
(In thousands)

	As of and for the Year Ended 2015
Assets	$ 5,826
Liabilities	-
Net Position	$ 5,826
Contributions	
Employer	$ 483
Employee	227
Investment Income , net	346
Benefits Paid to Participants	(966)
Administrative Expenses	(21)
Net Increase	$ 69

FINANCIAL HIGHLIGHTS

Pension Plan

The Plan's net position increased by $625 thousand in 2014 and increased by $69 thousand in 2015. Net plan position totaled $5.8 million at March 31, 2015. The increase in 2014 and 2015 is attributable to strong overall market conditions.

Liabilities totaled $0 and $4 thousand as of March 31, 2015 and 2014, respectively. These liabilities are driven primarily by the timing of payment of certain plan expenses.

The Plan received participant contributions in the amounts of $227 thousand for each of the years ended March 31, 2015 and 2014, respectively. The participant and employer contributions are determined by the Plan's actuary. The Plan received employer contributions from Metro in the amounts of $483 thousand and $487 thousand for the years ended March 31, 2015 and 2014, respectively.

The Plan paid $966 thousand and $978 thousand in benefits for the years ended March 31, 2015 and 2014, respectively.

Metro

As of June 30, 2014, Metro had assets in excess of $1.45 billion and net assets of $651 million. Operating revenues for the twelve months ended June 30, 2014 were $73 million and operating expenses were $334 million. The main operating expenses were wages and benefits ($175 million), depreciation ($70 million), and materials and supplies ($39 million). This created an operating loss of $261 million. Total non-operating revenues were $226 million and are primarily comprised of grants and assistance. Total non-operating expenses totaled $31 million. Additionally, capital contributions were $70 million creating net non-operating revenue of $265 million. When combined with the operating loss, Metro had a change in net position of $4 million. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.MetroStLouis.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 154, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@MetroStLouis.org.

CONDENSED CAFR DATA FOR METRO:
(In millions)

	As of and for the Year Ended June 30, 2014
Assets	$ 1,450
Liabilities	799
Net Postion	$ 651
Operating Revenue	$ 73
Operating Expenses	334
Operating Loss	(261)
Non-Operating Revenue, net	265
Change in Net Postion	$ 4

CONTACT

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

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

STATEMENT OF FIDUCIARY NET POSITION

March 31, 2015

ASSETS:		
Receivables:		
Employer contributions	$	8,116
Employee contributions		3,819
		11,935
Investments:		
Cash and cash equivalents		96,922
Investment in Master Trust		5,717,531
		5,814,453
TOTAL ASSETS		5,826,388
LIABILITIES:		
Accrued expenses		-
TOTAL LIABILITIES		-
NET POSITION RESTRICTED FOR PENSION BENEFITS	**$**	**5,826,388**

See accompanying notes to the financial statements.

BI-STATE DEVELOPMENT AGENCY OF THE MISSOURI-ILLINOIS METROPOLITAN DISTRICT AND DIVISION 788, CLERICAL UNIT, AMALGAMATED TRANSIT UNION, AFL-CIO, EMPLOYEES' PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended March 31, 2015

ADDITIONS:	
Contributions:	
Employer	$ 482,695
Employees	227,405
Total contributions	710,100
Investment income:	
Net appreciation in fair value of investments	277,850
Interest and dividends	75,818
Total investment income	353,668
Less: investment expense	7,598
Net investment income	346,070
Total additions	1,056,170
DEDUCTIONS:	
Benefits paid to participants	966,214
Administrative expenses	20,729
Total deductions	986,943
NET INCREASE IN NET POSITION	**69,227**
NET POSITION RESTRICTED FOR PENSION BENEFITS,	
Beginning of year	**5,757,161**
End of year	**$ 5,826,388**

See accompanying notes to the financial statements.

(1) Description of plan

The following description of the Bi-State Development Agency of Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, 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 (Metro) and Metro Division 788, Clerical Unit, Amalgamated Transit Union (the Union). 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 Bi-State Development Agency of Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO, 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 of the Plan's assets. The Committee has the authority to amend the Plan.

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

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

	As of April 1, 2014
Active participants	49
Terminated vested participants	3
Terminated nonvested due refund	1
Participants receiving payments	69
	122

Funding policy - Metro 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.

(1) Description of plan (continued)

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

Age	Credited Service
Any age	25 years
65	10 years

Early retirement - A participant may retire upon attaining the age of 54 with at least 15 years of credited service or upon attaining the age of 62 with at least ten years of credited service, both 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 Metro 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 Metro with at least ten years of credited service may elect to (i) accept a refund of their pension contributions or (ii) accept a vested pension.

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

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

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

(1) Description of plan (continued)

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 three, five, seven, ten, fifteen, or twenty years.

(2) Summary of significant accounting policies

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

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

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

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

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

Investment in Master Trust - The Plan's investments are held in a Master Trust. The fair value of the Plan's interest in the Master Trust is based on the unitized interest that it has in the Master Trust. The Plan's interest in the Master Trust was approximately 4.7% as of March 31, 2015. The allocation of investment income and administrative expenses between the two plans participating in the Master Trust is based on the number of units owned. Benefits, contributions, and administrative expenses are allocated to each plan directly. See Note 10.

(2) Summary of significant accounting policies (continued)

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

Implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans- An Amendment of GASB Statement No. 25* (GASB 67) - The provisions of GASB 67 separate financial reporting from funding and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total and net pension liability. It also includes comprehensive disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment activity disclosures. The implementation of GASB 67 did not significantly impact the accounting for receivables and investment balances. The total pension liability, determined in accordance with GASB 67, is presented in Note 6 and in the Required Supplementary Information section.

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

(3) Investments and Plan's investment in Master Trust

The following disclosures on investments and the Plan's investment in the Master Trust are made for the Master Trust as of and for the year ended March 31, 2015.

The following summarizes the fair value of investments for the Master Trust as of March 31:

	2015
Investments at fair value:	
Cash and equivalents	$ 3,826,753
Mutual funds - equity	57,235,142
Mutual funds - fixed income	20,823,157
Domestic common stock	21,308,892
Foreign stock	2,572,146
Other	15,668,521
Total investments	$ 121,434,611

(3) Investments and Plan's investment in Master Trust (continued)

The following summarizes the changes in net position for the Master Trust for the year ended March 31:

	2015
Changes in net position:	
Contributions:	$ 12,808,295
Net appreciation in fair value of investments	5,566,752
Interest and dividends	1,718,212
Total investment income	7,284,964
Less: investment expense	201,590
Net investment income	7,083,374
Total additions	19,891,669
Benefits paid to participants	15,246,587
Other	65,386
Administrative expenses	245,830
Total deductions	15,557,803
Net change	4,333,866
Net Position:	
Beginning of year	117,100,745
End of year	$ 121,434,611

The following represents the ownership interest held in the Master Trust as of March 31:

	2015
Division 788 A.T.U. plan interest in the Master Trust	$ 115,717,080
The Plan's interest in the Master Trust	5,717,531
Total investments of the Master Trust	$ 121,434,611

(3) Investments and Plan's investment in Master Trust (continued)

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

	2015
Dodge & Cox Stock Fund	$ 15,084,199
American Euro Pac Growth Fdcl	11,816,013
Harbor International Fund #11	11,157,543
Metropolitan West Tr Bond I	11,091,909
Dodge & Cox Income Fund	9,731,248
Artisan Mid Cap Fd Instl	6,777,018
Natixis Vaughan Nelson Value Opp Y	6,769,722

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 Master Trust's assets as of March 31, 2015 subject to credit risk are shown with their respective credit ratings below:

Dodge & Cox Income Fund	A	$ 9,731,248	36%
Metropolitan West Tr Bond I	AAA	11,091,909	42%
First American Prime Obligation Fund	AAA	$ 5,785,955	22%
		$ 26,609,112	100%

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

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

(3) Investments and Plan's investment in Master Trust (continued)

For the year ended March 31, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 6.12 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

(4) Tax status

The Internal Revenue Service has determined and informed the Committee by letter dated June 8, 2012, that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code.

(5) Funding policy

Metro 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. Metro deducts such contributions from the pay of the employee. The following is a table of the weekly contribution levels for the Plan.

Period		Participant	Employer
April 1, 2014 - March 12, 2015	$	49.60	115.75
March 13, 2015 - March 31, 2015		51.15	119.35

Metro 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.

(6) Net pension liability

The following presents the components of net pension liability at March 31, 2015:

Total pension liability	$	11,390,413
Plan fiduciary net position		5,826,388
Net pension liability	$	5,564,025
Plan fiduciary net position as a % of total pension liability		51.15%
Covered payroll	$	1,563,619
Net pension liability as a % of covered payroll		355.84%

The total pension liability was determined by an actuarial valuation as of the valuation date (April 1, 2014) 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, 2014 actuarial valuation:

Valuation date	April 1, 2014
Measurement date	March 31, 2015
Discount rate	7.25%
Long-term expected rate of return, net of investment expense	7.25%

(6) 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	2.50%
Salary increases during inflation	3.50%
Mortality	Healthy Lives: RP-2014 Mortality for Employees, with Blue Collar adjustment, and Healthy Annuitants, with Blue Collar adjustment, male and female rates, with projection five years from the valuation date using Scale BB; Disabled Lives: RP-2014 Disabled Mortality, male and female rates
Actuarial cost method	Entry Age Normal (level percent of pay)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of June 11, 2015.

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
Cash/Equivalents	2.00%	0.00%
Core fixed income	18.00%	0.79%
Large cap U.S. Equities	30.00%	7.23%
Mid cap U.S. Equities	10.00%	10.67%
Developed foreign equities	20.00%	7.51%
Emerging market equities	5.00%	11.95%
Hedge funds/Absolute return	10.00%	4.86%
Real estate	5.00%	4.36%
Assumed inflation- mean		2.50%
Long-term expected rate of return		7.25%

* As outlined in Plan's investment policy dated May 2014

(6) Net pension liability (continued)

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) and 1 percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	$ 12,525,376	$ 11,390,413	$ 10,418,685
Fiduciary net position	5,826,388	5,826,388	5,826,388
Net pension liability	6,698,988	5,564,025	4,592,297

(7) 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.

(8) 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 Metro, prior to being eligible for pension benefits.

(9) 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.

(10) Subsequent events

Management has evaluated subsequent events through September 1, 2015, which is the date that the financial statements were available for issuance.

Effective April 1, 2015, the Plan merged with the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Division 788, Amalgamated Transit Union, AFL-CIO Employees' Pension Plan (O&M Plan). A new custodial account was created for the merged plan, thus eliminating the Master Trust. As such, the net assets of the Plan transferred into the O&M Plan on April 30, 2015. In addition, net assets of the O&M Plan were transferred into the merged plan during April and May of 2015. The final transfer was made on May 29, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended March 31, 2015

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances as of March 31, 2014	$ 11,428,261	$ 5,757,161	$ 5,671,100
Changes for the year:			
Service cost	125,155	-	125,155
Interest on total pension liability	803,211	-	803,211
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(966,214)	(966,214)	-
Employer contributions	-	482,695	(482,695)
Member contributions	-	227,405	(227,405)
Net investment income	-	346,070	(346,070)
Administrative expense	-	(20,729)	20,729
Balances as of March 31, 2015	$ 11,390,413	$ 5,826,388	$ 5,564,025

Plan fiduciary net position as a % of total pension liability	51.15%
Covered payroll	$ 1,563,619
Net pension liability as a % of covered payroll	355.84%

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

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended March 31, 2015

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Contribution as a % of Covered Payroll
2006	$ 222,215	$ 222,215	$ -	$ 1,740,167	12.77%
2007	221,053	221,053	-	1,747,260	12.65%
2008	229,977	229,977	-	1,652,019	13.92%
2009	216,471	216,471	-	1,702,916	12.71%
2010	223,550	223,550	-	1,671,299	13.38%
2011	241,798	241,798	-	1,632,280	14.81%
2012	402,109	402,109	-	1,516,008	26.52%
2013	326,673	326,673	-	1,559,210	20.95%
2014	485,233	485,233	-	1,607,403	30.19%
2015	482,695	482,695	-	1,563,619	30.87%

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

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

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

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Plan Year Ending March 31,	Net Money-Weighted Rate of Return
2006	N/A
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	N/A
2015	6.12%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Actuarial methods and significant assumptions

The following actuarial methods and assumptions were used in the April 1, 2014 funding valuation. Please see the valuation report dated March 10, 2015 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 4/1/2014	20 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	7.25%
Cost of living adjustments	none

Attachment e

BI-STATE DEVELOPMENT AGENCY 401(K) RETIREMENT SAVINGS PROGRAM (FORMERLY METRO 401(K) RETIREMENT SAVINGS PROGRAM)

FINANCIAL STATEMENTS

Years Ended December 31, 2014, 2013, and 2012

MHM

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Bi-State Development Agency 401(k) Retirement Savings Program:

Report on the Financial Statements

We have audited the accompanying statements of the Bi-State Development Agency 401(k) Retirement Savings Program (the Plan), which comprise the statements of plan net assets as of December 31, 2014, 2013, and 2012, and the related statements of changes in plan net assets for the years 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Plan'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 Plan'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits as December 31, 2014, 2013, and 2012, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
February 10, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

The management's discussion and analysis (MD&A) presented is for the Bi-State Development Agency 401(k) Retirement Savings Program (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Basic Financial Statements and (2) Notes to the Basic Financial Statements. The MD&A provides an overview for the years ended December 31, 2014, 2013, and 2012. Certain comparative information between the current year and the prior years is required and is presented in the MD&A. The analysis should be read in conjunction with the Basic Financial Statements and the Notes to the Basic Financial Statements.

HISTORY

The Plan is a defined contribution plan that began on February 1, 1985. As such, the Plan is considered a grandfathered governmental 401(k) plan (formed prior to 1986). The Plan Sponsor and Plan Administrator is Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State). Bi-State established the Plan to help eligible employees save for retirement. 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.

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25,* during the year ended December 31, 2014. As a result, certain disclosures regarding the Plan's governance structure and membership data at December 31, 2014 were included in Note 1.

In addition, the Plan was significantly amended during the period under audit. The amendments changed the eligibility, normal retirement age, contribution formulas, and vesting for several groups of participants. The impact of the amendments is included in Note 1.

FINANCIAL STATEMENTS

There are three years of financial data being presented. The Statements of Plan Net Assets reflect the Plan's assets, liabilities and plan net assets held in trust at the end of the years for payment of benefits. The Statements of Changes in Plan Net Assets summarize additions and deductions from the Plan assets, providing plan net assets held in trust at the end of the years for benefits. The difference between assets and liabilities is one measure of the 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 Basic Financial Statements provides additional information that is essential to a full understanding of the data provided in the Basic Financial Statements.

CONDENSED PLAN FINANCIAL INFORMATION

(in 000's)	As of and for the Years Ended December 31, 2014	2013	2012
Assets	$ 40,507	$ 35,352	$ 28,179
Liabilities	-	-	-
Net Assets Held in Trust for Pension Benefits	$ 40,507	$ 35,352	$ 28,179
Contributions			
Employer	$ 3,525	$ 574	$ 457
Employee	1,848	1,793	1,441
Rollover	867	520	63
Investment Income	2,553	6,076	3,166
Benefits Paid to Participants	(3,627)	(1,781)	(1,388)
Administrative Expenses	(11)	(9)	(4)
Net Increase (Decrease)	$ 5,155	$ 7,173	$ 3,735

FINANCIAL HIGHLIGHTS

The Plan's net assets increased $5.2 million in 2014, increased $7.2 million in 2013, and increased $3.7 million in 2012. Net plan assets totaled $40.5 million at December 31, 2014. The net increase in 2014 resulted from higher contributions due to the Plan amendment to allow additional employees into the Plan and requiring additional employer contributions, as described more fully in Note 1. The continuation of the market rebounding from the 2008 difficulties which were sustained by the overall market also contributed to the increase in 2014. In addition, in 2013, the increase was due to market conditions.

The Plan received employee contributions in the amounts of $1.8, $1.8 and $1.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. The employee contributions are based on participant elections up to an annual dollar limit set by the Internal Revenue Service. The employer matching contribution is discretionary and is described in Note 1 herein. The Plan received employer contributions from Bi-State in the amounts of $3.5 million, $.57 million and $.46 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Bi-State

As of June 30, 2015, Bi-State had assets in excess of $1.45 billion and net assets of $561.1 million. Operating revenues for the twelve months ended June 30, 2015 were $70.2 million and operating expenses were $328.0 million. The main operating expenses were wages and benefits ($165 million), depreciation and amortization ($72 million), and materials and supplies ($40 million). This created an operating loss of $257.8 million. Non-operating revenues, net were $257.5 million and were primarily comprised of grants and assistance. The Change in Net Position was $(0.30) million for the year ended June 30, 2015. In addition, Bi-State reported a ($90.0) cumulative adjustment to net position for *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which establishes new standards in reporting for employers. This is a decrease from the 2014 Change in Net Position of $4.0 million. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.bistatedev.org or by contacting the Finance Division, Bi-State Development Agency, One Metropolitan Square, 211 North Broadway, Suite 700, Mail Stop 125, St. Louis, MO 63102. The telephone number to the Finance Division is 314-982-1547. The email address is Finance@bistatedev.org.

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

	As of and for the Years Ended June 30,		
	2015	2014	2013
Assets	$ 1,452	$ 1,450	$ 1,427
Liabilities	891	799	779
Net Position	$ 561	$ 651	$ 648
Net Position, as restated	N/A	$ 561	N/A
Operating Revenue	$ 70	$ 73	$ 72
Operating Expenses	328	334	322
Operating Loss	(258)	(261)	(250)
Non-Operating Revenue, net	258	265	230
Change in Net Position	$ 0	$ 4	$ (20)

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

BI-STATE DEVELOPMENT AGENCY 401(K) RETIREMENT SAVINGS PROGRAM

STATEMENTS OF PLAN NET ASSETS
As Of December 31, 2014, 2013, and 2012

	2014	2013	2012
ASSETS			
Investments at fair value	$ 39,218,318	$ 34,414,150	$ 27,251,949
Notes receivable from participants	1,288,629	937,730	927,092
NET ASSETS HELD IN TRUST AVALIABLE FOR BENEFITS	$ 40,506,947	$ 35,351,880	$ 28,179,041

See Notes to Financial Statements

BI-STATE DEVELOPMENT AGENCY 401(K) RETIREMENT SAVINGS PROGRAM

STATEMENTS OF CHANGES IN PLAN NET ASSETS
For the Years Ended December 31, 2014, 2013, and 2012

	2014	2013	2012
ADDITIONS			
Investment income:			
Net appreciation in fair value of investments	$ 1,007,983	$ 5,152,291	$ 2,387,609
Interest and dividends	1,513,914	898,987	756,336
	2,521,897	6,051,278	3,143,945
Interest income on notes receivable from participants	31,523	24,335	22,282
Contributions:			
Employer	3,525,135	573,510	457,610
Participants	1,848,518	1,793,148	1,441,156
Rollovers	866,857	519,656	62,640
	6,240,510	2,886,314	1,961,406
TOTAL ADDITIONS	8,793,930	8,961,927	5,127,633
DEDUCTIONS			
Benefits paid to participants	(3,627,365)	(1,780,594)	(1,388,202)
Administrative expenses	(11,498)	(8,494)	(4,060)
TOTAL DEDUCTIONS	(3,638,863)	(1,789,088)	(1,392,262)
NET INCREASE	5,155,067	7,172,839	3,735,371
NET ASSETS AVAILABLE FOR BENEFITS			
Beginning of year	35,351,880	28,179,041	24,443,670
End of year	$ 40,506,947	$ 35,351,880	$ 28,179,041

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

(1) Description of plan

The following description of the Bi-State Development Agency 401(k) Retirement Savings Program (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 is a defined contribution plan sponsored by Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State or the Employer) for the benefit of its salaried employees and full-time van operators as defined in the collective bargaining agreement with Division 788 of the Amalgamated Transit Union (van operators). Effective January 1, 2014, all hourly-paid International Brotherhood of Electrical Workers (IBEW) employees who are hired on or after January 1, 2014 and who are covered by the collective bargaining agreement between Bi-State and with Local No. 2 and Local No. 309 of the IBEW Union became eligible for the Plan. Effective January 1, 2014, all existing participants in the Bi-State Development Agency of the Missouri-Illinois Metropolitan District and Local No. 2 and Local No. 309 International Brotherhood of Electrical Workers Employees' Pension Plan, may voluntarily choose to participate in the Plan without any matching contributions provided by Bi-State. Employees become eligible to participate in the Plan on the first day of the calendar month following the date on which he/she commences employment.

The Plan is that of a governmental unit and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was established on February 1, 1985. As such, the Plan is considered a grandfathered governmental 401(k) plan (formed prior to 1986).

The Administrative Committee of the Salaried Administrative Pension and 401(k) Plan (the Committee) consists of four permanent trustees (the Chief Operating Officer, the Executive Vice President of Administration and Finance, the Vice President of Human Resources, and the General Counsel) and up to five non-permanent trustees appointed by the Chairman and Bi-State's President. The trustees of the Committee are charged with administrating, construing and interpreting the Plan.

Lincoln Financial Group is the Plan's recordkeeper and Wilmington Trust Company is the Plan's trustee. The Plan's membership consisted of the following at December 31, 2014:

Active participants	894
Retired or separated receiving benefits	8
Retired or separated entitled to future benefits	107
Deceased with vested balance	2
Total participants	1,011

(1) Description of plan (continued)

Contributions - Participants may contribute up to the annual dollar limit per Internal Revenue Code (IRC) guidelines of pretax annual compensation, as defined. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans as well as Roth contributions. Additionally, participants age 50 or older, who are making contributions to the Plan, are allowed to make catch-up contributions as defined.

Bi-State matching contributions are discretionary as determined by the Bi-State's Board of Commissioners. Effective February 1, 2013, the Plan was amended to include employer non-elective contributions. Bi-State contributes 50% of the participant's elective deferrals, excluding van operators, up to a maximum of 5% of eligible compensation. Bi-State contributes 50% of the van operator's elective deferrals up to a maximum of 6% of eligible compensation.

Tier 1- new hires into a salaried position- Effective July 1, 2013, the Pension Plan for Salaried Employees of Bi-State Development Agency ("Salaried Plan") was closed to all newly-hired salaried employees. Salaried employees hired on or after that date became eligible for the Plan. Bi-State will contribute 4% of eligible compensation, regardless of whether the participant contributes. In addition, Bi-State will provide matching contributions of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Tier 2- transfers into a salaried position from a union position- Effective June 30, 2013, employees transitioning from a union position to a salaried position will be automatically placed in the Plan. Bi-State will contribute 6% of each participant's eligible compensation. Bi-State will provide matching contributions of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Effective January 1, 2014, all vested salaried employees who transferred from a union position will have their accrued sick leave and vacation leave converted to Paid Time Off (PTO). The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State contribution to the Plan. Refer to the restated plan document for additional information.

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

Participate in the Plan and receive a Bi-State contribution of 6% of eligible compensation along with a matching contribution from Bi-State of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Remain a member of the Salaried Plan and, as a participant, contribute 3% to the Salaried Plan. These participants may make employee contributions to the Plan along with a matching contribution from Bi-State of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

(1) Description of plan (continued)

Effective January 1, 2014, all non-vested salaried employees will have their accrued sick leave and vacation leave converted to PTO. The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State contribution to the Plan. Refer to the restated plan document for additional information.

Tier 4- vested salaried employee- defined contribution plan with a frozen accrued benefit from the defined benefit plan- Effective January 1, 2014, vested employees covered under the Salaried Plan could elect to stop participating in the Salaried Plan and Bi-State will contribute 6% of their eligible compensation along with a matching contribution from Bi-State of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Effective January 1, 2014, all vested salaried employees will have their accrued sick leave and vacation leave converted to PTO. The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State contribution to the Plan. Refer to the restated plan document for additional information.

Tier 5- vested salaried employee- defined contribution plan without a frozen accrued benefit from the defined benefit plan- Effective January 1, 2014, employees who are vested in the Salaried Plan who elect to forfeit all their accrued benefits in the Salaried Plan, will receive a Bi-State contribution of 8% of eligible compensation. In addition, these participants will receive a matching contribution from Bi-State of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Effective January 1, 2014, all vested salaried employees will have their accrued sick leave and vacation leave converted to PTO. The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State contribution to the Plan. Refer to the restated plan document for additional information.

Tier 6- vested salaried employee- defined benefit plan- Effective January 1, 2014, vested salaried employees covered under the Salaried Plan may elect to continue to participate in the Salaried Plan and will be required to contribute 3% of their eligible compensation to the Salaried Plan. Tier 6 participants may make employee contributions to the Plan along with a matching contribution from Bi-State of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Effective January 1, 2014, all vested salaried employees will have their accrued sick leave and vacation leave converted to PTO. The PTO balance will have a maximum of 360 hours. Certain amounts in excess of the 360 hours will be converted to a Bi-State contribution to the Plan. Refer to the restated plan document for additional information.

***IBEW* -**Effective January 1, 2014, IBEW employees who became eligible on or after January 1, 2014 were given two options with respect to participation:

1. Receive a Bi-State contribution to the Plan of 4% of their base wages with no employee contribution required. In addition, Bi-State will provide matching

(1) **Description of plan (continued)**

contributions of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

2. Participate in the National Electrical Benefit Fund pension plan to which Bi-State would contribute 3% of the employee's base wage amount to that plan. Bi-State will also contribute 1% of the employee's base wage amount to the Plan. In addition, Bi-State will provide matching contributions of 50% of eligible employee contributions up to a maximum of 5% of an employee's eligible compensation.

Effective January 1, 2014 IBEW employees eligible prior to that date in the IBEW Pension Plan could voluntarily choose to participate in the Plan without any matching contributions provided by Bi-State.

Participant investment account options - Participants direct the investment of all contributions into various investment options offered by the Plan. As of December 31, 2014, the Plan offered 20 mutual funds and one common collective trust fund, as investment options. Participants may also purchase shares of mutual funds not offered by the Plan through a self-directed brokerage account.

Participant accounts - Each participant's account is credited with the participant's contribution and allocations of (a) Bi-State's contribution and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants hired prior to June 30, 2013 are immediately vested in all contributions plus actual earnings thereon.

Effective July 1, 2013, new hires receiving Bi-State's non-elective contributions are subject to the following vesting schedule:

Years of Service	Vested %
1	20%
2	40%
3	60%
4	80%
5	100%

Any other contributions are vested at 100% for these new hires.

Notes receivable from participants - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates as determined by the plan administrator. Principal and interest are paid ratably through

(1) Description of plan (continued)

payroll deductions. The period of the loan cannot exceed 5 years unless for the purchase of a principal residence.

Payment of benefits - On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period not to exceed the life expectancy of the participant and his/her beneficiary. The normal retirement age became 60 for all participants, effective July 1, 2013. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution. The Plan also permits hardship withdrawals, in service withdrawals for participants over normal retirement age, as defined, and required minimum distributions for participants who have attained age 70 ½.

Forfeited accounts - At December 31, 2014 and 2013, forfeited nonvested accounts totaled $52 and $0, respectively. These accounts will be used to reduce future employer contributions. Also, for the years ended December 31, 2014 and 2013, employer contributions were reduced by $4,342 and $0, respectively, from forfeited nonvested accounts.

(2) Summary of significant accounting policies

Basis of accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

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

Investment valuation and income recognition - The Plan's investments in mutual funds are stated at fair value. Units of the T. Rowe Price Stable Value Fund are valued at contract value.

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.

New accounting pronouncement - Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, was issued in June 2012 and is effective for the Plan year ended December 31, 2014. This statement establishes standards of financial reporting for separately issued financial statements related to pensions for governments whose employees are provided pensions through pension plans that are covered by the scope

(2) Summary of significant accounting policies (continued)

of the statement. Management has added certain disclosures to Note 1, as a result of this new pronouncement.

Notes receivable from participants - Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - The general administrative expenses of the Plan are paid by Bi-State. These expenses may include legal, accounting, and administration fees. Expenses attributable to a participant's choice of optional investments, as well as loan or withdrawal fees, are charged to the respective participant's account.

(3) Plan termination

Although it has not expressed any intent to do so, Bi-State has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of Plan termination, the trustee, Wilmington Trust Company, shall liquidate the assets and disburse all funds to participants and their beneficiaries.

(4) Tax status

The Internal Revenue Service has determined and informed Bi-State by letter dated August 25, 2014, that the Plan and the related trust are designed in accordance with the applicable sections of the IRC.

(5) 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 participants' account balances and the amounts reported in the statements of plan net assets.

(6) Investments

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

	December 31, 2014	December 31, 2013	December 31, 2012
Vanguard 500 Index Fund Admiral Shares	$ 8,013,043	$ -	$ -
Vanguard 500 Index Fund Signal Shares	-	7,217,160	6,345,385
Dodge & Cox Balanced Fund	6,420,781	5,644,266	4,840,079
T Rowe Price Stable Value Fund	5,967,927	5,459,838	5,196,909
William Blair Small-Mid Cap	2,403,794	2,260,806	1,793,510
Dodge & Cox Stock Fund	2,258,652	*	*
T Rowe Price Retirement 2020 Fund	2,218,283	*	*
American Euro Pacific Growth Fund	*	*	1,635,754
Goldman Sachs Trust ILA Money Market	*	*	1,564,790

Custodial credit risk is when, in the event a financial institution or counter party fails, the Plan would not be able to recover the value of deposits, investments or collateral that are in possession of an outside party. All investments held in the Plan's name are not subject to creditors of the financial institution.

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 December 31, 2014 subject to credit risk are shown with their respective credit ratings below:

BB	$ 2,602,269	16.6%
BBB	13,079,046	83.4%
	$ 15,681,315	100.0%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not invest in bond funds. However, the Plan does invest in a stable value fund. The underlying investments in the stable value fund include contracts with crediting rates, which are impacted by changes interest rates.

(7) Subsequent events

The Plan has evaluated subsequent events through February 10, 2016, which is the date the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From: Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject: **2015 Pension Valuation Update**
Disposition: Information
Presentation: Charles A. Stewart, Jr., Vice President, Pension & Insurance

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Objective:
To present to the Finance and Administration Committee the 2015 pension valuation results for company sponsored defined benefit pension plans.

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

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

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

Funding Source:
No funding request is made for this matter. The pension plans and 401(k) retirement savings programs are funded by employer and employee contributions.

Background:
Milliman, Inc., has issued Valuation Reports for fiscal year ended 2015 for the three pension plans.

Analysis:
As of June 1, 2015, the funded ratio for the Salaried Pension Plan was 78.3% and the unfunded liability was $16,062,541.

As of April 1, 2015, the funded ratio for the IBEW Pension Plan was 86.5% and the unfunded liability was $559,229.

As of April 1, 2015, the funded ratio for the Local 788, Amalgamated Transit Union, AFL-CIO Pension Plan was 59.6% and the unfunded liability was $80,003,001.

Local 788, Amalgamated Transit Union, AFL-CIO and the Agency agreed to merge the Division 788 O&M and Clerical Pension Plans, effective April 1, 2015. As of April 1, 2014, the funded ratio for the ATU Division 788 O&M Pension Plan was 56.4% and the unfunded liability was $80,652,709. As of April 1, 2014, the funded ratio for the ATU Division 788 Clerical Unit Pension Plan was 45.0% and the unfunded liability was $6,424,007. Had the plans been merged at April 1, 2014 the funded ratio for the combined plans would have been 55.7% and the unfunded liability $87,076,716.

Comparative summaries of valuation results for the three pension plans are included as exhibits to this report.

Committee Action Requested:
None. Information only.

Attachments:
Exhibit I - Comparative Summary of Valuation Results – Bi-State Development Agency Salaried Employees' Pension Plan

Exhibit II - Comparative Summary of Valuation Results – Bi-State Development Agency IBEW Employees' Pension Plan

Exhibit III – Comparative Summary of Valuation Results – Bi-State Development Agency ATU Local 788 O&M Employees' Pension Plan

Comparative Summary of Valuation Results

Salaried Pension Plan

	6/1/2015	6/1/2014	Change	6/1/2014	6/1/2013	Change
Total Participants	789	870	(81)	870	981	(111)
Actuarial Value of Assets	58,097,258	55,612,180	2,485,078	55,612,180	49,704,047	5,908,133
Entry Age Normal (EAN) Accrued Liability	74,159,799	73,512,998	646,801	73,512,998	67,865,918	5,647,080
Unfunded EAN Accrued Liability (UAL)	16,062,541	17,900,818	(1,838,277)	17,900,818	18,161,871	(261,053)
Funded Ratio	78.3%	75.6%	2.7%	75.6%	73.2%	2.4%
Recommended Contribution	2,650,550	2,752,597	(102,047)	2,752,597	3,500,784	(748,187)

Note: 3% employee contributions started 1/1/14

Comparative Summary of Valuation Results

IBEW Pension Plan

	04/01/15	04/01/14	Change	04/01/14	04/01/13	Change
Total Participants	70	70	-	70	69	1
Actuarial Value of Assets	3,586,753	2,916,189	670,564	2,916,189	2,400,205	515,984
Entry Age Normal (EAN) Accrued Liability	4,145,982	3,696,193	449,789	3,696,193	3,342,338	353,855
Unfunded EAN Accrued Liability (UAL)	559,229	780,004	(220,775)	780,004	942,133	(162,129)
Funded Ratio	86.5%	78.9%	8%	78.9%	71.8%	7%
Recommended Contribution	220,273	244,567	(24,294)	244,567	254,905	(10,338)
Required Weekly Contribution Rate	73.03	78.39	(5)	78.39	83.09	(5)
Metro Required Weekly Contribution 70%	51.12	54.87	(4)	54.87	58.16	(3)
Participant Required Weekly Contribution 30%	21.91	23.52	(2)	23.52	24.93	(1)
Additional 5 Year 100% Funding Contribution	47.05	47.05		47.05	47.05	
Metro Required Weekly Contribution 80%	37.64	37.64		37.64	37.64	
Participant Required Weekly Contribution 20%	9.41	9.41		9.41	9.41	
Total Metro	88.76	92.51		92.51	95.80	
Total Employee	31.32	32.93		32.93	34.34	

Note: The Pension Committee elected to keep the rate at the higher $83.09 amount from the 4/1/13 valuation report.

Comparative Summary of Valuation Results

788 ATU Combined Contribution Analysis

	4/1/2015	4/1/2014	Change	4/1/2014	4/1/2013	Change
Actuarial Value of Assets	117,889,375	109,670,356	8,219,019	109,670,356	97,424,069	12,246,287
Entry Age Normal (EAN) Accrued Liability	197,892,376	196,747,072	1,145,304	196,747,072	187,782,586	8,964,486
Unfunded EAN Accrued Liability (UAL)	80,003,001	87,076,716	(7,073,715)	87,076,716	90,358,517	(3,281,801)
Funded Ratio	59.6%	55.7%	3.8%	55.7%	51.9%	3.9%
Recommended Contribution	10,558,786	11,025,929	(467,143)	11,025,929	11,236,858	(210,929)
Required Weekly Contribution Rate	161.31	167.82	(6.51)	167.82	170.50	(2.68)

Note: 2013 combined contribution rate was implemented on March 2, 2015, pending the O&M/Clerical merger.

Note: Pension Trustees voted to continue the 2013 combined contribution rate through 2015.

Note: Pension Trustees voted in December 2016 to increase the contribution rate to $173.03:

	Grandfathered Clerical (32%/68%)	O&M and New Hires (30%/70%)
Employee	55.37	51.91
BSD	117.66	121.12
	173.03	173.03

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From: Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject: **Pension & Insurance – Internal Service Funds Update**
Disposition: Information
Presentation: Charles A. Stewart, Jr., Vice President, Pension & Insurance

Objective:
To present an update to the Finance and Administration Committee on the status of implementing Internal Service Funds for the Health, General Liability and Workers Compensation Self-Insurance programs.

Board Policy:
No Board Policy applies.

Funding Source:
Funding is provided through the Operating Budget. No additional funding is requested.

Background:
In accordance with the approved Internal Audit Department (**IAD**) Annual Audit Plan, an audit of Bi-State Development's (**BSD)/** Self-Funded Health Insurance Plan was performed by Brown Smith Wallace, LLC (**BSW**), a certified public accounting firm. BSW's Draft Self-Funded Health Insurance Plan Audit report was presented and discussed during the Executive Session of the Audit Committee meeting on October 24, 2014. The Audit Committee voted unanimously to recommend that the Board of Commissioners approve the Draft Audit report. At their November 21, 2014 meeting, the Board of Commissioners voted unanimously to accept and approve the Draft Self-Funded Health Insurance Plan Audit report.

In BSW's Self-Funded Health Insurance Plan Audit report they stated that BSD's Self-Funded Health Insurance Plan is the third largest expense to BSD, with only fixed assets and payroll being more expensive. In order to improve the overall accountability and governance for BSD's Self-Funded Health Insurance Plan, the Board of Commissioners approved the recommendation to establish an Internal Service Fund (**ISF**). The new ISF will provide Management and the Board of Commissioners with greater visibility and enhanced financial reporting for the Agency's $38.6 million self-funded insurance activities.

The Governmental Accounting Standards Board (**GASB**) defines an ISF as a governmental fund type used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

Many governmental agencies use an ISF to account for the administration of their self-funded insurance programs for General Liability, Worker's Compensation, and Health Insurance.

Although the BSW audit report only addressed the creation of an ISF to account for the financial transactions of the BSD's Self-Funded Health Insurance Plan, ISFs will also be used to provide accounting for the BSD's Self-Funded Workers' Compensation Insurance and General Liability Insurance. By establishing an ISF for each of BSD's three (3) self-funded insurance plans, comprehensive accounting for all sources of revenue and all expenses to cover self-insured losses and related administrative costs will be achieved.

The implementation of an ISF represents a significant paradigm shift in the way the BSD's Self-Funded Insurance Plans will be managed in the future; assigning the right people, processes, and technology is vital.

With the creation of the ISF, the Board will be presented with quarterly income and expense statements in addition to meaningful performance metrics.

Analysis:

Charles A. Stewart, Jr., Vice President, Pension and Insurance, has been given full authority and responsibility for all operations relating to the Self-Funded Health Insurance, General Liability and Worker's Compensation programs.

The accounting, reporting and management of those programs, which include the current activities of the Benefits and Risk Management Departments, are being reorganized to achieve the accountability objectives of the Board of Commissioners.

The Finance and Internal Audit Departments are playing significant roles in the development of the infrastructure and the financial reporting processes for this reorganization.

Three (3) Internal Service Funds have been established:

- 41 - Health Self-Insurance Internal Service Fund
- 42 - Casualty Self-Insurance Internal Service Fund
- 43 - Workers Compensation Self-Insurance Internal Service Fund

The major cost components of Fund 41 currently reside in the Benefits Department. The financial reporting structure has been developed and is being finalized. Historical financial statements for Fund 41 have been prepared for comparative purposes. The Health Self-Insurance ISF and the reorganized Benefits Department budgets have been included in the BSD's Fiscal Year 2017 budget. A comprehensive due diligence process is being conducted to determine how the existing Benefits Department will be reorganized and how activities will be coordinated with the Human Resources Department.

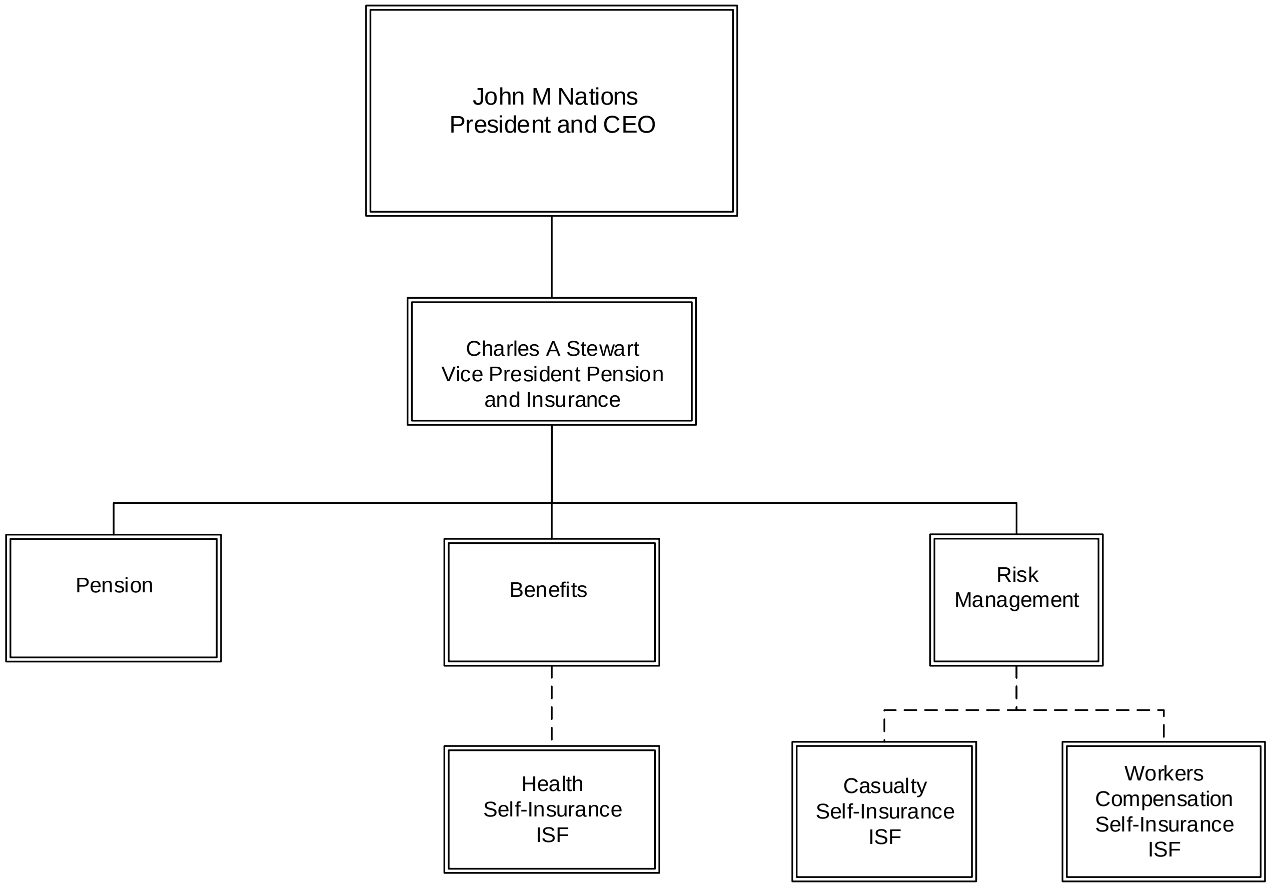
The major cost components of Funds 42 and 43 reside in the Risk Management Department. Finance and Internal Audit are currently identifying cost centers that should be included in the internal service fund accounting and reporting structure for Funds 42 and 43. Historical financial statements have been prepared for the Casualty fund. The Casualty and Workers Compensations Self-Insurance ISFs and the reorganized Risk Management budgets have been included in the Company's Fiscal Year 2017 budget. As with the Benefits Department, a comprehensive due diligence process is being conducted to reorganize Risk Management activities to achieve the objectives of the Board directive and coordination with the Finance Department.

Financial Statements

Financial Statements have been prepared for the Health Self-Insurance Internal Service Fund for the six months ended December 31, 2015. Quarterly financial statements for the three Internal Service Funds will be provided to Management and the Board of Commissioners beginning in Fiscal Year 2017.

Committee Action Requested:
None. Information only.

Attachments:
1. Pension & Insurance – Internal Service Funds Condensed Organization Chart
2. Financial Statements for the Health Self-Insurance Internal Service Fund for the six months ended December 31, 2015. (See Quarterly Financials)


John M Nations
President and CEO
Charles A Stewart
Vice President Pension
and Insurance
Pension
Benefits
Risk
Management
Health
Self-Insurance
ISF
Casualty
Self-Insurance
ISF
Workers
Compensation
Self-Insurance
ISF

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From:	Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject:	**Health Care Reform Impact Update**
Disposition:	Information Only
Presentation:	Dave Toben, Director of Benefits

Objective:
To present to the Finance and Administration Committee an update on the impacts to Bi-State Development **(BSD**) of the 2010 Patient Protection and Affordable Care Act (**PPACA**).

Board Policy:
No Board Policy applies.

Funding Source:
Funding is provided through the Operating Budget. No additional funding is requested.

Background:
In general, the law signed March 23, 2010, requires individuals to purchase health coverage and for some employers to provide it or face penalties. The law sets out standards for essential health benefits for plans available through state or federal exchanges, and provides premium and cost sharing assistance to individuals with incomes below 400% of poverty. The law also provides small business tax credits for certain designated small business employers. It raises taxes and cuts Medicare and other spending to finance the new entitlement to premium and cost sharing subsidies.

Analysis:
The Benefits Department is engaged along with our health and welfare plan consultant in monitoring the guidance being released by the U.S. Health and Human Services (**HHS**) Department enacting this legislation. Major impacts from the legislation began to be felt in 2014 for individuals and 2015 by employer groups. The following is a year over year analysis of the impacts of health care reform to BSD:

2011

- Increased dependent eligibility to age 26 – saw slight increase in enrolled dependents.
- Removed lifetime dollar limits on essential health benefits such as $2M lifetime maximum.
- Maintained no pre-existing exclusions – no impact to the plan.
- Maintained grandfather status so continue with cost share on preventative benefits.

2012

- Annual Patient Centered Outcome Research Institute (**PCORI**) fee enacted for plan years ending after September 30, 2012 – BSD's plan year ends December 31 and will pay a $1 per plan member based on the average number of members (employees, retirees, and dependents) enrolled in the plan in 2012. The fee will be due annually to HHS in July. For 2013, the fee increased to $2 per plan member and in 2014 to $2.08 and is expected to continue to increase over time. For plan year 2012, BSD paid $5,622.00, for 2013, the fee paid was $11,396.00, and for 2014 it was $9,883.10. The fee for plan year 2015 will be due in July 2016, and is estimated at $9,850.00.

- Summary of Benefits and Coverage required reporting of available plans mailed with 2013 open enrollment packages and is required annually thereafter.
- Implemented employer reporting of health coverage on W-2's due January 31, 2013.

<u>2013</u>

- Flexible spending healthcare account (**FSA**) employee contribution limited to $2,500 – no change for salaried only FSA program, as we set our original limit at $2,500 in 2011.
- Elimination of employer deduction for expenses allocable to Retiree Drug Subsidy (**RDS**) program – not applicable to the Agency since we moved to a Medicare Part D Employer Group Waiver Plan in 2012 and were a tax exempt entity to begin with.
- Additional Medicare payroll tax goes into effect for employees by an additional 0.9% on wages above a certain dollar threshold, but has NO impact on employers.

<u>2014 – State and Federal Health Care Exchanges Come On-Line</u>

- An individual mandate requiring the purchase of health care coverage which would assess a penalty at tax filing time if confirmed not enrolled in an employer, individual, or exchange health plan occurs – no impact to BSD as this is an **employee** ramification.
- A Transitional Reinsurance Fee was initiated on fully insured and self-insured group health plans to help stabilize premiums in the individual insurance market. <u>The fee is per plan member (employee, <age 65 retiree, and their dependents) per year and is to begin in 2014 and run through 2016 or 3 plan years.</u> It does exclude post-65 Medicare eligible members covered as secondary. Essentially, this is the way health care reform (PPACA) proposes to keep the individual market stable as it adjusts to not being able to exclude or rate for pre-existing conditions. This cost can be factored into the annual employer/employee medical plan contribution ratios allowing some of it to be passed back to the employees if desired.
    - For plan year 2014, the per applicable plan member fee was $63.00 and amounted to a payment of $353,052. For plan year 2015, the per applicable plan member fee reduced to $44.00 and amounted to a payment of $208,296. For plan year 2016, the per applicable plan member fee reduces further to $27.00 with an estimated payment due in December 2016 of $127,818.00.
- The maximum allowable employee contribution discount reward increased to 30% from 20% for participating in a defined wellness program. BSD's Risk Management & Safety Department in concert with Benefits developed a wellness program that integrates incentives into the contribution rate structure for employees, but anticipates using a lesser percentage than the maximum allowable.

<u>2015 – Employer Mandate Begins</u>

- Employers with 50+ employees must now provide "Affordable Minimum Essential Health Coverage" to full-time (30 hours/week or more) employees:
  - Medical plan must meet HHS prescribed level of essential health benefits – BSD's plan was reviewed and comfortably meets this requirement.
  - An employer must provide a medical plan that meets an actuarial Minimum Value (MV) of 60% to avoid penalties meaning that an employer must subsidize at least 60% of the cost of the plan. BSD's current employer and employee cost share structure meets this requirement.
  - Employee contributions are deemed "affordable" if the single employee only component costs less than 9.5% of an employee's household income regardless of their enrollment in a tier that may also provide dependent coverage. BSD's health and welfare plan consultant reviewed employee census and income information and through this analysis, our health plan was deemed to meet the affordability requirement on the employees' income alone.
  - Part-time and seasonal employees cannot exceed an average of 30 hours per week using a maximum "look-back" period of 12 months.

<u>2016</u>

- Applicable Large Employers (**ALE's**) of which BSD qualifies must now provide for plan years 2015 and forward, an annual Employer Provided Health Insurance Offer and Coverage Form 1095-C. This form must be generated for all active employees along with any retiree covered by the health plan. For plan year 2015, the form must be mailed to applicable employees and retirees by March 31 and then annually thereafter by the end of January. In addition, an electronic file known as a 1094-C, containing a listing of all issued forms must be transmitted to the IRS by May 31 this year and then by March 31 annually thereafter. This is the information the IRS will use to ensure the individual health coverage mandate is adhered to or for applying a tax penalty for not having coverage.
  - 3,187 Form 1095-C's were mailed during the week of March 7, 2016 for plan year 2015.

<u>2020</u>

- Introduction of an Excise Tax on High Cost Plans (delayed from 2018 implementation) – the law imposes a 40% excise tax on high-cost health plans with an actuarial value exceeding a dollar threshold (defined now as $10,200 for individuals and $27,500 for families) with higher amounts for retirees age 55 to 64 and an exemption for certain high risk professions of which BSD's positions do not fall under. This could have some implication with our current Premium coverage option.

<u>Committee Action Requested:</u>
None. For informational purposes only.

Bi-State Development
Agenda Item
Finance & Administration Committee
March 18, 2016

From:	Charles A. Stewart, Jr., Vice President, Pension & Insurance
Subject:	**Other Postemployment Benefits (OPEB) Trust Update**
Disposition:	Information
Presentation:	Kathy Klevorn, Senior Vice President Finance/CFO; Charles Stewart, Jr., Vice President, Pension and Insurance, Dave Toben, Director of Benefits

Objective:
To present to the Finance & Administration Committee an overview and update of the Bi-State Development (**BSD**) Other Postemployment Benefits Trust (OPEB). The primary purpose of the trust, objectives and performance are the major focus of this overview.

Board Policy:
No Board Policy applies.

Funding Source:
Funding is provided through the Operating Budget. No additional funding is requested.

Background:
On May 30, 2008, the Board of Commissioners, passed a resolution authorizing the establishment of an Other Postemployment Benefits (**OPEB**) trust as recommended within the Governmental Accounting Standards Board (**GASB**) Statements 43 and 45 for the exclusive purpose of funding BSD's non-pension post-employment benefits consisting of medical, prescription drug and life insurance. GASB 43 requires retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. An actuarial valuation of BSD's OPEB obligations is prepared bi-annually. GASB 43 and 45 will be replaced by GASB 74 and 75 for plan sponsor fiscal years ending June 30, 2017 and June 30, 2018, respectively. These two new GASB Statements make significant reporting changes for OPEB liabilities. The new OPEB standards will parallel the pension standards issued in 2012—GASB Statement No. 67, *Financial Reporting for Pension Plans, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Together, the pension and OPEB standards provide consistent and comprehensive guidance for all postemployment benefits. Essentially these OPEB standards are designed to usher in the same fundamental improvements in accounting and financial reporting that were previously introduced for pensions. The recognition of the net OPEB liability in the employer's financial statements will likely be a significant increase in the amount of balance sheet liability relative to the amount that is currently reported under GASB 45 which was amortizing the unfunded liability over 30 years.

By establishing an OPEB trust, the following initial objectives were addressed:

- Ensures that the discount rate the actuary uses to determine investment yield is equivalent to the discount rate that is similar to the interest rate assumed for public sector pension plans of between 7 and 8 percent. Otherwise, the discount rate would have to be the anticipated rate of return for long-term money market accounts, which has been well under 4 percent for years. This, in turn, lowers the actuarially determined cost of funding OPEB.

- Mitigates the growth of an OPEB liability on the balance sheet. Lower liability on the balance sheet supports a higher credit rating for BSD.
- Amortizes the cost of OPEB more evenly over time. The "pay as you go" method of funding" would cause a significant annual expense increase in later years.

On May 10, 2010, a trust was established naming The Bank of New York Mellon Trust Company N.A. as custodial trustee. The initial contribution was $3 million. Responsibility for the proper administration of the trust was placed with a Board of Trustees comprised of the BSD President & CEO, Senior VP Finance/CFO (Chair), Vice President of Pension and Insurance, Controller and Director of Benefits (Secretary). In June of 2013, the trustees retained Ellwood Associates, Inc. as investment advisor and established a formal Statement of Investment Policy (**SOIP**) effectively moving the trust asset management responsibility from the BSD Treasury Department to Ellwood. A copy of the SOIP is attached.

Analysis:

Based on the SOIP, a portfolio of investments was established in January 2014 comprised of the following asset allocations:

Asset Class	Target (%)	Minimum (%)	Maximum (%)
Cash/Equivalents	0%	0%	5%
Fixed Income	20%	10%	30%
Hedge Funds*	20%	10%	30%
Global Equities	60%	40%	75%
Total Fund	100%	--	--

*Hedge funds are defined as a group of lower volatility investments designed to protect the down side of a bear market. Emphasis is placed on protection of asset value as compared to the average index and annual earnings are moderate.

A long-term targeted investment return of 7% has been established through the actuarial valuation process. Investments have been structured to provide a level of return that should yield 7% over the remaining 25-year amortization period. Through December 31, 2015, BSD contributions and earnings yielded a portfolio value was $18.8 million comprised of the following assets:

Asset Class	Target	Actual	Asset Value ($ in millions)
Cash/Equivalents	0%	1%	$ .2
Fixed Income	20%	19%	$ 3.5
Hedge Funds*	20%	22%	$ 4.2
Global Equities	60%	58%	$10.9
Total Fund	100%	100%	$18.8

*Hedge funds are defined as a group of lower volatility investments designed to protect the down side of a bear market. Emphasis is placed on protection of asset value as compared to the average index and annual earnings are moderate

The OPEB board of trustees meets quarterly with its financial advisor to review the performance of the portfolio and make any adjustments as may be recommended. Additionally, they review the bi-annual actuarial valuation of OPEB liabilities and support strategies to effectively manage the trust.

As of June 30, 2010, the total OPEB Unfunded Actuarial Accrued Liability **(UAAL**) totaled $188,244,000. Primarily through modifications made to our retiree health plan for those post-65 participants that become Medicare eligible, as of June 30, 2015, the OPEB UAAL was reduced to $64,846,100.

Committee Action Requested:
None. For informational purposes only.

Attachments:
1. OPEB Investment Policy Statement

Attachment 1

Bi-State Development Agency OPEB Trust

Investment Policy Statement

Adopted by the Investment Committee: May 2015

Table of Contents

Section I	Introduction
Section II	Purpose of Policy Statement
Section III	Roles & Responsibilities
Section IV	Investment Objectives and Asset Allocation
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I. Introduction

The Investment Policy Statement (Policy) is intended to define the purpose and governance activities of the Bi-State Development Agency of Missouri-Illinois Metropolitan District's Other Post-Employment Benefits Investment Trust (hereinafter referred to as OPEB or Trust). The OPEB Program was created as a separate Trust to help fund the obligations of post-retirement medical and life insurance benefits for employees. This Policy is to serve as a governing document for OPEB's investment activities and to assist the OPEB Committee in overseeing the Trust.

II. Purpose of Policy Statement

The purpose of the Investment Policy Statement is to provide framework and philosophy for the prudent management of the OPEB Trust. The policy statement is intended to govern investment practices for OPEB so that all individuals, with either direct or indirect responsibility, may understand OPEB's investment activities.

III. Roles & Responsibilities

Investment Committee

The Bi-State Board of Commissioners has authorized the OPEB Trust Committee (Committee) to oversee OPEB's assets on an ongoing basis. The Committee has the following roles and responsibilities:

A. The Committee is expected to monitor the Trust's assets on an ongoing basis to ensure that all policies and practices are consistent with OPEB's circumstances and industry best practices.

B. The Committee is responsible for establishing, and revising as appropriate, OPEB's Investment Policy.

C. The Committee is responsible for establishing, and revising as appropriate, target asset allocation and asset allocation ranges.

D. The Committee may delegate specific duties to Bi-State Development Agency staff to fulfill its ongoing responsibilities.

E. The Committee will meet regularly to review the investment program. The Committee is expected to review OPEB's Investment Policy Statement at least annually.

F. Select and contract with an investment consultant who advises OPEB with regard to investment responsibilities.

G. Select and contract with a custodial trustee that is responsible for the safekeeping of OPEB assets.

H. Select, contract with, and when appropriate, terminate investment managers.

Investment Consultant
The Committee may delegate to an investment consultant certain responsibilities to assist with OPEB's investment program. The investment consultant is expected to assist the Committee with implementing OPEB's investment activities, as well monitoring portfolio performance. The investment consultant has the following roles and responsibilities:

A. Review OPEB's investment policies and, when necessary, recommend changes.

B. Provide recommendations regarding OPEB's overall asset allocation. The investment consultant should also provide recommendations for periodic asset allocation rebalancing when necessary.

C. Measure, evaluate, and report the performance of OPEB's total assets.

D. Measure, evaluate, and report the performance of each investment manager relative to their established benchmarks on a quarterly basis. Evaluate each investment manager and, when appropriate, recommend termination.

Custodial Bank
The Committee may retain a custodial bank that is in charge with safeguarding OPEB's assets. The custodial bank is expected to perform the following primary functions:

A. Provide complete and accurate accounting records and monthly reports to reflect all transactions, cash flows, and assets held.

B. Track investment income and realized gains or losses.

C. At direction of the Committee, facilitate asset purchases and sales.

IV. Investment Objectives & Asset Allocation

Investment Objectives
The Trust is designed to be a long-term, post-retirement benefit program for Bi-State Salaried Employees. OPEB's asset allocation and investment structure should be monitored and be consistent with the liabilities of the Trust. The investment structure should be reviewed at least annually to ensure it is consistent with analysis provided by the Trust's actuary.

A. OPEB's assets must be invested for the benefit of Trust participants and their beneficiaries in full compliance with all applicable laws and regulations.

B. OPEB will be administered in a manner that provides the highest probability of delivering post-retirement benefits to eligible participants at a reasonable cost to Bi-State Development Agency.

Asset Allocation
Based upon the underlying needs and circumstances of OPEB, the Committee has approved the following asset allocation targets for the Portfolio:

Asset Class	Target (%)	Minimum (%)	Maximum (%)
Cash/ Equivalents	0%	0%	5%
Fixed Income	20%	10%	30%
Directional Hedge Funds	20%	10%	30%
Global Equities	60%	40%	75%
Total Fund	100%	--	--

Rebalancing
The Committee intends to maintain the asset class allocations within the target ranges outlined above. Allocations will be reviewed at least quarterly to determine if rebalancing transfers between asset classes are necessary.

V. Performance Evaluation

In general, the Committee understands OPEB's total return during any single measurement period may deviate from the long-term return investment objectives for the Trust. Over the long-term, however, the Committee expects OPEB to achieve, at minimum, a total annual rate return equal to the assumption used by the OPEB's actuary in estimating the expected investment return for funding purposes.

The Committee has also set an additional goal of outperforming a composite market benchmark representing OPEB's current allocations.

Composite Market Value Weighted Index will include the following indices:
ML 1-3 Year Treasury Index, HFRI Strategic Fund of Funds Index, Russell 3000 Index, MSCI EAFE Index

Investment Manager Performance
It is the intent of the Committee to hire investment managers specializing in market segments to achieve the target asset allocation. The Committee seeks to achieve competitive investment results over a full market cycle and understands that an investment manager's total return during any single measurement period may deviate from the long-term return objective.

Each individual manager's performance will be measured against:
1. The manager's specific passive index identified in the investment manager guidelines (*see Appendix for detailed information*)
2. A peer group universe of similar investment styles

It is expected that, within each asset class, the individual manager should exceed the passive index (net of fees) and should be in the top half of its appropriate peer group universe.

Bi-State Development Agency
OPEB Program

Appendices to the
Statement of Investment Policy

Appendix A

Refers to Section V: Performance Evaluation

Current Portfolio Managers		
Global Equities	**Style**	**Benchmark**
Vanguard S&P 500 Index	Large Cap Core	S&P 500 Index
DFA Small-Cap Value	Small Cap Value	Russell 2000 Value Index
Artisan Mid-cap Growth	Small Cap Growth	Russell 2000 Growth Index
Neuberger Berman	International	MSCI EAFE Index
Harbor International	International	MSCI EAFE Index
Hedge Funds	**Style**	**Benchmark**
Blackstone Park	Equity Biased	HFRI Strategic Fund of Funds Index
Blackstone Partners	Multi-Strategy	HFRI Strategic Fund of Funds Index
Fixed Income	**Style**	**Benchmark**
TCW MetWest	Low Duration	ML 1-3 Year Treasury Index

Appendix B

Refers to Section V: Investment Manager Performance

The following criteria are used to evaluate investment managers for OPEB. The Committee may choose to override these criteria upon agreement.

1. To reduce risk of a poor selection based upon incorrect or misleading data, the performance and portfolio data submitted by manager candidates should be audited or otherwise verified.

2. The performance records submitted by a candidate must cover a sufficient period of time so as to include a variety of economic and market environments. In general, the most recent five-year period is deemed to be the minimum acceptable period.

3. Manager candidates must have a consistent record of performance superior to other managers using the same investment style.

4. Manager candidates must have a consistent record of performance superior to other managers with similar risk characteristics (e.g., style universes, appropriate passive indexes, etc.).

5. Investment managers must exhibit a consistent investment style and risk profile as defined by the aggregate financial characteristics of the portfolio over a variety of measurement periods.

6. Manager candidates must demonstrate organizational stability and provide evidence indicating that the people, resources and other factors responsible for past superior investment results are still in place. Such evidence increases the probability that past success will be repeated in the future.

7. Minority owned investment managers who meet all selection criteria listed above should be considered.