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

AUDITED FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended May 31, 2023

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Pension Plan for Salaried Employees of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (the Plan), which comprise the statement of fiduciary net position as of May 31, 2023, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

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, 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

UHY LLP

St. Louis, Missouri
September 5, 2023

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 the Missouri-Illinois Metropolitan District (the Plan). The MD&A is intended to serve as an introduction to the Plan's financial statements which consists of (1) Financial Statements, (2) Notes to the Financial Statements and (3) Required Supplementary Information. The MD&A provides an overview for the fiscal years ended May 31, 2023 and 2022 with limited information provided on the previous years.

HISTORY

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

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

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

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

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

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

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

ORGANIZATION

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

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

FINANCIAL STATEMENTS

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

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

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

1. Schedule of Changes in Net Pension Liability and Related Ratios

2. Schedule of Employer Contributions

3. Schedule of Money-Weighted Rate of Return

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

CONDENSED FINANCIAL INFORMATION
(In thousands)

	As of and for the Years Ended May 31, 2023	As of and for the Years Ended May 31, 2022
Assets	$ 93,521	$ 95,752
Net Position	$ 93,521	$ 95,752
Contributions		
Employer	$ 4,000	$ 8,000
Participant	282	286
Investment Income (Loss), Net	851	(7,041)
Benefits Paid to Participants	(7,224)	(7,258)
Administrative Expenses	(140)	(163)
Net Decrease	$ (2,231)	$ (6,176)

FINANCIAL HIGHLIGHTS

<u>Pension Plan</u>
The Plan's fiduciary net position decreased by $2.2 million and $6.2 million in fiscal years ended May 31, 2023 and 2022, respectively, and increased $24.7 million in fiscal year ended May 31, 2021. The fiduciary net position totaled $94 million at May 31, 2023. The net decrease in fiduciary net position from fiscal 2022 to 2023 is driven primarily from the decrease of the Employer's contributions. Investment income, net for the fiscal year ended May 31, 2023 was $851 thousand and is included in greater detail on page 9. The fiduciary net position totaled $96 million at May 31, 2022. The decrease in fiduciary net position in 2022 was driven primarily from unfavorable market conditions, resulting in investment loss.

The Plan received employer contributions from Bi-State Development in the amount of $4.0 million, $8.0 million and $7.0 million for the years ended May 31, 2023, 2022 and 2021 respectively. Bi-State Development also funds supplemental pension benefits for participants' unused sick leave as they are paid by the Plan. Participant contributions for the years ended May 31, 2023, 2022 and 2021 were $282 thousand, $286 thousand and $372 thousand, respectively. The Employer intends to make contributions from time to time to the Plan in amounts actuarially determined to be sufficient to fund the benefits provided by the Plan.

The Plan paid $7.2 million, $7.3 million and $5.8 million in benefits for the years ended May 31, 2023, 2022 and 2021, respectively. Benefit payments in any given year vary by the number of new retirees and the level of supplemental benefits due to the participants.

FINANCIAL HIGHLIGHTS (Continued)

Bi-State Development
As of June 30, 2022, Bi-State Development had assets of approximately $1.4 billion and net assets of $475 million. Operating revenues for the twelve months ended June 30, 2022 were $39 million and operating expenses were $374 million. The main operating expenses were wages and benefits ($190 million), depreciation and amortization ($86 million), and services ($50 million). This created an operating loss of $335 million. Non-operating revenues, net were $391 million and were primarily comprised of grants and assistance. The Change in Net Position was $56 million for the year ended June 30, 2022. As of June 30, 2021, Bi-State Development had assets of approximately $1.3 billion and net assets of $419 million. The Change in Net Position was $(5 million) for the year ended June 30, 2021. Comprehensive Annual Financial Report (CAFR) information for the current and prior years can be found at www.bistatedev.org or by contacting:

Finance Division
Bi-State Development Agency
One Metropolitan Square
211 North Broadway, Suite 700
Mail Stop 154
St. Louis, MO 63102

The telephone number to the Finance Division is 314-982-1547. The email address is Finance@BiStateDev.org.

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

	As of and for the Years Ended June 30, 2022	2021
Assets	$ 1,389	$ 1,334
Liabilities	914	915
Net Position	$ 475	$ 419
Operating Revenue	$ 39	$ 35
Operating Expenses	374	379
Operating Loss	(335)	(344)
Non-Operating Revenue, Net	391	339
Change in Net Position	$ 56	$ (5)

CONTACT

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

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

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

STATEMENT OF FIDUCIARY NET POSITION

May 31, 2023

ASSETS	
Investments	
Cash and cash equivalents	**$ 1,529,233**
Investments	**91,974,599**
	93,503,832
Receivables	
Participant contributions	**11,200**
Securities sold	**6,015**
Total receivables	**17,215**
NET POSITION RESTRICTED FOR PENSIONS	**$ 93,521,047**

See notes to financial statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended May 31, 2023

ADDITIONS	
Contributions	
Employer	**$ 4,000,000**
Participant	**282,189**
Total contributions	**4,282,189**
Investment income (loss)	
Net depreciation in fair value of investments	**(880,454)**
Interest and dividends	**1,786,031**
Total investment income	**905,577**
Less investment expense	**(54,753)**
Net investment income	**850,824**
Total additions	**5,133,013**
DEDUCTIONS	
Benefits paid to participants	**7,224,006**
Administrative expenses	**139,537**
Total deductions	**7,363,543**
Total deductions	**7,363,543**
NET DECREASE IN NET POSITION	**(2,230,530)**
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	**95,751,577**
End of year	**$ 93,521,047**

See notes to financial statements.

NOTE 1 — DESCRIPTION OF PLAN

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

General

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

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

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

The Plan's membership as of June 1, 2022 consisted of:

Active Participants	136
Terminated Vested Participants	111
Terminated Non-Vested Participants Due a Refund	1
Long-Term Disability Participants	1
Participants Receiving Payments	493
Total participants	742

NOTE 1 — DESCRIPTION OF PLAN (Continued)

Funding Policy

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

Eligibility

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

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

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

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

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

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

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

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

NOTE 1 — DESCRIPTION OF PLAN (Continued)

Eligibility (Continued)

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

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

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

Contributions

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

Normal Retirement Pension

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

Early Retirement Pension

A participant who has attained age 55 and has completed at least ten years of credited service may elect to retire at any time prior to normal retirement date. The early retirement pension equals the participant's normal pension (as described above) reduced by 0.25% for each month that the early retirement date precedes the normal retirement date.

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

NOTE 1 — DESCRIPTION OF PLAN (Continued)

Benefit Formula

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

Termination Benefit

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

Vested Benefit

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

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

Death Benefit

If a married participant's death occurs while eligible for retirement (early or normal), a benefit is payable to the surviving spouse. The amount of the benefit is equal to 50% of the monthly benefit which would have resulted had the participant retired on the first day of the month immediately prior to the date of the participant's death. The beneficiary of an unmarried participant shall be paid a benefit equal to the greater of the participant's accumulated cash share or, if eligible for normal retirement, the computed value of the 120 monthly payments payable had the participant retired on the date of death. Effective January 1, 2019, the Plan was amended so that when vested active participant's death occurs prior to retirement, their beneficiary is eligible for 100% of the accrued benefit.

Payment Options

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

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

Contingent Annuitant Options

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

NOTE 1 — DESCRIPTION OF PLAN (Continued)

Supplemental Pension Benefits

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

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the period in which the employee services are performed.

Use of Estimates

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Investment Valuation and Income Recognition

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

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

Employer and Participant Contributions Receivable

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

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

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

Subsequent Events

Subsequent events were evaluated through September 5, 2023, which is the date the financial statements were available to be issued.

NOTE 3 — INVESTMENTS

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

The following schedule presents the aggregate fair value for the Plan's investments as of May 31, 2023:

Investments at fair value	
Mutual funds - equity	$ 52,580,832
Mutual fund - fixed income	29,387,720
Other	8,055,806
Mutual funds - balanced	1,950,241
Total investments	$ 91,974,599

The following presents investments that represent 5% or more of the Plan's net position, which represents a concentration risk at May 31, 2023:

Metropolitan West Low Duration	$ 29,387,720
Vanguard 500 Index Admiral	$ 9,517,513
T Rowe Price Blue Chip Growth Fund I	$ 9,480,017
Dodge & Cox Stock Fund	$ 9,436,748
Brandes Institutional International Equity Fund	$ 6,907,358
American Funds Europacific Growth A	$ 6,529,675

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

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

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The Plan's assets as of May 31, 2023 subject to credit risk are shown with their respective credit ratings below:

Metropolitan West Low Duration Bond Fund	AA	$ 29,387,720	95%
First American Treasury Obligation (Class Y)	AAA	1,529,233	5%
		$ 30,916,953	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.

NOTE 3 — INVESTMENTS (Continued)

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

For the fiscal year ended May 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 0.91%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

NOTE 4 — FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

Other: Valued at net asset value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities

NOTE 4 — FAIR VALUE MEASUREMENTS (Continued)

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

	Assets at Fair Value as of May 31, 2023			
	Level 1:	Level 2:	Level 3:	Total
Mutual Funds - Equity	$ 52,580,832	$ -	$ -	$ 52,580,832
Mutual Funds - Fixed Income	29,387,720	-	-	29,387,720
Mutual Funds - Balanced	1,950,241	-	-	1,950,241
	$ 83,918,793	$ -	$ -	83,918,793
Investments Measured at NAV (a)				8,055,806
				$ 91,974,599

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

The valuation method for investments measured at the net asset value per share, or equivalent, is presented as of May 31, 2023 in the table below.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Archipelago Hld Class A	$ 4,588,362	$ -	See Note (3)	45 days
Forester Offshore 03/14	2,066,224	-	See Note (1)	See Note (2)
Forester Offshore 08/13	1,401,220	-	See Note (1)	See Note (2)
Investments measured at NAV	$ 8,055,806			

(1) Series A2: .95% management fee plus 3% after 5% hurdle incentive fee; annual liquidity following an initial two-year lock-up.

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

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

NOTE 5 — TAX STATUS

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

NOTE 6 — FUNDING POLICY

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

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

NOTE 7 — NET PENSION LIABILITY

The following presents the components of net pension liability as of May 31, 2023:

Total Pension Liability	$ 113,017,750
Plan Fiduciary Net Position	93,521,047
Net Pension Liability	$ 19,496,703
Plan Fiduciary Net Position as a % of Total Pension Liability	82.75%
Covered Payroll	$ 12,196,943
Net Pension Liability as a % of Covered Payroll	159.85%

The total pension liability was determined by an actuarial valuation as of the valuation date (June 1, 2022) 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.

NOTE 7 — NET PENSION LIABILITY (Continued)

The following significant assumptions were used for the June 1, 2022 actuarial valuation:

Valuation Date	June 1, 2022
Measurement Date	May 31, 2023
Discount Rate	6.00%
Long-Term Expected Rate of Return, Net of Investment Expense	6.00%

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Inflation	2.30%
Salary Increases Including Inflation	4.50%
Mortality	Pub-2010 General Mortality Tables for Employees, Healthy Retirees, Disabled Retirees and Contingent Survivors, male and female rates, with generational projection from 2010 using Scale MP-2021 (improvement scale updates published annually)
Actuarial Cost Method	Entry Age Normal (level percent of pay)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the Plan's investment advisors as of July 12, 2023.

Asset Class	Target Allocation *	Long-Term Expected Geometric Real Rate of Return
U.S. Short Term Fixed Income	32.00%	**
U.S. Large Cap Equity	29.00%	4.65%
U.S. Small/Mid Cap Equity	9.00%	4.90%
Non-U.S. Developed Large Cap Equity	14.50%	3.65%
Non-U.S. Developed Small/Mid Cap Equity	3.00%	3.65%
Real Assets	2.50%	3.90%
Directional Hedge Funds	10.00%	2.80%
Assumed Inflation - Mean		2.30%
Long-Term Expected Rate of Return		6.00%

∗ As outlined in the Plan's investment policy dated February 2023
** Expected to earn less than inflation

NOTE 7 — NET PENSION LIABILITY (Continued)

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00%) and 1 percentage point higher (7.00%) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total Pension Liability	$125,013,430	$113,017,750	$102,810,434
Fiduciary Net Position	$ 93,521,047	$ 93,521,047	$ 93,521,047
Net Pension Liability	$ 31,492,383	$ 19,496,703	$ 9,289,387

NOTE 8 — PLAN TERMINATION

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

The allocation shall be made in the following order:

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

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

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

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

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

NOTE 9 — COMMITMENTS AND CONTINGENCIES

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

NOTE 10 — RISKS AND UNCERTAINTIES

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(in '000's)

	May 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 969	$ 966	$ 1,178	$ 1,300	$ 1,533	$ 1,643	$ 1,692	$ 1,710	$ 1,558	N/A
Interest on Total Pension Liability	6,596	6,319	6,815	6,675	6,531	6,344	6,113	5,712	5,687	N/A
Effect of Economic/Demographic Gains or Losses	161	4,565	(930)	(244)	(551)	(449)	2,689	(604)	-	N/A
Effect of Assumption Changes or Inputs	-	-	7,645	-	-	-	-	4,143	-	N/A
Benefit Payments	(7,224)	(7,258)	(5,823)	(5,406)	(5,031)	(4,493)	(4,439)	(4,275)	(6,012)	N/A
Net change in total pension liability	502	4,592	8,885	2,325	2,482	3,045	6,055	6,686	1,233	N/A
Total Pension Liability -										
Beginning of year	112,518	107,926	99,041	96,716	94,234	91,189	85,134	78,448	77,215	N/A
End of year	$ 113,020	$ 112,518	$ 107,926	$ 99,041	$ 96,716	$ 94,234	$ 91,189	$ 85,134	$ 78,448	N/A
Fiduciary Net Position										
Employer Contributions	$ 4,000	$ 8,000	$ 7,000	$ 4,000	$ 7,000	$ 7,635	$ 6,960	$ 2,752	$ 3,501	N/A
Participant Contributions	282	286	372	417	465	524	535	555	529	N/A
Net Investment Income (Loss)	851	(7,041)	23,264	3,183	(155)	6,143	5,504	(2,040)	2,605	N/A
Benefit Payments	(7,224)	(7,258)	(5,823)	(5,406)	(5,031)	(4,493)	(4,439)	(4,275)	(6,012)	N/A
Administrative Expenses	(140)	(163)	(134)	(106)	(134)	(112)	(96)	(168)	(66)	N/A
Net change in plan fiduciary net position	(2,231)	(6,176)	24,679	2,088	2,145	9,697	8,464	(3,176)	557	N/A
Total Fiduciary Net Position -										
Beginning of year	95,752	101,928	77,249	75,161	73,016	63,319	54,855	58,031	57,474	N/A
End of year	$ 93,521	$ 95,752	$ 101,928	$ 77,249	$ 75,161	$ 73,016	$ 63,319	$ 54,855	$ 58,031	N/A
Net Pension Liability	$ 19,499	$ 16,766	$ 5,998	$ 21,792	$ 21,555	$ 21,218	$ 27,870	$ 30,279	$ 20,417	N/A
Plan Fiduciary Net Position as a % of Total Pension Liability	82.75 %	85.10 %	94.44 %	78.00 %	77.71 %	77.48 %	69.44 %	64.43 %	73.97	N/A
Covered Payroll	$ 12,197	$ 12,356	$ 16,693	$ 18,195	$ 20,804	$ 22,111	$ 22,658	$ 21,826	$ 21,841	N/A
Net Pension Liability as a % of Covered Payroll	159.85 %	135.68 %	37.23 %	119.77 %	103.61 %	95.96 %	123.00 %	138.73 %	93.48	N/A

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

May 31, 2023

Fiscal Year Ending June 30,	Actuarially Determined Contribution *	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll **	Contribution as a % of Covered Payroll
2014	$ 4,998,198	$ 4,998,198	$ -	$ 27,621,000	18.10%
2015	3,500,784	3,500,784	-	21,841,333	16.03%
2016	2,752,597	2,752,597	-	21,825,710	12.61%
2017	6,960,275	6,960,275	-	22,657,974	30.72%
2018	7,635,000	7,635,000	-	22,111,116	34.53%
2019	7,000,000	7,000,000	-	20,804,079	33.65%
2020	4,000,000	4,000,000	-	18,194,581	21.98%
2021	7,000,000	7,000,000	-	14,657,373	47.76%
2022	8,000,000	8,000,000	-	12,355,973	64.75%
2023	4,000,000	4,000,000	-	12,196,943	32.80%

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
May 31, 2023

Plan Year Ending May 31,	Net Money-Weighted Rate of Return (Loss)
2014	N/A
2015	4.65%
2016	(3.57)%
2017	10.13%
2018	9.74%
2019	(0.21)%
2020	4.29%
2021	29.41%
2022	(7.00)%
2023	0.91%

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

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

NOTE 1 — ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS

The following actuarial methods and assumptions were used in the June 1, 2022 funding valuation. Please see the valuation report dated November 1, 2022 for further information.

Valuation Timing	Actuarially determined contribution rates are calculated as of the June 1 one year prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Service pro-rate unit credit
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 6/1/2022	18 years
Asset Valuation Method	
Smoothing period	5 years
Corridor	80% - 120%
Inflation	2.30%
Salary Increases	4.50%
Mortality	Pub-2010 General Amount-Weighted Mortality Tables for Employees, Healthy Retirees, Disabled Retirees and Contingent Survivors, male and female rates, with generational projection from 2010 using Scale MP-2021 (improvement scale updates published annually)
Investment Rate of Return	6.00%
Cost of Living Adjustments	None