



BI-STATE DEVELOPMENT AGENCY

of the Missouri-Illinois Metropolitan District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED
JUNE 30, 2014 & 2013

Tab

Content: The Award and Acknowledgement section (pages 30-31) of this Comprehensive Annual Financial Report details some of the notable accomplishments earned by Agency staff during fiscal year 2014. In recognition of these achievements, the Agency is highlighting staff and their accomplishments.

Tabs/Cover

Design: The cover and tabs for this document were designed and orchestrated by members of the Agency's Marketing and Communications Department: Loretta Sebourn, Senior Graphics Designer; Angela Mabry, Communications Manager; and Matthew Hibbard, Social Media Communications Manager.

Hyperlinks: This Comprehensive Annual Financial Report is enabled with hyperlinks which appear in **blue font**. The hyperlinks are associated with locations within this document and with sites on the World Wide Web.

**Bi-State Development Agency
of the Missouri-Illinois Metropolitan District
Headquartered in St. Louis, Missouri**

**Comprehensive Annual
Financial Report**

Fiscal years ended June 30, 2014 and 2013

David A. Dietzel
Chairman
Board of Commissioners

John M. Nations
President and
Chief Executive Officer

Celebrating an outstanding year and award winning employees



Achievement of Excellence in Procurement Award

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

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Celebrating an outstanding year and award winning employees



MetroLink Rodeo Winners



November 21, 2014

David A. Dietzel and
Members of the Board of Commissioners
Bi-State Development Agency of the
Missouri-Illinois Metropolitan District

Ladies and Gentlemen:

It is my pleasure to submit this Comprehensive Annual Financial Report (CAFR) for Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development or the Agency) for the fiscal years ended June 30, 2014 and 2013. State law requires that governmental agencies publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Accounting Principles Generally Accepted in the United States of America ([U.S. GAAP](#)) and audited in accordance with Auditing Standards Generally Accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby transmit this Comprehensive Annual Financial Report.

This report was prepared by Agency staff that collected and analyzed the financial statements and other information presented. The Agency assumes responsibility for the completeness and reliability of the information contained within this report. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

This report consists of management's representations concerning the finances of the Agency. To provide a reasonable basis for these representations, management has established a comprehensive internal control framework designed both to protect the Agency's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the Agency's financial statements in conformity with U.S. GAAP. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Agency's basic financial statements for the fiscal years ended June 30, 2014 are fairly presented in conformity with U.S. GAAP.

The independent auditors' report precedes the Management Discussion and Analysis (MD&A) in the financial section of this report. The financial statements of the Agency for the year ended June 30, 2013 were audited by another independent firm whose previously published report dated November 22, 2013 expressed an unmodified opinion on those statements.

The independent audit of the financial statements of Bi-State Development Agency was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the agency's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

These federally mandated reports are available in Bi-State Development Agency's separately issued Single Audit Report in conformity with the provisions of the [United States Office of Management and Budget](#) Circular A-133. Under this provision, the [Federal Transit Administration \(FTA\)](#) is the cognizant agency for Bi-State Development Agency.

Basic Financial Statements

These basic statements include statements of net position as of June 30, 2014 and 2013; statements of revenues, expenses, and changes in net position; and statements of cash flows for the years ended June 30, 2014 and 2013.

U.S. GAAP requires that management provide a narrative introductory overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Bi-State Development Agency's MD&A can be found on page 42.

Financial Policies

Banking and Investment

Agency policies direct the investment of all operating, self-insurance restricted, capital and debt service funds of all entities of the Agency not expressly controlled by Revenue Bond Trustees. The preservation of funds is the first consideration in determining the investment of Bi-State Development Agency cash. Thereafter, the highest yield consistent with safety is required, provided the maturities are short enough to maintain operational liquidity. Banks and other financial institutions are selected for investments only on a competitive basis. The number of demand-deposit, non-interest bearing accounts is kept to the minimum for operational efficiency and safety.

Financial Reporting Policy

It is the practice of Bi-State Development Agency to prepare quarterly financial results of each operating enterprise and to distribute these results to the Board. These reports are also made available to all employees through the Agency intranet and to the general public by request.

The reports include: Statement of Net Position in Prior Year and Prior Period comparison format; Statement of Revenue, Expense and Change in Net Position in Budget and Prior Year comparison format; Cash Receipts and Disbursement Schedules; Active Capital Expenditure Report in Budget comparison format; Aged Receivables Report; Personnel Status Report; and a summary of noteworthy deviations in the above reports.

Budget Process

The Agency is required by statute to adopt a balanced budget. The annual budget serves as the foundation for Bi-State Development Agency's financial planning and control. All enterprises are required to submit expenditure requests in preparation for a new fiscal year budget. These requests are used as a starting point for budget development. The preparation and approval of the annual budget is both an internal and external process. The proposed budget is initially presented to the Board for approval.

The budget is subsequently reviewed by the Public Transportation Commission in [St. Louis County](#), the [Ways and Means Committee of the Board of Aldermen](#) in the [City of St. Louis](#), and the [St. Clair County Transit District](#) (SCCTD) in Illinois. For the Gateway Arch and Gateway Parking Facility, the [National Park Service](#) must approve the annual budget.

The annual budget for fiscal year 2015 is available on the Agency's web page, along with the annual budgets dating back to 2006.

Sources of Local Match Funding for Capital and Operating Budget

St. Louis Downtown Airport

[St. Louis Downtown Airport](#) has received funds from the [Federal Aviation Administration](#) and [Illinois Department of Transportation](#) (IDOT) for capital projects. Recent capital projects include: Rebuild of taxiway Romeo (2014), drainage project (2014) the construction of a new control tower and firehouse (2011), the purchase of an emergency rescue vehicle (2009), and an expanded runway with lighting system (2008-2011).

Metro Transit

The predominant sources of Transit revenue include appropriation of regional sales taxes from the St. Louis County and the City of St. Louis, federal grants, funds from IDOT and the [St. Clair County Transit District](#), [State of Missouri](#) subsidies, passenger fares, and auxiliary income. These revenues are broken into jurisdictions.

Transit: Illinois Sources

There are two primary sources for funding from Illinois: (1) Capital contributions from the [State of Illinois](#) and St. Clair County Transit District (SCCTD); and (2) payments for transit services from St. Clair County Transit District. IDOT is authorized to provide capital assistance to Bi-State Development Agency for capital grants, covering up to 100 percent of the local share requirement. Historically, IDOT usually provides the full local match for capital projects located in Illinois, buses used to provide service in Illinois, and a share of the capital projects that benefit Illinois customers, but are located in Missouri. Since 1995, [St. Clair County](#) has had in effect an additional ½ cent countywide sales tax. The revenue from this tax can be used only for capital projects, debt service or operating and maintenance costs related to MetroLink light-rail systems. In total SCCTD has 0.25 percent sales taxes to support their system. St. Clair County Transit District contracts with Metro for bus and light rail service and Alternative Transportation Service (ATS) maintenance.

Transit: Missouri Sources

Funding for Missouri transit projects comes from St. Louis County, the City of St. Louis, and the [Missouri Department of Transportation](#) (MoDOT). The City of St. Louis and St. Louis County collect revenue from multiple sales tax initiatives incorporated over time.

In June 1973, the Missouri Legislature passed the Transportation Sales Tax Act allowing the City of St. Louis and St. Louis County to levy a ½ cent for transportation. The original legislation was to terminate on December 31, 1975. The collection period was extended several times before additional legislation removed the sunset provision in 2000.

The Prop M ¼ cent sales tax was passed by voters in August 1994. The measure passed with greater than 60 percent of the vote in both the City of St. Louis and St. Louis County. This tax is pledged to support current bond debt outstanding in addition to capital and operating requirements.

Proposition A, a ½ cent sales tax, was put on the ballot in St. Louis County in April 2010. Prop A passed with greater than 60 percent of the vote. With the passage of Prop A in the County, the Prop M ¼ cent sales tax which had been passed by City of St. Louis voters in 1997 was now able to be levied. This City of St. Louis ¼ cent sales tax is referred to as Prop M2, while the County collections resulting from the April 2010 vote are referred to as Prop A funds. This tax is pledged to support current bond debt outstanding in addition to capital and operating requirements.

St Louis County appropriates all of their receipts from the Prop M ¼ cent sales tax to Metro Transit. St. Louis County splits revenue collected from the ½ cent sales tax between Metro and County road and bridge projects on a 50/50 basis. Approximately 60 percent of Prop A funds are appropriated to Metro.

August 1, 2013, the bond debt was restructured with the help of Columbia Capital, the Agency's financial advisor. Through a Memorandum of Understanding (MOU) between St. Louis County and Bi-State Development Agency, a financial arrangement was

designed to maximize the use of these funds. The MOU allowed acceleration of debt repayment, yet at the same time, maintained the option to move forward with the planning of future light rail expansion. This arrangement allows the County to loan Metro funds that are not in current use at a rate of interest greater than it can earn under its current investment policy. The interest rate paid to the County is less than what Metro pays on the open market for bond debt. The arrangement was a win-win situation for both parties and the taxpayers of St. Louis County. Further discussion on the bond restructuring can be found in the Debt footnote on page 94.

The City of St. Louis appropriates virtually all of its revenues from the two Prop M ¼ cent sales taxes and the Prop A ½ cent sales tax to Metro Transit.

Two percent of the appropriations to Metro from the 1973 ½ cent sales tax must be used for transportation for developmentally disadvantaged persons. These funds are forwarded to the Developmental Disabilities Board in the City of St. Louis and the Product Living Board in St. Louis County. The balance is retained by Metro to fund operating expenses and local match for capital projects related to transit services in Missouri.

MoDOT provides Metro with operating and FTA discretionary capital assistance, which was less than \$500,000 and \$250,000 for FY 2014 and FY 2013 respectively.

Agency Profile

Historical Overview

The Agency was established on September 20, 1949, by an interstate compact passed by the state legislatures of Illinois and Missouri and approved by both governors. The compact was approved by the [U. S. Congress](#) and signed by [President Harry S. Truman](#) on August 31, 1950. A 10-member Board of Commissioners sets policy and direction for the Agency. The governor of Missouri appoints five commissioners and the County Boards of [St. Clair](#) and [Madison Counties](#) in Illinois appoint five commissioners. All commissioners must be resident voters of their respective state.

The compact created an organization with broad powers to plan, construct, maintain, own and operate bridges, tunnels, airports and terminal facilities; to plan and establish policies for sewage and drainage facilities and other public projects; to issue bonds and exercise such additional powers as were conferred upon it by the legislatures of both states. This was the beginning of Bi-State Development Agency as a metropolitan, area-wide contributor and a regional problem solver.

Early Years

In its early years, the Agency participated in and conducted several studies. The Agency had an active role as a member of the Interstate Air Pollution Study conducted in the early 1960's. The Agency also participated in a survey of chemical and biological pollution of the Mississippi River, an exhaustive study of the St. Louis County sewer problem that contributed to creation of the [Metropolitan St. Louis Sewer District](#), the Columbia Bottoms

Development Survey and the Illinois Highway and Expressway survey.

Bi-State Development Agency, the Mississippi River and the St. Louis Riverfront



Granite City Wharf and Terminal (1953)

One of the Agency's first projects was the 1953 construction of a 600-foot wharf in Granite City, Illinois. The Agency issued \$1.5 million in revenue bonds for the cost of construction. The wharf and its facilities were used for mooring, loading and unloading barges, the handling of commodities to be transported by barges and transit storage. Granite City Steel leased the north end of the wharf from the Agency to conduct business. Bi-State Development Agency contracted with Granite City Terminals Company to run the southern end of the wharf. This venture began the Agency's relationship in the development of the St. Louis riverfront, identified as an important landmark for an inland river city. The port was sold to America's Central Port (formerly Tri-City Regional Port) on April 15, 1975 for \$730,000 ending Bi-State Development Agency's river/marine business in Illinois.

Gateway Arch (1963)

On February 18, 1948, Finnish-American architect [Eero Saarinen's](#) design for a 630-foot tall catenary arch to memorialize western expansion and refurbish the St. Louis riverfront won the design contest hosted by the National Park Service. Known as the [Gateway Arch](#) today, it is the largest structure of its kind in the world and the tallest monument in the United States. It is the focal point of the 91-acre Jefferson National Expansion Memorial. Construction of this awe inspiring monument began in 1962, and Bi-State Development Agency was there from the beginning in partnership with the National Park Service.

With the cost for the Gateway Arch construction exceeding \$13.4 million (\$104.4 million in 2014 dollars), funding was needed for the construction of the tram system. Bi-State Development Agency was asked to fund the construction of the tram system by issuing \$3.3 million in bonds and to oversee and manage the on-going operations of the tram system for the Gateway Arch.

On February 1, 2014 the National Park Service and Bi-State Development Agency signed a new Service Agreement and contract extending the relationship through February 2045. As part of this arrangement, Bi-State Development Agency will be issuing \$9.5 million in bonds to replace tram motor generator sets and part of the interior ceiling in FY 2015.

Gateway Arch Parking Facility (1986)

Because of the success with the Gateway Arch project, Bi-State Development Agency was asked to team up with the National Park Service and the City of St. Louis for the construction of the Gateway Arch Parking Facility. In 1986, the Agency issued \$10 million in revenue bonds to construct a multi-level, 1,241 parking facility on the

north grounds of the Jefferson National Expansion Memorial. The bonds were paid off in December 2012. As with the Arch trams, Bi-State Development Agency is responsible for the management and daily operations of the parking garage. In addition to Gateway Arch visitors, the facility is frequently used by patrons attending functions on the St. Louis riverfront, as well as the [Edward Jones Dome](#), [Laclede's Landing](#), [Fair St. Louis](#) and [America's Convention Center](#) in downtown St. Louis. As part of the CityArchRiver 2015 renovation of the Gateway Arch campus, a grass amphitheater and garden will replace the north parking facility in the upcoming year.

Riverboats, Heliport and Bike Rental (2001)



Bi-State Development Agency extended its presence on the St. Louis riverfront in July 2001 when it purchased the Becky Thatcher and Tom Sawyer Riverboats (www.GatewayArchRiverboats.com) preserving the long history of riverboat cruising in St. Louis. The riverboat business is a continuation of the Streckfus Steamers Company, which was founded in 1891. This acquisition by Bi-State Development Agency ensures the Streckfus tradition of the longest running excursion boat company on the Mississippi River will continue for the next generation of St. Louis residents and visitors to the region.

Bi-State Development Agency riverfront attractions also include the operation of a barge heliport. Gateway Helicopter Tours operates from a barge on the riverfront and has daytime flight tours of several scenic locations in the region including specific tours featuring views of the [Missouri Botanical Gardens](#), the Gateway Arch and the downtown skyline. Bicycle rentals on the riverfront have ceased operations during the construction period affecting Leonor K. Sullivan Blvd.

CityArchRiver 2015 (2013)

Bi-State Development Agency continues to be part of an ever evolving and developing riverfront in St. Louis. The Agency is a member of [CityArchRiver 2015](#), a public-private partnership, along with the National Park Service, MoDOT, the City of St. Louis and several other prominent organizations. CityArchRiver 2015 will make the Gateway Arch grounds easier and safer to visit by connecting, updating and expanding the park grounds and museums.

The project is not only aesthetic, but is expected to create an economic windfall for the St. Louis metro region on both the east and west banks of the Mississippi River. The current plan includes an expanded museum space, additional park acreage, and a dramatic *Park Over the Highway* that will allow visitors to walk from the Old Courthouse to the Gateway Arch grounds on one continuous greenway over Interstate Highway 70. This project is expected to attract more locals to the downtown experience as well as generate additional tourist dollars because visitors will want to spend an extra day on the riverfront.

On April 3, 2013, Missouri voters showed their support for the riverfront development project and further investment in parks and green space around the region. The City of St. Louis (56.4 percent)

and St. Louis County (52.9 percent) passed Proposition P (Prop P). Prop P is a 3/16th cent sales tax which is expected to generate \$780 million over the next 20 years. The Gateway Arch grounds and the Great River Greenway project will each receive an estimated benefit of \$234 million, while St. Louis City, St. Louis County and municipal parks will receive an estimated combined sales tax benefit of \$312 million.

During Bi-State Development Agency's FY 2014, major construction began on portions of projects relating to the Arch grounds, the riverfront and areas of downtown St. Louis City. The following is a list of multi-year projects in the overall program that will ultimately change the face of the Arch Park:

- **Lid over the highway:** The depressed section of interstate highway 70 will be covered with green space allowing a flow of access from downtown St. Louis City to the Arch campus.
- **Parking facility:** A grass amphitheater and garden will replace the north garage; tunnels under the Eads Bridge will connect to Laclede's Landing.
- **River road:** Leonor K. Sullivan Boulevard will be raised and lined with lights, benches, and walking and bike paths. Construction began on the southern end of road during FY 2014.
- **Arch museum:** The Museum of Westward Expansion will be overhauled, including a new entrance facing the city. Construction will limit the ground access to the Arch campus.

Current plans for construction include a project beginning in December 2014 to replace the Gateway Arch Parking Facility with garden and green space.

Bi-State Development Agency: St. Louis Downtown Airport

The St. Louis Downtown Airport (www.cps.aero) (www.StLouisDowntownAirport.com) originally opened in 1929 as the Curtiss-Steinberg Airport. During the 1930's, numerous aviation pioneers frequented the airport including Charles Lindbergh and Amelia Earhart. After World War II, Oliver Parks became the sole owner of the airport and renamed the facility Parks Metropolitan Airport. His association with the airport began when he founded and operated nearby Parks College. Parks College was the first certified flight school in the nation. Parks College is now part of the [St. Louis University School of Engineering, Aviation and Technology](#) and is still associated with the St. Louis Downtown Airport. In 1959, Oliver Parks left airport operations to pursue other business ventures.

By 1961, [Lambert International Airport](#) was becoming so crowded that a secondary St. Louis airport was essential. Realizing an additional airfield was crucial to the continuing economic growth in St. Louis, the region looked to Bi-State Development Agency for a solution. An agreement was reached that the Agency would assist in reopening Parks Metropolitan Airport in Cahokia, Illinois. The Agency acquired the airport property for \$3.4 million in 1965, reopened it as the Bi-State Parks Airport and invested in airport improvements. In July 1999, the Board of Commissioners renamed it the St. Louis Downtown Airport.

Since January 2005, Hanger #2 at the airport has been home to the [Greater St. Louis Air and Space Museum](#). Hangar #2 was dedicated in March 1930 and is on the National Register of Historic Places. Hangar #1, located next to the museum, is home to the [Experimental Aircraft Association Chapter 64](#). The members of this association dedicate themselves to flying, building and talking about a wide variety of aircraft.

During FY 2014 Robert "Bob" McDaniel retired after 13 years of service at Airport Director. Bob began his career at the airport washing planes when he was 16 years old.

Bob is succeeded by Erick Dahl who has over 10 years of experience and comes to Bi-State Development Agency after a successful career as the Airport Director of South Dakota's Watertown Regional Airport.

Today, the St. Louis Downtown Airport is the landing choice for 80 percent of all National Hockey League teams coming to compete against the hometown [St. Louis Blues](#). It is also the airport destination of choice of several Major League Baseball teams. It is the third busiest general aviation airport in Illinois and the busiest outside the Chicago area. The St. Louis Downtown Airport is one of the three airports in the St. Louis Metro East that generate a combined economic impact of \$3.2 billion according to a recent study by the Illinois Department of Transportation. The other two airports were [MidAmerica St. Louis Airport](#) and [St. Louis Regional Airport](#). The businesses located at the St. Louis Downtown Airport and its surrounding industrial business park generates a regional economic impact of nearly \$584 million each year.

In April 2013, the St. Louis Downtown Airport took ownership of a Boeing 727-200F aircraft donated by [FedEx Express](#). The 727 serves as the centerpiece of a new training area. The aircraft's primary purpose is for training firefighters and other emergency response personnel and it also serves as a classroom and a ground trainer for future pilots and aircraft maintenance technicians.

While the cockpit remains intact, changes have been made to the rest of the aircraft. The front half of the fuselage is configured as a standard passenger airliner, complete with a pull-down screen and overhead projector for use in classroom-style presentations to tour

groups visiting the airport. The rear half of the fuselage is outfitted with a maze of hanging hoses, wires, and other obstacles, such as cargo containers, boxes, and jumbled seats. During training sessions, non-toxic smoke generators fill the aircraft with smoke as if the aircraft has just made a crash landing. Area firefighters are able to don gear and enter the aircraft to search for survivors and to practice a variety of training scenarios.

In November 2013, the St. Louis Downtown Airport conducted a training exercise for Metro East emergency responders and public health crews. The parties participated in a simulated plane crash, fire and multiple passenger injuries and fatalities. The drill included a simulated biological hazard scenario. The University of Missouri kindly provided its Mobile Aircraft Firefighting Trainer, so that the firefighters had the experience of controlling and putting out an aircraft fire.

St. Louis Public Schools

Bi-State Development Agency is partnering with [St. Louis Public Schools](#) and [St. Louis Community College](#) to administer the St. Louis Innovation High School Grant. The program is designed to recruit 450 high school students with career paths in the health sciences and information technology fields. Using a dual-credit program, the program accelerates the process of earning an associate degree in either field. The students will be able to earn up to 21 credit hours in their junior and senior high school years, plus have access to internships with area businesses where they can apply what they have learned.

A Closer Look at Transit Services

The Agency operates a multi-modal, mass transit system in the region under the name Metro. The system's three modes of transportation are MetroBus, MetroLink and Metro Call-A-Ride.

In FY 2014, Metro provided 48.2 million passenger trips and operated 27.0 million revenue miles of service in a 558 square-mile service area that includes the City of St. Louis (MO), St. Louis County (MO), St. Clair County (IL), Madison County (IL) and Monroe County (IL).

As outlined in "[Moving Transit Forward](#)," the Agency has a 30-year plan for transit operations designed to promote regional economic development, strengthen mass transit, provide quality transit access to more people, improve service to low-income, elderly, and disabled residents, and include projects that are cost-effective. Currently, actions include studying proposed Bus Rapid Transit corridors, enhancements to the current service delivery, as well as renovation of the historic Eads Bridge. The 30-year plan fare policy is designed to implement modest fare increases every other year. There were no fare increases during FY 2014. However, there was a fare increase implemented on July 1, 2014 after the fiscal year ended. The fare increase impacted passes and one-ride MetroLink tickets only.

Metro's largest union, the [Amalgamated Transit Union Local Division 788](#), represents MetroBus, MetroLink and Metro Call-A-Ride van operators, maintenance and clerical employees. The [International Brotherhood of Electrical Workers Union Local 2](#) and [Union Local 309](#) represent electricians at Bi-State Development Agency.

Metro Employees Rank among the Best in the Nation

Every year Metro Transit and its employees receive recognition for their accomplishments and for being leaders in their field. The awards received during FY 2014 are listed on page 30 of this document. In the past several years, Bi-State Development Agency has received numerous accolades and acknowledgments including:

Safety: The [Transportation Security Administration](#) awarded Bi-State Development Agency one of only 17 “Gold Standard” ratings for safety in the nation; [BusRide Magazine](#) honored Metro with the 2012 Best of BusRide Safety Award; and Transit Safety Solutions awarded Metro the 2012 Top Bus Technology and Safety Award.

Professional Staff: Awards won by individual members of the transit staff in recent years have included FTA Region VII Transit Manager of the year, *St. Louis Business Journal* 30 Under 30, *St. Louis Business Journal* Most Influential Business Woman, *St. Louis Business Journal* Diverse Business Leader, *St. Louis Business Journal* one of the 100 Most Influential St. Louisans, [Public Risk Management Association's](#) (PRIMA) National Risk Manager of the Year, [Mass Transit Magazine's](#) Top 40 Under 40 (awarded twice to different staff members), Outstanding Customer Service and Financial Oversight of Federal Transit Administration Projects, [Citizens for Modern Transit's](#) New Initiatives Award and the Metro team placed first and third overall in [American Public Transportation Association's](#) 2012 and 2014 [International](#) Rail Rodeos, respectively.

Maintenance and the Smart Bus

Metro St. Louis is a maintenance industry leader among its transit peers both nationally and internationally. Annually, the maintenance team places very high in competition and it placed 2nd in the world in

2009. Ray Friem, Chief Operating Officer of Transit Services and his maintenance teams have been featured in several industry magazines for their outstanding accomplishments. Since 2000, Friem has concentrated on preventative maintenance to control costs. Today, each bus goes through a bi-weekly inspection, regular oil changes, regular inspections and planned maintenance programs at set mileage intervals. Revenue miles between road calls have risen from just under 4,000 miles in FY 2000 to over 22,000 miles in FY 2014.

The Smart Bus Project is taking the maintenance program to the next level. The program leads the nation as a successful new way to track and predict maintenance issues. Each Smart Bus in the fleet is equipped with the ability to track, record and store critical information about its own operating systems. Each night when the bus returns to the garage, it downloads information about the status of all its component parts and systems to a server. The download process provides valuable data about each individual bus. This allows the maintenance team to detect issues and correct them before a part fails and customers are left stranded.

The aggregate information from all the buses allows the Maintenance Department to develop long-term part replacement strategies. Over time and with extensive data, the life cycles of parts and predictable maintenance issues can be determined. For example, the data downloaded from the Smart Buses may indicate a given part on average fails at 39,000 miles. In this case, the Maintenance Department will set up a schedule to replace the part on every bus at 35,000 miles, before it fails. This prevents breakdowns and increases rider satisfaction.

MetroBus

The Agency began operating public-transit service for the St. Louis region on April 1, 1963 when it purchased and consolidated 15 privately owned and financially troubled bus and streetcar lines through a \$26.5 million bond issue. It was the first venture of this magnitude in American transit operations. Service to the purchased streetcar lines was discontinued in 1966.

A considerable amount of time and effort led up to the decision that Bi-State Development Agency would provide public transit for the region. An engineering firm commissioned by the City of St. Louis and St. Louis County began work in 1960 to study and develop a plan to consolidate bus and streetcar operations in the region. In response to the study, the St. Louis County Supervisor Gene McNary proposed that Bi-State Development Agency acquire all transit facilities in the City of St. Louis, St. Louis County and the Illinois counties of St. Clair and Madison, and operate them as a coordinated, single system.

The consolidation of 15 separate operations into one cohesive system was a complex three-year process because each bus company had its own routes, employee compensation structure, trade union, fares, and equipment. The different fares and lack of cooperation between the bus companies had created a public transit challenge for the ridership in St. Louis.

The public was paying higher fares due to the lack of transfer acceptance between competing bus companies. Many of the bus companies were in precarious financial situations resulting in sub standard service to parts of the Missouri and Illinois regions. The consolidation allowed for the termination of duplicate routes and the establishment of standardized fares and equipment.

One of Bi-State Development Agency's first endeavors after consolidation was designing a system-wide fare plan to equalize and coordinate rates throughout the service area. The new fare structure was implemented system wide on October 1, 1963 and it included an experimental \$12 monthly pass, which was a first for a U.S. transit system. Weekly student passes at reduced rates were also offered. These fare types are still offered by Metro along with a variety of other standard and reduced fare media to meet the needs of Metro's growing ridership. Metro currently operates 75 bus lines in Missouri and Illinois.

On June 9, 2014, the #70 Grand Avenue bus line put into service five of its 15 new 60-foot articulated buses. The buses were purchased from Ottawa Canada and refurbished rather than being bought new. Due to the strength of Maintenance Operations, buying refurbished buses was a very doable decision for the Agency and each bus cost the Agency a fraction of what a new bus would have cost.

Metro also installed LED boards at the Shrewsbury and Central West End bus terminals. These terminals are linked to the GPS units on each MetroBus which allows the boards to transmit real time arrival data for each bus. The Metro website also is capable of transmitting real time data of each bus in the fleet so customers know when a bus is scheduled to arrive at any bus stop in the system.

Metro Call-A-Ride

Metro Call-A-Ride began a demand-response service in FY 1988 to provide curb-to-curb transit service to customers with disabilities who were unable to use fixed-route service. In FY 2014, Call-A-Ride carried 580.6 thousand customers and operated 5.3 million revenue miles. Since its inception, Call-A-Ride has provided over 12.3 million passenger trips.

In addition to the establishment of Metro Call-A-Ride service in FY 1988, Metro made other advancements in cooperation with the disabled community that same year. Metro purchased 57 new buses with wheelchair lifts, made a commitment that all new buses would be equipped with wheelchair lifts and made fifteen major bus routes 100 percent wheelchair accessible. All MetroBus vehicles are wheelchair accessible and have been for years. All new buses purchased today are now being equipped with low floors and ramps.

With the opening of the Transit Access Center in February 2004, Metro partnered with the Washington University Occupational Therapy Program to provide interviews and functional assessments to determine paratransit eligibility through [Americans with Disabilities Act](#) (ADA) for Metro Call-A-Ride services. These services were brought in-house in 2006. Both the vehicle expansion and assessment programs are designed to ensure Metro meets the federal mandate of full ADA compliance.

MetroLink

In 1988, Bi-State Development Agency assumed responsibility for the construction of a light-rail system for the St. Louis region and the first phase was opened July 31, 1993. The first stage was completed between the North Hanley Station in Missouri and the 5th & Missouri Station located in Illinois. The line was extended to St. Louis-Lambert International Airport in 1994. Construction on the St. Clair County MetroLink extension from the 5th & Missouri Station to the [Southwestern Illinois College](#) (SWIC) Station in Belleville was completed in May 2001. In May 2003, an extension from SWIC to the Shiloh-Scott Station opened.

MetroLink opened the Cross County extension to Shrewsbury, Missouri on August 26, 2006. The Meridian parking garage at

the Brentwood Station on this alignment opened June 12, 2007. The garage accommodates 1,399 cars and allows MetroLink riders to park for free, as do all Metro Park and Ride lots. A new 96-space park and ride lot adjacent to Sunnen MetroLink station went into service in June 2014.

MetroLink operates two lines: a Red Line and Blue Line. The Red Line operates from St. Louis-Lambert Airport in north St. Louis County to the Shiloh-Scott Station in Shiloh, Illinois. The Blue Line operates from the Shrewsbury-Lansdowne Station in Shrewsbury, Missouri to the Fairview Heights Station in Illinois. The two lines share the alignment between the Forest Park-DeBaliviere Station in Missouri and Fairview Heights Station in Illinois.

MetroLink operated over 3.1 million revenue miles. The combined ridership of both lines in FY 2014 was 17.5 million. As of June 2014, MetroLink has provided 321.9 million passenger trips over its entire history.

Arts In Transit, Inc.

In 1986, [Arts In Transit](#) (AIT) took shape as an innovative effort to develop the look and feel of the light rail system in the region. In April 1999, Bi-State Development Agency's Board of Commissioners adopted a policy that emphasized the importance of design excellence and established a one-percent-for-art funding mechanism. Arts In Transit is currently an operating unit of Bi-State Development Agency's New Systems Operating-Engineering Division. In FY 2015, AIT will become part of the Communications and Marketing Division.

AIT's primary role is to establish and coordinate a collaboration of artists, engineers and architects on the design of the transit system.

The result is a system where the art is integrated into the structure of the system. AIT sponsors an annual Poetry in Motion contest. The winners have their poetry displayed throughout the transit system for a year and also have a public reading of their work.

Artwork dedicated during FY 2014:

Title: *Spring Forth*

Artist: James Gallucci

Location: Union Station MetroLink Station

Dedication: November 15, 2013

Title: *Nucleic Life Formation*

Artist: Amy Cheng

Title Installers: Kevin Carraway and Chris Rushing

Location: Lambert Airport - Terminal 1 MetroLink Station

Dedication: January 31, 2014

Title: *London*

Artist: Ben Fehrman

Location: Shrewsbury Lansdowne I-44 MetroLink Station

Dedication: February 13, 2014

Title: *Changing Identities*

Artist: Catherine Magel

Location: UM-St. Louis South MetroLink Station

Dedication: April 17, 2014

Bi-State Development Agency: Community Involvement

Bi-State Development Agency is a regional economic leader, but also a regional partner and good neighbor within the Missouri-Illinois metropolitan community.

Being involved in our community

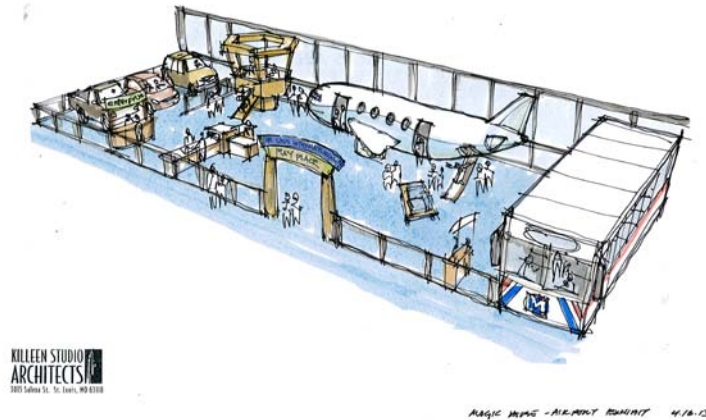
Metro donated 3 buses to [Wings of Hope](#), a two-time [Nobel Peace Prize](#) nominee. Each bus had been driven over 300,000 miles. Wings of Hope is a humanitarian organization providing services to the impoverished. One bus is going to Burma, the second poorest country, to be turned into a mobile hospital, complete with surgical and clinical wards.

Bi-State Development Agency once again sponsored a team for the 16th annual [St. Louis Komen Race for the Cure](#).



The Lean and Green Team at Bi-State held several events to recycle and reuse household items no longer needed. One event was a medical device recycling drive where crutches, wheelchairs, commode chairs etc were refurbished and redistributed by the AT ReUtilization Program at Paraquad. The Lean and Green Team orchestrated a holiday light recycling drive which focused on collecting broken or unwanted holiday lights and disposing of them properly to prevent them from ending up in landfills. The team also supported men and women in uniform by collecting used cell phones and turning them into valuable calling cards that were given to active, guard and reserve military personnel who needed them.

St. Louis International Play Port

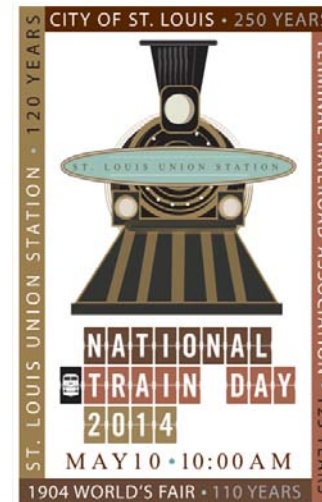


Bi-State Development Agency was a partner with the Magic House and the St. Louis Children's Museum to develop a place for children to play and imagine at Lambert-St. Louis International Airport. The new transportation-themed exhibit called the St. Louis International Play Port is 1,500 square foot exhibit which allow children to pretend to be airport workers and boasts features such as a plane, air traffic control tower, car rental counters, luggage conveyor belt and airport screening area.

Events

The Gateway Arch sponsored the 4th annual Night at the Museum in March 2014. Night at the Museum features historical characters dressed in period clothing; from pioneers and mountain men to frontier soldiers who share their tales of the settling of the American West and recount what life was like during these early times in American history. Kids can take part in several Old West-themed

activities such as buffalo chip races, building their own branding irons, exploring a tipi, singing songs and learning about keel boat cordelling.



In May 2014, Metro transit joined other transportation organizations and celebrated National Train Day at St. Louis Union Station. The event marked several St. Louis milestones including St. Louis' 250th birthday, the 125th anniversary of the founding of the Terminal Railroad Association of St. Louis, 120 years since the opening of St. Louis Union Station, and 110 years since the 1904 World's Fair. The free event featured a variety of activities including interactive train equipment and a special train excursion and entertainment. The first 200 people who brought their Metro transit passes or tickets to the Metro table received a pass for a special VIP MetroLink ride and tour.

SAVE MONEY. RIDE METRO.



Bi-State Development Agency supported the 9th annual National Dump-the-Pump Day on June 19. Dump the Pump Day is sponsored by the [American Public Transportation Association](#), the [Sierra Club](#) and the [Natural Resources Defense Council](#). Metro transit held a photo contest which focused on how people save money on gasoline by taking transit to Live, Work and Play in the region.

MetroBus vehicles and MetroLink trains remain designated as mobile safe places for children and adults who need help. As part of Metro's ongoing commitment to safety, staff members participated in the 7th annual [Child Safety Day](#) at the Pageant. As part of Operation Lifesaver, Metro educates children about safety around trains – the importance of not playing or walking on railroad tracks and not trying to beat the train by walking or riding their bicycles around the warning gates.

Bus painting

The Art Bus Fleet program is part of Bi-State Development Agency's Arts In Transit, Inc. Bi-State sponsors bus paintings throughout the year. This is an opportunity for children and adults alike to paint MetroBus vehicles which are on the street on various routes for one year. The bus paintings are an opportunity for local charities and

non-profit organizations who could not afford to pay for traditional advertising to raise awareness for their groups at a discount price



A bus painting was sponsored as part of the arrival of Metro's new 60-foot articulated buses. It only took about 90 minutes for volunteers to transform the 60-foot bus into a gigantic work of art. The Firecracker Press, a local graphic design studio and letterpress print shop, designed the two murals which were painted on the bus. The designs featured numerous landmarks from one end of Grand Boulevard to the other, including the Grand Water Tower, Fox Theatre, Powell Hall and Tower Grove Park.

Another bus painting was offered as part of [St. Louis PrideFest](#) festival in downtown St. Louis. The murals to be painted on the bus were designed by St. Louis artist [Charlie Houska](#). This is third art bus painting event where Bi-State has worked with the artist. .

Social Media and NextStopSTL

The commitment to communicate instantly with public transit customers, stakeholders, the local media and the community at large through social media is so important that Metro has a dedicated Social Media Communications Manager to lead and grow social engagement for the Agency.

Metro has a robust social media platform respected by transit agencies around the country. The program has grown since it was originally established in 2009 and continues to grow and expand. Not only is Metro able to give customers service delay information in a timely manner, but the service delay information can be turned around and broadcast or posted on a media Website immediately.



Twitter - @STLMetro - Twitter continues to be Metro's most active social network with more than 9,300 followers. This account provides real-time information regarding Agency news, service updates, customer alerts, Metro events, and contests. Customer service complaints and compliments are also received through this outlet.



Facebook - STLMetro - Metro's Facebook account has more than 3,380 likes. Since Facebook is not limited to 140 characters like comments posted via Twitter, more complete responses can be given to questions asked by customers. Agency news, contests and events are also shared via this network.



Instagram - @STLMetro - Metro has garnered more than 570 followers in a very short time on this popular mobile application. Instagram provides Metro the ability to visually share photos and video.



Flickr - St. Louis Metro transit - Metro utilizes this social media forum to visually document and highlight the Agency's transit and business enterprises. Many of the photos published on this network are turned into slideshows and published via Metro's Agency's blog, nextstopstl.org.



YouTube - St. Louis Metro transit - Metro has a presence on YouTube, a popular social video forum. Videos on this network feature news conferences, special transit events, and how-to educational messages for customers.

In addition to social media interaction, the Agency also frequently posts on its blog, nextstopstl.org. The blog, on average, generates more than 10,000 page views a month. The blog highlights Agency news, projects and events. It also currently features three weekly blogs: Passenger Profile, FlashBack Friday and MetroLink Track Maintenance Operations.

The first Wednesday of each month, transit executives participate in an online forum through the *St. Louis Post-Dispatch* newspaper. The live forum, which runs from noon until 1 p.m., covers numerous transit topics. Ray Friem, COO of Transit Services and Jessica Mefford-Miller, Chief of Planning and System Development, answer readers' questions about transit operations.

**St. Louis Metropolitan Area:
Labor Force, Local Economy and Local Conditions**

The information presented in the financial statements is best understood when it is considered in combination with the economic environment.

St. Louis Region

The local St. Louis metropolitan regional economy generates \$136.7 billion annually, making it the 22nd largest US metropolitan area when ranked by current gross domestic product (GDP). The monetary value of the goods and services produced (GDP) by the region is greater than the individual output of 21 U.S. states. St. Louis is the headquarters for nine Fortune 500 companies and home to eighteen Fortune 1000 companies.

The largest industry sectors in the St. Louis region include: financial services, professional and business services, and education and healthcare. The largest employers in the region are BJC Healthcare, Boeing Defense and Washington University. For a complete list of major employers see page 165.

There are more than 580,000 St. Louisians (older than 25 years of age) that have attained a bachelor's degree, graduate degree or professional degree. This represents approximately 30% of the adult population. Median household income for the St. Louis metropolitan statistical area (MSA) according to a recent US Census Bureau survey is over \$51 thousand, which is slightly higher than the US average. While median income is slightly higher than the national average, St. Louis continually boasts one of the lowest cost of living indexes among the twenty largest metropolitan areas in the U.S.

Economy

The overall U.S. gross domestic product grew 1.9 percent during calendar year 2013 and the national unemployment rate was 6.3 percent. The unemployment rate is down from the same time last year when it was 7.8 percent. Despite this promising news, there remains a segment of the population underemployed or employed part-time while desiring full-time status. The [Dow Jones Industrial Average](#) is up approximately 12.9 percent over the same time last year.

In April 2014, the St. Louis region's unemployment was 7.0 percent, trending higher than the national average; however the rate is lower than last year's regional rate which was 7.6 percent in June 2013. These indicators seem to signify the national economy is holding steady and the local economy has made slight improvements.

Impact on Operations

Our Business Enterprises are primarily funded through revenues generated by the day-to-day operations of the various business segments. Revenue dollars earned can also be impacted by trends in tourism, availability of discretionary income and the general rise and fall of local and national economies.

The Riverfront Attractions were inconvenienced by the rebuilding of Leonor K. Sullivan Blvd. The riverboats were subject to close at a lower flood stage with the road under construction resulting in 38 flood days in FY 2014. There would have been only 3 flood days incurred prior to the construction period under similar circumstances. The Leonor K. Sullivan Blvd project will ultimately raise the road several feet higher than it was originally resulting in less future flooding which will greatly benefit the riverboats and bicycle rentals.

The bicycle rental operations have ceased during the construction period and will remain closed until the completion of the CityArchRiver project. Heliport operations and the related rental income have not been affected.

The Riverboats have been plagued by the slow economy and forces of nature over the past seven years. In FY 2014, the Riverboat operations have had a net loss before depreciation in five of the last seven years; they only showed a profit in FY 2012 and FY 2014. In FY 21014, the Riverboats strategically reduced the number of cruises from prior year which increased the passenger per cruise count from 108 in FY 2013 to 130 in FY 2014. Since the majority of costs associated with each cruise are fixed, the overall profitability of each cruise increased.

The Gateway Arch grounds are currently under construction as part of the CityArchRiver project. There is limited access to the grounds and part of the underground museum has been closed. Bi-State Development Agency, the City of St. Louis and the Convention and Visitors Center (CVC) have put up additional signage and directions for getting to the Gateway Arch.

Despite these circumstances, Arch Tram revenue is down only 2.7% or \$158.8 thousand compared to prior year. This variance is easily explainable due to the revenues lost during the Arch's 16-day closure in October 2013 due to a Federal budget concern.

The Arch Parking Facility was the most impacted business unit by the recent construction. Operating revenues were down 15.6% or \$254.7 thousand over prior year. Due to the large number of road closures and alternate routes finding the entrance to the garage has been difficult for out of town visitors. For this reason, more visitors

are electing to park in other nearby garages which are more accessible and walk to the Arch grounds.

The St. Louis Downtown Airport has not reached its pre-2010 levels for fuel sales, but operating revenue has been higher the past two fiscal years compared to the respective prior periods. Runway expansion, the firehouse and crew and other improvements have allowed a greater variety of aircraft to take advantage of the airport's convenient location to downtown St. Louis.

As stated previously, transit operations are funded by a combination of regional sales taxes, service contracts, passenger fares, federal funds and auxiliary revenues. Local sales taxes from St. Louis County (MO) and the City of St. Louis (MO) are the largest source of revenue. St. Clair County Transit District (IL) contracts for services with Metro and pays 100 percent of the cost of those services. Federal funding sources are used to support capital and operating requirements of the system per guidelines of the Federal Transit Administration.

Sales tax collections in St. Louis County and the City of St. Louis have generally been trending upward since the 2010 economic downturn. The City of St. Louis had a particularly strong year in FY 2012, directly attributable to the [St. Louis Cardinals](#) success in the MLB postseason. There were 9 additional home games which were heavily attended and celebrated in the region. St. Louis City receipts were not as positive in FY 2013 since the Blues hockey team did not play half the year due to a strike and the Cardinals did not make the World Series.

St. Louis Metro Area Economic Statistics for 2014

| | <u>Statistic</u> | <u>U.S. Ranking</u> |
|--|------------------|---------------------|
| Population | | |
| St. Louis Metropolitan Area (including St. Louis City) | 2.9 Million | 19 th |
| Households | 1.1 Million | - |
| Workforce | 1.4 Million | - |
| Trade and Industry | | |
| Economy | \$ 136.7 Billion | |
| Largest U.S. Inland Port | - | 2 nd |
| Fortune 1000 Companies (headquarters) | 18 | - |
| Fortune 500 (headquarters) | 9 | - |
| Forbes Largest 100 Private Companies | 5 | - |

(Source: St. Louis RCGA; U.S. Census Bureau)

(Source: St. Louis RCGA; Forbes magazine; Fortune magazine)

Statistical Data Three Year Trend Comparison

Data as of June 30,

| <u>Data Measurement</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|-------------|-------------|-------------|
| Budgeted Personnel | | | |
| Total employees | 2,141 | 2,131 | 2,173 |
| Collective bargaining agreement employees % | 77% | 77% | 78% |
| Metro Transportation System | | | |
| Service area square miles | 558 | 558 | 558 |
| Metro Bus | | | |
| Active fleet size – total vehicles | 386 | 378 | 379 |
| Passenger trips | 29,120,554 | 29,408,800 | 30,123,181 |
| Revenue miles | 18,643,083 | 18,478,303 | 18,520,796 |
| Farebox recovery | 20.6% | 20.8% | 20.2% |
| Metro Link | | | |
| Active fleet size – total vehicles | 87 | 87 | 87 |
| Passenger trips | 17,000,005 | 17,054,484 | 17,466,322 |
| Revenue miles | 3,166,500 | 3,118,537 | 3,127,483 |
| Farebox recovery | 27.5% | 27.2% | 25.2% |
| Demand response | | | |
| Active fleet size – total vehicles | 117 | 117 | 120 |
| Passenger trips | 584,291 | 591,197 | 580,562 |
| Revenue miles | 5,127,067 | 5,246,725 | 5,315,418 |
| Farebox recovery | 11.30% | 11.00% | 9.80% |
| Business Enterprises | | | |
| Gateway Arch tram rides | 907,147 | 916,611 | 885,165 |
| Gateway Parking vehicle transactions | 239,801 | 222,239 | 210,394 |
| Riverfront Attractions passengers | 113,503 | 108,122 | 120,723 |
| St. Louis Downtown Airport aircraft movements | 84,040 | 87,091 | 106,996 |
| St. Louis Downtown Airport based aircraft | 328 | 322 | 321 |

Source: Annual Performance Indicators

Economic Development

Bi-State Development Agency continues to increase its focus on economic development and is participating in many Transit Oriented Development (TOD) projects in the region, as well as public infrastructure and investment opportunities. The Economic Development Department's Real Estate Division is responsible for negotiating and crafting leases and agreements for Bi-State Development Agency's real estate, communication towers and fiber needs and handles the transit system easement and right-of-way requirements with other public service providers.

Bi-State Development Agency is actively pursuing specific initiatives with regional economic development groups, including the St. Louis Development Corporation, [East West Gateway Council of Governments](#), St. Louis Regional Chamber, the St. Louis County Economic Development Partnership, and the [Leadership Council of Southwestern Illinois](#), including its Southwestern Illinois Transportation Enhancement (SITE) Committee.

The Economic Development Department is working with regional groups on large scale public infrastructure initiatives for high speed rail, a new Mississippi River bridge for freight and passenger service and a regional freight/transportation district. As of mid-2014, the regional freight/transportation district is taking shape through the efforts of the East West Gateway Council of Governments, Bi-State Development Agency, the Leadership Council of Southwestern Illinois and the St. Louis Regional Chamber.

Bi-State Development Agency is working with [Cortex](#) and the [St. Louis Development Corporation](#) on potential Cortex area improvements. The bio-sciences based Cortex development consists of several hundred acres in the City of St. Louis located east

of the Central West End station along the MetroLink alignment. Potential improvements include public and private investment along the current alignment and a possible new MetroLink station.

Bi-State Development Agency completed efforts with the [Federal Transit Administration](#) (FTA) and the [St. Louis County Economic Council](#) to license parking spaces at the Wellston MetroLink station. The parking spaces are being used to support the requirements of a new daycare facility which opened in August 2014 adjacent to the station.

The Economic Development Department completed work with Citizens for Modern Transit on the establishment of Form Based Zoning Code districts for the Rock Road MetroLink station in the City of Pagedale and the Grand MetroLink station in the City of St. Louis.

The Economic Development Department has been charged by the Bi-State Development Agency Board and President and CEO to evaluate the potential for a new headquarters for Bi-State Development Agency as part of an overall, company-wide, strategic properties analysis. The purpose of the effort has been to evaluate those potential new opportunities, the present operational needs, costs and function of the existing headquarters and then update the Board and President and CEO on the same.

The Economic Development Department has taken an increased role in supporting the real estate requirements of the St. Louis Downtown Airport.

Working on behalf of the Bi-State Development Agency Board, the Economic Development Department is creating a 501c3 Bi-State Development Agency Research Institute (Institute). The non-profit Institute will undertake specific real estate projects to support TOD

and Bi-State Development Agency Compact related projects; and, conduct research that supports regional economic development, including as such relates to transit

The Economic Development Department has a leading role in Bi-State Development Agency's involvement in Transportation Development Districts (TDDs) in Chesterfield and St. Ann, as well as a Community Improvement District (CID) in the Delmar/East Loop area in the City of St. Louis. The TDDs will be used for new capital improvements for MetroBus, and the proposed CID will be used in support of neighborhood area upgrades for the community.

The Economic Development Department is acquiring additional property for the new North County Transit Center, now under construction. The Transit Center will serve as a bus garage and rider transfer center in one of the busiest MetroBus service areas of the region.

Specific Economic Development Department community engagement in 2014 included:

- Active Membership/Participation, Economic Development Department:
- Wellston Choice Neighborhoods - Ex-Officio Member
- Central Corridor (Cortex) Transit Study - Steering Committee
- Wabash Station Public Visioning - Steering Committee
- Rock Road MetroLink Station, Form Based Code Adoption – Committee Member
- Grand MetroLink Station, Form Based Code Plan - Committee Member
- St. Louis Regional Chamber, Economic Developers Regional Development Roundtable Forum - Member
- Southwestern Illinois Leadership Council, SITE Committee - Member

- East Delmar Loop CID - prospective Member
- St. Louis Metropolitan Research Exchange - Board Chair
- Four Communities Planning Advisory Committee, Bike/Walk Plan, St. Ann, Overland, Edmundson and St. John - Member
- Hanley Eager Road TDD - Member
- Center for Humans and Nature, Chicago - Contributor

**2014 Year in Review
and Other Notable Events**

Transit

The region's 30 year transit strategic plan, *Moving Transit Forward*, outlined a fare increase strategy to enact moderate fare increases every other year rather than implementing larger fare increases less frequently. Since a fare increase was implemented in FY 2013, there was no change in fares during FY 2014. The Board did approve a modest fare increase in FY 2014 as part of the long range plan and FY 2015 budget. This increase went into effect on July 1, 2014. This fare increase does not affect the FY 2014 financial information.

The Agency went to the bond market August 1, 2013 to restructure its debt. With the restructuring of these bonds, several primary objectives were met. The bonds were restructured to achieve ratings in the double-A category from both Moody's Investors Service and Standard and Poor's as a means to lower the Agency's current and future borrowing costs. With the elimination of variable and short-term debt obligations, Bi-State Development Agency replaced short-term risk of market challenges with long-term fixed rate instruments. All new bond issuance was restructured onto the same lien tier and Metro began to amortize the original Series 2005 Cross-County Completion Bonds.

The restructuring took advantage of historically low rates to affordably extend the final amortization on the 2013 Bonds. The lengthening of the life of the bonds to 39 years was to protect Agency operational funding by reducing annual debt service costs.

This restructuring also incorporated a St. Louis County loan to reduce the Agency's borrowing costs. The County loan significantly improved the cost of borrowing. The debt is structured with short calls on the long term debt permitting the Agency to retire costlier long-dated debt with the lower-cost County loan proceeds each year. The County loan to Bi-State Development Agency on August 1 was \$75.0 million. An additional County loan for \$30.0 million was received on October 1, 2014 and was used to pay off a portion of Series 2013A bonds.

More information regarding Agency debt and long-term obligations can be found in [footnote 13](#) on page 94. Also see the subsequent events [footnote 21](#) on page 112.

**St. Louis Gateway Arch, Gateway Arch Parking Facility
and the National Park Service**

Bi-State Development Agency and the National Park Service (NPS) signed a new services agreement contract on February 1, 2014. The contract is to remain in effect till February 2045. Plans to integrate the Gateway Arch grounds with downtown St. Louis have begun. The plans include a new entrance to the Gateway Arch and a possible replacement of the Gateway Arch parking facility with green space or an alternate park attraction.

Pension Amendments

Like many government entities across the country, Bi-State Development Agency has experienced increasing cost trends in retiree medical and pension over the past five years. Bi-State Development Agency has been proactive in trying to implement plan changes that provide its employees with excellent medical and pension benefit choices that will not financially cripple the Agency in the coming years.

The salaried employee defined benefit plan was closed to new employees beginning in FY 2014. The defined benefit plan also became contributory for active salaried employees who elected to remain in the plan. New employees hired after July 1, 2013 are automatically enrolled in a defined contribution plan.

Under the IBEW and Metro Call-A-Ride labor contracts all new hires are currently enrolled into a 401k plan. In the case of the IBEW plan, there is also the option of employees enrolling in the [National Electric Benefit Funds](#) pension plan. For detailed information about the pension plans, please see [footnote 14](#) on page 98 in this document.

Engineering and Construction

A new fare collection project is being undertaken to improve fare collections and ridership reporting by utilizing the latest smart card technology. This new system will allow Metro to collect fares more efficiently, eliminate paper passes and tickets, support programs for enhancing ridership, and provide comprehensive sales and ridership information for planning purposes. Full rollout of the new smart card system is currently being targeted for late fiscal 2015 or fiscal 2016



The land for North County Transit Center Phases I and II has been purchased. Phase I will be a transfer center with passenger amenities, parking, vending and a retail space. Phase II will be a bus garage with dispatch and full service maintenance capabilities.

The North County transit market is the fastest growing in the region and accounts for almost 20% of all Missouri MetroBus ridership. The North County Transit Center Phases I and II are in the design stage.



The Downtown Transit Center project will expand the existing MetroBus facility to accommodate additional buses and allow for the future use of articulated buses at the location. The center will be expanded from six bus bays to include nine bus bays for 40-foot buses; three bays for articulated buses; and two bays for paratransit vans. The project will also include a climate controlled passenger waiting area with public facilities, vendor space, a security office and other security features.

Work on the Eads Bridge is continuing. The bridge links the Illinois and Missouri sides of MetroLink over the Mississippi River. Bi-State Development Agency's rehabilitation of the historic Eads Bridge is continuing and the work is expected to be completed in late 2015. The project is a comprehensive rehabilitation of the main spans of the bridge including structural steel repairs, track superstructure replacement, removal and replacement of track, ties, rail, and walkway, removal of abandoned utilities, removal of the existing coating system, and application of a corrosion protection painting system. As of June 2014, the Track 1 structural floor system installation and the coating activities are complete. Work is continuing on miscellaneous steel repairs, coating touch ups, and signal, power and communication work.

Awards and Acknowledgements

Bi-State Development Agency received a number of awards and acknowledgements during FY 2014. The following represents the most outstanding recognitions:

- The Bi-State Development Agency (BSDA) was awarded the 18th Annual Achievement of Excellence in Procurement (AEP) Award from the [National Procurement Institute](#) (NPI). The AEP Award is earned by public and non-profit organizations that

obtain a high application score based on standardized criteria, innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. This was the first time Bi-State has received the AEP Award since it was introduced almost two decades ago. The Agency is only one of 23 special districts in the U.S. and just one of two agencies in Missouri to receive this award.

- BSDA was given an award by the [American Society of Civil Engineers St. Louis Section](#), which recognized BSDA with the Project of the Year award. This annual award recognizes an engineering project that demonstrates the greatest engineering skills, and represents the greatest contribution to civil engineering progress and mankind, and this year those accolades went to BSDA and its general contractor partner and primary engineering design firm partner for the East Riverfront Interlocking: East Tower Railroad Span Replacement Project.
- [American Public Transportation Association \(APTA\)](#) held its 22nd annual International Rail Rodeo. In the Operators' Competition, Bi-State Development Agency's Christina Robinson and Robert Yawn finished in third place. The Operators' Competition measures professional skills such as train operation, knowledge of safety regulations and train equipment, and track rules and procedures. First place went to Washington Metropolitan Area Transit Authority's and second place went to the Los Angeles County Metropolitan Transportation Authority.
- Metro, in conjunction with the [National Safety Council](#), celebrated full time MetroBus and Metro Call-A-Ride Van Operators whose safe driving records included 10 or more years with no preventable accidents and who had excellent attendance as established in the MetroBus and Metro Call-A-Ride Operations Guidelines. The eligible operators were recognized at the 8th Annual Metro Operators Recognition and Awards Banquet held at the Renaissance Grand Hotel in Downtown St.

Louis. Operators for CAR drive about 39,000 miles a year. There were 119 (14 van and 105 bus) operators honored.

- Bi-State was honored with an Achievement Award from the [St. Louis Green Business Challenge](#) which is administered by the [St. Louis Regional Chamber](#). The award recognized Bi-State's continued improvements to adopt sustainable business practices. This year's improved efficiencies include: the Metro Lean & Green Team was created to distribute green living tips and green news to employees; Metro held several recycling drives, including cell phones for soldiers, broken or unwanted holiday lights, and medical equipment; Metro switched to recycled office paper; Metro donated 3 buses to Wings of Hope, which is now turning them into mobile hospitals; Metro was also recognized for the first time for its ongoing "smart" bus initiative that has produced a strong fleet of vehicles that spend more time on the streets between major repairs, burn less fuel and last longer before they are taken out of service.
- Eight Bi-State Development Agency (BSDA) employees were recognized by [St. Louis Convention & Visitors Commission \(CVC\)](#) President Kathleen Ratcliffe and City of St. Louis Mayor Francis Slay at the CVC's Annual Meeting and Hospitality luncheon. The eight employees were given the "Hospitality Hero" award on World Tourism Day. The award focuses on frontline employees in the hospitality industry who provide high quality customer service. Hospitality Hero eligibility prerequisites include professionalism, positivity, reliability, courteousness, attentiveness and the ability to provide St. Louis visitors with a "memorable" experience.
- [KTVI Fox 2 News "Pay It Forward"](#) segment recognized seven-year veteran MetroBus operator Jessie Jones after he was nominated for going above and beyond the call of duty for a passenger who had lost a valuable item during a commute to work.

Mr. Jones recovered the item and ensured its safe return to the passenger via Bi-State's Lost and Found.

- The Gateway Arch Brochure won the "Best Brochure in the Midwest Region Award" from the national media group, [CTM Media Group, Inc.](#) Criteria for receiving the award included layout and design, content, and visitor appeal. BSDA's Business Enterprises Division owns and operates the Saint Louis Downtown Airport, Gateway Arch Revenue Collections Center, Gateway Arch Riverboats, and operates the Gateway Arch Transportation System and Gateway Arch Parking Facility.
- The Gateway Arch won several honors:
 - Men's Journal (national) - 1 of 10 most intriguing buildings in the US.
 - Go Magazine (local) – Best Public Art.
 - TripAdvisor (national) – 50 Most Popular Tourist Attractions – Missouri winner
 - Wall St Cheat Sheet: Affordable American Travel (national) - 5 Must-Sees in the Midwest.
- For FY 2013, The [Government Finance Officers Association of the United States and Canada](#) (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the 18th consecutive year in a row to Bi-State Development Agency for its comprehensive annual financial report (CAFR). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only.
- For fiscal year beginning July 1, 2013, the [Government Finance Officers Association of the United States and Canada](#) awarded a Distinguished Budget Presentation Award for the eighth year to Bi-State Development Agency for its operating and capital budget. The award recognizes the high standards of preparation of state and local governmental budgets.

Bi-State Development Agency thanks each of the governing bodies for providing the support and resources necessary to prepare this report, including the [State of Missouri](#) and [State of Illinois](#), [St. Louis County](#), the [City of St. Louis](#), and the [St. Clair County Transit District](#). We also extend our sincere appreciation to the independent auditing firm of [Crowe Horwath](#) for its assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kathy Klevorn". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kathy Klevorn

Senior Vice President and Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

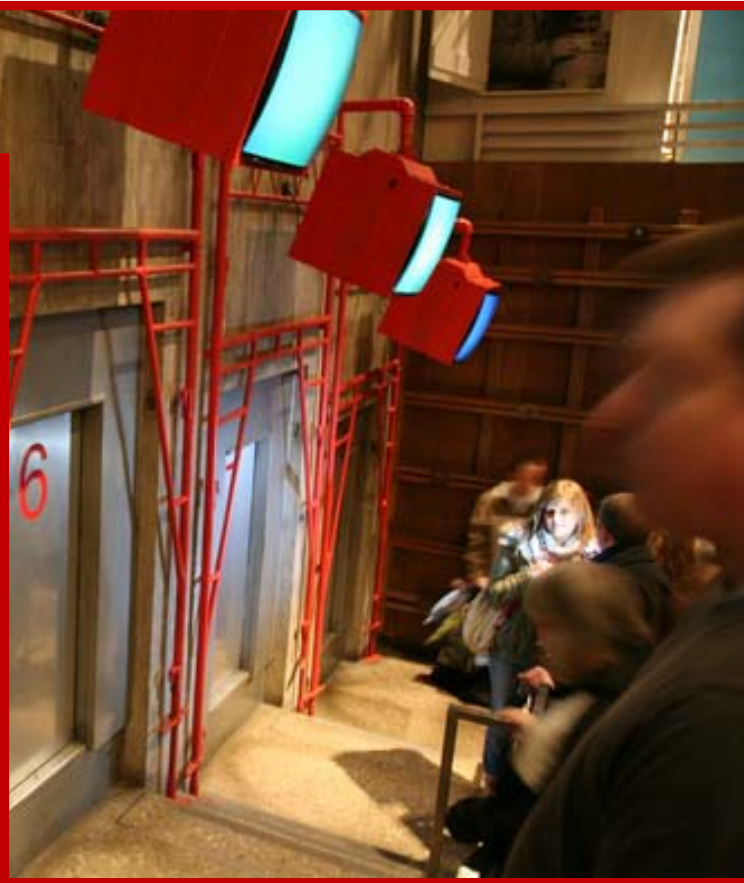
Presented to

**Bi-State Development Agency
of the Missouri-Illinois Metropolitan
District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

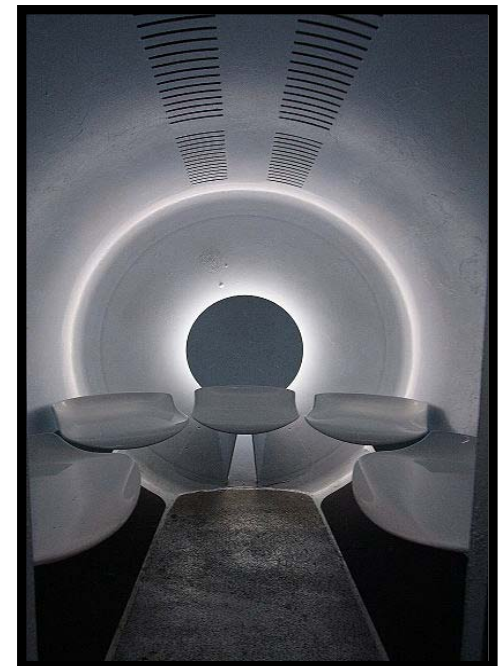


Above: Visitors to the Gateway Arch elevator lobby

Right: Interior view of a Gateway Arch Tram elevator

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Board of Commissioners

Illinois



David A. Dietzel
Chair



Michael Buehlhorn
Treasurer



Fonzy Coleman



Tadas Kicielinski



Jeffrey Watson



Missouri

Constance Gully
Vice Chair



Kevin S. Cahill
Secretary



Aliah Holman



Vincent C.
Schoemehl, Jr.



Hugh Scott, III



Executive Officers and Other CEO Direct Reports

John M. Nations President and Chief Executive Officer

Raymond Friem

Senior Vice President
Chief Operating Officer, Transit Operations

Kathy Klevorn

Senior Vice President
Chief Financial Officer

Jennifer Nixon

Senior Vice President
Business Enterprises

James Cali

Director
Internal Audit

Elke Campbell

Director Workforce Diversity, EEO
and Supplier Diversity

Barbara Enneking

General Counsel

Debra Erickson

Vice President
Chief Information Officer

Larry Jackson

Vice President
Procurement
and Inventory Management

John Langa

Vice President
Economic Development

Melva Pete

Vice President
Human Resources

Charles Priscu

Director
Labor Relations

Dianne Williams

Vice President
Communications and
Marketing

Financial and Other Support Personnel

Fred Bakarich
Director
Engineering Systems

Kathy Brittin
Director Risk Management, Safety,
and Claims

Tammy Fulbright
Director Treasury Services

Steve Lanham
Director Financial Systems

Charles Stewart
Vice President Pension
and Insurance

Mark Vago
Controller

Patti Beck
Director Communications

Erick Dahl
Director
St. Louis Downtown Airport

Kerry Kinkade
Director Information Technology

Jessica Mefford-Miller
Chief Transit Planning and
System Development

Justin Struttman
Director
Gateway Arch Operations

Connie Welch
Manager General Accounting

Tracy Beidleman
Director Program Development
and Grants

Tom Dunn
Director
Gateway Arch Riverboats

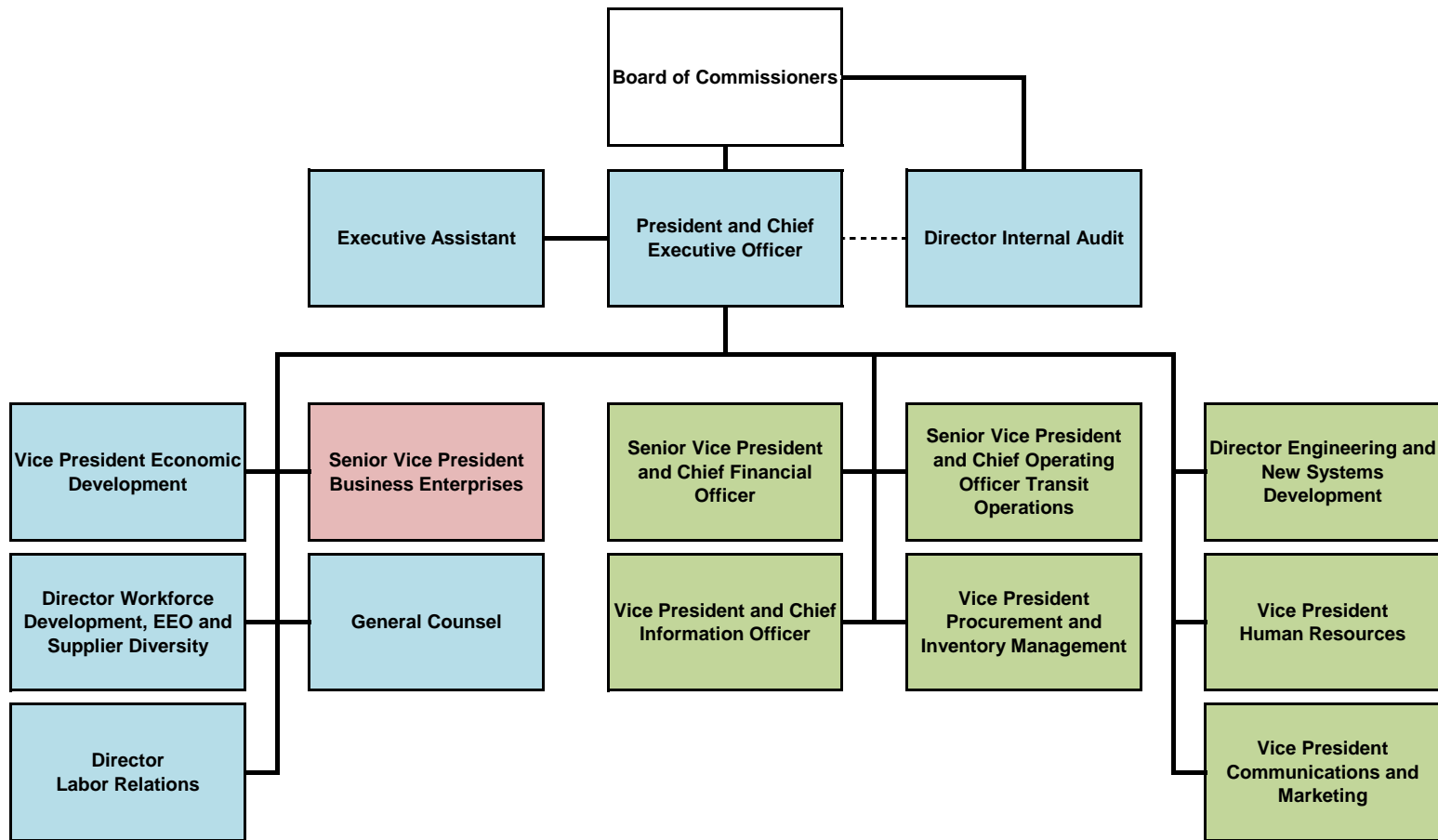
Candice Lallinger
Director Recruitment and
Employment

James Schifferdecker
Director Passenger Revenue

Kent Swagler
Director Corporate Compliance

Richard Zott
Chief of Public Safety

**Bi-State Development Agency Organizational Chart
Board of Commissioners,
President and Chief Executive Officer and Direct Reports**



- Executive Services
- Business Enterprises
- Transit

Celebrating an outstanding year and award winning employees



G

ateway Arch Hospitality Hero Award Winners

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

Financial Section

For the Years Ended June 30, 2014 and 2013

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development Agency), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Bi-State Development Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Bi-State Development Agency, as of June 30, 2014, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress and Employer Contributions, as listed in the table of contents on pages 42 through 58 and 114 through 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bi-State Development Agency's basic financial statements. The accompanying Introduction Section on pages 3 through 37, Other Supplementary Information on pages 117 through 128, and Statistical Sections on pages 131

through 165, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying 2014 Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 2014 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 other supplementary information is fairly stated, in all material respects, in relation to the 2014 basic financial statements as a whole.

The accompanying 2013 Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. Such information has been subjected to the auditing procedures applied by other auditors in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 2013 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and whose report dated November 22, 2013 expressed an opinion that such information was fairly stated in all material respects in relation to the 2013 basic financial statements as a whole.

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

Other Information

The basic financial statements of Bi-State Development Agency as of June 30, 2013, were audited by other auditors whose report dated November 22, 2013, expressed an unmodified opinion on those statements.

The other auditor's report included emphasis of matter paragraphs relative to Bi-State Development's dependence upon the ability to obtain sufficient operating assistance to continue operations and Bi-State Development's adoption of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2014 on our consideration of Bi-State Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bi-State Development Agency's internal control over financial reporting and compliance.

Crowe Horwath LLP
Crowe Horwath LLP

Indianapolis, Indiana
November 21, 2014

Celebrating an outstanding year and award winning employees



MetroBus -- Pay it Forward

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management's Discussion and Analysis Years Ended June 30, 2014 and 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following represents the Management's Discussion and Analysis (MD&A) of the financial activities and performance of Bi-State Development Agency. The MD&A provides the reader with an introduction and overview to the basic financial statements of Bi-State Development Agency for the fiscal years ended June 30, 2014 and 2013. The information contained in this MD&A should be

considered in conjunction with the information contained in the letter of transmittal found in the introductory section.

Following this MD&A are the financial statements of Bi-State Development Agency together with the notes and combining financial schedules that are essential to providing a full understanding of Bi-State Development Agency's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2014 are as follows:

- Total assets increased \$20.9 million or 1.5 percent from fiscal year 2013.
- Bi-State Development Agency's total assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources (net position) by nearly \$651.4 million as of June 30, 2014, \$75.2 million of which is unrestricted net position and is available to meet Bi-State Development Agency's ongoing obligations.
- Total net position increased \$3.6 million, or 0.6 percent from the prior year.
- Deferred outflow of resources increased \$3.2 million from the prior year.
- Total operating revenues increased \$1.0 million, or 1.4 percent from the prior year.
- Total operating expenses increased \$13.1 million, or 4.1 percent from the prior year.
- Total non-operating revenues increased \$14.2 million, or 6.7 percent from the prior year.
- Total non-operating expenses decreased \$1.0 million, or 3.1 percent from the prior year.
- Capital contributions consist of Federal, State of Illinois, and local capital contributions totaling \$70.5 million for FY 2014, representing an increase of \$20.3 million, or 40.5 percent from the prior year.

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management's Discussion and Analysis Years Ended June 30, 2014 and 2013

Key financial highlights for 2013 were as follows:

- Total assets decreased \$22.9 million or 1.6 percent from fiscal year 2012.
- Bi-State Development Agency's total assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources (net position) by nearly \$647.7 million as of June 30, 2013, \$47.3 million of which is unrestricted net position and is available to meet Bi-State Development Agency's ongoing obligations.
- Total net position decreased \$19.7 million, or 3.0 percent from the prior year.
- Deferred outflow of resources decreased \$0.9 million from the prior year.
- Total operating revenues increased \$1.9 million, or 2.7 percent from the prior year.
- Total operating expenses increased \$7.8 million, or 2.5 percent from the prior year.
- Total non-operating revenues increased \$8.2 million, or 4.0 percent from the prior year.
- Total non-operating expenses increased \$3.1 million, or 10.8 percent from the prior year.
- Capital contributions consist of Federal, State of Illinois, and local capital contributions totaling \$50.1 million for FY 2013, representing a decrease of \$33.8 million, or 40.3 percent from the prior year.

BASIC FINANCIAL STATEMENTS - OVERVIEW

Bi-State Development Agency's basic financial statements are comprised of fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of Bi-State Development Agency are proprietary funds.

Proprietary funds. Bi-State Development Agency maintains one type of proprietary fund to account for its financial activities. A

proprietary fund is one that has profit and loss aspects. The two types of proprietary funds are internal service funds and enterprise funds. Enterprise funds are used by Bi-State Development Agency to account for the Executive Services, Gateway Arch Tram, Gateway Arch Parking Facility, Gateway Arch Riverboats, St. Louis Downtown Airport and Metro Transit System Funds.

Fiduciary fund. Bi-State Development Agency maintains one fiduciary trust fund to account for the assets of the Bi-State Development Agency Other Post Employment benefits (OPEB) Trust Fund.

The basic financial statements start on [Page 59](#).

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Management's Discussion and Analysis
Years Ended June 30, 2014 and 2013**

Notes to the Financial Statements

The notes provide additional information that is essential to provide a full understanding of the data in the proprietary fund financial statements. These notes begin on Page 66 of this report.

Other Information.

In addition to the basic financial statements and accompanying notes, supplementary information is provided concerning combining schedules for both fiscal years. Following the supplementary information is a statistical section. The statistical section includes operating data and required continuing disclosure requirements.

FINANCIAL ANALYSIS

As noted in the financial highlights, Bi-State Development Agency's total assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources (net position) by \$651.4 million and \$647.7 million as of June 30, 2014 and 2013, respectively. The most significant portion of Bi-State Development Agency's net position is reflected in its net investment in capital assets, such as building and improvements, revenue-producing vehicles, improvements and equipment.

Statements of Net Position

These statements present information on all of the Agency's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference between the two reported as net

position. Over time, increases or decreases in net position may be a useful indicator of whether the financial position of Bi-State Development Agency is improving or deteriorating. Information on all Bi-State Development Agency funds is detailed in the combining schedules found in the supplemental section.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Management's Discussion and Analysis
Years Ended June 30, 2014 and 2013**

The following table, which is presented in thousands, provides a summary of Bi-State Development Agency's net position at fiscal year-end for 2014 compared to 2013 and 2013 as compared to 2012.

| (in thousands) | <u>2014</u> | <u>2013</u> | <u>Incr (Decr)</u> | <u>% Change</u> | <u>2012</u> | <u>Incr (Decr)</u> | <u>% Change</u> |
|--------------------------------------|---------------------|---------------------|--------------------|-----------------|---------------------|--------------------|-----------------|
| Assets | | | | | | | |
| Non-capital assets | \$ 370,051 | \$ 342,150 | \$ 27,901 | 8.2% | \$ 329,329 | \$ 12,821 | 3.9% |
| Capital assets | 1,076,453 | 1,083,450 | (6,997) | -0.6% | 1,119,185 | (35,735) | -3.2% |
| Total assets | <u>1,446,504</u> | <u>1,425,600</u> | <u>20,904</u> | 1.5% | <u>1,448,514</u> | <u>(22,914)</u> | -1.6% |
| Deferred Outflow of Resources | <u>4,070</u> | <u>881</u> | <u>3,189</u> | 362.0% | <u>1,799</u> | <u>(918)</u> | -51.0% |
| Total | <u>1,450,574</u> | <u>1,426,481</u> | <u>24,093</u> | 1.7% | <u>1,450,313</u> | <u>(23,832)</u> | -1.6% |
| Liabilities | | | | | | | |
| Current liabilities | 87,327 | 137,172 | (49,845) | -36.3% | 66,642 | 70,530 | 105.8% |
| Long-term liabilities | 711,367 | 641,576 | 69,791 | 10.9% | 716,220 | (74,644) | -10.4% |
| Total liabilities | <u>798,694</u> | <u>778,748</u> | <u>19,946</u> | 2.6% | <u>782,862</u> | <u>(4,114)</u> | -0.5% |
| Deferred Inflow of Resources | <u>506</u> | <u>-</u> | <u>506</u> | n/a | <u>-</u> | <u>-</u> | n/a |
| Net Position | | | | | | | |
| Net investment in capital assets | 509,727 | 529,530 | (19,803) | -3.7% | 553,228 | (23,698) | -4.3% |
| Restricted net position | 66,497 | 70,879 | (4,382) | -6.2% | 73,168 | (2,289) | -3.1% |
| Unrestricted net position | 75,150 | 47,324 | 27,826 | 58.8% | 41,055 | 6,269 | 15.3% |
| Total net position | <u>651,374</u> | <u>647,733</u> | <u>3,641</u> | 0.6% | <u>667,451</u> | <u>(19,718)</u> | -3.0% |
| Total | <u>\$ 1,450,574</u> | <u>\$ 1,426,481</u> | <u>\$ 24,093</u> | 1.7% | <u>\$ 1,450,313</u> | <u>\$ (23,832)</u> | -1.6% |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Management's Discussion and Analysis
Years Ended June 30, 2014 and 2013**

Statements of Net Position (continued)

Total assets amounted to \$1.45 billion as of June 30, 2014, as compared to \$1.43 billion and \$1.45 billion as of June 30, 2013 and 2012, respectively. Non-capital assets primarily consist of unrestricted and restricted cash and investments and receivables. Non-capital assets increased \$27.9 million from 2013 to 2014. Accordingly, capital assets including construction in process decreased \$7.0 million from 2013 to 2014. Total assets increased by \$20.9 million from 2013 to 2014 and the deferred outflow of resources increased \$3.2 million. The variance between 2014 and 2013 total assets resulted from an increase in capital lease assets and an increase on the deferred outflow due to a loss on the FY 2014 debt refunding.

Non-capital assets increased \$12.8 million from 2012 to 2013. Accordingly, capital assets including construction in process decreased by \$35.7 million from 2012 to 2013, while the deferred outflow of resources decreased \$0.9 million. The variance between total assets in 2013 and 2012 assets resulted from increases in accumulated depreciation on capital assets.

Bi-State Development Agency's total net position increased \$3.6 million and decreased \$19.7 million from 2013 to 2014 and from 2012 to 2013, respectively.

Total liabilities increased \$19.9 million from 2013 to 2014 and decreased \$4.1 million from 2012 to 2013. The variance from 2014

to 2013 is due to a bond premium from the remarketing. The variance from 2013 to 2012 is primarily due to fluctuations in the OPEB liability and long term debt.

Statements of Revenues, Expenses and Changes in Net Position

Total operating revenues of \$72.7 million in 2014 represented an increase of \$1.0 million over the prior year. The increases were primarily due to Metro Transit. Transit passenger revenue accounted for \$53.0 million, or 73.0 percent of total Bi-State Development Agency operating revenue.

Total operating revenue in 2013 was \$71.6 million and in 2012 was \$69.7 million. Transit passenger revenues accounted for \$52.1 million and \$48.9 million in 2013 and 2012, respectively. Transit ridership was up 2.4 percent in 2014. Ridership increases in 2014 and 2013 relate to riders continued confidence in the system and the St. Louis Cardinals presence in MLB playoffs, including the 2013 World Series. Metro ridership growth increased 0.7 percent in FY 2013 when compared to FY 2012.

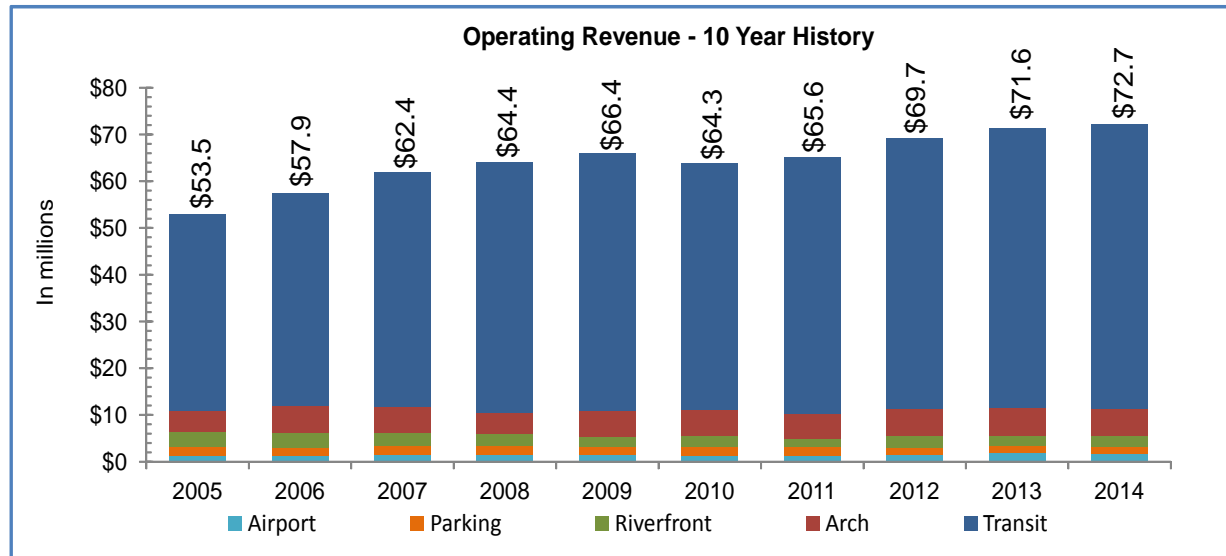
**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Management's Discussion and Analysis
Years Ended June 30, 2014 and 2013**

The following table, which is presented in thousands, provides a summary of Bi-State Development Agency's revenues, expenses, and changes in net position for the fiscal year ended 2014 compared to fiscal year ended 2013 and fiscal year ended 2013 as compared to fiscal year ended 2012.

| (in thousands) | <u>2014</u> | <u>2013</u> | <u>Incr (Decr)</u> | <u>% Change</u> | <u>2012</u> | <u>Incr (Decr)</u> | <u>% Change</u> |
|---|-------------------|-------------------|--------------------|-----------------|-------------------|--------------------|-----------------|
| Passenger and service revenues | \$ 63,689 | \$ 62,978 | \$ 711 | 1.1% | \$ 64,636 | \$ (1,658) | -2.6% |
| Other | 8,962 | 8,644 | 318 | 3.7% | 5,088 | 3,556 | 69.9% |
| Total operating revenues | <u>72,651</u> | <u>71,622</u> | <u>1,029</u> | 1.4% | <u>69,724</u> | <u>1,898</u> | 2.7% |
| Wages and benefits | 174,727 | 164,550 | 10,177 | 6.2% | 159,193 | 5,357 | 3.4% |
| Services | 35,043 | 30,804 | 4,239 | 13.8% | 29,840 | 964 | 3.2% |
| Materials and supplies | 38,560 | 38,164 | 396 | 1.0% | 36,690 | 1,474 | 4.0% |
| Casualty and liability costs | 5,287 | 4,698 | 589 | 12.5% | 3,782 | 916 | 24.2% |
| Utilities, leases, and other general expenses | 10,891 | 10,611 | 280 | 2.6% | 9,601 | 1,010 | 10.5% |
| Depreciation and amortization | 69,778 | 72,310 | (2,532) | -3.5% | 74,220 | (1,910) | -2.6% |
| Total operating expenses | <u>334,286</u> | <u>321,137</u> | <u>13,149</u> | 4.1% | <u>313,326</u> | <u>7,811</u> | 2.5% |
| Operating loss | <u>(261,635)</u> | <u>(249,515)</u> | <u>(12,120)</u> | 4.9% | <u>(243,602)</u> | <u>(5,913)</u> | -2.4% |
| Grants and assistance | 220,786 | 206,109 | 14,677 | 7.1% | 198,037 | 8,072 | 4.1% |
| Interest income | 5,686 | 5,563 | 123 | 2.2% | 5,419 | 144 | 2.7% |
| Other | (602) | 18 | (620) | -3444.4% | 77 | (59) | -76.6% |
| Total non-operating revenues | <u>225,870</u> | <u>211,690</u> | <u>14,180</u> | 6.7% | <u>203,533</u> | <u>8,157</u> | 4.0% |
| Interest expense | (28,774) | (26,495) | 2,279 | 8.6% | (27,126) | (631) | -2.3% |
| Contribution to outside entities | (2,482) | (5,275) | (2,793) | -52.9% | (1,762) | 3,513 | 199.4% |
| Gain (loss) disposition of assets | 205 | (272) | (477) | -175.4% | (26) | 246 | -946.2% |
| Total non-operating expenses | <u>(31,051)</u> | <u>(32,042)</u> | <u>(991)</u> | -3.1% | <u>(28,914)</u> | <u>3,128</u> | 10.8% |
| Loss before contributions | <u>(66,816)</u> | <u>(69,867)</u> | <u>3,051</u> | 4.4% | <u>(68,983)</u> | <u>(884)</u> | -1.3% |
| Capital contributions | <u>70,457</u> | <u>50,149</u> | <u>20,308</u> | 40.5% | <u>83,956</u> | <u>(33,807)</u> | -40.3% |
| Change in net position | <u>3,641</u> | <u>(19,718)</u> | <u>23,359</u> | 118.5% | <u>14,973</u> | <u>(34,691)</u> | 231.7% |
| Total net position, beginning of year | <u>647,733</u> | <u>667,451</u> | <u>(19,718)</u> | -3.0% | <u>652,478</u> | <u>14,973</u> | 2.3% |
| Total net position, end of year | <u>\$ 651,374</u> | <u>\$ 647,733</u> | <u>\$ 3,641</u> | 0.6% | <u>\$ 667,451</u> | <u>\$ (19,718)</u> | -3.0% |

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management’s Discussion and Analysis Years Ended June 30, 2014 and 2013

Operating Revenue



Bi-State Development Agency has numerous sources of operating revenues. For Metro Transit, operating revenues are primarily generated from passenger fares charged on the three modes of transportation: bus, light rail and demand response. Additional operating revenues come from advertising and property rentals. The Gateway Arch Tram System operating revenues are from admissions to the tram system and other attractions inside the Gateway Arch. The Gateway Arch Riverfront Attractions operating revenues are from riverboat excursions, bike rentals, helicopter tours, memorabilia sales and food and beverage sales. The

Gateway Arch Parking Facility charges parking fees. The St. Louis Downtown Airport generates operating revenues through aviation and runway services, hangar rentals, fuel sales and leased acreage.

Metro Transit generates the majority of the Agency’s’ operating revenue, while the other Business Enterprise units comprise approximately 15% of total combined operating revenue. The Arch Tram System has seen increased operating revenue over the past decade while the Arch Parking Facility has seen a gradual decline in receipts over the same period. The parking facility has been

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management’s Discussion and Analysis Years Ended June 30, 2014 and 2013

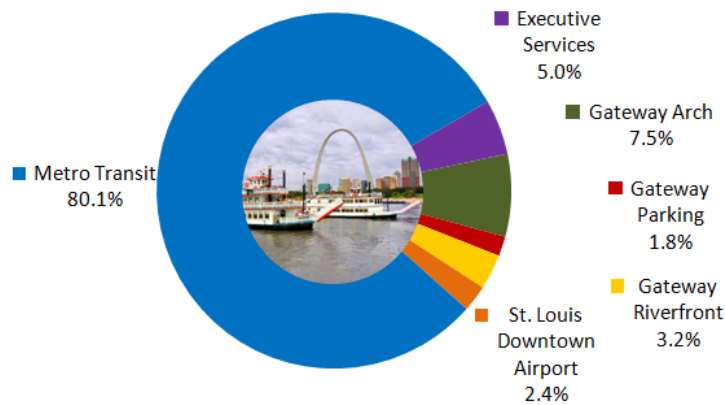
impacted most recently in FY 2014 by road construction and the temporary relocation of Fair St. Louis from the riverfront.

The St. Louis Downtown Airport has seen a rise in operating revenues over the past decade of 47%. This is due to the expansion of runways and the establishment of a fire and rescue unit which has allowed for larger aircraft landings. Despite this increase in

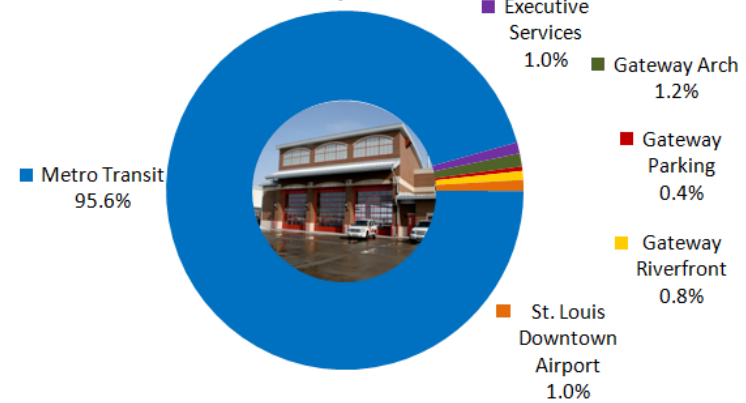
operating revenues since 2005, the operating expenses have also increased 74%. These two facts have resulted in less net operating income over time for the airport.

Riverfront Attractions has seen a slight and slow decline in operating revenue over the past decade. The decline is attributable to more frequently occurring higher flood water trends.

FY 2014 Operating Revenue By Business Enterprise Unit



FY 2014 Operating Expenses By Business Enterprise Unit



Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management's Discussion and Analysis Years Ended June 30, 2014 and 2013

Operating Expenses

Total operating expenses increased \$13.1 million between 2014 and 2013. Increases relate to higher services costs and defined benefit and defined contribution related costs. Wages and benefits represent the largest expense category. See pie chart of expenses on page 51.

Total operating expenses increased \$7.8 million between 2013 and 2012. Increases relate to higher parts costs, self insurance and worker's compensation, pension and fourth quarter wage increases for three pay groups. The salaried pay group experienced some transitional costs related to changing paid time off and pension policies and two union groups completed contract negotiations.

Total non-operating revenues consist primarily of Federal Section 5307 funds, Missouri and Illinois (St. Clair County Transit District) operating assistance and City of St. Louis and St. Louis County $\frac{1}{4}$ and $\frac{1}{2}$ cent, and $\frac{1}{2}$ cent (Prop A) and $\frac{1}{4}$ cent (Prop M2) sales taxes. Non-operating revenue between 2014 and 2013 increased by \$14.2 million or 6.7 percent. This increase relates to local sales tax, SCCTD payments for services and revenue for non-capital projects.

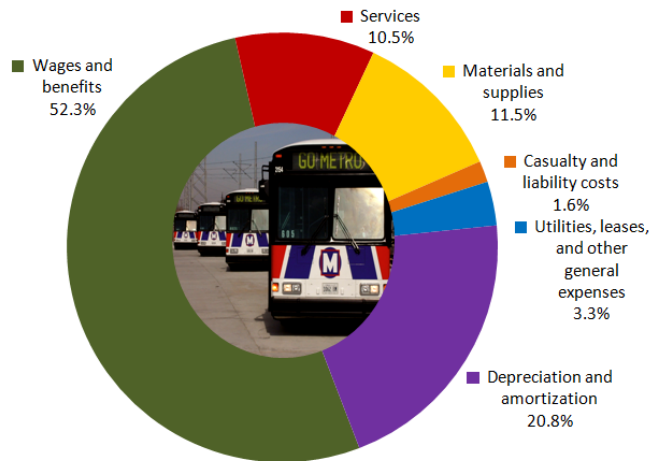
Non-operating revenues increased \$8.2 million between 2013 and 2012. FY 2012 was the first full year of Prop A and Prop M2 receipts. Interest income from capital lease activities and savings was \$5.7 million in 2014, \$5.6 million in 2013 and \$5.4 million in 2012.

A key component of non-operating expenses consists of interest expense incurred on capital lease activity and Mass Transit Sales Tax Appropriation Bonds totaling \$28.8 million in 2014. Interest expense was \$26.5 million and \$27.1 million for 2013 and 2012, respectively.

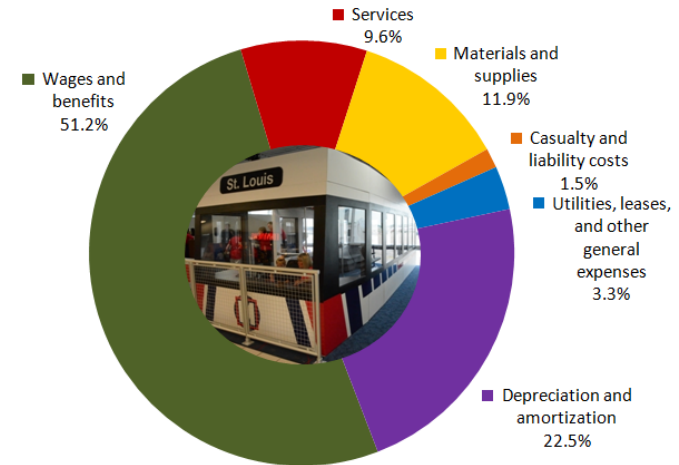
Also in the non-operating expense category, contributions to outside entities were \$2.5 million, \$5.3 million and \$1.8 million in 2014, 2013 and 2012, respectively. The contributions to outside entities totals include pass-through amounts to sheltered workshops of approximately \$1.1 million in all three years presented. This pass-through of funds represents a legal obligation of approximately 2.0 percent of the St. Louis City and St. Louis County (1973) $\frac{1}{2}$ cent Transportation Sales Tax. There were also contributions of capital assets and improvements to SWIC in 2014 and 2013.

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management’s Discussion and Analysis Years Ended June 30, 2014 and 2013

FY 2014 Operating Expense By Category



FY 2013 Operating Expense By Category



Operating Expenses (continued)

The largest cost by category for Bi-State Development Agency is wages and benefits of \$174.7 million, which represents 52.3% of total operating expenses. Of this total, salaries and wages are \$97.5 million and benefits and taxes are \$77.2 million. The benefits total includes net medical expenses of \$20.5 million and an unfunded retiree medical accrual for OPEB of \$9.1 million.

The next largest operating expense category is materials and supplies of \$38.5 million. This category includes \$18.1 million in fuel and lubricant and \$20.4 million in parts.

Services costs include items such as custodial, maintenance, contract security, consultants and contract network services.

Casualty and liability costs are net of recoveries.

Utilities, leases and other general expenses include electric propulsion for light rail, rental on leased properties and promotional and advertising costs.

Depreciation expense is applied to all assets with a cost value greater than \$5,000 and an asset life greater than 1 year.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
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Years Ended June 30, 2014 and 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

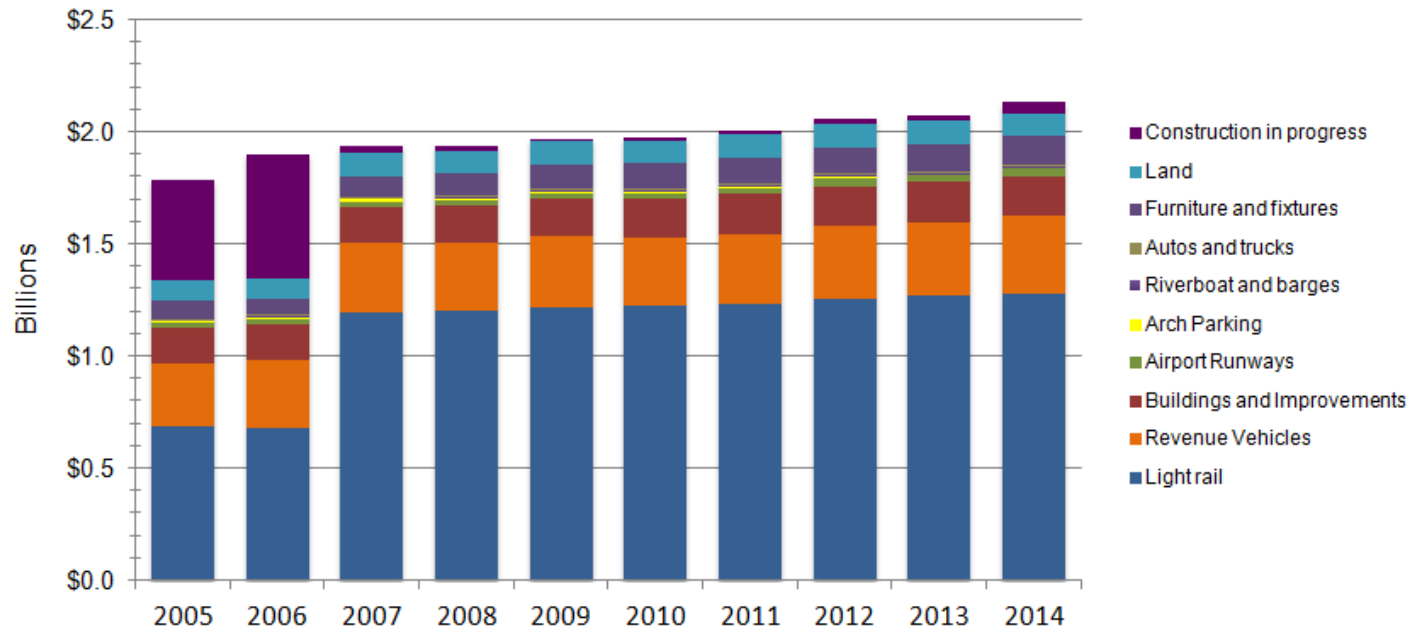
Bi-State Development Agency's investment in capital assets, net of accumulated depreciation, for all funds amounted to \$1.1 billion in FY 2014. This investment includes capital asset categories shown in the table. The decrease in Bi-State Development Agency's net capital assets for the current fiscal year was \$7.0 million or 0.6 percent.

A 10-year history of the historical cost of capital assets by class is included below. The transition of large CIP balances in 2005 and 2006 to light rail assets in the preceding years reflects the MetroLink Cross Country alignment being placed in revenue service.

Additional information regarding capital assets can be found in [footnote 5](#) on page 82 of the financial statements.

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Capital Asset Cost - 10 Year History



**Bi-State Development Agency of the
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Capital assets for the year ended June 30, 2014:

| | 2013 Ending Balance | Additions and Transfers | Deletions, Retirements, & Transfers | 2014 Ending Balance |
|-----------------------------------|---------------------------|-------------------------------|---|---------------------------|
| Construction in Progress | \$ 29,177,573 | \$ 19,042,085 | \$ - | \$ 48,219,658 |
| Land | 101,975,227 | - | - | 101,975,227 |
| Capital Assets | <u>1,943,736,440</u> | <u>43,952,913</u> | <u>(8,773,290)</u> | <u>1,978,916,063</u> |
| | 2,074,889,240 | 62,994,998 | (8,773,290) | 2,129,110,948 |
| Less: Accumulated Depreciation | <u>(991,439,174)</u> | <u>(69,991,653)</u> | <u>8,773,255</u> | <u>(1,052,657,572)</u> |
| Capital Assets, net | <u>\$ 1,083,450,066</u> | <u>\$ (6,996,655)</u> | <u>\$ (35)</u> | <u>\$ 1,076,453,376</u> |

Major capital asset additions during fiscal year 2014 included the following:

- New MetroBus revenue vehicles of \$28.7 million
- New farebox collection system of \$5.3 million
- Radio Communication improvements of \$6.0 million

**Bi-State Development Agency of the
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Years Ended June 30, 2014 and 2013**

Capital assets for the year ended June 30, 2013:

| | 2012 Ending Balance | Additions and Transfers | Deletions, Retirements, & Transfers | 2013 Ending Balance |
|-----------------------------------|---------------------------|-------------------------------|---|---------------------------|
| Construction in Progress | \$ 27,893,518 | \$ 37,469,584 | \$ (36,185,529) | \$ 29,177,573 |
| Land | 101,924,332 | 50,895 | - | 101,975,227 |
| Capital Assets | <u>1,929,310,882</u> | <u>35,890,514</u> | <u>(21,464,956)</u> | <u>1,943,736,440</u> |
| | 2,059,128,732 | 73,410,993 | (57,650,485) | 2,074,889,240 |
| Less: Accumulated Depreciation | <u>(939,944,252)</u> | <u>(72,283,800)</u> | <u>20,788,878</u> | <u>(991,439,174)</u> |
| Capital Assets, net | <u>\$ 1,119,184,480</u> | <u>\$ 1,127,193</u> | <u>\$ (36,861,607)</u> | <u>\$ 1,083,450,066</u> |

Major capital asset additions during fiscal year 2013 included the following:

- UMSL Interlocking of \$9.3 million
- Grand MetroLink Station Transit Plaza of \$6.7 million
- Illinois Metro Bike Link – Memorial section of \$3.5 million
- New non-revenue vehicles of \$0.8 million

**Bi-State Development Agency of the
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Years Ended June 30, 2014 and 2013**

Capital assets for the year ended June 30, 2012:

| | 2011 Ending Balance | Additions and Transfers | Deletions, Retirements, & Transfers | 2012 Ending Balance |
|-----------------------------------|---------------------------|-------------------------------|---|---------------------------|
| Construction in Progress | \$ 17,525,627 | \$ 64,840,881 | \$ (54,472,990) | \$ 27,893,518 |
| Land | 101,931,452 | 29,780 | (36,900) | 101,924,332 |
| Capital Assets | <u>1,885,117,022</u> | <u>58,684,208</u> | <u>(14,490,348)</u> | <u>1,929,310,882</u> |
| | 2,004,574,101 | 123,554,869 | (69,000,238) | 2,059,128,732 |
| Less: Accumulated Depreciation | <u>(880,016,686)</u> | <u>(74,213,914)</u> | <u>14,286,348</u> | <u>(939,944,252)</u> |
| Capital Assets, net | <u>\$ 1,124,557,415</u> | <u>\$ 49,340,955</u> | <u>\$ (54,713,890)</u> | <u>\$ 1,119,184,480</u> |

Major capital asset additions during fiscal year 2012 included the following:

- New MetroBus revenue vehicles of \$25.0 million
- East Riverfront Interlocking of 10.2 million
- Illinois Metro Bike Link – Swansea section of 6.3 million
- New non-revenue vehicles of \$0.8 million
- St. Louis Downtown Airport land improvement of \$7.1 million

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Management's Discussion and Analysis Years Ended June 30, 2014 and 2013

Lease Transactions

In February 2011, Metro purchased collateral to cure a lease default pertaining to the remaining tranches (C1, C2) of its 2001 Light Rail Vehicle (LRV) Lease. The St. Clair County Transit District (SCCTD), which participated in the lease, paid for approximately 70 percent of the collateral. Terms of the default cure agreement provide that the collateral amount be re-evaluated annually. The collateral requirement has remained at approximately \$8.5 million for the past two years and is invested in U.S. Treasury bills. Additional information on Bi-State Development Agency's leases can be found in [footnote 9 on page 88](#).

Long-term Debt

On August 1, 2013, the Agency issued its \$381.2 million par Series 2013A Bonds. The bonds were issued at a premium of approximately \$23.2 million and a discount of \$1.0 million. The bond proceeds were used to:

- refund all of Bi-State Development Agency's Cross County Bonds, with the exception of the Series 2009 Bonds;
- establish a Debt Service Reserve Fund (DSRF) in the amount of \$26.5 million;
- pay cost of issuance of approximately \$1.7 million.

The bonds were issued at coupons ranging from 3.0 percent to 5.0 percent, and mature from 2014 through Fiscal Year 2054. The effective true interest cost for the bonds is 4.44 percent. The average

annual debt service will be approximately \$25.0 million, with a maximum annual debt service of \$33.0 million.

A unique feature of the deal was the participation of St. Louis County, which at closing loaned Bi-State Development Agency \$75.0 million of Prop A ½ cent sales tax funds, which had been retained by the County for future transit capital projects. These are disclosed as Series 2013B in the footnotes to the financial statements. The County has also agreed to provide future Prop A funds to Bi-State Development Agency to allow for optional retirement of the Series 2013 Bonds. The County's participation in the project brought the effective yield to approximately 3.7 percent.

Significant details of debt can be found in [footnote 13 on page 94](#).

ECONOMIC FACTORS

Local

The number one reason people use mass transit in the greater St. Louis metropolitan area is to get to work. According to a Metro survey, approximately 49 percent of all bus riders and 58 percent of all MetroLink riders utilize mass transit to get to and from work. Metro Transit has seen its ridership grow since service was fully restored following the 2010 service reduction.

Federal

On July 6, 2012, President Obama signed into law a new two-year transportation authorization entitled [Moving Ahead for Progress in](#)

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[the 21st Century \(MAP-21\)](#). The new law is a good bi-partisan bill that should provide steady and predictable funding for two years.

BUDGET

Analysis of economic factors and trends are essential to understanding the state of Bi-State Development Agency and its budget. For fiscal year 2014, the Board of Commissioners approved an operating budget including depreciation of \$349.7 million and a three-year capital program totaling \$590.1 million. For fiscal year 2015, the Board approved an operating of budget of \$360.2 million with a three year capital program of \$585.8 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview to all parties or individuals with an interest in Bi-State Development Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Division, Bi-State Development Agency, 707 N 1st Street, 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. This report and its contents are available on the web at:

www.MetroStLouis.org/About/FinancialInformation/AnnualReports.aspx

Celebrating an outstanding year and award winning employees



MetroBus Operators Honored
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**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Statements of Net Position
As of June 30, 2014 and 2013

| | 2014 | 2013 |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 76,164,498 | \$ 58,389,136 |
| Restricted cash and cash equivalents | 50,728,797 | 58,035,835 |
| Investments | 62,797,862 | 72,269,608 |
| Restricted investments | 54,954,597 | 36,048,422 |
| Accounts receivable | 3,334,771 | 1,932,608 |
| Restricted accounts receivable | 43,580 | 42,872 |
| Federal, state and local operating assistance receivable | 24,237,925 | 21,796,818 |
| Materials and supplies | 9,251,110 | 7,936,091 |
| Prepaid expenses and other current assets | <u>2,386,190</u> | <u>1,536,930</u> |
| Total current assets | <u>283,899,330</u> | <u>257,988,320</u> |
| Non-current assets | | |
| Restricted investments held to pay capital lease / leaseback liabilities | 86,033,043 | 84,103,682 |
| Depreciable capital assets, net of accumulated depreciation | 926,258,491 | 952,297,267 |
| Land | 101,975,227 | 101,975,227 |
| Construction in progress | 48,219,658 | 29,177,572 |
| Other non-current assets | <u>118,308</u> | <u>57,883</u> |
| Total non-current assets | <u>1,162,604,727</u> | <u>1,167,611,631</u> |
| Total assets | <u>1,446,504,057</u> | <u>1,425,599,951</u> |
| Deferred outflow of resources | | |
| Deferred loss on refunding | 4,069,911 | 808,117 |
| Accumulated decrease in fair value of hedging derivative instruments | <u>-</u> | <u>73,298</u> |
| Total deferred outflow of resources | <u>4,069,911</u> | <u>881,415</u> |
| Total assets and deferred outflows of resources | <u>\$ 1,450,573,968</u> | <u>\$ 1,426,481,366</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**

**Statements of Net Position
As of June 30, 2014 and 2013**

| | 2014 | 2013 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities payable from unrestricted assets | | |
| Accounts payable | \$ 12,234,405 | \$ 9,521,728 |
| Accrued expenses | 18,415,259 | 17,258,492 |
| Other current liabilities | <u>2,434,702</u> | <u>2,536,096</u> |
| Total current liabilities payable from unrestricted assets | <u>33,084,366</u> | <u>29,316,316</u> |
| Current liabilities payable from restricted assets | | |
| Accounts and retainage payable | 2,266,391 | 6,378,531 |
| Accrued interest | 6,001,934 | 6,429,950 |
| Self-insurance liability | 8,958,866 | 10,098,969 |
| Current portion of long-term debt | 37,015,000 | 81,475,000 |
| Current portion of capital lease / leaseback obligations | <u>-</u> | <u>3,472,844</u> |
| Total current liabilities payable from restricted assets | <u>54,242,191</u> | <u>107,855,294</u> |
| Total current liabilities | <u>87,326,557</u> | <u>137,171,610</u> |
| Non-current liabilities | | |
| Other post-employment benefits | 57,619,000 | 51,472,000 |
| Long-term self insurance liability | 6,368,830 | 6,906,778 |
| Long-term debt | 536,053,550 | 477,917,536 |
| Capital lease / leaseback obligations | 86,018,071 | 80,615,866 |
| Other non-current liabilities | <u>25,307,154</u> | <u>24,664,192</u> |
| Total non-current liabilities | <u>711,366,605</u> | <u>641,576,372</u> |
| Total liabilities | <u>798,693,162</u> | <u>778,747,982</u> |
| Deferred inflow of resources | | |
| Accumulated increase in fair value of hedging derivative instruments | <u>506,311</u> | <u>-</u> |
| Net position | | |
| Net investment in capital assets | 509,726,836 | 529,530,304 |
| Restricted | | |
| Accounts receivable | 43,580 | 42,872 |
| Cooperative agreement | 15,094,230 | 14,476,933 |
| Mass transit sales tax bond indenture | 40,958,799 | 47,785,296 |
| Fuel hedge agreement | 1,654,357 | 3,002,589 |
| Capital lease obligations | 14,972 | 14,972 |
| Self insurance agreement | 246,586 | (2,966,049) |
| Collateral for LRV capital lease | 8,484,863 | 8,522,055 |
| Unrestricted | <u>75,150,272</u> | <u>47,324,412</u> |
| Total net position | <u>651,374,495</u> | <u>647,733,384</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 1,450,573,968</u> | <u>\$ 1,426,481,366</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Statements of Revenues, Expenses and
Changes in Net Position
Years ended June 30, 2014 and 2013

| | 2014 | 2013 |
|--|-----------------------|-----------------------|
| Operating revenues | | |
| Passenger and service revenues | \$ 63,688,875 | \$ 62,978,352 |
| Other | <u>8,962,065</u> | <u>8,644,456</u> |
| Total operating revenues | <u>72,650,940</u> | <u>71,622,808</u> |
| Operating expenses | | |
| Wages and benefits | 174,726,542 | 164,549,736 |
| Services | 35,042,647 | 30,804,570 |
| Materials and supplies | 38,560,097 | 38,164,379 |
| Casualty and liability costs | 5,287,167 | 4,698,094 |
| Electricity, telephone, leases, and other gen expenses | 10,891,466 | 10,610,731 |
| Depreciation and amortization | <u>69,778,223</u> | <u>72,309,768</u> |
| Total operating expenses | <u>334,286,142</u> | <u>321,137,278</u> |
| Operating loss | <u>(261,635,202)</u> | <u>(249,514,470)</u> |
| Non-operating revenues (expenses) | | |
| Grants and assistance | | |
| State and local assistance | 199,909,858 | 186,826,551 |
| Federal assistance | 20,876,636 | 19,282,927 |
| Interest income | 5,685,708 | 5,563,210 |
| Interest expense | (28,773,662) | (26,495,267) |
| Contributions to outside entities | (2,482,236) | (5,274,500) |
| Gain or (loss) on disposition of assets | 205,188 | (272,307) |
| Other non-operating revenues (expenses), net | <u>(602,144)</u> | <u>17,744</u> |
| Total non-operating revenues (expenses) | <u>194,819,348</u> | <u>179,648,358</u> |
| Loss before capital contributions | (66,815,854) | (69,866,112) |
| Capital contributions | <u>70,456,965</u> | <u>50,148,843</u> |
| Change in net position | 3,641,111 | (19,717,269) |
| Total net position, beginning of year | <u>647,733,384</u> | <u>667,450,653</u> |
| Total net position, end of year | <u>\$ 651,374,495</u> | <u>\$ 647,733,384</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Statements of Cash Flows
Years ended June 30, 2014 and 2013

| | 2014 | 2013 |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Receipts from customers | \$ 71,353,441 | \$ 72,218,566 |
| Payments to employees | (167,433,603) | (158,263,638) |
| Payments to vendors | (83,508,380) | (81,968,287) |
| Payments for self-insurance | (6,954,389) | (3,803,609) |
| Net cash used in operating activities | <u>(186,542,931)</u> | <u>(171,816,968)</u> |
| Cash flows from non-capital financing activities | | |
| Operating assistance received | 218,340,387 | 207,337,982 |
| Contributions to outside entities | (2,482,237) | (5,049,392) |
| Nonoperating contributions | (602,143) | 17,744 |
| Net cash provided by non capital financing activities | <u>215,256,007</u> | <u>202,306,334</u> |
| Cash flows from capital and related financing activities | | |
| Acquisitions of capital assets | (66,745,918) | (35,637,175) |
| Proceeds from long-term debt | 26,467,437 | - |
| Payments to DSRF for defeasance | (17,580,234) | - |
| Payments of long-term debt | - | (11,357,000) |
| Payments to Missouri Transportation Finance Corp. | (5,000,000) | - |
| Interest paid | (17,603,052) | (23,710,281) |
| Contributed capital | 70,456,965 | 50,148,843 |
| Net cash used in capital and related financing activities | <u>(10,004,802)</u> | <u>(20,555,613)</u> |
| Cash flows from investing activities | | |
| Purchases of investments | (83,747,321) | (102,094,958) |
| Proceeds from sale of investments | 75,223,299 | 130,300,593 |
| Interest received | 284,072 | 337,733 |
| Net cash provided by (used in) investing activities | <u>(8,239,950)</u> | <u>28,543,368</u> |
| Net increase in cash and cash equivalents | 10,468,324 | 38,477,121 |
| Cash and cash equivalents, beginning of year | <u>116,424,971</u> | <u>77,947,850</u> |
| Cash and cash equivalents, end of year | <u>\$ 126,893,295</u> | <u>\$ 116,424,971</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Statements of Cash Flows
Years ended June 30, 2014 and 2013**

| | 2014 | 2013 |
|---|-------------------------|-------------------------|
| Reconciliation of operating loss to net cash used for operating activities | | |
| Operating loss | \$ (261,635,202) | \$ (249,514,470) |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Depreciation and amortization | 69,778,223 | 72,309,768 |
| Changes in assets and liabilities | | |
| Receivables | (1,402,162) | 595,760 |
| Materials and supplies | (1,315,019) | (752,886) |
| Prepaid expenses, deferred charges and other current assets | (848,734) | 40,599 |
| Accounts payable | 2,712,680 | (721,146) |
| Other current liabilities | 541,568 | (178,212) |
| Accrued expenses | 1,145,939 | 241,096 |
| Other post-employment benefits liability | 6,146,997 | 6,045,000 |
| Self-insurance liability | (1,667,221) | 117,523 |
| Total adjustments | <u>75,092,271</u> | <u>77,697,502</u> |
| Net cash used in operating activities | <u>\$ (186,542,931)</u> | <u>\$ (171,816,968)</u> |

**Supplemental Disclosure of
Cash Flow Information**

| | | |
|--|----------------|------------|
| Non-cash activities: | | |
| Series 2013A bond proceeds | \$ 381,225,000 | \$ - |
| Series 2013B loan (St. Louis County) proceeds | 75,000,000 | - |
| Bond premium on 2013A bonds | 23,187,161 | - |
| Bond discount on 2013A bonds | 956,057 | - |
| Redemption of 2010A bonds | 75,000,000 | - |
| Redemption of 2010B bonds | 70,290,000 | - |
| Redemption of 2007 bonds | 20,820,000 | - |
| Redemption of 2002A bonds | 25,000,000 | - |
| Redemption of 2002B bonds | 253,925,000 | - |
| Deferred Loss on refunding | 4,352,965 | - |
| Payments of capital lease obligation | 3,472,844 | 1,927,505 |
| Interest earnings on investments held to pay capital lease/leaseback liability | 5,402,198 | 5,233,212 |
| Interest accrued on capital lease obligation | 5,402,198 | 5,233,212 |
| Donation of aircraft | - | 425,000 |
| Retirement of fully depreciated capital assets | 8,773,290 | 21,464,956 |
| Construction in progress included in accounts payable | 2,266,391 | 6,378,531 |

See accompanying notes to combined financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Fiduciary Activities
Statements of Fiduciary Net Position
Bi-State Development Other Post-Employment Benefit Trust
As of June 30, 2014 and 2013**

| | 2014 | 2013 |
|---------------------------------|----------------------|----------------------|
| Assets | | |
| Investments: | | |
| Money market | \$ 29,442 | \$ 12,104,448 |
| U.S. equity | 5,814,951 | - |
| Non-U.S. equity | 3,805,587 | - |
| Fixed income | 3,384,337 | - |
| Hedge funds | 2,931,389 | - |
| Total assets | <u>\$ 15,965,706</u> | <u>\$ 12,104,448</u> |
| Net Position | | |
| Held in trust for OPEB benefits | <u>\$ 15,965,706</u> | <u>\$ 12,104,448</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
Bi-State Development Other Post-Employment Benefit Trust
Years ended June 30, 2014 and 2013**

| | 2014 | 2013 |
|--|----------------------|----------------------|
| Additions | | |
| Contributions: | | |
| Employer contributions | \$ 3,000,000 | \$ 3,000,000 |
| Investment Income: | | |
| Net appreciation in fair value of investments | 756,685 | - |
| Interest / dividends | 190,197 | 11,640 |
| Capital gains (losses) | <u>(49,258)</u> | <u>61</u> |
| Total additions | <u>3,897,624</u> | <u>3,011,701</u> |
| Deductions | | |
| Administrative expenses | <u>36,366</u> | <u>-</u> |
| Total deductions | 36,366 | - |
| Change In Net Position | <u>3,861,258</u> | <u>3,011,701</u> |
| Net position held in trust for pension benefits - beginning of year | <u>12,104,448</u> | <u>9,092,747</u> |
| Net position held in trust for pension benefits - end of year | <u>\$ 15,965,706</u> | <u>\$ 12,104,448</u> |

See accompanying notes to financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years ended June 30, 2014 and 2013**

1. Significant Accounting Policies

The accompanying combined financial statements of the Bi-State Development Agency of the Missouri-Illinois Metropolitan District (Bi-State Development Agency) are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

Financial Reporting Entity

The basic financial statements encompass all proprietary functions for which Bi-State Development Agency is responsible. These functions include: Executive Services, Gateway Arch Tram System, Gateway Arch Parking Facility, Gateway Arch Riverfront Attractions, St. Louis Downtown Airport, and Transit System (Metro).

Additionally, Bi-State Development Agency evaluated whether there were any potential component units which should be included in these financial statements based on the following criteria: financial accountability, access to resources, responsibility for debts and deficits, and fiscal independence. Arts In Transit, Inc. is a component unit of Bi-State Development Agency. It did not have assets, liabilities, employees or fiscal activity during FY 2014 or FY 2013. Bi-State Development Agency is not a component unit of any other entity or government. The City of St. Louis, Missouri, the Missouri counties of St. Louis, St. Charles and Jefferson, the Illinois counties of Madison, St. Clair, and Monroe and the States of Illinois

and Missouri have limited decision-making authority over Bi-State Development Agency and have limited responsibility for its debts or deficits except as provided in the Memorandum of Agreement.

Basis of Accounting

Bi-State Development Agency follows the accrual basis of accounting and uses the economic resources measurement focus for all of its enterprise funds and fiduciary funds. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred regardless of the timing of related cash flows.

Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

Bi-State Development Agency maintains its accounting records on the basis of funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources, together with all related liabilities and residual equities balances and

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Notes to the Financial Statements Years Ended June 30, 2014 and 2013

changes therein are segregated for the purpose of carrying on the specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The fund financial statements provide information about Bi-State Development Agency's funds, including fiduciary funds. Separate statements for each fund category – proprietary and fiduciary – are presented. The emphasis of fund financial statements is on the enterprise funds. There are two types of proprietary funds: enterprise funds and internal service funds. Bi-State Development Agency uses enterprise funds. Fiduciary funds are used to account for assets held in trust for the benefit of individuals or other entities.

All funds used in accounting for the financial operations of Bi-State Development Agency are enterprise funds or fiduciary funds. For financial reporting purposes, Bi-State Development Agency is considered a single enterprise fund in which all subsidiary enterprise funds are combined and interfund transactions are eliminated. Bi-State Development Agency is required to adopt an overall balanced operating budget; however, it is not required to adopt legally enforceable budgets and does not adopt such budgets.

New Accounting Standards

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 25*. The Statement was issued in June 2012 and is effective for fiscal periods beginning after June 15, 2014. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and

expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement has not yet been adopted, but is expected to result in a material net position liability being recorded on Bi-State Development Agency's financial statements next fiscal year, as a retroactive prior period adjustment.

Enterprise Funds

Bi-State Development Agency's enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds operate by creating a cash flow to pay for the services by issuing fees and charges.

The business purposes of the various enterprise funds of Bi-State Development Agency are as follows:

- Executive Services Fund - performs certain developmental activities and acts as the administrative head of Bi-State Development Agency;
- Gateway Arch Tram System Fund - operates and maintains the transportation system within the Gateway Arch in accordance with a cooperative agreement with the National Park Service and the United States Government;
- Gateway Arch Parking Facility Fund - operates and maintains the parking garage at the Jefferson National Expansion Memorial Park in accordance with a cooperative agreement with the National Park Service and the United States Government;

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

- Gateway Arch Riverfront Attractions Fund – owns, operates and maintains both the Tom Sawyer and Becky Thatcher Riverboats docked along the Mississippi River just below the Gateway Arch;
- St. Louis Downtown Airport Fund – owns, operates and maintains the St. Louis Downtown Airport and an adjacent business park located in Cahokia, Illinois; and
- Transit System (Metro) Fund – owns, operates and maintains the St. Louis metropolitan area mass transportation system which includes MetroBus, MetroLink and Metro Call-A-Ride services.

Significant inter-fund activity includes administrative and other services and has been eliminated in the combined financial statements.

Fiduciary Fund

Fiduciary funds are used to account for assets held by Bi-State Development Agency as a trustee or as an agent for others and which the assets cannot be used to support its own programs. The key fiduciary fund is the trust fund for the Bi-State Development Agency Other Post Employment Benefit Trust.

Cash and Cash Equivalents

When beneficial, Bi-State Development Agency pools all cash for investment purposes. Each fund has equity in the pooled amount. Investment earnings are allocated to each individual fund on the basis of their investment or equity in the pooled amount. All highly liquid investments readily convertible into cash with original

maturities of 90 days or less are treated as cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Investments

When beneficial, Bi-State Development Agency pools unrestricted funds for investment purposes. For pooled investments, investment earnings are allocated proportionately according to each fund's equity in the investment. Bi-State Development Agency's investments consist of collateralized repurchase agreements; Triple A rated money market funds, collateralized certificates of deposit, investment contracts, municipal bonds, and U.S. Treasury and U.S. Government Agency securities. Investments maturing in less than one year are carried at amortized cost, which approximates fair value. Investments maturing in over one year are carried at fair value. Bi-State Development Agency determines fair value to be the amount at which financial instruments could be exchanged in a current transaction between willing parties, at quoted market prices.

Materials and Supplies

Metro Transit inventories of materials and supplies are recorded at cost, using the weighted-average method and are expensed when inventories are consumed in operations.

The Gateway Arch Riverboats gift shop and food inventory counts are completed midyear to accommodate seasonality and maritime regulations. Purchases made between the midyear inventory count and fiscal year end are expensed as incurred. The St. Louis Downtown Airport inventory of firefighting chemicals is recorded at

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

cost, using the first-in-first-out method to expense as the chemicals are used.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are recorded at cost, when acquired or constructed. Capital assets are defined under Bi-State Development Agency policy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Improvements to existing plant and equipment, which extend the useful lives of the related assets, are also capitalized. Donated capital assets are recorded at their fair value at the time of donation.

Expenditures for maintenance and repairs are charged to expense as incurred. When capital assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts, and gains or losses on disposals are recorded. Prorated shares of the proceeds from the sale of property and equipment, which were acquired with federal or state funds, are returned to the United States Department of Transportation – Federal Transit Administration or the related state Department of Transportation.

Depreciation and Amortization

Depreciation of capital assets is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives by categories are as follows:

| | <u>Years</u> |
|--|--------------|
| Airport runways, airframe and related facilities | 15-25 |
| Buildings and improvements | 15-40 |
| Gateway Arch tram facilities | 15-25 |
| Riverboats and barges | 15-20 |
| Light rail structures and improvements | 12-30 |
| Autos and trucks | 5-10 |
| Buses, vans, light rail and other revenue vehicles | 3-25 |
| Furniture, fixtures, computers and other equipment | 3-10 |

Self-insurance Liability

Self-insurance liabilities for workers' compensation, employee medical and dental insurance claims, and public liability and property damage claims are recognized when incurred and on the basis of the estimated cost to Bi-State Development Agency upon resolution.

Workers' compensation benefits are awarded as determined by the appropriate governmental authority in each state in which Bi-State Development Agency operates. Estimated liabilities for injury and damage claims and medical and dental insurance claims are charged to the appropriate operations expenses in the year the claim events occur; estimated liabilities for outstanding claims are made by management, as needed.

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Notes to the Financial Statements Years Ended June 30, 2014 and 2013

Self-insured liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have incurred, but not reported.

Since self-insured claims depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated on a case-by-case basis and are re-evaluated periodically to take into consideration historical experience of recently settled claims, the frequency of claims, and other economic and social factors.

Derivative Financial Instruments

Bi-State Development Agency utilizes commodity hedging to reduce the volatility in fuel costs. Hedging techniques are traditionally used to limit exposure to price fluctuations. Management recognizes that fluctuations in fuel prices could have an overall negative impact on Bi-State Development Agency's financial affairs. Accordingly, futures contracts are used to manage this exposure.

GASB requires the gain (loss) on the sale of fuel hedges to be recorded in the Statements of Revenues, Expenses and Changes in Net Position. The change in fair value of the derivative is recorded as a deferred inflow/outflow, as appropriate. The investment in derivative instruments is recorded in the Statements of Net Position as part of current assets/liabilities and other non-current assets/liabilities, as appropriate.

Net Position

GASB requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These net position classifications are defined as follows:

- **Net investment in capital assets** - This component consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This component consists of external constraints placed on net position imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets".

Bi-State Development Agency typically utilizes restricted sources of funding first and then unrestricted sources of funding for its programs.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with ongoing operations. Revenues are recorded as income in a manner consistent with the timing of the provided service. The principal operating revenues of the various funds of Bi-State Development Agency are as follows:

- Executive Services Fund – interfund charges for management services;
- Gateway Arch Tram System Fund – charges to tourists for admissions to attractions at the Jefferson National Expansion Memorial and rentals;
- Gateway Arch Parking Facility Fund – charges to customers for parking fees;
- Gateway Arch Riverfront Attractions Fund – charges to tourists for riverboat excursions along the Mississippi, memorabilia sales and heliport and bicycle rentals;
- St. Louis Downtown Airport Fund – charges to customers for aviation and runway services provided, including hangar rentals and fuel;
- Transit System (Metro) Fund – fares charged to passengers for public transportation, advertising, and rentals.

Operating expenses include the cost of delivering services, administrative expenses and depreciation expenses on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital Grants and Assistance

All capital grants and assistance are recorded in the accounting period in which they become earned and measurable. Unrestricted, irrevocable operating assistance grants are recorded as non-operating revenue. Capital grants and assistance that are restricted to use for payments of debt service or acquisitions of capital assets are recorded as capital contributions in the Statements of Revenues, Expenses and Changes in Net Position.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. There was a reclassification of the restricted and unrestricted cash and equivalents and the restricted and unrestricted investments for FY 2013. The total dollar value of cash and cash equivalents and the total dollar value of investments did not change. The reclassification related only to the classification between unrestricted and restricted. The FY 2014 comparative presentation more accurately portrays the proper asset characteristics. The reclassification does not impact total current assets on the Combining Statement of Net Position or total cash and cash equivalents on the Combining Statement of Cash Flows.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

2. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments are presented on the combined statements of net position as restricted cash and cash equivalents and restricted investments, as discussed in [footnote 3 \(Restricted Assets\)](#) on page 79, and as unrestricted cash and cash equivalents and investments. Deposits and investments are segregated based upon GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40.

| | <u>2014</u> | <u>2013</u> |
|--|-----------------------|-----------------------|
| Unrestricted cash and cash equivalents | | |
| Cash on hand | \$ 903,066 | \$ 758,722 |
| Cash deposits | 9,085,604 | 5,313,572 |
| Cash equivalents | <u>66,175,828</u> | <u>52,316,842</u> |
| Total unrestricted cash and cash equivalents | 76,164,498 | 58,389,136 |
| Restricted cash and cash equivalents | <u>50,728,797</u> | <u>58,035,835</u> |
| Total cash and cash equivalents | <u>126,893,295</u> | <u>116,424,971</u> |
| Investments | 62,797,862 | 72,269,608 |
| Restricted investments | 54,954,597 | 36,048,422 |
| Restricted investments held to pay capital lease | <u>86,033,043</u> | <u>84,103,682</u> |
| Total restricted investments | 140,987,640 | 120,152,104 |
| Total cash, cash equivalents and investments | <u>\$ 330,678,797</u> | <u>\$ 308,846,683</u> |

Cash on Hand

Cash on hand, which includes petty cash, working funds (including funds in ticket vending machines) and undeposited receipts, was \$903,066 and \$758,722 at June 30, 2014 and 2013, respectively.

Cash Deposits

At June 30, 2014 and 2013, the carrying amounts of Bi-State Development Agency's restricted and unrestricted deposits were \$9,491,590 and \$5,313,572 and the bank balances were \$10,698,113 and \$8,169,567, respectively.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a financial institution failure, the Bi-State Development Agency's deposits may not be returned. Bi-State Development Agency's banking and investment policy authorizes the use of demand deposit, interest bearing bank accounts and certificates of deposit. The policy specifies that bank deposits exceeding FDIC insurance coverage be collateralized with U.S. government or agency securities, or be guaranteed by a surety carrying the highest rating of a nationally recognized credit rating organization.

As of June 30, 2014, Bi-State Development Agency's total bank balance was \$10,698,113. Of this total, \$955,102 was guaranteed by FDIC insurance. The remaining balance of \$9,743,011 was collateralized with securities held in a joint custody account at the Federal Reserve Bank, or with securities held in a segregated account with a third party custodian.

As of June 30, 2013, Bi-State Development Agency's total bank balance was \$8,169,567. Of this total, \$1,467,830 was guaranteed by FDIC insurance. The remaining balance of \$6,701,737 was collateralized with securities held in a joint custody account at the Federal Reserve Bank, or with securities held in a segregated account with a third party custodian.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

Investments

Bi-State Development Agency's investments are made in accordance with investment policies specific to their restriction. Unrestricted investments are made in accordance with Bi-State Development Agency's general investment policy.

Interest Rate Risk

Interest rate risk is the risk that the fair value of an investment will decline as interest rates increase, and if it is sold before its maturity a loss will result. Bi-State Development Agency's investment policy specifies that all funds may be invested in maturities that match anticipated obligations to a maximum of five years. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, for which investment maturities are generally matched to specific debt amortization requirements. Due to the short duration of the majority of Bi-State Development Agency's non-lease or bond related investments at June 30, 2014 and 2013, interest rate risk is not deemed significant to Bi-State Development Agency.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter-party, Bi-State Development Agency will not be able to recover its investments or collateral securities that are in possession of an outside party. Bi-State Development Agency's investment policy specifies that all investments be delivered to Bi-State Development Agency's securities safekeeping agent and held in the

name of Bi-State Development Agency. The policy is not applicable to restricted investments or collateral securities related to lease finance obligations or bond indentures, which generally are held in trust according to specific provisions of the lease agreement or bond indenture. As of June 30, 2014 and 2013, Bi-State Development Agency's investment safekeeping agent held, in Bi-State Development Agency's name, all of the Agency's non-lease or bond related investments in treasury securities or government agency securities. As of June 30, 2014 and 2013, collateral for repurchase agreements was either being held by Bi-State Development Agency's agent or by the financial counterparty in a segregated customer account in the name of Bi-State Development Agency. Bi-State Development Agency's investment policy specifies that collateral for repurchase agreements with a term of longer than 14 days be placed in joint custody with Bi-State Development Agency at the Federal Reserve Bank or other third party custodian. No repurchase agreements in effect at June 30, 2014 or 2013 had a term of longer than 14 days.

Credit Risk

Credit risk is the risk that the financial counterparty will fail to meet its defined obligations. Bi-State Development Agency's investment policy authorizes the unlimited purchase of direct obligations of the U.S. Government or its agencies repurchase and reverse repurchase agreements, commercial paper, banker's acceptances, and money market funds. Repurchase and reverse repurchase agreements are entered into only with pre-approved credit-worthy banks or dealers, and a written repurchase agreement is completed for each bank or dealer. Repurchase agreements are collateralized with direct

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

obligations of the U.S. Government or its agencies and sponsored enterprises. Securities are held in segregated customer accounts, or at the Federal Reserve. Bi-State Development Agency's investment policy limits investments in commercial paper, negotiable (uncollateralized) certificates of deposit, and banker's acceptances to the top two ratings issued by nationally recognized credit rating organizations, and further limit these instruments to five million per issuer. The policy also stipulates that money market funds have over \$500 million in assets and carry the highest rating issued by a nationally recognized credit rating organization. The policy is not applicable to restricted investments, or collateral securities related to lease finance obligations or bond indentures. Provisions of the lease agreements or bond indentures stipulate that financial counterparties must maintain the highest rating issued by a nationally recognized credit rating organization. If the counterparty does not maintain the required credit rating it must collateralize the investment with

securities carrying the highest rating issued by a nationally recognized credit rating organization. (In the case of the investment contracts listed above, the rating requirement is applicable to the senior debt rating of the issuer of the contract; the contracts themselves are not rated separately.)

As of June 30, 2014 and 2013, Bi-State Development Agency's non-lease or other fiduciary related money market funds, other broker accounts, and commodities accounts were \$69,907,006 and \$81,919,232 respectively. Bi-State Development Agency's investments in U.S. Treasury and Government Agency securities all had ratings of AA+ from S&P and Aaa from Moody's as of June 30, 2014 and 2013, respectively.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

The cash, cash equivalents and investment maturities schedules for 2014 and 2013 are shown at fair value. As of June 30, 2014, Bi-State Development Agency had the following maturities:

| June 30, 2014 | | | | | | | |
|--|---------------------------------|-----------------------|-----------------------|-------------|----------------------|----------------------|-----------------------|
| Cash, Cash Equivalents and Investment Maturities | | | | | | | |
| | Credit Ratings (S&P/Moody's) | Fair Value | Overnight | 2-90 days | 90-365 days | 1-5 years | + 5 years |
| Cash | NA | \$ 10,394,655 | \$ 10,394,655 | \$ - | \$ - | \$ - | \$ - |
| CDs | A+/Aa2 | 5,403,340 | - | - | 3,652,403 | 1,750,937 | - |
| Money Market Funds & Other Broker Accounts | AAA-m/Aaa-mf | 69,032,677 | 69,032,677 | - | - | - | - |
| Commodities Account | NA | 874,329 | 368,019 | - | 101,812 | 404,498 | - |
| Repurchase Agreements | | | | | | | |
| Bank of America | A1/P1 | 8,000,000 | 8,000,000 | - | - | - | - |
| Jefferson Bank & Trust | AA+/Aaa | 2,143,832 | 2,143,832 | - | - | - | - |
| UMB | A2/NA | 36,952,000 | 36,952,000 | - | - | - | - |
| Commercial Paper | A1+/P1 | 1,099,543 | - | - | 1,099,543 | - | - |
| U.S. Treasury Bills | AA+/Aaa | 9,986,000 | - | - | 9,986,000 | - | - |
| U.S. Treasury Notes | AA+/Aaa | 2,000,938 | - | - | - | 2,000,938 | - |
| U.S. Treasury STRIPS | AA+/Aaa | 2,377,405 | - | - | - | - | 2,377,405 |
| Government Agencies: | | | | | | | |
| FHLB Discount Notes | AA+/Aaa | 5,993,148 | - | - | 5,993,148 | - | - |
| FHLB Bonds | AA+/Aaa | 33,003,646 | - | - | 14,502,323 | 17,035,536 | 1,465,787 |
| FCB Bonds | AA+/Aaa | 27,496,133 | - | - | - | 27,496,133 | - |
| PEFCO Bonds | AA+/Aaa | 10,475,389 | - | - | - | - | 10,475,389 |
| FHLMC Bonds | AA+/Aaa | 9,022,860 | - | - | - | - | 9,022,860 |
| Municipal Bonds | See Below | 10,900,551 | - | - | 328,585 | 3,428,189 | 7,143,777 |
| Investment Contracts: | | | | | | | |
| AIG | A+/A2 | 12,993,910 | - | - | - | - | 12,993,910 |
| FSA | AA/A2 | 73,039,133 | - | - | - | - | 73,039,133 |
| Total | | \$ 331,189,489 | \$ 126,891,183 | \$ - | \$ 35,663,814 | \$ 52,116,231 | \$ 116,518,261 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

A breakdown of municipal bonds follows:

| June 30, 2014 | | | | | | | |
|--|---------------------------------|----------------------|-------------|-------------|-------------------|---------------------|---------------------|
| Cash, Cash Equivalents and Investment Maturities | | | | | | | |
| Municipal Bonds | | | | | | | |
| | Credit Ratings (S&P/Moody's) | Fair Value | Overnight | 2-90 days | 90-365 days | 1-5 years | + 5 years |
| California State | A/Aa3 | \$ 952,964 | \$ - | \$ - | \$ 328,585 | \$ 485,713 | \$ 138,666 |
| California Economic Recovery | AA/Aa2 | 653,262 | - | - | - | - | 653,262 |
| Florida Hurricane Catastrophe | AA-/Aa3 | 310,554 | - | - | - | 310,554 | - |
| Illinois State | A-/A3 | 1,359,189 | - | - | - | 837,998 | 521,191 |
| Massachusetts State | AA+/Aa1 | 5,246,932 | - | - | - | 211,002 | 5,035,930 |
| Michigan State Trunk Line | AA+/Aa2 | 68,609 | - | - | - | 68,609 | - |
| Nevada State | AA/Aa2 | 794,728 | - | - | - | - | 794,728 |
| New Jersey State | A/A1 | 105,258 | - | - | - | 105,258 | - |
| Texas State | AAA/Aaa | 105,243 | - | - | - | 105,243 | - |
| Washington State | AA+/Aa1 | 1,303,812 | - | - | - | 1,303,812 | - |
| Total | | <u>\$ 10,900,551</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 328,585</u> | <u>\$ 3,428,189</u> | <u>\$ 7,143,777</u> |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Notes to the Financial Statements
Years Ended June 30, 2014 and 2013**

As of June 30, 2013, Bi-State Development Agency had the following maturities:

| June 30, 2013 | | | | | | | |
|---|---------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash, Cash Equivalents and Investment Maturities | | | | | | | |
| | Credit Ratings (S&P/Moody's) | Fair Value | Overnight | 2-90 days | 90-365 days | 1-5 years | + 5 years |
| Cash | NA | \$ 7,123,944 | \$ 7,123,944 | \$ - | \$ - | \$ - | \$ - |
| CDs | A+/Aa2 | 7,150,000 | - | 5,000,000 | 650,000 | 1,500,000 | - |
| Money Market Funds & Other Broker Accounts | AAAm/Aaa-mf | 78,989,959 | 78,989,959 | - | - | - | - |
| Commodities Account | NA | 2,929,275 | 3,002,573 | - | (38,690) | (34,608) | - |
| Repurchase Agreements | | | | | | | |
| Bank of America | A1/P1 | 7,000,000 | 7,000,000 | - | - | - | - |
| Jefferson Bank & Trust | AA+/Aaa | 1,435,000 | 1,435,000 | - | - | - | - |
| UMB | A2/NA | 19,174,000 | 19,174,000 | - | - | - | - |
| U.S. Treasury Bills | AA+/Aaa | 25,519,300 | - | 5,999,775 | 19,519,525 | - | - |
| U.S. Treasury Notes | AA+/Aaa | 2,000,704 | - | - | - | 2,000,704 | - |
| U.S. Treasury STRIPS | AA+/Aaa | 2,404,757 | - | 2,404,757 | - | - | - |
| Government Agencies: | | | | | | | |
| FHLB Discount Notes | AA+/Aaa | 25,995,696 | - | 18,999,375 | 6,996,321 | - | - |
| FHLB Bonds | AA+/Aaa | 18,460,411 | - | 2,001,138 | 2,000,294 | 14,458,979 | - |
| FCB Bonds | AA+/Aaa | 26,415,780 | - | - | 4,497,876 | 21,917,904 | - |
| Investment Contracts: | | | | | | | |
| AIG | A+/A2 | 12,244,249 | - | - | - | - | 12,244,249 |
| FSA | AA/A2 | 71,859,433 | - | - | - | - | 71,859,433 |
| Total | | \$ 308,702,508 | \$ 116,725,476 | \$ 34,405,045 | \$ 33,625,326 | \$ 39,842,979 | \$ 84,103,682 |

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Cash, Cash Equivalents and Investments of the Fiduciary Fund

At June 30, 2014, Bi-State Development Agency's fiduciary activities had the following fiduciary cash and investments and maturities:

| | June 30, 2014 | | | | | |
|--|---------------------------------------|----------------------|------------------|---------------------|------------------|------------------|
| | Cash and Investment Maturities | | | | | |
| | <u>Fair Value</u> | <u>Overnight</u> | <u>2-90 days</u> | <u>90-365 days</u> | <u>1-5 years</u> | <u>+ 5 years</u> |
| Money Market | \$ 29,442 | \$ 29,442 | \$ - | \$ - | \$ - | \$ - |
| U.S. Equity | | | | | | |
| Artisan Partners Mid Cap Funds | 981,456 | 981,456 | - | - | - | - |
| Vanguard 500 Index Fund | 3,850,889 | 3,850,889 | - | - | - | - |
| DFA Investment Dimensions Group | 982,606 | 982,606 | - | - | - | - |
| Non-U.S. Equity | | | | | | |
| Neuberger Berman Internaitonal | 1,914,577 | 1,914,577 | - | - | - | - |
| Harbor International Fund | 1,891,010 | 1,891,010 | - | - | - | - |
| Fixed Income | | | | | | |
| Metropolitan West Funds | 3,384,337 | 3,384,337 | - | - | - | - |
| Hedge Funds | | | | | | |
| Barlow Partners Offshore Limited | 1,228,315 | - | - | 1,228,315 | - | - |
| Balckstone Hedged Equity Offshore Fund Limited | 1,703,074 | - | - | 1,703,074 | - | - |
| Total | <u>\$ 15,965,706</u> | <u>\$ 13,034,317</u> | <u>\$ -</u> | <u>\$ 2,931,389</u> | <u>\$ -</u> | <u>\$ -</u> |

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At June 30, 2013, Bi-State Development Agency’s fiduciary activities had the following fiduciary cash and investments and maturities:

| | | June 30, 2013 | | | | |
|---------------------------|---------------|--------------------------------|-----------|-------------|-----------|-----------|
| | | Cash and Investment Maturities | | | | |
| | Fair Value | Overnight | 2-90 days | 90-365 days | 1-5 years | + 5 years |
| Money Market Funds | \$ 12,104,448 | \$ 12,104,448 | \$ - | \$ - | \$ - | \$ - |

3. Restricted Cash, Cash Equivalents and Investments

Assets are considered restricted when they are subject to constraints that are either externally imposed or imposed by law through constitutional provisions or enabling legislation. As of June 30, 2014 and 2013, Bi-State Development Agency had \$50.7 million and \$58.0 million in restricted cash and cash equivalents and \$141.0 million and \$120.2 million in restricted investments, respectively.

Restricted assets for Bi-State Development Agency include:

Cross county debt service reserve funds: The trustee has established the fund as a backup security for the issued bonds. The amount held in reserve represents the highest annual debt service required over the life of the bond. The bond protects the trustee in the event of impairment. The amounts are restricted based upon the bond documents.

Self- Insurance funds: These are funds use to pay claims incurred by Bi-State’s self-insurance plan. The funds are used for workers’

compensation, casualty, medical and dental claims. Funds withheld from employees’ wages for the flexible spending account program are also restricted in this category. The funds are restricted based upon the vendor contracts and obligations.

National Park Service funds: Funds are reserved for future NPS projects, which include a drainage project, exhibit rehabilitation, replacement of the motor generator sets and a corrosion study. The Jefferson National Expansion Memorial Beneficial fund and a \$500,000 emergency fund are also restricted under the current contract with the NPS.

Capital lease collateral funds: In February 2011, Bi-State cured a technical default on the C1 and C2 tranches of the 2001 LRV lease. The transaction required Metro to purchase collateral in the form of U.S. Treasury securities in the agreed upon par amount of \$8.7 million. The collateral is restricted under the contract agreement.

Federal Transit Authority funds: The FTA initially funded \$18.0 million of the debt service reserve on the 2010 debt. When the debt

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was paid off on August 1, 2013, the funds were designated to be used for the Illinois MetroLink upgrade project by the FTA.

Fuel hedge program funds: These funds are used in conducting the fuel hedging program. The funds are restricted under the contract agreement.

Restricted investments held to pay capital lease / leaseback liabilities: In 2001, Bi-State Development Agency entered into

transactions to lease multiple LRVs. Bi-State received a prepayment equivalent to the net present value of the headlease obligations totaling approximately \$120.0 million. Approximately \$93.6 million was deposited with Premier International Funding, to partially meet Bi-State Development Agency's rent obligations under the sublease and to set aside funds to enable Bi-State Development Agency to exercise its repurchase option.

2014 Restricted cash, cash equivalents and investments

| | <u>Cash & Cash Equivalents</u> | <u>Investments</u> |
|---|--|-----------------------|
| Cross county debt service reserve | \$ 11,499,229 | \$ 35,461,504 |
| Self-insurance | 6,980,605 | 8,508,607 |
| Capital lease - collateral | - | 8,484,863 |
| National Park Service | 12,594,606 | 2,499,623 |
| Federal Transit Authority | 18,000,000 | - |
| Fuel hedge program | 1,654,357 | - |
| Total restricted cash and Investments | <u>\$ 50,728,797</u> | <u>\$ 54,954,597</u> |
| Restricted investments held to pay capital lease / leaseback liabilities | <u>-</u> | <u>86,033,043</u> |
| Total restricted cash, cash equivalents and investments | <u>\$ 50,728,797</u> | <u>\$ 140,987,640</u> |

2013 Restricted cash, cash equivalents and investments

| | <u>Cash & Cash Equivalents</u> | <u>Investments</u> |
|---|--|-----------------------|
| Cross County debt service reserve | \$ 40,165,487 | \$ 13,981,138 |
| Self-insurance | 10,382,883 | 3,553,170 |
| Capital lease - collateral | - | 8,522,055 |
| National Park Service | 4,484,875 | 9,992,059 |
| Fuel hedge program | 3,002,590 | - |
| Total restricted cash and Investments | <u>\$ 58,035,835</u> | <u>\$ 36,048,422</u> |
| Restricted investments held to pay capital lease / leaseback liabilities | <u>-</u> | <u>84,103,682</u> |
| Total restricted cash, cash equivalents and investments | <u>\$ 58,035,835</u> | <u>\$ 120,152,104</u> |

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4. Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of Bi-State Development Agency's financial instruments at June 30, 2014 and 2013. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged between willing parties in a current open market transaction.

| | <u>2014</u> | | <u>2013</u> | |
|------------------------------|--|-----------------------|--|-----------------------|
| | Carrying Value (in millions) | Fair Value | Carrying Value (in millions) | Fair Value |
| Financial liabilities | | | | |
| Total debt | \$ 573.1 | \$ 610.7 | \$ 559.4 | \$ 579.0 |

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Total debt: The fair value of Bi-State Development Agency's total debt is estimated based on the quoted market prices for similar issues or by discounting expected cash flows at the rates currently offered to Bi-State Development Agency for debt of the same remaining maturities, as advised by Bi-State Development Agency's bankers.

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5. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows (in 000s):

| | Totals June 30, 2013 | Additions and Transfers | Deletions, Retirements, and Transfers | Totals June 30, 2014 |
|---|-------------------------------------|--|--|-------------------------------------|
| Depreciable Capital Assets | | | | |
| Buildings and improvements | \$ 179,597 | \$ 366 | \$ - | \$ 179,963 |
| Airport runways | 34,738 | 112 | - | 34,850 |
| Riverboats and barges | 4,193 | 193 | - | 4,386 |
| Light rail, right-of way, facility and improvements | 1,271,381 | 1,880 | - | 1,273,261 |
| Revenue vehicles | 323,360 | 28,715 | (3,291) | 348,784 |
| Autos and trucks | 11,019 | 241 | (104) | 11,156 |
| Furniture, fixtures equipment and intangibles | 119,448 | 12,444 | (5,378) | 126,514 |
| Total depreciable capital assets | <u>1,943,736</u> | <u>43,951</u> | <u>(8,773)</u> | <u>1,978,914</u> |
| Accumulated Depreciation | | | | |
| Buildings and improvements | (134,152) | (3,726) | - | (137,878) |
| Airport runways | (21,703) | (945) | - | (22,648) |
| Riverboats and barges | (2,421) | (242) | - | (2,663) |
| Light rail, right-of way, facility and improvements | (532,158) | (43,897) | - | (576,055) |
| Revenue vehicles | (188,568) | (14,467) | 3,291 | (199,744) |
| Autos and trucks | (8,117) | (628) | 104 | (8,641) |
| Furniture, fixtures, equipment and intangibles | (104,320) | (6,085) | 5,378 | (105,027) |
| Total accumulated depreciation | <u>(991,439)</u> | <u>(69,990)</u> | <u>8,773</u> | <u>(1,052,656)</u> |
| Net depreciable capital assets | <u>952,297</u> | <u>(26,039)</u> | <u>-</u> | <u>926,258</u> |
| Land | 101,975 | - | - | 101,975 |
| Construction in progress | 29,178 | 19,042 | - | 48,220 |
| Total | <u>\$ 1,083,450</u> | <u>\$ (6,997)</u> | <u>\$ -</u> | <u>\$ 1,076,453</u> |

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Capital asset activity for the year ended June 30, 2013 was as follows (in 000s):

| | Totals June 30, 2012 | Additions and Transfers | Deletions, Retirements, and Transfers | Totals June 30, 2013 |
|---|-------------------------------------|--|--|-------------------------------------|
| Depreciable Capital Assets | | | | |
| Buildings and improvements | \$ 177,396 | \$ 2,894 | \$ (693) | \$ 179,597 |
| Airport runways | 33,556 | 1,182 | - | 34,738 |
| Arch parking | 9,947 | - | (9,947) | - |
| Riverboats and barges | 4,176 | 17 | - | 4,193 |
| Light rail, right-of way, facility and improvements | 1,251,486 | 19,895 | - | 1,271,381 |
| Revenue vehicles | 326,825 | 23 | (3,488) | 323,360 |
| Autos and trucks | 10,359 | 893 | (233) | 11,019 |
| Furniture, fixtures equipment and intangibles | 115,566 | 10,986 | (7,104) | 119,448 |
| Total depreciable capital assets | <u>1,929,311</u> | <u>35,890</u> | <u>(21,465)</u> | <u>1,943,736</u> |
| Accumulated Depreciation | | | | |
| Buildings and improvements | (131,097) | (3,737) | 682 | (134,152) |
| Airport runways | (20,784) | (919) | - | (21,703) |
| Arch parking | (9,475) | (46) | 9,521 | - |
| Riverboats and barges | (2,181) | (240) | - | (2,421) |
| Light rail, right-of way, facility and improvements | (487,617) | (44,541) | - | (532,158) |
| Revenue vehicles | (175,750) | (16,306) | 3,488 | (188,568) |
| Autos and trucks | (7,582) | (657) | 122 | (8,117) |
| Furniture, fixtures, equipment and intangibles | (105,458) | (5,837) | 6,975 | (104,320) |
| Total accumulated depreciation | <u>(939,944)</u> | <u>(72,283)</u> | <u>20,788</u> | <u>(991,439)</u> |
| Net depreciable capital assets | <u>989,367</u> | <u>(36,393)</u> | <u>(677)</u> | <u>952,297</u> |
| Land | 101,924 | 51 | - | 101,975 |
| Construction in progress | 27,894 | 37,469 | (36,185) | 29,178 |
| Total | <u>\$ 1,119,185</u> | <u>\$ 1,127</u> | <u>\$ (36,862)</u> | <u>\$ 1,083,450</u> |

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6. Liability, Claims and Litigation

Bi-State Development Agency is exposed to liability for bodily injury and property damage; liability for financial loss suffered by employees and others as a result of decisions and judgments made by Bi-State Development Agency; and physical damage to and loss of its property.

Bi-State Development Agency self-insures and adjusts:

- Third party bodily injury or property damage liability claims up to \$5.0 million per occurrence
- Employment practices liability claims up to \$5.0 million per wrongful act
- Workers compensation claims up to \$1.0 million each accident or each employee for disease

Under Missouri law, on August 28, 2005, Bi-State Development Agency became entitled to Sovereign Immunity for torts, except for negligent acts or omissions by Bi-State Development Agency employees relating to the operation of motor vehicles while in the scope of their employment, and injuries caused by dangerous conditions of Bi-State Development Agency property. For the calendar year 2014, Bi-State Development Agency's liability for these claims is limited to \$403,139 for any one person in a single accident or occurrence and \$2,687,594 for all claims arising out of a single accident or occurrence.

Bi-State Development Agency purchases primary insurance for first party property or business interruption loss subject to a \$100,000 per

occurrence deductible for direct damage and a \$250,000 per occurrence deductible for transit vehicle collision, upset or derailment.

Annually, Bi-State Development Agency purchases Excess Liability insurance with an annual aggregate limit of \$65.0 million for claims whose value exceeds the maximum of \$5.0 million per occurrence covered by the self-insured retention. This includes excess coverage in aggregate limits in the Excess Liability insurance program for Errors and Omissions Liability, Employment Practices Liability and Employee Benefit Liability.

Claim settlements/judgments have not penetrated into the attachment point of Excess Liability or Excess Workers Compensation insurance during any of the past three fiscal years.

Loss occurrences are reported to the excess insurance carriers when it is determined that a loss is likely to exceed 50% of the Self-Insured Retention or if a bodily injury is categorized as severe (fatality, multiple persons injured in one occurrence, brain or spinal injury, major amputation). When a third party liability or workers' compensation claim is either made against Bi-State Development Agency or when there is sufficient reason to believe that Bi-State Development Agency may be liable for the loss, a dollar amount is reserved for that claim (i.e., a case reserve is established). Case values are adjusted as the claims develop. Total case reserves are evaluated by an independent actuary who develops the total liability to be included in the financial statements.

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Changes in the balances of self-insured claims liabilities at June 30, 2014, 2013 and 2012 are as follows:

| | Fiscal Year 2014 | | | |
|--------------------------------------|--|----------------------------------|--|---|
| | <u>Injury, Damage and Personal Liabilities</u> | <u>Workers' Compensation</u> | <u>Employee Medical and Dental</u> | <u>Total Self-Insured Liabilities</u> |
| Balance: | | | | |
| At beginning of fiscal year | \$ 7,309,808 | \$ 6,595,882 | \$ 3,100,057 | \$ 17,005,747 |
| Add: | | | | |
| Claims and changes in estimate | 3,814,289 | 3,031,561 | 30,135,751 | 36,981,600 |
| Less: | | | | |
| Claim payments | <u>(4,218,729)</u> | <u>(3,713,114)</u> | <u>(30,727,809)</u> | <u>(38,659,651)</u> |
| Balance: | | | | |
| At end of fiscal year | <u>\$ 6,905,368</u> | <u>\$ 5,914,329</u> | <u>\$ 2,507,999</u> | <u>\$ 15,327,696</u> |

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| | Fiscal Year 2013 | | | |
|--------------------------------------|---|---|---|--|
| | <u>Injury, Damage and Personal Liabilities</u> | <u>Workers' Compensation</u> | <u>Employee Medical and Dental</u> | <u>Total Self-Insured Liabilities</u> |
| Balance: | | | | |
| At beginning of fiscal year | \$ 7,894,250 | \$ 5,873,396 | \$ 3,120,249 | \$ 16,887,895 |
| Add: | | | | |
| Claims and changes in estimate | 2,751,709 | 3,576,463 | 29,974,743 | 36,302,915 |
| Less: | | | | |
| Claim payments | <u>(3,336,151)</u> | <u>(2,853,977)</u> | <u>(29,994,935)</u> | <u>(36,185,063)</u> |
| Balance: | | | | |
| At end of fiscal year | <u>\$ 7,309,808</u> | <u>\$ 6,595,882</u> | <u>\$ 3,100,057</u> | <u>\$ 17,005,747</u> |

| | Fiscal Year 2012 | | | |
|--------------------------------------|---|---|---|--|
| | <u>Injury, Damage and Personal Liabilities</u> | <u>Workers' Compensation</u> | <u>Employee Medical and Dental</u> | <u>Total Self-Insured Liabilities</u> |
| Balance: | | | | |
| At beginning of fiscal year | \$ 7,800,718 | \$ 5,882,148 | \$ 3,492,109 | \$ 17,174,975 |
| Add: | | | | |
| Claims and changes in estimate | 2,509,163 | 2,902,571 | 28,751,134 | 34,162,868 |
| Less: | | | | |
| Claim payments | <u>(2,415,631)</u> | <u>(2,911,323)</u> | <u>(29,122,994)</u> | <u>(34,449,948)</u> |
| Balance: | | | | |
| At end of fiscal year | <u>\$ 7,894,250</u> | <u>\$ 5,873,396</u> | <u>\$ 3,120,249</u> | <u>\$ 16,887,895</u> |

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Bi-State Development Agency management believes that the estimated liabilities for unsettled injury claims, workers' compensation benefits, and employee medical and dental insurance claims at June 30, 2014 and 2013 are adequate to satisfy claims for events that have occurred through those respective dates. At June 30, 2014 and 2013, Bi-State Development Agency held \$15.5 million and \$13.9 million respectively, in cash, cash equivalents, and investments restricted for payment of these claims.

The lag payout of medical and dental claims average approximately eight weeks; therefore, all of the June 30, 2014 and 2013 balance of \$2.5 million and \$3.1 million, respectively, for medical and dental liability is expected to be paid the following year. At June 30, 2014 and 2013, management estimates approximately \$6.5 million and \$7.0 million, respectively, of the workers' compensation and casualty liabilities are payable within one year. Of the \$6.5 million payable between June 30, 2014 and 2015, \$3.0 million relates to injury, damage, and personal liabilities and \$3.5 million relates to workers' compensation. Of the \$7.0 million payable between June 30, 2013 and 2014, \$4.3 million relates to injury, damage, and personal liabilities and \$2.7 million relates to workers' compensation.

Bi-State Development Agency is also the defendant in several lawsuits arising from matters other than workers' compensation and personal injury litigation. These matters principally relate to environmental cleanup, breach of contract, and alleged violations of equal protection and credit protection requirements. In the opinion of management, including its General Counsel, the ultimate resolution of these matters is not likely to have a material effect of the Bi-State Development Agency's financial position.

7. Compensated Absences

Substantially all employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Compensated absences, which have been earned but not paid, have been accrued in the accompanying financial statements.

On March 22, 2013, the Board of Commissioners approved changes to the salaried employee compensated absence benefits which became effective January 1, 2014. Under the new compensated absences plan, Paid Time Off replaced how Vacation and Sick leave was credited. As part of this conversion for salaried employees, excess vacation time in the approximate amount of \$550,000 was paid to employees in FY 2013. There was no other financial impact in FY 2014 or FY 2013.

8. Revenue Recognition

Passenger Fares

Farebox revenues are recognized at the time services are purchased and revenue passes through the bus farebox and MetroLink tickets. Sales of monthly passes, ten two-hour passes, 30-day passes and other tickets types are also recorded as revenue at the time of purchase.

Sales of University passes, Universal passes and Student Tickets, which are valid for a specific academic term, are recorded initially as unearned revenue. These unearned revenues are recognized as

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operating revenue monthly. The amount recognized in each month is determined by calculating a daily weighted average proration factor. The weighted average proration factor is calculated by considering total number of students, employees, and days specified in the contract.

Sales Taxes

Missouri state and local sales taxes are imposed on the purchase price of tangible personal property and taxable services sold. These taxes are forwarded to the State of Missouri Department of Revenue either monthly or quarterly depending on the sales volume of the vendor. The Missouri Department of Revenue distributes the local sales tax collected back to the applicable city and county. The Missouri sales tax subsidies to Bi-State Development Agency are generated from a portion of the local City of St. Louis and St. Louis County sales taxes collected. These funding jurisdictions distribute the sales tax subsidies via an appropriation process to Bi-State Development Agency or the Bond Trustee, as applicable. Revenue is recognized on the accrual basis as it is earned.

9. Operating Lease Obligations

Bi-State Development Agency leases office space and equipment under operating leases that expire between years 2015 and 2019. Rent expense was \$199,764 and \$242,653 for 2014 and 2013, respectively. Future minimum lease commitments for the next five years are as follows:

| Fiscal Year | Operating Lease Payables |
|------------------------|-------------------------------------|
| 2015 | \$ 222,068 |
| 2016 | 214,161 |
| 2017 | 211,011 |
| 2018 | 206,547 |
| 2019 | 157,443 |
| | <u>\$ 1,011,230</u> |

10. Operating Leases of a Lessor

Bi-State Development Agency is engaged in leasing airport hangar space, along with various other buildings and properties, to tenants under operating leases that expire between years 2015 and 2099. The approximate future minimum lease receipts in each of the five succeeding years and thereafter under non-cancelable operating leases are as follows:

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| <u>Fiscal Year</u> | <u>Operating Lease Receivables</u> |
|------------------------|--|
| 2015 | \$ 1,083,689 |
| 2016 | 924,842 |
| 2017 | 859,589 |
| 2018 | 804,208 |
| 2019 | 783,663 |
| 2020-2024 | 1,769,499 |
| 2025-2029 | 519,187 |
| 2030-2034 | 227,874 |
| 2035-2039 | 181,725 |
| 2040-2044 | 176,728 |
| 2045-2049 | 176,728 |
| 2050-2054 | 176,728 |
| 2055-2059 | 176,728 |
| 2060-2064 | 176,728 |
| 2065-2069 | 176,728 |
| 2070-2074 | 176,728 |
| 2075-2079 | 176,728 |
| 2080-2084 | 176,728 |
| 2085-2089 | 176,728 |
| 2090-2094 | 176,728 |
| 2095-2099 | 163,660 |
| | <u>\$ 9,261,944</u> |

11. Capital Lease/Leaseback Obligations

In 2001, Bi-State Development Agency entered into transactions to lease thirty-four of its Series 2000 and Series 3000 LRVs. The Series 2001 Lease/Leaseback consisted of three tranches: F1 and C1 dated August 30, 2001 and C2 dated November 30, 2001. The F1, C1 and C2 tranches involved transactions for seven (7), twenty-three (23) and four (4) LRVs, respectively. With respect to the F1

and C1 tranches dated August 30, 2001, the thirty LRVs at closing had a fair market value of \$120.0 million. Bi-State Development Agency received a prepayment equivalent to the net present value of the headlease obligations totaling approximately \$120.0 million. Approximately \$93.6 million was deposited with Premier International Funding, to partially meet Bi-State Development Agency's rent obligations under the sublease and to set aside funds to enable Bi-State Development Agency to exercise its repurchase option if Bi-State Development Agency chose to do so.

With respect to the C2 Tranche, the four light rail vehicles at closing had a fair value of \$16.0 million. Bi-State Development Agency received a prepayment equivalent to the net present value of the head lease obligations totaling approximately \$16.0 million. Approximately \$12.9 million was deposited with Premier International Funding to partially meet Bi-State Development Agency's rent obligations under the sublease and to set aside funds to enable Bi-State Development Agency to exercise its repurchase option, if Bi-State Development Agency chose to do so.

Financial Security Assurance Company, Inc. (FSA, now Assured Guaranty), guaranteed, through a surety policy, the payments under the agreement with Premier International Funding. Approximately \$16.5 million was deposited with AIG (Equity Payment Undertaker) to meet Bi-State Development Agency's remaining payment obligations under the F1 and C1 subleases and to set aside funds to enable Bi-State Development Agency to exercise its repurchase options. Approximately \$1.8 million was also deposited with AIG (Equity Payment Undertaker) to meet the remaining obligations under the C2 sublease. In 2008, AIG and FSA were downgraded

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which required Bi-State Development Agency to replace the surety policies.

The required collateral has been approximately \$8.5 million for the past two years and is invested in U.S. Treasuries. The collateral amount will be returned in entirety to Bi-State Development Agency (and the SCCTD) at the end of the lease. It is expected that as the lease termination date approaches, the collateral amount will be reduced.

Due to the credit rating downgrades of AIG and FSA, Bi-State Development Agency was placed in technical default with regard to the C1 and C2 Tranches. Bi-State Development Agency agreed to cure the default by pledging additional collateral to the investor, equal to a percentage of the investors' future revenue from the transaction.

On June 10, 2009, Bi-State Development Agency terminated the agreement with AIG F1 payment obligation and deposited securities sufficient to meet its obligations under the sublease. Upon early termination of the F1 Tranche in December 2009, the securities were sold and the proceeds used as part of the required termination payment. The St. Clair County Transit District (SCCTD, one of Bi-State Development Agency's funding partners), which participated in the lease, contributed approximately 70% of the termination payment of the F1 Tranche. The collateral is marked to market annually in January.

Under the various lease transactions still outstanding, Bi-State Development Agency maintains the right to continued use and control of the assets through the end of the leases and is required to insure and maintain the assets. Therefore, all of the leases discussed above have been recorded as capital leases for accounting purposes.

The following table highlights pertinent information on the subleases for 2014 and 2013:

| | <u>Capital Lease Obligation</u> | | <u>Capital Lease Obligation</u> |
|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| Sublease balances, 6/30/13 | \$ 84,088,710 | Sublease balances, 6/30/12 | \$ 80,783,003 |
| Interest accrued in 2014 | 5,402,205 | Interest accrued in 2013 | 5,233,212 |
| Lease payments and reductions | <u>(3,472,844)</u> | Lease payments and reductions | <u>(1,927,505)</u> |
| Total sublease balances, 6/30/14 | <u>\$ 86,018,071</u> | Total sublease balances, 6/30/13 | <u>\$ 84,088,710</u> |
| Purchase option dates | January 2025 | Purchase option dates | January 2025 |
| Sublease termination dates | January 2025 | Sublease termination dates | January 2025 |

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The following is a schedule by fiscal year of future lease payments and purchase option payments, to the extent they are exercised, and interest expense for the above transactions as of June 30, 2014:

| | <u>Payments</u> |
|-----------------------------------|-----------------------------|
| 2015 | \$ - |
| 2016 | - |
| 2017 | - |
| 2018 | - |
| 2019 | - |
| 2020-2024 | - |
| 2025 | 217,541,618 |
| Total future lease payments | <u>217,541,618</u> |
| Less amount representing interest | <u>(131,523,547)</u> |
| Net obligation at June 30, 2014 | <u><u>\$ 86,018,071</u></u> |

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12. Non-Current Liabilities

Debt, capital lease obligations and non-current liabilities at June 30, 2014, consisted of the following:

| | <u>2013</u> | | | <u>2014</u> | |
|--------------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
| Capital Lease Obligations | \$ 84,088,710 | \$ 5,402,205 | \$ (3,472,844) | \$ 86,018,071 | \$ - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2013A | - | 381,225,000 | - | 381,225,000 | 37,015,000 |
| Plus: Unamortized debt premium | - | 23,187,161 | (2,451,082) | 20,736,079 | - |
| Less: Unamortized debt discount | - | (956,057) | 23,710 | (932,347) | - |
| St. Louis County Missouri | | | | | |
| Series 2013B | - | 75,000,000 | - | 75,000,000 | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2002 A, B, C | 290,609,761 | - | (290,609,761) | - | - |
| Plus: Unamortized debt premium | 214,154 | - | (214,154) | - | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2007 | 20,820,000 | - | (20,820,000) | - | - |
| Plus: Unamortized debt premium | 29,966 | - | (29,966) | - | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2009 | 97,220,000 | - | - | 97,220,000 | - |
| Less: Unamortized debt discount | (187,318) | - | 7,136 | (180,182) | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2010 A | 75,000,000 | - | (75,000,000) | - | - |
| Bonds, Series 2010 B | 70,290,000 | - | (70,290,000) | - | - |
| Plus: Unamortized debt premium | 395,973 | - | (395,973) | - | - |
| Missouri Finance Transit Commission | | | | | |
| Debt Service Reserve Borrowing | 5,000,000 | - | (5,000,000) | - | - |
| Other Post-Employment Benefits | 51,472,000 | 11,235,947 | (5,088,947) | 57,619,000 | - |
| Long Term Self-Insurance Liability | 17,005,747 | 36,981,600 | (38,659,651) | 15,327,696 | 8,958,866 |
| Other Non-Current Liabilities | 27,200,288 | 195,195,299 | (194,653,731) | 27,741,856 | 2,434,702 |
| Total Non-Current Liabilities | <u>\$ 739,159,281</u> | <u>\$ 727,271,155</u> | <u>\$ (706,655,263)</u> | <u>\$ 759,775,173</u> | <u>\$ 48,408,568</u> |

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Debt, capital lease obligations and non-current liabilities at June 30, 2013, consisted of the following:

| | <u>2012</u> <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>2013</u> <u>Ending</u> <u>Balance</u> | <u>Due Within</u> <u>One Year</u> |
|---------------------------------------|---|------------------------------|--------------------------------|--|--------------------------------------|
| Capital Lease Obligations | \$ 80,783,003 | \$ 5,233,212 | \$ (1,927,505) | \$ 84,088,710 | \$ 3,472,844 |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2002 A, B, C | 301,246,761 | - | (10,637,000) | 290,609,761 | 11,185,000 |
| Plus: Unamortized debt premium | 1,090,915 | - | (876,761) | 214,154 | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2007 | 20,820,000 | - | - | 20,820,000 | - |
| Plus: Unamortized debt premium | 31,446 | - | (1,480) | 29,966 | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2009 | 97,220,000 | - | - | 97,220,000 | - |
| Less: Unamortized debt discount | (194,453) | - | 7,135 | (187,318) | - |
| Mass Transit Sales Tax Appropriation | | | | | |
| Bonds, Series 2010 A | 75,000,000 | - | - | 75,000,000 | - |
| Bonds, Series 2010 B | 70,290,000 | - | - | 70,290,000 | 70,290,000 |
| Plus: Unamortized debt premium | 1,966,955 | - | (1,570,982) | 395,973 | - |
| Missouri Finance Transit Commission | | | | | |
| Debt Service Reserve Borrowing | 5,000,000 | - | - | 5,000,000 | - |
| Gateway Arch Parking Facility Revenue | | | | | |
| Refunding Bonds, Series 1997 | 720,000 | - | (720,000) | - | - |
| Other Post-Employment Benefits | 45,427,001 | 10,431,760 | (4,386,761) | 51,472,000 | - |
| Long Term Self-Insurance Liability | 16,887,895 | 36,302,915 | (36,185,063) | 17,005,747 | 10,098,969 |
| Other Non-Current Liabilities | 27,305,197 | 128,316,758 | (128,421,667) | 27,200,288 | 2,536,096 |
| Total Non-Current Liabilities | <u>\$ 743,594,720</u> | <u>\$ 180,284,645</u> | <u>\$ (184,720,084)</u> | <u>\$ 739,159,281</u> | <u>\$ 97,582,909</u> |

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13. Debt

Gateway Arch Parking Facility Revenue Refunding Bonds

In November 1983, Bi-State Development Agency financed the construction of the Arch Parking Facility by issuing \$8.4 million of Revenue Bonds to be repaid from garage revenues. The remaining principal of the Arch Garage Revenue Refunding Bonds was paid off in December 2012.

Missouri Finance Transit Commission Debt Service Reserve Borrowing

On October 3, 2011, Bi-State Development Agency entered into a \$5.0 million direct loan with the Missouri Finance Transit Commission to fund a portion of the 2002 debt service reserve fund. On September 13, 2013 the loan principal and interest were paid in full.

Mass Transit Sales Tax Appropriation Bonds

Series 2002

In November 2002, Bi-State Development Agency issued \$414.0 million in Mass Transit Sales Tax Appropriation Bonds to finance the design, engineering, acquisition of equipment and construction of the 8.2 mile MetroLink Cross County Extension.

The \$100.0 million Series 2002A Bonds have been called for redemption on October 1, 2013 at a redemption price equal to 100% of the principal plus accrued interest through the redemption date.

The \$313.3 million Series 2002B bonds bearing interest rates of 3.05 % to 5.25%, were defeased to maturity on October 1, 2013 or for bonds maturing at a later date, called for redemption on October 1, 2013 at a full redemption price equal to 100% of the principal plus interest.

The \$0.8 million Series 2002C Capital Appreciation Bonds maturing on October 1, 2017 and October 1, 2022 have been defeased to maturity.

To provide further security to the bondholders, the 2002 Bond Trust Indenture specified that a Debt Service Reserve Fund (DSRF) be created in the amount of \$28.0 million. Bi-State Development Agency had the option of cash funding this requirement or purchasing an AAA rated surety. At bond issuance, a surety was purchased from Financial Security Assurance Corporation (FSA, now Assured Guaranty), which at the time was rated AAA by all three credit ratings agencies. Assured Guaranty lost its last AAA rating on October 25, 2010, triggering replacement of the policy or cash funding the DSRF by October 25, 2011. Bi-State Development Agency funded the DSRF by using a combination of capital grant funding, a \$5.0 million loan from the State of Missouri Transportation Finance Corporation (MTFC), and Bi-State Development Agency funds. The loan from the MTFC was repaid on September 13, 2013.

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Series 2007

In December 2007, Bi-State Development Agency issued \$20.82 million in Mass Transit Sales Tax Appropriation Refunding Bonds (Series 2007) to advance refund the 2009 and 2010 principal payments of the Series 2002B Bonds, totaling \$18.1 million. The bonds were collectively issued at a premium of \$38,224 that was recorded in long-term debt. The premium has been amortized as a reduction of interest expense. The Series 2007 Bonds were called for redemption on August 1, 2013.

Series 2009

In October 2009, Bi-State Development Agency issued \$97.2 million in Mass Transit Sales Tax Appropriation Bonds. The transaction closed on November 9, 2009. A total of \$97.2 million in fixed rate serial and term bonds were issued at an average rate of 4.97%. The bonds were issued at a discount and mature in fiscal year 2040. The discount amount of \$213,454 is being recognized over the 30 year term of the bonds. The amount unrecognized at June 30, 2014 was \$ 180,182. The bond proceeds were used as follows:

- Approximately \$75.0 million was used to refund the remaining \$75.0 million of the \$100.0 million par Series 2002A Variable Rate Bonds.
- Approximately \$9.9 million was used to terminate (net) two interest rate swaps Bi-State Development Agency had in connection with the Series 2002A Variable Rate Bonds.

- Approximately \$9.1 million was used to create a Debt Service Reserve Fund for the bonds.
- The balance of approximately \$2.5 million was used to purchase a bond insurance policy (\$1.6 million), for the underwriters discount (\$.45 million), and for other costs of issuance (\$.55 million). The total cost of the bond issuance policy is being amortized over the 30 year term of the bonds. At June 30, 2014, the remaining balance was \$1.4 million.
- The deferred amount of refunding was approximately \$0.8 million. This amount was being amortized over the original remaining life of the Series 2002A Bonds, but the remaining balance was eliminated with the bond remarketing on August 1, 2013.

Series 2010 (Subordinate)

In October 2010, Bi-State Development Agency issued \$145.2 million in Mass Transit Sales Tax Appropriation Bonds. The bonds were issued to refund the \$150.0 million Series 2005 Bonds. The 2005 Bonds were issued to complete MetroLink Cross County Extension, pay certain costs of issuance, and provide funds for interest expense. The Series 2010A Variable Rate Bonds in the amount of \$75.0 million were called on August 1, 2013 at a redemption price equal to 100% of the principal plus interest. The Series 2010B Fixed Rate Bonds in the amount of \$70.3 million were defeased at the time of the bond refunding in FY 2014 and redeemed on August 1, 2013.

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These bonds were defeased and replaced with 2013A and 2013B series bonds.

Series 2013

On August 1, 2013, Bi-State Development Agency issued its \$381.2 million par Series 2013A Bonds. The bonds were issued at a premium of approximately \$23.2 million and a discount of \$1.0 million. The bond proceeds were used to:

- refund all of Bi-State Development Agency's Cross County Bonds, with the exception of the Series 2009 Bonds;
- establish a Debt Service Reserve Fund (DSRF) in the amount of \$26.5 million;
- pay cost of issuance of approximately \$1.7 million.

The bonds were issued at coupons ranging from 3.0 percent to 5.0 percent, and mature from 2014 through Fiscal Year 2054. The effective true interest cost for the bonds is 4.44 percent. The average annual debt service will be approximately \$25.0 million, with a maximum annual debt service of \$33.0 million.

A unique feature of the deal was the participation of St. Louis County, which at closing loaned Bi-State Development Agency \$75.0 million of Prop A ½ cent sales tax funds (Series 2013B Subordinate Bonds), which had been retained by the County for future transit capital projects. The County has also agreed to provide future Prop A funds to Bi-State Development Agency to allow for optional retirement of the Series 2013 Bonds. The County's participation in the project brought the effective yield to approximately 3.7 percent.

The refunding of the old Cross County bonds with proceeds from the Series 2013 bonds increased Bi-State Development Agency's total debt service payments over the next 40 years by approximately \$207.2 million, but resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$14.3 million.

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The following chart shows projected debt service for Bi-State Development Agency's Mass Transit Sales Bonds, based on mandatory principal maturities:

| Mass Transit Sales Tax Appropriation Bonds - Projected Debt Service by Fiscal Year | | | | | | | |
|---|----------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|-------------------------------|
| | Senior Bonds | | | | Subordinate Bonds | | Total |
| Fiscal Year | Series 2009 | | Series 2013A | | Series 2013B | | Principal and Interest |
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2015 | \$ - | \$ 4,767,975 | \$ 37,015,000 * | \$ 18,339,538 | \$ - | \$ 795,000 | \$ 60,917,513 |
| 2016 | - | 4,767,975 | 7,220,000 | 18,089,913 | - | 795,000 | 30,872,888 |
| 2017 | - | 4,767,975 | 7,880,000 | 17,787,913 | - | 795,000 | 31,230,888 |
| 2018 | - | 4,767,975 | 8,275,000 | 17,423,438 | - | 795,000 | 31,261,413 |
| 2019 | - | 4,767,975 | 9,030,000 | 16,990,813 | - | 795,000 | 31,583,788 |
| 2020-2024 | 2,155,000 | 23,791,388 | 51,775,000 | 77,389,190 | - | 3,975,000 | 159,085,578 |
| 2025-2029 | 13,520,000 | 21,684,150 | 50,375,000 | 64,912,690 | - | 3,975,000 | 154,466,840 |
| 2030-2034 | 4,210,000 | 19,635,450 | 65,985,000 | 50,344,533 | - | 3,975,000 | 144,149,983 |
| 2035-2039 | 67,515,000 | 10,315,625 | 4,665,000 | 41,692,625 | - | 3,975,000 | 128,163,250 |
| 2040-2054 | 9,820,000 | 245,500 | 139,005,000 | 61,670,139 | 75,000,000 | 11,130,000 | 296,870,639 |
| | \$ 97,220,000 | \$ 99,511,988 | \$ 381,225,000 | \$ 384,640,792 | \$ 75,000,000 | \$ 31,005,000 | \$ 1,068,602,780 |

* An additional \$30.0 million of principal was paid on October 1, 2014 as noted above. See subsequent footnote 21 on page 111.

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14. Pension Plans

Bi-State Development Agency sponsors four defined-benefit pension plans; one Salaried plan and three Union plans. It is the policy of Bi-State Development Agency's Board of Commissioners to see that each pension plan is funded to the fullest extent feasible through a combination of investments and contributions. Each plan is administered by an Administrative Pension Committee comprised of Trustees who are selected, at least in part, by the Board. Under Sections 70.050 A and B of its Collected Board Policies, the Board maintains authority over the appointment of the Trustees on the Salaried Employees Administrative Pension Committee, and over one-half of the Trustees on the three Pension Committees that administer the plans for the employees who are represented by the Amalgamated Transit Union (ATU) and the International Brotherhood of Electrical Workers (IBEW). The ATU and the IBEW select the remaining Trustees on those three Committees.

Required contributions and benefit provisions are established and amended by the Administrative Pension Committees. The Administrative Pension Committees are authorized to administer their respective plans' assets, determine eligibility for benefits under the plan and to construe the plans' terms.

There are separate audited financial statements for each of the four pension plans. The independent audit firm who performs the work is hired by each respective Administrative Pension Committee. Like many other governments and public entities in Missouri, Bi-State Development Agency's pension plans are monitored by the [Joint](#)

[Committee on Public Employee Retirement \(JCPER\)](#) – a permanent oversight body created by the Missouri General Assembly in 1983.

Salaried Plan

All Bi-State Development Agency full-time salaried employees hired prior to June 30, 2013 were eligible to participate in the Pension Plan for Salaried Employees (Salaried Plan). The Salaried Plan was closed to new entrants effective July 1, 2013. After July 1, all new hired salaried employees were put in a 401k plan. Active employees had the option to exit the plan and begin participation in the 401k or remain grandfathered into the pension plan. An additional change to the plan July 1 returned the normal retirement age to 60 from 65.

As of January 1, 2014, the Salaried Plan became a 3% contributory single employer defined benefit pension plan for salaried employees who elected to remain in the plan.

Employees who retire after attaining the normal service retirement age as defined in the plan, provided the employees have five years of credited service, are entitled to normal retirement benefits, payable monthly for life, based upon final average monthly earnings and years of credited service. Final employee average monthly earnings are the employee's average monthly earnings for the three consecutive Plan years preceding cessation of employment producing the highest average. Participants who have attained age 55 and completed ten years of credited service may retire and receive reduced benefits. The Salaried Plan also provides death and disability benefits. The amortization period for the Salaried Plan is closed.

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Union Plans

All Bi-State Development Agency full-time employees who are included in one of the collective bargaining units recognized by Bi-State

are required to participate in an applicable Union Plan. The Union Plans are contributory single employer defined benefit pension plans. Participants must satisfy minimum age and service requirements for retirement and are eligible for a deferred vested pension if they leave the service of Bi-State Development Agency with at least 10 years credited service. The Union Plans are as follows:

- Bi-State Development Agency Missouri-Illinois Metropolitan District and Division 788 Amalgamated Transit Union, AFL-CIO Employees' Pension Plan and Agreement (788 O&M Plan)
- Bi-State Development Agency Missouri-Illinois Metropolitan District and Division 788, Clerical Unit, Amalgamated Transit Union, AFL-CIO Employees' Pension Plan and Agreement (788 Clerical Plan)
- Bi-State Development Agency Missouri-Illinois Metropolitan District and Locals No. 2 and No. 309 of the International Brotherhood of Electrical Workers Employees' Pension Plan and Agreement (IBEW Plan)

The 788 O&M Plan members are eligible for full retirement benefits at (a) age 65, (b) the completion of 25 years of credited service or (c) age 55 with 20 or more years of credited service. Participants who

have attained age 55 with 15 years of credited service may retire with reduced benefits.

Under the 788 Clerical Plan, members are eligible for full retirement benefits at (a) age 65 or (b) the completion of 25 years of credited service. Participants in the 788 Clerical Plan are eligible for reduced retirement benefits at (a) age 62 with 10 or more years credited service or (b) age 54 to 62 with 15 years or more of service.

The IBEW Plan members are eligible for full retirement benefits at (a) age 65 with 12 or more years of credited service or (b) the completion of 25 years of credited service.

IBEW employees also closed their defined benefit pension plan to new employees effective January 1, 2014. The defined benefit plan remains for eligible active employees, while new hired employees are directed to a defined contribution plan or the [National Electric Benefit Funds](#) pension plan.

All Union employees are required to make plan contributions by payroll deduction each week. If a union employee leaves the employment of Bi-State Development Agency prior to being eligible to receive a monthly benefit, he or she is eligible for a refund of contributions. Upon retirement, employees are entitled to a monthly pension benefit, payable for life. The Union Plans also provide survivor and disability benefits.

Each plan has an annual actuarial valuation and issues separate stand-alone audited financial statements and required supplementary information for the plan. Those reports may be obtained from the Benefits Section, Bi-State Development Agency,

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707 North First Street, Mail Stop #125, St. Louis, MO 63102, or by calling 314-982-1471.

Funding Policy, Annual Pension Cost and Actuarial Assumptions

For the Salaried Plan, Bi-State Development Agency contributes the actuarially recommended contribution (ARC) less the amount contributed by the employees. For the Union Plans, Bi-State Development Agency has agreed within each collective bargaining agreement, to fund a portion of the ARC. For the 788 O&M and IBEW plans, Bi-State Development Agency funds 70% of the ARC. For the 788 Clerical Plan, Bi-State Development Agency funds 68% of the ARC. The remaining percentages of each plan's ARC are funded from the employee contributions. Following is Bi-State Development Agency's annual pension cost for the current year and related information for each plan.

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Below are the total employees and retirees covered under the Salaried Plan for plan years ended May 31, 2014 and 2013 and under the Union Plans for plan years ended March 31, 2014 and 2013:

| | <u>Salaried Plan</u> | | <u>Union Plans</u> | | | | | | <u>Total</u> | |
|---------------------------------------|----------------------|-------------|--------------------|--------------|---------------------|-------------|-------------|-------------|--------------|--------------|
| | <u>2014</u> | <u>2013</u> | <u>788 O&M</u> | | <u>788 Clerical</u> | | <u>IBEW</u> | | <u>2014</u> | <u>2013</u> |
| | | | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | | |
| Retirees and Beneficiaries | 281 | 278 | 998 | 1,011 | 67 | 69 | 7 | 7 | 1,353 | 1,365 |
| Vested Long-Term Disability Claimants | 9 | 8 | 7 | 6 | - | - | - | - | 16 | 14 |
| Terminated Vested | 197 | 194 | 39 | 43 | 4 | 4 | 2 | 2 | 242 | 243 |
| Terminated Non-Vested (due refund) | - | - | 44 | 28 | 1 | 1 | 1 | 2 | 46 | 31 |
| Fully Vested Active | 354 | 328 | 636 | 619 | 28 | 27 | 24 | 23 | 1,042 | 997 |
| Non-Vested Active | <u>140</u> | <u>155</u> | <u>650</u> | <u>669</u> | <u>23</u> | <u>23</u> | <u>35</u> | <u>36</u> | <u>848</u> | <u>883</u> |
| Total Participants | <u>981</u> | <u>963</u> | <u>2,374</u> | <u>2,376</u> | <u>123</u> | <u>124</u> | <u>69</u> | <u>70</u> | <u>3,547</u> | <u>3,533</u> |

Changes to prior year reports are based on the latest actuarial reports.

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Bi-State Development Agency's annual pension cost and related information for each plan as of the most recent actuarial valuation dates are as follows:

| | Salaried Plan | Union Plans | | |
|--|---|---|---|---|
| | | 788 O&M | 788 Clerical | IBEW |
| Actuarial valuation date | June 01, 2013 | April 01, 2013 | April 01, 2013 | April 01, 2013 |
| Contributions | | | | |
| Employee | \$ - | \$ 3,124,153 | \$ 153,202 | \$ 66,903 |
| Employer | 4,370,010 | 7,830,531 | 326,673 | 156,695 |
| Total contributions made | \$ 4,370,010 | \$ 10,954,684 | \$ 479,875 | \$ 223,598 |
| Contribution rates (as percent of covered payroll) | | | | |
| Employee | 0.0% | 5.7% | 9.5% | 2.1% |
| Employer | 15.8% | 14.4% | 20.3% | 4.9% |
| Employer Annual Pension Cost | \$ 4,370,010 | \$ 7,830,531 | \$ 326,673 | \$ 156,695 |
| Actuarial cost method | Service Pro-rate Unit Credit * | Entry Age | Entry Age | Entry Age |
| Amortization method | 30 years, * Level dollar, if greater than \$0 Amortization period is closed | 30 years Level dollar, fixed period Amortization period is closed | 30 years Level dollar, fixed period Amortization period is closed | 30 years Level dollar, fixed period Amortization period is closed |
| Remaining amortization period | 27 years | 20 years | 21 years | 22 years |
| Amortization reset date | June 01, 2010 | April 01, 2003 | April 01, 2004 | April 01, 2005 |
| Asset valuation method | Expected Return Method w/o Phase-in | Five-year Expected Return Method | Five-year Expected Return Method | Five-year Expected Return Method |
| Actuarial assumptions: | | | | |
| Investment rate of return | 7.50% | 7.25% | 7.25% | 7.25% |
| Inflation rate of return | 2.75% | 2.75% | 2.75% | 2.75% |
| Projected salary increases | 4.50% | not applicable | not applicable | not applicable |
| Post-retirement benefit increases | not applicable | not applicable | not applicable | not applicable |

**Bi-State Development Agency of the
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Three-Year Trend Information

Trend information relating to the annual employer pension cost, percentage of annual employer pension cost contributed and the net pension obligation for each plan, for the most recent three years for which information is available is as follows:

| | For the Year Ended June 30, * | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------|--|--|--|---------------------------------------|
| Salaried Plan | 2012 * | \$ 3,129,976 | 100% | - |
| | 2013 * | \$ 4,370,010 | 100% | - |
| | 2014 | \$ 4,998,198 | 100% | - |
| 788 O&M Plan | 2012 * | \$ 6,904,988 | 100% | - |
| | 2013 * | \$ 7,830,531 | 100% | - |
| | 2014 | \$ 8,764,558 | 100% | - |
| 788 Clerical Plan | 2012 * | \$ 402,107 | 100% | - |
| | 2013 * | \$ 326,673 | 100% | - |
| | 2014 | \$ 485,233 | 100% | - |
| IBEW Plan | 2012 * | \$ 145,805 | 100% | - |
| | 2013 * | \$ 156,695 | 100% | - |
| | 2014 | \$ 223,739 | 100% | - |

FY 2014 APC is based upon actual contributions.

* The above pension costs are based upon annual actuarial valuations.

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Funding Status and Funding Progress

As of the latest actuarial valuation date for each plan funding progress is as follows:

| | <u>Salaried Plan</u> | <u>788 O&M Plan</u> | <u>788 Clerical Plan</u> | <u>IBEW Plan</u> |
|--|----------------------|-------------------------|--------------------------|------------------|
| Percent Funded | 73.2% | 52.5% | 42.1% | 71.8% |
| Actuarial Accrued Liability | \$ 67,865,918 | \$ 176,399,555 | \$ 11,383,031 | \$ 3,342,338 |
| Actuarial Value of Assets | \$ 49,704,047 | \$ 92,629,812 | \$ 4,794,257 | \$ 2,400,205 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 18,161,871 | \$ 83,769,743 | \$ 6,588,774 | \$ 942,133 |
| Covered Payroll | \$ 27,621,000 | \$ 54,486,307 | \$ 1,607,403 | \$ 3,168,194 |
| Ratio of UAAL to Covered Payroll | 65.8% | 153.7% | 409.9% | 29.7% |

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

15. Other Post-Employment Benefits

In addition to the pension benefits described above, Bi-State Development Agency provides other post-employment health care benefits to all employees who meet retirement requirements and

provide an employee share of premiums for health coverage. The benefits for union retirees are determined by contractual agreement and the benefits for salaried retirees represent a voluntary payment. As of June 30, 2014 and 2013, 1,365 and 1,264 union and salaried retirees, respectively, met those requirements. There is not a separate GAAP based audited set of financial statements for OPEB.

Plan Description

Bi-State Self-Insured Comprehensive Medical Plan is a single-employer healthcare plan. Bi-State Development Agency provides

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Missouri-Illinois Metropolitan District
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healthcare benefits to retirees, their spouses and their eligible dependents.

Three plan options are offered, and retiree contributions are three-tiered based on retirement date. The retiree contributions range from \$2.20 per month Tier 1 Economy Plan retiree-only coverage to \$449.00 per month for family Tier 3 Premium Plan coverage. Bi-State Development Agency reimburses a minimum of 80% of the amount of validated claims for medical and hospitalization costs incurred by retirees and their dependents for the base Preferred Plan option. There is one three tier prescription drug plan offering with co-pays required for generics, preferred brand and non-preferred multi-source drugs.

For each retiree eligible for Medicare, Bi-State Development Agency's Plan coordinates benefits with Medicare. Bi-State Development Agency sponsors a Medicare Part D Employer Group Waiver (EGWP) plan with a wrap for the coverage gap. Expenditures for post-employment health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported (IBNR) to Bi-State Development Agency. In addition, some retirees are included in health maintenance organizations for which Bi-State Development Agency pays fixed premiums.

Beginning in January 2014, Medicare eligible salaried and IBEW represented retirees were no longer eligible for Bi-State Development Agency's self-funded medical plan. A health reimbursement arrangement (HRA) plan was implemented with a three-tier monthly subsidy based upon date of retirement and

attained age as of January 1, 2014. This HRA is to be used to pay for specified eligible medical expenses such as deductibles, coinsurance, co-pays, prescribed over-the-counter medications & supplies, prescriptions or premium expenses for Medicare Supplement, PDP or MAPD plans during retirement with all the tax benefits of an HRA.

Funding Policy

Normal annual costs of the plan are funded by employer and retiree contributions that are pay-as-you-go financing requirements. Bi-State Development Agency established a trust for future other post-employment benefits (OPEB) funding above the pay-as-you-go methodology. For fiscal years 2014 and 2013, Bi-State Development Agency expenses under the pay-as-you-go methodology were \$6.5 million and \$8.5 million, respectively. Bi-State Development Agency's actual contributions under the pay-as-you-go methodology have been favorable as compared to the actuarial estimate for the past two years.

The contribution requirements of plan members and Bi-State Development Agency are established and may be amended by the Board of Commissioners. The required contribution is based upon projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by Bi-State Development Agency. For the fiscal year 2014, Bi-State Development Agency contributed \$9.5 million to the plan, including \$6.5 million for current annual costs and an additional \$3.0 million to prefund benefits. For the fiscal year 2013, Bi-State Development Agency contributed \$11.5 million to the plan, including \$8.5 million

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for current annual costs and an additional \$3.0 million to prefund benefits.

OPEB benefits include medical and pharmaceutical coverage along with basic life coverage for an employee retiring from active service with ten years of credited service. Contributions from retirees are required and are dictated by Board policy or union contract for the medical/pharmacy benefit. Basic life insurance is non-contributory for the retiree. Union employees have a coverage amount of \$6,000 and salaried employees have a coverage amount of \$5,000. The OPEB coverage and contribution requirements are established by the Board and may be amended by the Board of Commissioners.

Annual OPEB Cost and Net OPEB Obligation.

Bi-State Development Agency's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the actuarial assessment of Bi-State Development Agency's annual OPEB cost for the year and the changes in Bi-State Development Agency's net OPEB obligation (in thousands).

| | 2014 | 2013 |
|--|-------------------------|-------------------------|
| Annual required contribution | \$ 16,424 | \$ 18,141 |
| Interest on net OPEB obligation | 2,830 | 2,220 |
| Adjustment to annual required contribution | <u>(3,454)</u> | <u>(2,793)</u> |
| Annual OPEB cost (expense) | 15,800 | 17,568 |
| Contributions | <u>(9,653)</u> | <u>(11,523)</u> |
| Increase in net OPEB obligation | 6,147 | 6,045 |
| Net OPEB obligation—beginning of year | <u>51,472</u> | <u>45,427</u> |
| Net OPEB obligation—end of year | <u>\$ 57,619</u> | <u>\$ 51,472</u> |

**Bi-State Development Agency of the
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Years Ended June 30, 2014 and 2013**

Bi-State Development Agency’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the most recent three years is as follows (dollar amounts in thousands):

| <u>Fiscal Year End</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------------|-----------------------------|---|--------------------------------|
| 6/30/2012 | \$ 17,673 | 67.9% | \$ 45,427 |
| 6/30/2013 | \$ 17,568 | 65.6% | \$ 51,472 |
| 6/30/2014 | \$ 15,800 | 61.1% | \$ 57,619 |

Funded Status and Funding Progress

As of June 30, 2014, the most recent OPEB actuarial valuation date, the plan was 10 % funded. The actuarial accrued liability for benefits was \$165.4 million and the actuarial value of assets was \$16.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$149.4 million. This is \$22.4 million reduction in the unfunded actuarial accrued liability due to the changes made to retiree medical benefits for salaried employees and an increase in the market.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the combined financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision. Actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

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In the June 30, 2014 OPEB actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 5.5% discount rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 5.7% in 2014, increasing up to 6.5% in 2035 and then grading back down to 4.5% in the year 2085 and each year thereafter. The inflation rate used was 2.5%. The UAAL is being amortized as a level dollar amount over 30 years. The amortization period was closed as of June 30, 2012.

16. Grants and Assistance

Federal Aviation Administration Capital Improvement Grants

Capital improvement projects for airport engineering and construction costs at the St. Louis Downtown Airport are funded by capital improvement grants from the Federal Aviation Administration and the Illinois Department of Aeronautics and the Illinois Department of Transportation (IDOT). The St. Louis Downtown Airport provides additional funds from operating revenues.

Capital and Operating Assistance Grants

Bi-State Development Agency receives federal and state capital assistance grants for undertaking of urban mass transportation capital improvement projects. Additionally, beginning in fiscal year 1999, a portion of the capital assistance grants may be used for fleet maintenance. The terms of the capital assistance grants require that a portion of the project costs be funded locally. The local share of the capital assistance grants has been funded by grants from the State of Illinois and by application of local Missouri sales tax

appropriations. Bi-State Development Agency receives the following type of assistance grants:

- **Federal Transit Administration** - Bi-State Development Agency is the recipient of several Federal Transit Administration Assistance Grants awarded by the United States Department of Transportation under the Federal Transit Act of 1964, as amended.
- **State of Missouri** - In 1996, the Governor of the State of Missouri approved temporary transit operating assistance grant funding through the Missouri Department of Transportation. Bi-State Development Agency began receiving this assistance in July 1996. The grant was renewed for FY 2013.
- **Illinois Department of Transportation Grants** - IDOT is authorized under provisions of Illinois Revised Statutes, Chapter 127, Section 49 through 51 and Illinois Revised Statutes, Chapter 127, Section 701 (Illinois Acts) to provide capital assistance to Bi-State Development Agency. Bi-State Development Agency uses a portion of the Illinois capital assistance grants to meet local share requirements on certain federal transit administration capital improvement projects.

Sales Tax Appropriations

There are six local Missouri sales taxes that fund Bi-State Development Agency. The Missouri Legislature has authorized certain cities and counties to levy a ½ cent sales tax to be used for transportation purposes. Missouri law does not require that

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
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Years Ended June 30, 2014 and 2013**

revenues from the ½ cent sales tax be paid directly to Bi-State Development Agency, but authorizes the collecting agencies to appropriate such revenues for transportation purposes. A minimum of 2% of any appropriation for public mass transportation must be passed through to the St. Louis Office of the Developmentally Disabled Resources Board (City Board) and the Productive Living Board for the Developmentally Disabled (County Board). Sales tax receipts that are passed through to the City and County Boards are recorded as operating assistance, and the corresponding expense is recorded as a contribution to outside entities in the Combined Statements of Revenues, Expenses and Changes in Net Position of Bi-State Development Agency.

Secondly, a ¼ cent sales tax Prop M was established. This tax is restricted to mass transit use and is forwarded to Bi-State Development Agency based upon annual appropriations from the City of St. Louis and St. Louis County.

Finally, on April 6, 2010, St. Louis County passed an additional ½ cent sales tax known as Prop A. The passing of the County proposition triggered a reciprocal tax in St. Louis City of ¼ cent. This City tax collection is referenced as Prop M2.

In 2014 and 2013, Bi-State Development Agency had internally designated investments of \$12,608,204 and \$12,016,556, respectively, which are recorded in the designated Sales Tax Capital Account. These internally designated funds will be used for the purchase or construction of new transportation equipment or facilities.

Temporary advances for operating purposes are allowed from the restricted Sales Tax Capital fund, to be repaid when federal, state or local operating assistance is received. Advances allowed for environmental clean-up activities for non-operating properties are to be repaid from the proceeds from the sale of the non-operating assets.

Illinois Counties

Bi-State Development Agency contracts with the St. Clair County Transit District to provide public mass transportation services for the Illinois Counties of St. Clair and Monroe. The contract specifies the amount of services to be provided and the method of reimbursement for operating costs associated with the services provided in these counties.

Operating Deficits

Bi-State Development Agency has experienced losses before capital contributions since 2005. Bi-State Development Agency's ability to fund the costs of continued operations is dependent upon the cooperation with and operating assistance from other governments. While resources exist to meet Bi-State Development Agency's present obligations, revenues from operations alone are not adequate to meet the expenses of continuing operations without such assistance.

**Bi-State Development Agency of the
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Notes to the Combined Financial Statements
Years Ended June 30, 2014 and 2013**

17. Operating Agreements

According to a cooperative agreement (Agreement) dated May 14, 1962, as amended, with the United States Government acting through the National Park Service, Bi-State Development Agency agreed to construct and operate a transportation system (Tram) in the Gateway Arch. The agreement was renewed on January 31, 2014. Bi-State Development Agency is to receive a monthly management fee based upon the current month's operating results. The United States Government retains legal title to the Tram. Upon the future termination of the Agreement, Bi-State Development Agency is required to transfer to the United States Government all remaining assets from the operations of the Tram after discharge of all liabilities.

Through the Agreement, Bi-State Development Agency constructed and operates a 1,143 space parking facility on the Jefferson National Expansion Memorial site. The United States Government retains legal title to the Gateway Arch Parking Facility. Bi-State Development Agency is required to establish parking rates, fees and charges to operate and maintain the parking garage. Upon termination of the Agreement, Bi-State Development Agency is required to transfer to the United States Government all assets remaining from the operations of the parking facility after the discharge of all liabilities.

18. Fuel Hedge

Bi-State Development Agency has adopted GASB 53 to account for their investment in oil future contracts to hedge against the volatility in diesel fuel prices. Because the fuel hedge is an effective hedge as defined by GASB 53, the accumulated unrealized gain (loss) on the fuel hedge is reported on the Statements of Net Position as an investment and a deferred inflow/outflow. The hedging instruments affected are weekly fuel hedge contracts with a notional amount of 42,000 gallons each with an index of New York Harbor Heating Oil #2 as listed on the NYMEX. There were 81 and 132 open contracts at June 30, 2014 and 2013, respectively. On average, it costs Bi-State Development Agency \$32 to acquire a fuel hedge contract. The aggregate fuel hedge contracts cover a rolling 16- to 18-month period.

The deferred inflow and investment as of June 30, 2014 are valued at \$0.5 million. The deferred outflow and investment as of June 30, 2013 are valued at approximately \$0.1 million.

Basis risk. Bi-State Development Agency is exposed to basis risk on its fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle (New York Harbor Heating Oil #2). There is no termination or interest rate risk.

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19. Commitments and Contingencies

Expenditures financed by state and federal grants are subject to audit by the granting agencies to verify compliance with conditions of the grants. Management believes that Bi-State Development Agency is in compliance with the terms of such grants and that no significant liability will arise from audits previously performed or to be performed.

In the ordinary course of business, a number of claims and lawsuits arise from individuals seeking compensation for personal injury, death, and/or property damage resulting from accidents occurring in the operation of the system. In addition, Bi-State Development Agency has been named as a defendant in a number of lawsuits relating to personnel and contractual matters. Management does not believe that the outcome of these claims will have a material adverse effect on Bi-State Development Agency's financial position. However, in the event of an unfavorable outcome in one or more of these matters, the impact could be material to Bi-State Development Agency's financial position or results of operations.

Bi-State Development Agency has future contract commitments in the amount of \$71.1 million as of June 30, 2014.

20. Conduit Debt Obligations

From time to time, Bi-State Development Agency has been associated with the issuance of Industrial Development Bonds and Special Facility Revenue Bonds to provide financial assistance for

the acquisition and construction of facilities deemed to be in the public interest.

Special Facility Revenue Bonds

For the construction of the second phase of the MetroLink system, Bi-State Development Agency utilized funds provided by the proceeds from two special revenue bond issuances. These bonds are not general obligations of Bi-State Development Agency as they are to be repaid by a party other than Bi-State Development Agency. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The following is a description of the two special facility revenue bond issuances:

St. Clair County MetroLink Extension Project Refunding Revenue Bonds, Series 2004 – The \$5,590,000 Series 2004 Bonds, issued April 15, 2004 are special, limited obligations of Bi-State Development Agency, payable solely from revenue and other sources provided in the indenture, and are not general obligations of Bi-State Development Agency. These bonds mature serially in varying amounts through 2028. The Series 2004 bonds provide funds to refund a portion of the Series 1998 A bonds on July 1, 2004 through July 1, 2008. As of June 30, 2014 and 2013, \$4,845,000 and \$5,065,000 remain outstanding.

St. Clair County MetroLink Extension Project Refunding Revenue Bonds, Series 2006 – The \$39,155,000 Series 2006 Bonds, issued December 20, 2006 are special, limited obligations of Bi-State Development Agency, payable solely from revenue and other

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sources provided in the indenture, and are not general obligations of Bi-State Development Agency. These bonds mature serially in varying amounts through 2028. The Series 2006 bonds provide funds to refund a portion of the Series 1998 A bonds on July 1, 2009 through July 1, 2028. As of June 30, 2014 and 2013, \$36,060,000 and \$37,645,000 remain outstanding.

21. Subsequent Events

On June 18, 2013, the St. Louis County Council voted to loan Metro Transit up to \$400.0 million over 10 years from Prop A funds held in reserve for future light rail expansion. The loaned funds can only be used to pay down publicly-held bond debt.

An additional amount of \$30.0 million was loaned on October 1, 2014, to pay callable Series 2013A Bonds with a normal maturity date of October 1, 2052 and an interest rate of 4.75%. This debt is being borrowed under the same provisions and similar interest rate as the initial \$75 million St. Louis County series 2013B bonds which is 1.06%. Since the intent of the funds is to pay principal and the original County agreement and ordinance was signed June 18, 2013, prior June 30, 2014, the \$30.0 million principal payment is classified as short-term debt for 2014 fiscal year end.

In September 2014 the U. S. Department of Transportation announced Bi-State Development Agency was awarded a \$10.3 million Transportation Investment Generating Economic Recovery (TIGER) grant. The funds will be used to construct a new MetroLink station in the Cortex District between the existing Central West End

and Grand Avenue MetroLink stations. The grant monies will also be used to create a bike trail connecting the Cortex MetroLink station to the regional Great Rivers Greenway trail network. Local funding sources of \$2.9 million will supplement the TIGER grant to complete the total project.

On September 25, 2014 Bi-State Development Agency's Board of Commissioners and the Amalgamated Transit Union Local 788 reached an agreement for a new contract which includes pay raises for MetroBus and MetroLink operators, mechanics, maintenance and clerical workers. The contract affects approximately 1,400 employees. Under the new contract, pension benefits would not change, but both parties have agreed to revisit portions of the pension plan in the future.

Celebrating an outstanding year and award winning employees



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for 10 or more years of Safe Driving

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

Required Supplementary Information

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Required Supplementary Information
Year ended June 30, 2014**

Schedule of Funding Progress and Employer Contributions - OPEB Plan

| Actuarial Valuation Date | For the Year Ended | Actuarial Value of Asset (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b) - (a) / (c) |
|---------------------------------|---------------------------|-------------------------------------|--|--------------------------------------|-------------------------------|----------------------------|--|
| 7/1/2009 | 6/30/2010 | \$ 3,079,196 | \$ 191,323,000 | \$ 188,243,804 | 1.6% | \$ 83,700,315 | 224.9% |
| 7/1/2011 | 6/30/2012 | \$ 9,092,700 | \$ 180,938,000 | \$ 171,845,300 | 5.0% | \$ 85,429,402 | 201.2% |
| 7/1/2013 | 6/30/2014 | \$ 15,970,000 | \$ 165,354,000 | \$ 149,384,000 | 9.7% | \$ 86,882,904 | 171.9% |

| Year Ended | Annual Required Contribution | Percentage of Annual OPEB Less Contributed |
|-------------------|-------------------------------------|---|
| 6/30/2012 | \$ 18,141,000 | 67.9% |
| 6/30/2013 | \$ 18,141,000 | 65.6% |
| 6/30/2014 | \$ 16,424,000 | 61.1% |

Notes to the Required Supplementary Information

A reduction in the unfunded actuarial liability is the result of a combination of changes made to the retiree medical benefits for the salaried employees, an increase in the discount rate, and a decrease in the annual healthcare cost rates.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Required Supplementary Information
Year ended June 30, 2014**

Schedules of Funding Progress - Pension Plans

| Actuarial Valuation Date | Actuarial Value of Asset (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b) - (a) / (c) |
|---|---|--|--|---------------------------------------|------------------------------------|--|
| Salaried Plan | | | | | | |
| 6/1/2009 | \$ 48,126,959 | \$ 47,280,017 | \$ (846,942) | 101.8% | \$ 25,465,982 | -3.3% |
| 6/1/2010 | \$ 47,226,544 | \$ 56,933,387 | \$ 9,706,843 | 83.0% | \$ 25,286,621 | 38.4% |
| 6/1/2011 | \$ 47,127,952 | \$ 58,573,502 | \$ 11,445,550 | 80.5% | \$ 26,578,943 | 43.1% |
| 6/1/2012 | \$ 47,628,801 | \$ 63,034,360 | \$ 15,405,559 | 75.6% | \$ 26,309,983 | 58.6% |
| 6/1/2013 | \$ 49,704,047 | \$ 67,865,918 | \$ 18,161,871 | 73.2% | \$ 27,621,000 | 65.8% |
| 788 O&M Plan | | | | | | |
| 4/1/2009 | \$ 95,099,820 | \$ 154,636,364 | \$ 59,536,544 | 61.5% | \$ 52,442,843 | 113.5% |
| 4/1/2010 | \$ 93,422,609 | \$ 168,931,028 | \$ 75,508,419 | 55.3% | \$ 51,185,202 | 147.5% |
| 4/1/2011 | \$ 91,133,410 | \$ 170,438,165 | \$ 79,304,755 | 53.5% | \$ 54,299,232 | 146.1% |
| 4/1/2012 | \$ 90,572,184 | \$ 173,975,933 | \$ 83,403,749 | 52.1% | \$ 54,168,878 | 154.0% |
| 4/1/2013 | \$ 92,629,812 | \$ 176,399,555 | \$ 83,769,743 | 52.5% | \$ 54,486,307 | 153.7% |
| 788 Clerical Plan | | | | | | |
| 4/1/2009 | \$ 6,117,313 | \$ 10,137,473 | \$ 4,020,160 | 60.3% | \$ 1,671,299 | 240.5% |
| 4/1/2010 | \$ 5,887,209 | \$ 10,601,527 | \$ 4,714,318 | 55.5% | \$ 1,632,280 | 288.8% |
| 4/1/2011 | \$ 5,513,772 | \$ 11,202,257 | \$ 5,688,485 | 49.2% | \$ 1,516,008 | 375.2% |
| 4/1/2012 | \$ 5,214,565 | \$ 11,383,262 | \$ 6,168,697 | 45.8% | \$ 1,559,210 | 395.6% |
| 4/1/2013 | \$ 4,794,257 | \$ 11,383,031 | \$ 6,588,774 | 42.1% | \$ 1,607,403 | 409.9% |
| IBEW Plan | | | | | | |
| 4/1/2009 | \$ 1,521,939 | \$ 2,151,016 | \$ 629,077 | 70.8% | \$ 2,939,269 | 21.4% |
| 4/1/2010 | \$ 1,649,706 | \$ 2,319,562 | \$ 669,856 | 71.1% | \$ 2,887,747 | 23.2% |
| 4/1/2011 | \$ 1,897,438 | \$ 2,656,475 | \$ 759,037 | 71.4% | \$ 3,035,219 | 25.0% |
| 4/1/2012 | \$ 2,115,437 | \$ 2,870,487 | \$ 755,050 | 73.7% | \$ 3,125,678 | 24.2% |
| 4/1/2013 | \$ 2,400,205 | \$ 3,342,338 | \$ 942,133 | 71.8% | \$ 3,168,194 | 29.7% |

Changes to prior year reports are based on the latest actuarial reports.

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

Other Supplementary Information

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Net Position
As of June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Total After Eliminations |
|---|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|
| Assets | | | | | | | | | |
| Current assets | | | | | | | | | |
| Cash and cash equivalents | \$ 3,704,373 | \$ 2,758,079 | \$ 577,831 | \$ 20,266 | 760,674 | \$ 68,343,275 | \$ 76,164,498 | \$ - | \$ 76,164,498 |
| Restricted cash and cash equivalents | - | 12,594,607 | - | - | - | 38,134,190 | 50,728,797 | - | 50,728,797 |
| Investments | - | - | - | - | - | 62,797,862 | 62,797,862 | - | 62,797,862 |
| Restricted investments | - | 2,499,623 | - | - | - | 52,454,974 | 54,954,597 | - | 54,954,597 |
| Accounts receivable | 107,116 | 124,221 | - | 9,870 | 129,940 | 2,963,624 | 3,334,771 | - | 3,334,771 |
| Restricted accounts receivable | 62 | 1,476 | 4 | - | - | 42,038 | 43,580 | - | 43,580 |
| Interfund accounts receivable | 720,783 | 236,453 | 209,940 | 167,655 | 34,907 | - | 1,369,738 | (1,369,738) | - |
| Federal, state and local operating assistance receivable | - | - | - | - | - | 24,237,925 | 24,237,925 | - | 24,237,925 |
| Materials and supplies | - | - | - | 46,329 | 62,075 | 9,142,706 | 9,251,110 | - | 9,251,110 |
| Prepaid expenses and other current assets | - | 21,641 | 200 | 266 | 11,822 | 2,352,261 | 2,386,190 | - | 2,386,190 |
| Total current assets | 4,532,334 | 18,236,100 | 787,975 | 244,386 | 999,418 | 260,468,855 | 285,269,068 | (1,369,738) | 283,899,330 |
| Non-current assets | | | | | | | | | |
| Restricted investments held to pay capital lease / leaseback liabilities | - | - | - | - | - | 86,033,043 | 86,033,043 | - | 86,033,043 |
| Depreciable capital assets, net of accumulated depreciation | 7,025 | 423,218 | 69,551 | 1,751,217 | 19,992,319 | 904,015,161 | 926,258,491 | - | 926,258,491 |
| Land | - | - | - | - | 4,542,564 | 97,432,663 | 101,975,227 | - | 101,975,227 |
| Construction in progress | - | 252,507 | - | - | 937,324 | 47,029,827 | 48,219,658 | - | 48,219,658 |
| Other non-current assets, net of accumulated amortization | - | - | - | - | 29,099 | 89,209 | 118,308 | - | 118,308 |
| Total non-current assets | 7,025 | 675,725 | 69,551 | 1,751,217 | 25,501,306 | 1,134,599,903 | 1,162,604,727 | - | 1,162,604,727 |
| Total Assets | 4,539,359 | 18,911,825 | 857,526 | 1,995,603 | 26,500,724 | 1,395,068,758 | 1,447,873,795 | (1,369,738) | 1,446,504,057 |
| Deferred Outflows of Resources | | | | | | | | | |
| Deferred loss on refunding | - | - | - | - | - | 4,069,911 | 4,069,911 | - | 4,069,911 |
| Total deferred outflows | - | - | - | - | - | 4,069,911 | 4,069,911 | - | 4,069,911 |
| Total | \$ 4,539,359 | \$ 18,911,825 | \$ 857,526 | \$ 1,995,603 | \$ 26,500,724 | \$ 1,399,138,669 | \$ 1,451,943,706 | \$ (1,369,738) | \$ 1,450,573,968 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Net Position
As of June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------|
| Liabilities | | | | | | | | | |
| Current liabilities payable from unrestricted assets | | | | | | | | | |
| Accounts payable | \$ 208,902 | \$ 767,806 | \$ 230,984 | \$ 40,677 | \$ 62,298 | \$ 10,923,738 | \$ 12,234,405 | \$ - | \$ 12,234,405 |
| Accrued expenses | 215,485 | 55,981 | 12,068 | 96,553 | 60,093 | 17,975,079 | 18,415,259 | - | 18,415,259 |
| Other current liabilities | - | 45,647 | 14,144 | 269,992 | 2,790 | 2,102,129 | 2,434,702 | - | 2,434,702 |
| Interfund accounts payable | 4,744 | 219,841 | 16,778 | 466,239 | - | 662,136 | 1,369,738 | (1,369,738) | - |
| Total current liabilities payable from unrestricted assets | 429,131 | 1,089,275 | 273,974 | 873,461 | 125,181 | 31,663,082 | 34,454,104 | (1,369,738) | 33,084,366 |
| Current liabilities payable from restricted assets | | | | | | | | | |
| Accounts payable and retainage payable | - | 219,657 | - | - | - | 2,046,734 | 2,266,391 | - | 2,266,391 |
| Accrued interest | - | - | - | - | - | 6,001,934 | 6,001,934 | - | 6,001,934 |
| Self-insurance liability | - | - | - | - | - | 8,958,866 | 8,958,866 | - | 8,958,866 |
| Current portion of long-term debt | - | - | - | - | - | 37,015,000 | 37,015,000 | - | 37,015,000 |
| Total current liabilities payable from restricted assets | - | 219,657 | - | - | - | 54,022,534 | 54,242,191 | - | 54,242,191 |
| Total current liabilities | 429,131 | 1,308,932 | 273,974 | 873,461 | 125,181 | 85,685,616 | 88,696,295 | (1,369,738) | 87,326,557 |
| Non-current liabilities | | | | | | | | | |
| Other post employment benefits | 749,942 | 20,652 | 6,592 | 343,870 | 319,102 | 56,178,842 | 57,619,000 | - | 57,619,000 |
| Long-term self-insurance liability | 300 | 1,380 | 14,745 | 33,654 | 34,991 | 6,283,760 | 6,368,830 | - | 6,368,830 |
| Long-term debt | - | - | - | - | - | 536,053,550 | 536,053,550 | - | 536,053,550 |
| Capital lease / leaseback obligations | - | - | - | - | - | 86,018,071 | 86,018,071 | - | 86,018,071 |
| Other non-current liabilities | - | - | - | - | - | 25,307,154 | 25,307,154 | - | 25,307,154 |
| Total non-current liabilities | 750,242 | 22,032 | 21,337 | 377,524 | 354,093 | 709,841,377 | 711,366,605 | - | 711,366,605 |
| Total liabilities | 1,179,373 | 1,330,964 | 295,311 | 1,250,985 | 479,274 | 795,526,993 | 800,062,900 | (1,369,738) | 798,693,162 |
| Deferred Inflows of Resources | | | | | | | | | |
| Accumulated increase in fair value of hedging derivative instruments | | | | | | | | | |
| | - | - | - | - | - | 506,311 | 506,311 | - | 506,311 |
| Net Position | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | |
| Restricted | 7,025 | 675,725 | 69,551 | 1,751,217 | 25,472,207 | 481,751,111 | 509,726,836 | - | 509,726,836 |
| Accounts receivable | 62 | 1,476 | 4 | - | - | 42,038 | 43,580 | - | 43,580 |
| Cooperative agreement | - | 15,094,230 | - | - | - | - | 15,094,230 | - | 15,094,230 |
| Mass transit sales tax bond indenture | - | - | - | - | - | 40,958,799 | 40,958,799 | - | 40,958,799 |
| Fuel hedge agreement | - | - | - | - | - | 1,654,357 | 1,654,357 | - | 1,654,357 |
| Capital lease obligations | - | - | - | - | - | 14,972 | 14,972 | - | 14,972 |
| Self insurance agreement | - | - | - | - | - | 246,586 | 246,586 | - | 246,586 |
| Collateral for LRV capital lease | - | - | - | - | - | 8,484,863 | 8,484,863 | - | 8,484,863 |
| Unrestricted | 3,352,899 | 1,809,430 | 492,660 | (1,006,599) | 549,243 | 69,952,639 | 75,150,272 | - | 75,150,272 |
| Total net position | 3,359,986 | 17,580,861 | 562,215 | 744,618 | 26,021,450 | 603,105,365 | 651,374,495 | - | 651,374,495 |
| Total | <u>\$ 4,539,359</u> | <u>\$ 18,911,825</u> | <u>\$ 857,526</u> | <u>\$ 1,995,603</u> | <u>\$ 26,500,724</u> | <u>\$ 1,399,138,669</u> | <u>\$ 1,451,943,706</u> | <u>\$ (1,369,738)</u> | <u>\$ 1,450,573,968</u> |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-----------------------|-----------------------|---------------------------|---------------------------------|
| Operating revenues | | | | | | | | | |
| Passenger and service revenues | \$ - | \$ 5,646,858 | \$ 1,284,849 | \$ 2,295,362 | \$ 1,547,066 | \$ 53,035,637 | \$ 63,809,772 | \$ (120,897) | \$ 63,688,875 |
| Interfund administrative fees | 3,390,295 | - | - | - | - | - | 3,390,295 | (3,390,295) | - |
| Other | 433,761 | 35,594 | 92,387 | 135,670 | 243,434 | 8,021,219 | 8,962,065 | - | 8,962,065 |
| Total operating revenues | <u>3,824,056</u> | <u>5,682,452</u> | <u>1,377,236</u> | <u>2,431,032</u> | <u>1,790,500</u> | <u>61,056,856</u> | <u>76,162,132</u> | <u>(3,511,192)</u> | <u>72,650,940</u> |
| Operating expenses | | | | | | | | | |
| Wages and benefits | 2,171,208 | 1,547,580 | 409,030 | 1,248,105 | 928,465 | 168,422,154 | 174,726,542 | - | 174,726,542 |
| Services | 817,661 | 878,476 | 612,347 | 219,575 | 137,713 | 32,376,875 | 35,042,647 | - | 35,042,647 |
| Materials and supplies | 13,428 | 113,618 | 27,766 | 573,486 | 150,109 | 37,681,690 | 38,560,097 | - | 38,560,097 |
| Casualty and liability costs | - | 46,937 | 33,251 | 135,563 | 56,653 | 5,014,763 | 5,287,167 | - | 5,287,167 |
| Interfund administrative charges | - | 622,472 | 128,287 | - | 89,536 | 2,550,000 | 3,390,295 | (3,390,295) | - |
| Electricity, telephone, leases, & other gen expenses | 236,821 | 596,185 | 94,046 | 220,973 | 213,971 | 9,650,367 | 11,012,363 | (120,897) | 10,891,466 |
| Depreciation and amortization | 2,433 | 391,669 | 9,819 | 252,235 | 1,633,001 | 67,489,066 | 69,778,223 | - | 69,778,223 |
| Total operating expenses | <u>3,241,551</u> | <u>4,196,937</u> | <u>1,314,546</u> | <u>2,649,937</u> | <u>3,209,448</u> | <u>323,184,915</u> | <u>337,797,334</u> | <u>(3,511,192)</u> | <u>334,286,142</u> |
| Operating income (loss) | <u>582,505</u> | <u>1,485,515</u> | <u>62,690</u> | <u>(218,905)</u> | <u>(1,418,948)</u> | <u>(262,128,059)</u> | <u>(261,635,202)</u> | <u>-</u> | <u>(261,635,202)</u> |
| Non-operating revenues (expenses) | | | | | | | | | |
| Grants and assistance | | | | | | | | | |
| State and local assistance | - | - | - | - | 24,965 | 199,884,893 | 199,909,858 | - | 199,909,858 |
| Federal assistance | - | - | - | - | - | 20,876,636 | 20,876,636 | - | 20,876,636 |
| Interest income | 1,891 | 9,753 | 953 | - | 192 | 5,672,919 | 5,685,708 | - | 5,685,708 |
| Interest expense | - | - | - | - | - | (28,773,662) | (28,773,662) | - | (28,773,662) |
| Contributions from (to) outside entities | - | (420,258) | - | - | - | (2,061,978) | (2,482,236) | - | (2,482,236) |
| Gain or (loss) on disposition of assets | - | - | 79,369 | - | - | 125,819 | 205,188 | - | 205,188 |
| Other non-operating revenue (expense) | - | 202 | - | - | 8,640 | (610,986) | (602,144) | - | (602,144) |
| Total non-operating revenues (expenses) | <u>1,891</u> | <u>(410,303)</u> | <u>80,322</u> | <u>-</u> | <u>33,797</u> | <u>195,113,641</u> | <u>194,819,348</u> | <u>-</u> | <u>194,819,348</u> |
| Income (loss) before transfers | <u>584,396</u> | <u>1,075,212</u> | <u>143,012</u> | <u>(218,905)</u> | <u>(1,385,151)</u> | <u>(67,014,418)</u> | <u>(66,815,854)</u> | <u>-</u> | <u>(66,815,854)</u> |
| Net Transfers | <u>-</u> | <u>123,223</u> | <u>(169,920)</u> | <u>-</u> | <u>-</u> | <u>46,697</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (loss) before capital contributions | <u>584,396</u> | <u>1,198,435</u> | <u>(26,908)</u> | <u>(218,905)</u> | <u>(1,385,151)</u> | <u>(66,967,721)</u> | <u>(66,815,854)</u> | <u>-</u> | <u>(66,815,854)</u> |
| Capital contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>870,731</u> | <u>69,586,234</u> | <u>70,456,965</u> | <u>-</u> | <u>70,456,965</u> |
| Change in net position | <u>584,396</u> | <u>1,198,435</u> | <u>(26,908)</u> | <u>(218,905)</u> | <u>(514,420)</u> | <u>2,618,513</u> | <u>3,641,111</u> | <u>-</u> | <u>3,641,111</u> |
| Total net position, July 1, 2013 | <u>2,775,590</u> | <u>16,382,426</u> | <u>589,123</u> | <u>963,523</u> | <u>26,535,870</u> | <u>600,486,852</u> | <u>647,733,384</u> | <u>-</u> | <u>647,733,384</u> |
| Total net position, June 30, 2014 | <u>\$ 3,359,986</u> | <u>\$ 17,580,861</u> | <u>\$ 562,215</u> | <u>\$ 744,618</u> | <u>\$ 26,021,450</u> | <u>\$ 603,105,365</u> | <u>\$ 651,374,495</u> | <u>\$ -</u> | <u>\$ 651,374,495</u> |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|---|-----------------------|-----------------------------------|--|--|----------------------------------|----------------------|----------------------|---------------------------|---------------------------------|
| Cash flows from operating activities | | | | | | | | | |
| Receipts from customers | \$ 433,202 | \$ 5,701,463 | \$ 1,377,236 | \$ 2,431,652 | \$ 1,708,297 | \$ 59,701,591 | \$ 71,353,441 | \$ - | \$ 71,353,441 |
| Payments to employees | (1,974,572) | (1,802,130) | (510,644) | (1,186,463) | (904,088) | (161,055,706) | (167,433,603) | - | (167,433,603) |
| Payments to vendors | (1,052,391) | (2,372,392) | (1,006,443) | (1,057,938) | (435,946) | (77,583,270) | (83,508,380) | - | (83,508,380) |
| Payments for self-insurance | - | (46,937) | (33,251) | (154,135) | (56,653) | (6,663,413) | (6,954,389) | - | (6,954,389) |
| Receipts (payments) from inter-fund activity | 3,240,701 | (796,308) | (246,689) | (64,756) | (165,066) | (1,967,882) | - | - | - |
| Net cash provided by (used in) operating activities | 646,940 | 683,696 | (419,791) | (31,640) | 146,544 | (187,568,680) | (186,542,931) | - | (186,542,931) |
| Cash flows from noncapital financing activities | | | | | | | | | |
| Operating assistance received | - | - | - | - | 24,965 | 218,315,422 | 218,340,387 | - | 218,340,387 |
| Contributions (to) from outside entities | - | (420,259) | - | - | - | (2,061,978) | (2,482,237) | - | (2,482,237) |
| Net transfers | - | 123,223 | (169,920) | - | - | 46,697 | - | - | - |
| Non-operating contributions | - | 202 | - | - | 8,640 | (610,985) | (602,143) | - | (602,143) |
| Net cash provided by (used in) noncapital financing activities | - | (296,834) | (169,920) | - | 33,605 | 215,689,156 | 215,256,007 | - | 215,256,007 |
| Net increase (decrease) in cash and cash equivalents, operating and non-operating financing activities | \$ 646,940 | \$ 386,862 | \$ (589,711) | \$ (31,640) | \$ 180,149 | \$ 28,120,476 | \$ 28,713,076 | \$ - | \$ 28,713,076 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|---|-----------------------|-----------------------------------|--|--|----------------------------------|-----------------------|-----------------------|---------------------------|---------------------------------|
| Net increase (decrease) in cash and cash equivalents, operating and non-operating financing activities | \$ 646,940 | \$ 386,862 | \$ (589,711) | \$ (31,640) | \$ 180,149 | \$ 28,120,476 | \$ 28,713,076 | \$ - | \$ 28,713,076 |
| Cash flows from capital and related financing activities | | | | | | | | | |
| Acquisitions of capital assets | - | (28,671) | - | (200,820) | (963,095) | (65,553,332) | (66,745,918) | - | (66,745,918) |
| Proceeds from long-term debt | - | - | - | - | - | 26,467,437 | 26,467,437 | - | 26,467,437 |
| Payments to DSRF for defeasance | - | - | - | - | - | (17,580,234) | (17,580,234) | - | (17,580,234) |
| Payments to Missouri Transportation Finance Corp. | - | - | - | - | - | (5,000,000) | (5,000,000) | - | (5,000,000) |
| Interest paid | - | - | - | - | - | (17,603,052) | (17,603,052) | - | (17,603,052) |
| Contributed capital | - | - | - | - | 870,731 | 69,586,234 | 70,456,965 | - | 70,456,965 |
| Net cash provided by (used in) capital and related financing activities | - | (28,671) | - | (200,820) | (92,364) | (9,682,947) | (10,004,802) | - | (10,004,802) |
| Cash flows from investing activities | | | | | | | | | |
| Purchases of investments | - | (439,085) | (500,184) | - | - | (82,808,052) | (83,747,321) | - | (83,747,321) |
| Proceeds from sale of investments | - | 3,757,639 | 500,183 | - | - | 70,965,477 | 75,223,299 | - | 75,223,299 |
| Interest received | 1,877 | 9,753 | 1,529 | - | 192 | 270,721 | 284,072 | - | 284,072 |
| Net cash provided by (used in) investing activities | 1,877 | 3,328,307 | 1,528 | - | 192 | (11,571,854) | (8,239,950) | - | (8,239,950) |
| Net increase (decrease) in cash and cash equivalents | 648,817 | 3,686,498 | (588,183) | (232,460) | 87,977 | 6,865,675 | 10,468,324 | - | 10,468,324 |
| Cash and cash equivalents, beginning of year | 3,055,556 | 11,666,188 | 1,166,014 | 252,726 | 672,697 | 99,611,790 | 116,424,971 | - | 116,424,971 |
| Cash and cash equivalents, end of year | \$ 3,704,373 | \$ 15,352,686 | \$ 577,831 | \$ 20,266 | \$ 760,674 | \$ 106,477,465 | \$ 126,893,295 | \$ - | \$ 126,893,295 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2014**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------|
| Cash flows from operating activities | | | | | | | | | |
| Operating income (loss) | \$ 582,505 | \$ 1,485,515 | \$ 62,690 | \$ (218,905) | \$ (1,418,948) | \$ (262,128,059) | \$ (261,635,202) | \$ - | \$ (261,635,202) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | | | | | | | |
| Depreciation and amortization | 2,433 | 391,669 | 9,819 | 252,235 | 1,633,001 | 67,489,066 | 69,778,223 | - | 69,778,223 |
| Change in assets and liabilities | | | | | | | | | |
| Accounts and notes receivables | (559) | 19,011 | - | 619 | (65,969) | (1,355,264) | (1,402,162) | - | (1,402,162) |
| Interfund accounts receivable | (146,312) | (236,453) | (135,180) | (51,806) | (29,548) | 91,174 | (508,125) | 508,125 | - |
| Materials and supplies | - | - | - | (5,734) | (476) | (1,308,809) | (1,315,019) | - | (1,315,019) |
| Prepaid expenses, deferred charges and other current assets | - | (333) | (200) | (267) | 5,769 | (853,703) | (848,734) | - | (848,734) |
| Accounts payable | 15,519 | (796,919) | (273,887) | 9,466 | 43,066 | 3,715,435 | 2,712,680 | - | 2,712,680 |
| Other current liabilities | - | 13,139 | 1,803 | (47,368) | 1,254 | 572,740 | 541,568 | - | 541,568 |
| Interfund accounts payable | (3,282) | 62,617 | 16,778 | (12,950) | (45,983) | 490,945 | 508,125 | (508,125) | - |
| Accrued expenses | 83,214 | 9,405 | 5,833 | 18,585 | (14,069) | 1,042,971 | 1,145,939 | - | 1,145,939 |
| Other post employment benefits liability | 113,422 | (263,955) | (107,447) | 43,056 | 38,447 | 6,323,474 | 6,146,997 | - | 6,146,997 |
| Self-insurance liability | - | - | - | (18,571) | - | (1,648,650) | (1,667,221) | - | (1,667,221) |
| Total adjustments | 64,435 | (801,819) | (482,481) | 187,265 | 1,565,492 | 74,559,379 | 75,092,271 | - | 75,092,271 |
| Net cash provided by (used for) operating activities | \$ 646,940 | \$ 683,696 | \$ (419,791) | \$ (31,640) | \$ 146,544 | \$ (187,568,680) | \$ (186,542,931) | \$ - | \$ (186,542,931) |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Net Position
As of June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Total After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|--------------------------------|
| Assets | | | | | | | | | |
| Current assets | | | | | | | | | |
| Cash and cash equivalents | \$ 3,055,556 | \$ 3,260,834 | \$ 566,841 | \$ 252,726 | \$ 672,697 | \$ 50,580,482 | \$ 58,389,136 | \$ - | \$ 58,389,136 |
| Restricted cash and cash equivalents | - | 3,885,702 | 599,173 | - | - | 53,550,960 | 58,035,835 | - | 58,035,835 |
| Investments | - | 284,607 | - | - | - | 71,985,001 | 72,269,608 | - | 72,269,608 |
| Restricted investments | - | 9,992,059 | - | - | - | 26,056,363 | 36,048,422 | - | 36,048,422 |
| Accounts receivable | 106,555 | 143,232 | - | 10,489 | 63,971 | 1,608,361 | 1,932,608 | - | 1,932,608 |
| Restricted accounts receivable | 47 | 5,206 | 581 | - | - | 37,038 | 42,872 | - | 42,872 |
| Interfund accounts receivable | 574,472 | - | 74,759 | 115,849 | 5,359 | 91,174 | 861,613 | (861,613) | - |
| Federal, state and local operating assistance receivable | - | - | - | - | - | 21,796,818 | 21,796,818 | - | 21,796,818 |
| Materials and supplies | - | - | - | 40,595 | 61,599 | 7,833,897 | 7,936,091 | - | 7,936,091 |
| Prepaid expenses and other current assets | - | 21,308 | - | - | 17,064 | 1,498,558 | 1,536,930 | - | 1,536,930 |
| Total current assets | 3,736,630 | 17,592,948 | 1,241,354 | 419,659 | 820,690 | 235,038,652 | 258,849,933 | (861,613) | 257,988,320 |
| Non-current assets | | | | | | | | | |
| Restricted investments held to pay capital lease / leaseback liabilities | - | - | - | - | - | 84,103,682 | 84,103,682 | - | 84,103,682 |
| Depreciable capital assets, net of accumulated depreciation | 9,458 | 814,888 | - | 1,802,631 | 21,473,551 | 928,196,739 | 952,297,267 | - | 952,297,267 |
| Land | - | - | - | - | 4,542,564 | 97,432,663 | 101,975,227 | - | 101,975,227 |
| Construction in progress | - | 61,611 | - | - | 126,000 | 28,989,961 | 29,177,572 | - | 29,177,572 |
| Other non-current assets, net of accumulated amortization | - | - | - | - | 29,626 | 28,257 | 57,883 | - | 57,883 |
| Total non-current assets | 9,458 | 876,499 | - | 1,802,631 | 26,171,741 | 1,138,751,302 | 1,167,611,631 | - | 1,167,611,631 |
| Total Assets | 3,746,088 | 18,469,447 | 1,241,354 | 2,222,290 | 26,992,431 | 1,373,789,954 | 1,426,461,564 | (861,613) | 1,425,599,951 |
| Deferred Outflows of Resources | | | | | | | | | |
| Deferred Loss on refunding | - | - | - | - | - | 808,117 | 808,117 | - | 808,117 |
| Accumulated decrease in fair value of hedging derivative instruments | - | - | - | - | - | 73,298 | 73,298 | - | 73,298 |
| Total deferred outflows | - | - | - | - | - | 881,415 | 881,415 | - | 881,415 |
| Total | \$ 3,746,088 | \$ 18,469,447 | \$ 1,241,354 | \$ 2,222,290 | \$ 26,992,431 | \$ 1,374,671,369 | \$ 1,427,342,979 | \$ (861,613) | \$ 1,426,481,366 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Net Position
As of June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------|
| Liabilities | | | | | | | | | |
| Current liabilities payable from unrestricted assets | | | | | | | | | |
| Accounts payable | \$ 193,382 | \$ 1,564,726 | \$ 504,871 | \$ 31,211 | \$ 19,234 | \$ 7,208,304 | \$ 9,521,728 | \$ - | \$ 9,521,728 |
| Accrued expenses | 132,270 | 46,576 | 6,236 | 77,968 | 74,162 | 16,921,280 | 17,258,492 | - | 17,258,492 |
| Other current liabilities | - | 32,509 | 12,340 | 317,360 | 1,536 | 2,172,351 | 2,536,096 | - | 2,536,096 |
| Interfund accounts payable | 8,026 | 157,223 | - | 479,189 | 45,982 | 171,193 | 861,613 | (861,613) | - |
| Total current liabilities payable from unrestricted assets | 333,678 | 1,801,034 | 523,447 | 905,728 | 140,914 | 26,473,128 | 30,177,929 | (861,613) | 29,316,316 |
| Current liabilities payable from restricted assets | | | | | | | | | |
| Accounts payable and retainage payable | - | - | - | - | - | 6,378,531 | 6,378,531 | - | 6,378,531 |
| Accrued interest | - | - | - | - | - | 6,429,950 | 6,429,950 | - | 6,429,950 |
| Self-insurance liability | - | - | - | - | - | 10,098,969 | 10,098,969 | - | 10,098,969 |
| Current portion of long-term debt | - | - | - | - | - | 81,475,000 | 81,475,000 | - | 81,475,000 |
| Current portion of capital lease / leaseback obligations | - | - | - | - | - | 3,472,844 | 3,472,844 | - | 3,472,844 |
| Total current liabilities payable from restricted assets | - | - | - | - | - | 107,855,294 | 107,855,294 | - | 107,855,294 |
| Total current liabilities | 333,678 | 1,801,034 | 523,447 | 905,728 | 140,914 | 134,328,422 | 138,033,223 | (861,613) | 137,171,610 |
| Non-current liabilities | | | | | | | | | |
| Other post employment benefits | 636,520 | 284,607 | 114,039 | 300,814 | 280,656 | 49,855,364 | 51,472,000 | - | 51,472,000 |
| Long-term self-insurance liability | 300 | 1,380 | 14,745 | 52,225 | 34,991 | 6,803,137 | 6,906,778 | - | 6,906,778 |
| Long-term debt | - | - | - | - | - | 477,917,536 | 477,917,536 | - | 477,917,536 |
| Capital lease / leaseback obligations | - | - | - | - | - | 80,615,866 | 80,615,866 | - | 80,615,866 |
| Other non-current liabilities | - | - | - | - | - | 24,664,192 | 24,664,192 | - | 24,664,192 |
| Total non-current liabilities | 636,820 | 285,987 | 128,784 | 353,039 | 315,647 | 639,856,095 | 641,576,372 | - | 641,576,372 |
| Total liabilities | 970,498 | 2,087,021 | 652,231 | 1,258,767 | 456,561 | 774,184,517 | 779,609,595 | (861,613) | 778,747,982 |
| Net Position | | | | | | | | | |
| Net investment in capital assets | 9,458 | 876,499 | - | 1,802,631 | 26,142,115 | 500,699,601 | 529,530,304 | - | 529,530,304 |
| Restricted | | | | | | | | | |
| Accounts receivable | 47 | 5,206 | 581 | - | - | 37,038 | 42,872 | - | 42,872 |
| Cooperative agreement | - | 14,476,933 | - | - | - | - | 14,476,933 | - | 14,476,933 |
| Mass transit sales tax bond indenture | - | - | - | - | - | 47,785,296 | 47,785,296 | - | 47,785,296 |
| Fuel hedge agreement | - | - | - | - | - | 3,002,589 | 3,002,589 | - | 3,002,589 |
| Capital lease obligations | - | - | - | - | - | 14,972 | 14,972 | - | 14,972 |
| Self insurance agreement | - | - | - | - | - | (2,966,049) | (2,966,049) | - | (2,966,049) |
| Collateral for LRV capital lease | - | - | - | - | - | 8,522,055 | 8,522,055 | - | 8,522,055 |
| Unrestricted | 2,766,085 | 1,023,788 | 588,542 | (839,108) | 393,755 | 43,391,350 | 47,324,412 | - | 47,324,412 |
| Total net position | 2,775,590 | 16,382,426 | 589,123 | 963,523 | 26,535,870 | 600,486,852 | 647,733,384 | - | 647,733,384 |
| Total | \$ 3,746,088 | \$ 18,469,447 | \$ 1,241,354 | \$ 2,222,290 | \$ 26,992,431 | \$ 1,374,671,369 | \$ 1,427,342,979 | \$ (861,613) | \$ 1,426,481,366 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------|----------------|---------------------------|---------------------------------|
| Operating revenues | | | | | | | | | |
| Passenger and service revenues | \$ - | \$ 5,812,468 | \$ 1,554,846 | \$ 2,037,631 | \$ 1,612,565 | \$ 52,103,346 | \$ 63,120,856 | \$ (142,504) | \$ 62,978,352 |
| Interfund administrative fees | 3,490,790 | - | - | - | - | - | 3,490,790 | (3,490,790) | - |
| Other | 449,204 | 28,766 | 77,017 | 167,018 | 208,253 | 7,714,198 | 8,644,456 | - | 8,644,456 |
| Total operating revenues | 3,939,994 | 5,841,234 | 1,631,863 | 2,204,649 | 1,820,818 | 59,817,544 | 75,256,102 | (3,633,294) | 71,622,808 |
| Operating expenses | | | | | | | | | |
| Wages and benefits | 1,914,849 | 1,434,012 | 383,604 | 1,216,917 | 835,072 | 158,765,282 | 164,549,736 | - | 164,549,736 |
| Services | 596,484 | 809,970 | 540,328 | 198,954 | 20,875 | 28,637,959 | 30,804,570 | - | 30,804,570 |
| Materials and supplies | 19,919 | 254,952 | 26,931 | 512,675 | 150,251 | 37,199,651 | 38,164,379 | - | 38,164,379 |
| Casualty and liability costs | - | 39,837 | 32,156 | 159,471 | 58,187 | 4,408,443 | 4,698,094 | - | 4,698,094 |
| Interfund administrative charges | - | 635,334 | 164,398 | - | 91,058 | 2,600,000 | 3,490,790 | (3,490,790) | - |
| Electricity, telephone, leases, & other gen expenses | 190,801 | 634,945 | 90,253 | 218,214 | 195,476 | 9,423,546 | 10,753,235 | (142,504) | 10,610,731 |
| Depreciation and amortization | 2,433 | 405,693 | 35,147 | 253,050 | 1,666,041 | 69,947,404 | 72,309,768 | - | 72,309,768 |
| Total operating expenses | 2,724,486 | 4,214,743 | 1,272,817 | 2,559,281 | 3,016,960 | 310,982,285 | 324,770,572 | (3,633,294) | 321,137,278 |
| Operating income (loss) | 1,215,508 | 1,626,491 | 359,046 | (354,632) | (1,196,142) | (251,164,741) | (249,514,470) | - | (249,514,470) |
| Non-operating revenues (expenses) | | | | | | | | | |
| Grants and assistance | | | | | | | | | |
| State and local assistance | - | - | - | - | 500 | 186,826,051 | 186,826,551 | - | 186,826,551 |
| Federal assistance | - | - | - | - | - | 19,282,927 | 19,282,927 | - | 19,282,927 |
| Interest income | 2,558 | 20,217 | 1,434 | 10 | 333 | 5,538,658 | 5,563,210 | - | 5,563,210 |
| Interest expense | - | - | (15,009) | - | - | (26,480,258) | (26,495,267) | - | (26,495,267) |
| Contributions from (to) outside entities | - | (445,014) | (650,108) | - | 425,000 | (4,604,378) | (5,274,500) | - | (5,274,500) |
| Gain or (loss) on disposition of assets | - | - | - | - | - | (272,307) | (272,307) | - | (272,307) |
| Other non-operating revenue (expense) | - | - | (69,946) | (19,031) | (16,646) | 123,367 | 17,744 | - | 17,744 |
| Total non-operating revenues (expenses) | 2,558 | (424,797) | (733,629) | (19,021) | 409,187 | 180,414,060 | 179,648,358 | - | 179,648,358 |
| Income (loss) before transfers | 1,218,066 | 1,201,694 | (374,583) | (373,653) | (786,955) | (70,750,681) | (69,866,112) | - | (69,866,112) |
| Net Transfers | - | 1,179,384 | (1,216,189) | - | - | 36,805 | - | - | - |
| Income (loss) before capital contributions | 1,218,066 | 2,381,078 | (1,590,772) | (373,653) | (786,955) | (70,713,876) | (69,866,112) | - | (69,866,112) |
| Capital contributions | - | - | - | - | 686,673 | 49,462,170 | 50,148,843 | - | 50,148,843 |
| Change in net position | 1,218,066 | 2,381,078 | (1,590,772) | (373,653) | (100,282) | (21,251,706) | (19,717,269) | - | (19,717,269) |
| Total net position, July 1, 2012 | 1,557,524 | 14,001,348 | 2,179,895 | 1,337,176 | 26,636,152 | 621,738,558 | 667,450,653 | - | 667,450,653 |
| Total net position, June 30, 2013 | \$ 2,775,590 | \$ 16,382,426 | \$ 589,123 | \$ 963,523 | \$ 26,535,870 | \$ 600,486,852 | \$ 647,733,384 | \$ - | \$ 647,733,384 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|---|-----------------------|-----------------------------------|--|--|----------------------------------|----------------------|----------------------|---------------------------|---------------------------------|
| Cash flows from operating activities | | | | | | | | | |
| Receipts from customers | \$ 614,773 | \$ 5,873,731 | \$ 1,631,283 | \$ 2,200,698 | \$ 1,830,022 | \$ 60,210,563 | \$ 72,361,070 | \$ (142,504) | \$ 72,218,566 |
| Payments to employees | (1,832,146) | (1,403,409) | (366,685) | (1,216,020) | (802,604) | (152,642,774) | (158,263,638) | - | (158,263,638) |
| Payments to vendors | (744,520) | (950,759) | (405,598) | (909,595) | (367,246) | (78,733,073) | (82,110,791) | 142,504 | (81,968,287) |
| Payments for self-insurance | - | (44,070) | (33,652) | (150,834) | (52,818) | (3,522,235) | (3,803,609) | - | (3,803,609) |
| Receipts (payments) from inter-fund activity | 3,627,782 | (760,316) | (162,515) | (52,211) | (73,105) | (2,579,635) | - | - | - |
| Net cash provided by (used in) operating activities | 1,665,889 | 2,715,177 | 662,833 | (127,962) | 534,249 | (177,267,154) | (171,816,968) | - | (171,816,968) |
| Cash flows from noncapital financing activities | | | | | | | | | |
| Operating assistance received | - | - | - | - | 500 | 207,337,482 | 207,337,982 | - | 207,337,982 |
| Contributions (to) from outside entities | - | (445,014) | - | - | - | (4,604,378) | (5,049,392) | - | (5,049,392) |
| Net transfers | - | 1,179,384 | (1,216,189) | - | - | 36,805 | - | - | - |
| Non-operating contributions | - | - | (69,946) | (19,031) | (16,646) | 123,367 | 17,744 | - | 17,744 |
| Net cash provided by (used in) noncapital financing activities | - | 734,370 | (1,286,135) | (19,031) | (16,146) | 202,893,276 | 202,306,334 | - | 202,306,334 |
| Net increase (decrease) in cash and cash equivalents, operating and non-operating financing activities | \$ 1,665,889 | \$ 3,449,547 | \$ (623,302) | \$ (146,993) | \$ 518,103 | \$ 25,626,122 | \$ 30,489,366 | \$ - | \$ 30,489,366 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|---|-----------------------|-----------------------------------|--|--|----------------------------------|-----------------------|-----------------------|---------------------------|---------------------------------|
| Net increase (decrease) in cash and cash equivalents, operating and non-operating financing activities | \$ 1,665,889 | \$ 3,449,547 | \$ (623,302) | \$ (146,993) | \$ 518,103 | \$ 25,626,122 | \$ 30,489,366 | \$ - | \$ 30,489,366 |
| Cash flows from capital and related financing activities | | | | | | | | | |
| Acquisitions of capital assets | - | (63,305) | (31,375) | (45,193) | (967,412) | (34,529,890) | (35,637,175) | - | (35,637,175) |
| Payments of long-term debt | - | - | (720,000) | - | - | (10,637,000) | (11,357,000) | - | (11,357,000) |
| Interest paid | - | - | (21,150) | - | - | (23,689,131) | (23,710,281) | - | (23,710,281) |
| Contributed capital | - | - | - | - | 686,673 | 49,462,170 | 50,148,843 | - | 50,148,843 |
| Net cash provided by (used in) capital and related financing activities | - | (63,305) | (772,525) | (45,193) | (280,739) | (19,393,851) | (20,555,613) | - | (20,555,613) |
| Cash flows from investing activities | | | | | | | | | |
| Purchases of investments | - | (19,009,992) | - | - | - | (83,084,966) | (102,094,958) | - | (102,094,958) |
| Proceeds from sale of investments | - | 18,003,730 | - | - | - | 112,296,863 | 130,300,593 | - | 130,300,593 |
| Interest received | 2,651 | 27,377 | 1,917 | 9 | 333 | 305,446 | 337,733 | - | 337,733 |
| Net cash provided by (used in) investing activities | 2,651 | (978,885) | 1,917 | 9 | 333 | 29,517,343 | 28,543,368 | - | 28,543,368 |
| Net increase (decrease) in cash and cash equivalents | 1,668,540 | 2,407,357 | (1,393,910) | (192,177) | 237,697 | 35,749,614 | 38,477,121 | - | 38,477,121 |
| Cash and cash equivalents, beginning of year | 1,387,016 | 4,739,179 | 2,559,924 | 444,903 | 435,000 | 68,381,828 | 77,947,850 | - | 77,947,850 |
| Cash and cash equivalents, end of year | \$ 3,055,556 | \$ 7,146,536 | \$ 1,166,014 | \$ 252,726 | \$ 672,697 | \$ 104,131,442 | \$ 116,424,971 | \$ - | \$ 116,424,971 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Other Supplementary Information
Combining Schedule of Cash Flows
Year Ended June 30, 2013**

| | Executive Services | Gateway Arch Tram System | Gateway Arch Parking Facility | Gateway Arch Riverfront Attractions | St. Louis Downtown Airport | Transit System | Totals | Interfund Eliminations | Totals After Eliminations |
|--|-----------------------|-----------------------------------|--|--|----------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------|
| Cash flows from operating activities | | | | | | | | | |
| Operating income (loss) | \$ 1,215,508 | \$ 1,626,491 | \$ 359,046 | \$ (354,632) | \$ (1,196,142) | \$ (251,164,741) | \$ (249,514,470) | \$ - | \$ (249,514,470) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | | | | | | | |
| Depreciation and amortization | 2,433 | 405,693 | 35,147 | 253,050 | 1,666,041 | 69,947,404 | 72,309,768 | - | 72,309,768 |
| Change in assets and liabilities | | | | | | | | | |
| Accounts and notes receivables | 165,569 | 32,497 | (581) | (3,952) | 9,205 | 393,022 | 595,760 | - | 595,760 |
| Interfund accounts receivable | 139,062 | - | 1,883 | 159,719 | (248) | 8,579 | 308,995 | (308,995) | - |
| Materials and supplies | - | - | - | (14,300) | 4,908 | (743,494) | (752,886) | - | (752,886) |
| Prepaid expenses, deferred charges and other current assets | - | (21,108) | 100 | 133 | (6,391) | 67,865 | 40,599 | - | 40,599 |
| Accounts payable | 62,684 | 770,500 | 246,830 | (20,823) | 4,113 | (1,784,450) | (721,146) | - | (721,146) |
| Other current liabilities | - | (284) | 4,984 | 55,237 | (3,276) | (234,873) | (178,212) | - | (178,212) |
| Interfund accounts payable | (2,069) | (124,982) | - | (211,927) | 18,202 | 11,781 | (308,995) | 308,995 | - |
| Accrued expenses | (6,106) | (3,380) | 3,419 | (30,997) | 2,151 | 276,009 | 241,096 | - | 241,096 |
| Other post employment benefits liability | 88,808 | 33,983 | 13,501 | 31,894 | 30,317 | 5,846,497 | 6,045,000 | - | 6,045,000 |
| Self-insurance liability | - | (4,233) | (1,496) | 8,636 | 5,369 | 109,247 | 117,523 | - | 117,523 |
| Total adjustments | 450,381 | 1,088,686 | 303,787 | 226,670 | 1,730,391 | 73,897,587 | 77,697,502 | - | 77,697,502 |
| Net cash provided by (used for) operating activities | \$ 1,665,889 | \$ 2,715,177 | \$ 662,833 | \$ (127,962) | \$ 534,249 | \$ (177,267,154) | \$ (171,816,968) | \$ - | \$ (171,816,968) |

Celebrating an outstanding year and award winning employees



Government Finance Officers Association
Certificate of Achievement for Excellence in Financial Reporting and
Distinguished Budget Presentation

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

Statistical Section

Statistical Section Index

The Statistical Section includes unaudited schedules showing relevant information on Bi-State Development Agency presented in the following five categories:

Financial Trend Data

Pages 131 - 138

These schedules contain trend information to help the reader understand how the Agency's financial performance and position have changed over time.

Revenue Capacity Data

Page 139 - 142

These schedules contain information to help the reader assess the Agency's significant revenue sources.

Debt Capacity Data

Pages 143 - 145

These schedules present information that helps the reader assess the affordability of the Agency's current level of outstanding debt and access its ability to issue additional debt in the future.

Operating Information

Pages 146 - 161

These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.

Demographic and Economic Information

Pages 162 - 165

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency financial activities take place.

Ten years of data is included when available and relevant. This information has been extracted from current and prior years' financial reports and other supplemental information relevant to the Agency. The data is rounded to significant digits to more clearly illustrate existing trends. The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Combined Operating Data**

Last Ten Fiscal Years

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| Operating revenues | | | | | | | | | | |
| Transit passenger revenue | \$ 53,035,637 | \$ 50,725,441 | \$ 48,892,350 | \$ 46,115,422 | \$ 44,631,129 | \$ 47,273,386 | \$ 45,489,586 | \$ 42,776,383 | \$ 38,389,988 | \$ 35,922,851 |
| Executive Services management fees | 3,390,295 | 3,490,790 | 2,668,316 | 2,300,344 | 2,209,741 | 2,357,409 | 2,458,375 | 2,060,946 | 2,149,193 | 1,905,322 |
| Gateway Arch ticket sales | 5,646,858 | 5,812,468 | 5,765,958 | 5,298,865 | 5,292,374 | 5,375,420 | 4,580,866 | 5,404,940 | 5,552,639 | 4,685,166 |
| Parking Facility parking revenue | 1,284,849 | 1,554,846 | 1,641,921 | 1,780,168 | 1,788,078 | 1,678,992 | 1,866,028 | 1,885,903 | 1,804,907 | 2,050,996 |
| Cruise, bike rental, and heliport revenue | 2,295,362 | 2,046,585 | 2,132,278 | 1,598,957 | 2,266,081 | 1,994,146 | 2,320,043 | 2,717,828 | 3,090,750 | 2,947,802 |
| Aircraft parking | 140,470 | 146,170 | 135,440 | 130,612 | 127,418 | 130,844 | 132,472 | 130,052 | 130,135 | 130,683 |
| Airport leased acreage | 435,668 | 433,817 | 441,346 | 426,783 | 427,835 | 434,320 | 408,045 | 395,619 | 330,578 | 293,743 |
| Hangar rental | 798,448 | 875,852 | 457,013 | 456,486 | 456,834 | 535,629 | 532,771 | 471,625 | 429,940 | 369,940 |
| Aviation sale flowage fee | 172,480 | 156,726 | 161,680 | 148,984 | 177,989 | 185,278 | 186,349 | 197,946 | 181,521 | 202,784 |
| Airport concessions | 134,198 | 115,464 | 132,082 | 126,215 | 102,671 | 124,606 | 112,591 | 101,705 | 97,658 | 106,675 |
| Other operating revenue | 8,827,867 | 9,897,943 | 10,103,291 | 9,636,826 | 9,146,124 | 8,637,646 | 8,913,148 | 8,421,363 | 7,976,273 | 6,807,203 |
| Elimination of interfund administrative fee revenue and transactions | (3,511,192) | (3,633,294) | (2,807,989) | (2,425,888) | (2,319,814) | (2,357,409) | (2,556,489) | (2,146,937) | (2,215,616) | (1,971,138) |
| Total operating revenues | 72,650,940 | 71,622,808 | 69,723,686 | 65,593,774 | 64,306,460 | 66,370,267 | 64,443,785 | 62,417,373 | 57,917,966 | 53,452,027 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 174,726,542 | 164,549,736 | 159,193,615 | 153,786,140 | 146,355,106 | 149,602,180 | 146,197,846 | 122,443,279 | 122,258,991 | 120,990,798 |
| Services | 35,042,647 | 30,804,570 | 29,839,982 | 26,675,440 | 23,278,755 | 25,094,384 | 27,952,571 | 23,025,041 | 19,286,448 | 19,331,594 |
| Materials and supplies | 38,560,098 | 38,164,379 | 36,689,676 | 32,210,801 | 28,952,947 | 30,058,572 | 29,800,949 | 26,352,537 | 23,125,138 | 20,966,013 |
| Casualty and liability | 5,287,167 | 4,698,094 | 3,781,848 | 6,193,155 | 5,094,733 | 3,914,378 | 5,607,543 | 6,445,794 | 7,136,534 | 7,627,112 |
| Other operating expense | 14,402,658 | 14,244,025 | 12,408,916 | 12,763,503 | 12,048,946 | 14,795,509 | 13,720,778 | 14,576,817 | 13,100,303 | 11,231,456 |
| Depreciation and amortization | 69,778,222 | 72,309,768 | 74,220,327 | 78,296,734 | 77,216,621 | 78,772,630 | 80,511,757 | 79,482,148 | 75,827,253 | 60,154,407 |
| Elimination of interfund administrative fee expense and transactions | (3,511,192) | (3,633,294) | (2,807,989) | (2,425,888) | (2,319,814) | (2,357,409) | (2,556,489) | (2,146,937) | (2,215,616) | (1,971,138) |
| Total operating expenses | 334,286,142 | 321,137,278 | 313,326,375 | 307,499,885 | 290,627,294 | 299,880,244 | 301,234,955 | 270,178,679 | 258,519,051 | 238,330,242 |
| Operating income (loss) | (261,635,202) | (249,514,470) | (243,602,689) | (241,906,111) | (226,320,834) | (233,509,977) | (236,791,170) | (207,761,306) | (200,601,085) | (184,878,215) |
| Non-operating revenue (expense) | | | | | | | | | | |
| Grants & assistance | 220,786,494 | 206,109,478 | 198,036,543 | 193,432,008 | 168,315,119 | 171,074,419 | 169,005,401 | 156,083,492 | 124,217,878 | 147,476,596 |
| Interest revenue | 5,685,708 | 5,563,210 | 5,419,005 | 7,086,754 | 16,388,286 | 24,418,070 | 28,011,593 | 29,916,968 | 28,881,590 | 26,219,305 |
| Interest expense | (28,773,662) | (26,495,267) | (27,125,589) | (35,874,047) | (43,246,576) | (50,274,817) | (52,432,088) | (39,265,071) | (20,175,291) | (33,721,664) |
| Misc other non-operating revenue (expense) | (2,879,192) | (5,529,063) | (1,710,814) | (946,752) | (3,278,898) | 325,517 | (14,431,896) | (30,012,958) | (55,306,368) | (68,418,735) |
| Total non-operating revenue (expense) | 194,819,348 | 179,648,358 | 174,619,145 | 163,697,963 | 138,177,931 | 145,543,189 | 130,153,010 | 116,722,431 | 77,617,809 | 71,555,502 |
| Net income (loss) before transfers | (66,815,854) | (69,866,112) | (68,983,544) | (78,208,148) | (88,142,903) | (87,966,788) | (106,638,160) | (91,038,875) | (122,983,276) | (113,322,713) |
| Net transfers | - | - | - | - | - | - | - | - | - | - |
| Net income (loss) | \$ (66,815,854) | \$ (69,866,112) | \$ (68,983,544) | \$ (78,208,148) | \$ (88,142,903) | \$ (87,966,788) | \$ (106,638,160) | \$ (91,038,875) | \$ (122,983,276) | \$ (113,322,713) |
| Total Assets | \$ 1,447,879,965 | \$ 1,426,461,564 | 1,448,876,822 | \$ 1,420,902,428 | \$ 1,515,812,366 | \$ 1,742,467,017 | \$ 1,799,061,177 | \$ 1,851,291,747 | \$ 1,928,553,566 | \$ 1,899,368,842 |
| Intercompany Eliminations | \$ (1,369,738) | (861,613) | (362,495) | (1,674,705) | (1,155,160) | 4,795,171 | (620,883) | (557,637) | (693,834) | (717,622) |
| Total Assets After Eliminations | \$ 1,446,510,227 | \$ 1,425,599,951 | \$ 1,448,514,327 | \$ 1,419,227,723 | \$ 1,514,657,206 | \$ 1,747,262,188 | \$ 1,798,440,294 | \$ 1,850,734,110 | \$ 1,927,859,732 | \$ 1,898,651,220 |
| Capital Assets | \$ 1,076,453,376 | \$ 1,083,450,066 | \$ 1,119,184,480 | \$ 1,124,557,415 | \$ 1,167,998,408 | \$ 1,221,481,994 | \$ 1,262,784,721 | \$ 1,331,112,310 | \$ 1,370,621,489 | \$ 1,303,305,046 |
| Capital Assets as Percent of Total Assets | 74.3% | 76.0% | 77.2% | 79.1% | 77.1% | 70.1% | 70.2% | 71.9% | 71.1% | 68.6% |
| Restricted Assets | \$ 191,760,017 | \$ 178,230,811 | \$ 229,276,872 | \$ 192,376,564 | \$ 278,324,532 | \$ 455,063,217 | \$ 448,778,272 | \$ 456,181,014 | \$ 497,357,948 | \$ 524,144,564 |
| Restricted Assets as Percent of Total Assets | 13.2% | 12.5% | 15.8% | 13.5% | 18.4% | 26.1% | 24.9% | 24.6% | 25.8% | 27.6% |
| Total Debt | \$ 573,068,550 | \$ 559,392,536 | \$ 573,191,624 | \$ 580,041,793 | \$ 594,030,931 | \$ 585,337,771 | \$ 583,341,343 | \$ 577,986,844 | \$ 580,768,166 | \$ 442,857,256 |
| Population St. Louis Metro | Not yet available | Not yet available | 2,478,293 | 2,474,770 | 2,471,623 | 2,488,718 | 2,479,096 | 2,469,874 | 2,459,257 | 2,445,364 |
| Debt per capita | Not yet available | Not yet available | \$ 231 | \$ 234 | \$ 240 | \$ 235 | \$ 235 | \$ 234 | \$ 236 | \$ 181 |

Source of data: Audited Financial Statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Executive Services
Operating Data

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues | | | | | | | | | | |
| Management fees | \$ 3,390,295 | \$ 3,490,790 | \$ 2,668,316 | \$ 2,300,344 | \$ 2,209,741 | \$ 2,357,409 | \$ 2,458,375 | \$ 2,060,946 | \$ 2,149,193 | \$ 1,905,322 |
| Other operating revenue | 433,761 | 449,204 | 455,684 | 437,028 | 447,745 | 471,855 | 428,428 | 484,711 | 521,975 | 509,142 |
| Total operating revenues | 3,824,056 | 3,939,994 | 3,124,000 | 2,737,372 | 2,657,486 | 2,829,264 | 2,886,803 | 2,545,657 | 2,671,168 | 2,414,464 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 2,171,208 | 1,914,849 | 2,014,234 | 1,590,581 | 1,330,690 | 1,224,202 | 1,938,862 | 1,462,186 | 1,450,864 | 1,067,720 |
| Services | 817,661 | 596,484 | 575,451 | 1,014,601 | 599,322 | 949,060 | 764,959 | 757,097 | 743,122 | 813,606 |
| Materials and supplies | 13,428 | 19,919 | 16,090 | 19,384 | 16,543 | 13,962 | 10,284 | 19,041 | 121,421 | 6,684 |
| Casualty and liability | - | - | - | - | - | - | 300 | - | - | - |
| Other operating expense | 236,821 | 190,801 | 225,436 | 180,596 | 162,233 | 167,574 | 167,434 | 205,974 | 260,378 | 157,724 |
| Depreciation and amortization | 2,433 | 2,433 | 2,831 | 7,209 | 7,320 | 5,238 | 6,478 | 7,783 | 4,348 | 4,664 |
| Total operating expenses | 3,241,551 | 2,724,486 | 2,834,042 | 2,812,371 | 2,116,108 | 2,360,036 | 2,888,317 | 2,452,081 | 2,580,133 | 2,050,398 |
| Operating income (loss) | 582,505 | 1,215,508 | 289,958 | (74,999) | 541,378 | 469,228 | (1,514) | 93,576 | 91,035 | 364,066 |
| Non-operating revenue (expense) | | | | | | | | | | |
| Interest revenue | 1,891 | 2,558 | 1,650 | 1,145 | 7,081 | 9,074 | 15,987 | 18,609 | 13,324 | 21,981 |
| Misc other non-operating revenue (expense) | - | - | - | - | 30,100 | (9,690) | - | - | - | (30,000) |
| Total non-operating revenue (expense) | 1,891 | 2,558 | 1,650 | 1,145 | 37,181 | (616) | 15,987 | 18,609 | 13,324 | (8,019) |
| Net income (loss) | \$ 584,396 | \$ 1,218,066 | \$ 291,608 | \$ (73,854) | \$ 578,559 | \$ 468,612 | \$ 14,473 | \$ 112,185 | \$ 104,359 | \$ 356,047 |
| Total Assets | \$ 4,539,359 | \$ 3,746,088 | \$ 2,384,703 | \$ 1,978,863 | \$ 1,873,305 | \$ 1,248,486 | \$ 831,316 | \$ 552,924 | \$ 479,501 | \$ 770,164 |
| Capital Assets | \$ 7,025 | \$ 9,458 | \$ 11,890 | \$ 14,721 | \$ 21,930 | \$ 29,249 | \$ 14,728 | \$ 21,207 | \$ 5,106 | \$ 9,455 |
| Capital Assets as | | | | | | | | | | |
| Percent of Total Assets | 0.2% | 0.3% | 0.5% | 0.7% | 1.2% | 2.3% | 1.8% | 3.8% | 1.1% | 1.2% |
| Restricted Assets | \$ 62 | \$ 47 | \$ 92 | \$ 425,278 | \$ 309,907 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Assets as | | | | | | | | | | |
| Percent of Total Assets | 0.0% | 0.0% | 0.0% | 21.5% | 16.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Source of data: Audited Financial Statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Tram System
Operating Data**

Last Ten Fiscal Years

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Operating revenues | | | | | | | | | | |
| Ticket sales | \$ 5,646,858 | \$ 5,812,468 | \$ 5,765,958 | \$ 5,298,865 | \$ 5,292,374 | \$ 5,375,420 | \$ 4,580,866 | \$ 5,404,940 | \$ 5,552,639 | \$ 4,685,166 |
| Other operating revenue | 35,594 | 28,766 | 52,289 | 100,689 | 97,207 | 59,227 | 35,249 | 51,115 | 20,458 | 16,468 |
| Total operating revenues | 5,682,452 | 5,841,234 | 5,818,247 | 5,399,554 | 5,389,581 | 5,434,647 | 4,616,115 | 5,456,055 | 5,573,097 | 4,701,634 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | \$ 1,547,580 | 1,434,012 | 1,411,262 | 1,315,997 | 1,304,411 | 1,299,474 | 1,130,196 | 1,090,508 | 1,088,470 | 1,237,944 |
| Services | 878,476 | 809,970 | 778,561 | 701,739 | 868,298 | 755,385 | 850,269 | 767,584 | 733,762 | 721,154 |
| Materials and supplies | 113,618 | 254,952 | 145,891 | 144,231 | 167,658 | 161,581 | 136,915 | 149,273 | 170,725 | 321,523 |
| Casualty and liability | 46,937 | 39,837 | 36,656 | 30,372 | 37,991 | 37,374 | 47,852 | 44,809 | 38,138 | 41,031 |
| Other operating expense | 1,218,657 | 1,270,279 | 1,213,189 | 1,507,526 | 1,384,217 | 1,348,492 | 1,423,206 | 1,175,116 | 1,256,290 | 1,020,716 |
| Depreciation and amortization | 391,669 | 405,693 | 403,798 | 750,852 | 392,188 | 493,842 | 435,381 | 451,645 | 512,383 | 502,849 |
| Total operating expenses | 4,196,937 | 4,214,743 | 3,989,357 | 4,450,717 | 4,154,763 | 4,096,148 | 4,023,819 | 3,678,935 | 3,799,768 | 3,845,217 |
| Operating income (loss) | 1,485,515 | 1,626,491 | 1,828,890 | 948,837 | 1,234,818 | 1,338,499 | 592,296 | 1,777,120 | 1,773,329 | 856,417 |
| Non-operating revenue (expense) | | | | | | | | | | |
| Interest revenue | 9,753 | 20,217 | 16,295 | 14,003 | 13,975 | 54,747 | 317,549 | 380,063 | 224,014 | 72,866 |
| Misc other non-operating revenue (expense) | (420,056) | (445,014) | (690,804) | (1,237,114) | (502,460) | 276,536 | (1,662,487) | (676,501) | - | (24,198) |
| Total non-operating revenue (expense) | (410,303) | (424,797) | (674,509) | (1,223,111) | (488,485) | 331,283 | (1,344,938) | (296,438) | 224,014 | 48,668 |
| Net income (loss) before transfers | 1,075,212 | 1,201,694 | 1,154,381 | (274,274) | 746,333 | 1,669,782 | (752,642) | 1,480,682 | 1,997,343 | 905,085 |
| Net transfers | 123,223 | 1,179,384 | - | - | - | - | - | - | - | - |
| Net income (loss) | \$ 1,198,435 | \$ 2,381,078 | \$ 1,154,381 | \$ (274,274) | \$ 746,333 | \$ 1,669,782 | \$ (752,642) | \$ 1,480,682 | \$ 1,997,343 | \$ 905,085 |
| Total Assets | \$ 18,911,825 | \$ 18,469,447 | \$ 15,416,764 | \$ 14,077,765 | \$ 14,190,158 | \$ 13,119,509 | \$ 11,500,373 | \$ 12,298,141 | \$ 10,925,276 | \$ 8,977,518 |
| Capital Assets | \$ 675,725 | \$ 876,499 | \$ 1,218,888 | \$ 1,566,112 | \$ 2,219,210 | \$ 2,815,408 | \$ 3,304,483 | \$ 3,611,923 | \$ 3,951,293 | \$ 4,404,933 |
| Capital Assets as Percent of Total Assets | 3.6% | 4.7% | 7.9% | 11.1% | 15.6% | 21.5% | 28.7% | 29.4% | 36.2% | 49.1% |
| Restricted Assets | \$ 15,095,706 | \$ 13,882,967 | \$ 9,777,560 | \$ 8,700,596 | \$ 5,940,449 | \$ 1,341,834 | \$ 1,284,807 | \$ 1,242,764 | \$ 1,048,000 | \$ 1,048,000 |
| Restricted Assets as Percent of Total Assets | 79.8% | 75.2% | 63.4% | 61.8% | 41.9% | 10.2% | 11.2% | 10.1% | 9.6% | 11.7% |
| Adult Tickets | 649,269 | 617,615 | 663,400 | 612,796 | 618,332 | 662,259 | 597,854 | 706,312 | 719,212 | 697,289 |
| Children Tickets | 235,896 | 244,996 | 243,747 | 229,270 | 221,964 | 199,263 | 150,163 | 176,681 | 192,503 | 192,123 |
| Total Tickets for Year | 885,165 | 862,611 | 907,147 | 842,066 | 840,296 | 861,522 | 748,017 | 882,993 | 911,715 | 889,412 |
| Ticket increase/decrease | | | | | | | | | | |
| Prior Year | 22,554 | (44,536) | 65,081 | 1,770 | (21,226) | 113,505 | (134,976) | (28,722) | 22,303 | (17,536) |
| Passengers to Date | 41,881,183 | 40,996,018 | 40,133,407 | 39,226,260 | 38,384,194 | 37,543,898 | 36,682,376 | 35,934,359 | 35,051,366 | 34,139,651 |

Source of data: Monthly ticket sales reports, daily passenger reports and audited financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Parking Facility
Operating Data**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|--------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | | | | | | |
| Parking revenue | \$ 1,284,849 | \$ 1,554,846 | \$ 1,641,921 | \$ 1,780,168 | \$ 1,788,078 | \$ 1,678,992 | \$ 1,866,028 | \$ 1,885,903 | \$ 1,804,907 | \$ 2,050,996 |
| Other operating revenue | 92,387 | 77,017 | 1,000 | 1,799 | 1,923 | 700 | 504 | 156 | 686 | 1,646 |
| Total operating revenues | 1,377,236 | 1,631,863 | 1,642,921 | 1,781,967 | 1,790,001 | 1,679,692 | 1,866,532 | 1,886,059 | 1,805,593 | 2,052,642 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 409,030 | 383,604 | 367,010 | 370,403 | 385,910 | 371,262 | 403,512 | 361,024 | 370,347 | 371,632 |
| Services | 612,347 | 540,328 | 515,080 | 422,812 | 465,255 | 464,761 | 446,236 | 423,410 | 410,187 | 380,609 |
| Materials and supplies | 27,766 | 26,931 | 39,334 | 29,590 | 24,521 | 17,883 | 18,858 | 20,441 | 32,419 | 21,862 |
| Casualty and liability | 33,251 | 32,156 | 29,824 | 28,403 | 30,502 | 24,942 | 41,612 | 33,954 | 35,165 | 35,838 |
| Other operating expense | 222,333 | 254,651 | 221,591 | 224,231 | 213,337 | 204,460 | 212,899 | 203,663 | 241,436 | 269,334 |
| Depreciation and amortization | 9,819 | 35,147 | 85,441 | 365,282 | 411,411 | 417,153 | 430,697 | 450,953 | 464,522 | 458,911 |
| Total operating expenses | 1,314,546 | 1,272,817 | 1,258,280 | 1,440,721 | 1,530,936 | 1,500,461 | 1,553,814 | 1,493,445 | 1,554,076 | 1,538,186 |
| Operating income (loss) | 62,690 | 359,046 | 384,641 | 341,246 | 259,065 | 179,231 | 312,718 | 392,614 | 251,517 | 514,456 |
| Non-operating revenue (expense) | | | | | | | | | | |
| Grants & assistance | | | | | | | | | | |
| Interest revenue | 953 | 1,434 | 1,166 | 2,244 | 711 | 24,552 | 116,625 | 143,287 | 107,951 | 46,396 |
| Debt expense | - | (15,009) | (65,119) | (114,093) | (155,948) | (192,163) | (231,370) | (260,443) | (295,446) | (325,757) |
| Misc other non-operating revenue (expense) | 79,369 | (720,054) | - | 97,214 | - | - | 25,000 | (25,000) | (682) | - |
| Total non-operating revenue (expense) | 80,322 | (733,629) | (63,953) | (14,635) | (155,237) | (167,611) | (89,745) | (142,156) | (188,177) | (279,361) |
| Net income (loss) before transfers | 143,012 | (374,583) | 320,688 | 326,611 | 103,828 | 11,620 | 222,973 | 250,458 | 63,340 | 235,095 |
| Net transfers | (169,920) | (1,216,189) | - | - | - | (205,000) | - | - | - | - |
| Net income (loss) | \$ (26,908) | \$ (1,590,772) | \$ 320,688 | \$ 326,611 | \$ 103,828 | \$ (193,380) | \$ 222,973 | \$ 250,458 | \$ 63,340 | \$ 235,095 |
| Total Assets | \$ 857,526 | \$ 1,241,354 | \$ 3,291,031 | \$ 3,544,721 | \$ 3,900,301 | \$ 4,213,154 | \$ 4,951,024 | \$ 5,272,709 | \$ 5,475,903 | \$ 5,945,412 |
| Capital Assets | \$ 69,551 | \$ - | \$ 653,881 | \$ 669,081 | \$ 908,402 | \$ 1,301,561 | \$ 1,708,861 | \$ 2,127,747 | \$ 2,545,448 | \$ 2,995,308 |
| Capital Assets as Percent of Total Assets | 8.1% | 0.0% | 19.9% | 18.9% | 23.3% | 30.9% | 34.5% | 40.4% | 46.5% | 50.4% |
| Restricted Assets | \$ 4 | \$ 599,754 | \$ 1,351,648 | \$ 1,485,001 | \$ 1,446,823 | \$ 1,412,310 | \$ 1,380,231 | \$ 1,363,296 | \$ 1,346,509 | \$ 1,318,141 |
| Restricted Assets as Percent of Total Assets | 0.0% | 48.3% | 41.1% | 41.9% | 37.1% | 33.5% | 27.9% | 25.9% | 24.6% | 22.2% |
| Long Term Debt ^{(1), (2)} | \$ - | \$ - | \$ 720,000 | \$ 710,402 | \$ 1,377,505 | \$ 2,003,997 | \$ 2,595,282 | \$ 3,151,681 | \$ 4,198,565 | \$ 4,666,115 |
| Vehicle Transactions | 210,394 | 222,239 | 239,801 | 271,589 | 272,258 | 258,567 | 295,957 | 287,803 | 266,214 | 295,427 |

(1) Revenue bonds were refunded April 1, 1986 for the amount of \$10,170,000. Amount includes discount on bonds.

(2) Revenue bonds were refunded February 19, 1997 for the amount of \$8,110,000. Amount includes discount on bonds.

Source of this data: Audited financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Riverfront Attractions
Operating Data**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | | | | | | |
| Cruise, bike rental, and heliport revenue | \$ 2,295,362 | \$ 2,046,585 | \$ 2,132,278 | \$ 1,598,957 | \$ 2,266,081 | \$ 1,994,146 | \$ 2,320,043 | \$ 2,717,828 | \$ 3,090,750 | \$ 2,947,802 |
| Other operating revenue | 135,670 | 158,064 | 335,495 | 187,009 | 236,776 | 202,647 | 196,980 | 240,179 | 146,498 | 52,943 |
| Total operating revenues | 2,431,032 | 2,204,649 | 2,467,773 | 1,785,966 | 2,502,857 | 2,196,793 | 2,517,023 | 2,958,007 | 3,237,248 | 3,000,745 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 1,248,105 | 1,216,917 | 1,154,711 | 1,050,819 | 1,194,801 | 1,109,888 | 1,326,797 | 1,238,833 | 1,359,274 | 1,364,919 |
| Services | 219,575 | 198,954 | 248,398 | 288,802 | 415,636 | 263,460 | 312,389 | 261,295 | 263,002 | 407,718 |
| Materials and supplies | 573,486 | 512,675 | 550,116 | 401,843 | 582,667 | 764,266 | 583,534 | 709,000 | 787,598 | 668,518 |
| Casualty and liability | 135,563 | 159,471 | 146,813 | 151,209 | 142,838 | 139,399 | 143,377 | 154,011 | 172,026 | 137,642 |
| Other operating expense | 220,973 | 218,214 | 272,364 | 272,122 | 283,874 | 221,710 | 465,496 | 433,823 | 477,957 | 300,548 |
| Depreciation and amortization | 252,235 | 253,050 | 256,972 | 264,846 | 294,367 | 298,639 | 302,212 | 291,490 | 267,266 | 185,690 |
| Total operating expenses | 2,649,937 | 2,559,281 | 2,629,374 | 2,429,641 | 2,914,183 | 2,797,362 | 3,133,805 | 3,088,452 | 3,327,123 | 3,065,035 |
| Operating income (loss) | (218,905) | (354,632) | (161,601) | (643,675) | (411,326) | (600,569) | (616,782) | (130,445) | (89,875) | (64,290) |
| Non-operating revenue (expense) | | | | | | | | | | |
| Interest revenue | - | 10 | 115 | 243 | 278 | 1,200 | 15,978 | 13,890 | 3,681 | 459 |
| Misc other non-operating revenue (expense) | - | (19,031) | - | - | (4,363) | (15,000) | - | - | (4,051) | - |
| Total non-operating revenue (expense) | - | (19,021) | 115 | 243 | (4,085) | (13,800) | 15,978 | 13,890 | (370) | 459 |
| Net income (loss) before transfers | (218,905) | (373,653) | (161,486) | (643,432) | (415,411) | (614,369) | (600,804) | (116,555) | (90,245) | (63,831) |
| Net transfers | - | - | - | - | - | 205,000 | - | - | - | - |
| Net income (loss) | \$ (218,905) | \$ (373,653) | \$ (161,486) | \$ (643,432) | \$ (415,411) | \$ (409,369) | \$ (600,804) | \$ (116,555) | \$ (90,245) | \$ (63,831) |
| Total Assets | \$ 1,995,603 | \$ 2,222,290 | \$ 2,763,925 | \$ 2,370,871 | \$ 2,689,797 | \$ 3,027,423 | \$ 3,397,494 | \$ 3,966,849 | \$ 4,175,293 | \$ 4,173,799 |
| Capital Assets | \$ 1,751,217 | \$ 1,802,631 | \$ 2,010,488 | \$ 2,267,460 | \$ 2,532,306 | \$ 2,830,934 | \$ 3,131,135 | \$ 3,375,387 | \$ 3,588,094 | \$ 3,582,453 |
| Capital Assets as Percent of Total Assets | 87.8% | 81.1% | 72.7% | 95.6% | 94.1% | 93.5% | 92.2% | 85.1% | 85.9% | 85.8% |
| Restricted Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 77,363 | \$ - | \$ - | \$ - |
| Restricted Assets as Percent of Total Assets | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.3% | 0.0% | 0.0% | 0.0% |
| Number of Passengers | 120,723 | 108,122 | 113,503 | 76,230 | 105,887 | 95,834 | 107,588 | 140,290 | 168,738 | 163,752 |
| Number of Cruises | 932 | 1,000 | 1,114 | 816 | 1,022 | 1,009 | 1,087 | 1,384 | 1,460 | 1,463 |
| Days of Operation | 248 | 245 | 263 | 224 | 234 | 244 | 248 | 278 | 286 | 273 |

Source of data: Audited financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
St. Louis Downtown Airport
Operating Data**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | | | | | | |
| Aircraft parking | \$ 140,470 | \$ 146,170 | \$ 135,440 | \$ 130,612 | \$ 127,418 | \$ 130,844 | \$ 132,472 | \$ 130,052 | \$ 130,135 | \$ 130,683 |
| Leased acreage | 435,668 | 433,817 | 441,346 | 426,783 | 427,835 | 434,320 | 408,045 | 395,619 | 330,578 | 293,743 |
| Hangar rental | 798,448 | 875,852 | 457,013 | 456,486 | 456,834 | 535,629 | 532,771 | 471,625 | 429,940 | 369,940 |
| Aviation sale flowage fee | 172,480 | 156,726 | 161,680 | 148,984 | 177,989 | 185,278 | 186,349 | 197,946 | 181,521 | 202,784 |
| Airport concessions | 134,198 | 115,464 | 132,082 | 126,215 | 102,671 | 124,606 | 112,591 | 101,705 | 97,658 | 106,675 |
| Other operating revenue | 109,236 | 92,789 | 89,715 | 85,185 | 87,927 | 96,946 | 123,010 | 103,789 | 102,690 | 115,158 |
| Total operating revenues | 1,790,500 | 1,820,818 | 1,417,276 | 1,374,265 | 1,380,674 | 1,507,623 | 1,495,238 | 1,400,736 | 1,272,522 | 1,218,983 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 928,465 | 835,072 | 823,294 | 826,773 | 818,470 | 931,271 | 556,397 | 457,996 | 480,696 | 438,418 |
| Services | 137,713 | 20,875 | 27,913 | 79,173 | 8,298 | 129,386 | 107,907 | 82,371 | 88,506 | 80,340 |
| Materials and supplies | 150,109 | 150,251 | 124,341 | 125,385 | 120,386 | 90,034 | 180,879 | 108,553 | 100,818 | 106,269 |
| Casualty and liability | 56,653 | 58,187 | 9,413 | 49,529 | 51,318 | 48,631 | 35,137 | 76,894 | 86,982 | 54,470 |
| Other operating expense | 303,507 | 286,534 | 240,581 | 243,241 | 261,358 | 348,181 | 293,257 | 271,283 | 217,268 | 225,008 |
| Depreciation and amortization | 1,633,001 | 1,666,041 | 1,790,902 | 1,418,004 | 1,297,391 | 922,647 | 1,041,392 | 783,273 | 1,141,183 | 992,987 |
| Total operating expenses | 3,209,448 | 3,016,960 | 3,016,444 | 2,742,105 | 2,557,221 | 2,470,150 | 2,214,969 | 1,780,370 | 2,115,453 | 1,897,492 |
| Operating income (loss) | (1,418,948) | (1,196,142) | (1,599,168) | (1,367,840) | (1,176,547) | (962,527) | (719,731) | (379,634) | (842,931) | (678,509) |
| Non-operating revenue (expense) | | | | | | | | | | |
| Grants & assistance | 24,965 | 500 | 750 | - | 52,900 | 52,250 | - | - | - | - |
| Interest revenue | 192 | 333 | 284 | 328 | 415 | 9,178 | 33,467 | 37,769 | 18,805 | 4,581 |
| Interest expense | - | - | - | - | - | - | - | - | - | (65) |
| Misc other non-operating revenue (expense) | 8,640 | 408,354 | - | 1,018 | 40,720 | (312,921) | - | - | 2,246 | 3,398 |
| Total non-operating revenue (expense) | 33,797 | 409,187 | 1,034 | 1,346 | 94,035 | (251,493) | 33,467 | 37,769 | 21,051 | 7,914 |
| Net income (loss) | \$ (1,385,151) | \$ (786,955) | \$ (1,598,134) | \$ (1,366,494) | \$ (1,082,512) | \$ (1,214,020) | \$ (686,264) | \$ (341,865) | \$ (821,880) | \$ (670,595) |
| | | | | | | | | | | |
| Total Assets | \$ 26,500,724 | \$ 26,992,431 | \$ 27,035,834 | \$ 22,218,101 | \$ 21,908,196 | \$ 16,439,975 | \$ 14,728,367 | \$ 13,508,462 | \$ 13,849,228 | \$ 14,212,035 |
| Capital Assets | \$ 25,472,207 | \$ 26,142,115 | \$ 26,415,744 | \$ 21,644,892 | \$ 19,508,606 | \$ 15,653,501 | \$ 13,554,538 | \$ 12,513,295 | \$ 13,028,692 | \$ 13,672,726 |
| Capital Assets as Percent of Total Assets | 96.1% | 96.8% | 97.7% | 97.4% | 89.0% | 95.2% | 92.0% | 92.6% | 94.1% | 96.2% |
| Restricted Assets | \$ - | \$ - | \$ 258,496 | \$ 154,658 | \$ 156,623 | \$ 156,623 | \$ 43,443 | \$ - | \$ - | \$ - |
| Restricted Assets as Percent of Total Assets | 0.0% | 0.0% | 1.0% | 0.7% | 0.7% | 1.0% | 0.3% | 0.0% | 0.0% | 0.0% |
| Avg. monthly-based aircraft ⁽¹⁾ | 321 | 322 | 328 | 305 | 297 | 300 | 269 | 253 | 260 | 263 |
| Total Operations ⁽²⁾ | 106,996 | 87,091 | 84,040 | 93,443 | 116,267 | 116,316 | 110,987 | 128,530 | 156,866 | 166,959 |
| Fuel Sales (gals.) ⁽³⁾ | 1,757,640 | 1,622,881 | 1,655,296 | 1,729,770 | 2,029,738 | 2,061,238 | 2,150,071 | 2,233,119 | 2,207,545 | 2,367,233 |

⁽¹⁾ Number of aircraft stored in owned or leased hangars or outside ramp

⁽²⁾ Takeoff or landing recorded by the tower; movements when the tower is closed are not included

⁽³⁾ Number of gallons of aviation fuel purchased from Airport during the year

Source of data: Audited financial statements, Monthly Activity Report

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Metro Transit
Operating Data**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| Operating revenues | | | | | | | | | | |
| Passenger revenue | \$ 53,035,637 | \$ 50,725,441 | \$ 48,892,350 | \$ 46,115,422 | \$ 44,631,129 | \$ 47,273,386 | \$ 45,489,586 | \$ 42,776,383 | \$ 38,389,988 | \$ 35,922,851 |
| Service revenue | 3,216,567 | 4,829,032 | 5,193,082 | 5,134,269 | 5,363,445 | 5,352,097 | 5,436,033 | 5,578,631 | 4,940,486 | 4,688,117 |
| Other operating revenue | 4,804,652 | 4,263,071 | 3,976,026 | 3,690,847 | 2,911,101 | 2,454,174 | 2,692,944 | 1,962,782 | 2,243,480 | 1,423,729 |
| Total operating revenues | 61,056,856 | 59,817,544 | 58,061,458 | 54,940,538 | 52,905,675 | 55,079,657 | 53,618,563 | 50,317,796 | 45,573,954 | 42,034,697 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 168,422,154 | 158,765,282 | 153,423,104 | 148,631,567 | 141,320,824 | 144,666,083 | 140,842,082 | 117,832,732 | 117,509,340 | 116,510,165 |
| Services | 32,376,875 | 28,637,959 | 27,694,579 | 24,168,313 | 20,921,946 | 22,532,332 | 25,470,811 | 20,733,284 | 17,047,869 | 16,928,167 |
| Materials and supplies | 37,681,691 | 37,199,651 | 35,813,904 | 31,490,368 | 28,041,172 | 29,010,846 | 28,870,479 | 25,346,229 | 21,912,157 | 19,841,157 |
| Casualty and liability | 5,014,763 | 4,408,443 | 3,559,142 | 5,933,642 | 4,832,084 | 3,664,032 | 5,339,265 | 6,136,126 | 6,804,223 | 7,358,131 |
| Other operating expense | 12,200,367 | 12,023,546 | 10,235,755 | 10,335,787 | 9,743,927 | 12,505,092 | 11,158,486 | 12,286,958 | 10,646,974 | 9,258,126 |
| Depreciation and amortization | 67,489,065 | 69,947,404 | 71,680,383 | 75,490,541 | 74,813,944 | 76,635,111 | 78,295,597 | 77,497,004 | 73,437,551 | 58,009,306 |
| Total operating expenses | 323,184,915 | 310,982,285 | 302,406,867 | 296,050,218 | 279,673,897 | 289,013,496 | 289,976,720 | 259,832,333 | 247,358,114 | 227,905,052 |
| Subtotal | (262,128,059) | (251,164,741) | (244,345,409) | (241,109,680) | (226,768,222) | (233,933,839) | (236,358,157) | (209,514,537) | (201,784,160) | (185,870,355) |
| Non-operating revenue (expense) | | | | | | | | | | |
| Grants & assistance | 220,761,529 | 206,108,978 | 198,035,793 | 193,432,008 | 168,262,219 | 171,022,169 | 169,005,401 | 156,083,492 | 124,217,878 | 147,476,596 |
| Interest revenue | 5,672,919 | 5,538,658 | 5,399,495 | 7,068,791 | 16,365,826 | 24,319,319 | 27,511,987 | 29,323,350 | 28,513,815 | 26,073,022 |
| Interest expense | (28,773,662) | (26,480,258) | (27,060,470) | (35,759,954) | (43,090,628) | (50,082,654) | (52,200,718) | (39,004,628) | (19,879,845) | (33,395,842) |
| Misc other non-operating revenue (expense) | (2,547,145) | (4,753,318) | (1,020,010) | 192,130 | (2,842,895) | 386,592 | (12,794,409) | (29,311,457) | (55,303,881) | (68,367,935) |
| Total non-operating revenue (expense) | 195,113,641 | 180,414,060 | 175,354,808 | 164,932,975 | 138,694,522 | 145,645,426 | 131,522,261 | 117,090,757 | 77,547,967 | 71,785,841 |
| Net income (loss) before transfers | (67,014,418) | (70,750,681) | (68,990,601) | (76,176,705) | (88,073,700) | (88,288,413) | (104,835,896) | (92,423,780) | (124,236,193) | (114,084,514) |
| Net transfers | 46,697 | 36,805 | - | - | - | - | - | - | - | - |
| Net income (loss) | \$ (66,967,721) | \$ (70,713,876) | \$ (68,990,601) | \$ (76,176,705) | \$ (88,073,700) | \$ (88,288,413) | \$ (104,835,896) | \$ (92,423,780) | \$ (124,236,193) | \$ (114,084,514) |
| Total Assets | | | | | | | | | | |
| Total Assets | \$ 1,395,074,928 | \$ 1,373,789,954 | \$ 1,397,984,565 | \$ 1,376,712,107 | \$ 1,471,250,609 | \$ 1,704,418,470 | \$ 1,763,652,603 | \$ 1,815,692,662 | \$ 1,893,648,365 | \$ 1,865,289,914 |
| Capital Assets | \$ 1,048,477,651 | \$ 1,054,619,363 | \$ 1,088,873,589 | \$ 1,098,395,149 | \$ 1,142,807,954 | \$ 1,198,851,341 | \$ 1,241,070,976 | \$ 1,309,462,751 | \$ 1,347,502,856 | \$ 1,278,640,171 |
| Capital Assets as Percent of Total Assets | 75.2% | 76.8% | 77.9% | 79.8% | 77.7% | 70.3% | 70.4% | 72.1% | 71.2% | 68.5% |
| Restricted Assets | | | | | | | | | | |
| Restricted Assets | \$ 176,684,245 | \$ 163,748,043 | \$ 217,889,076 | \$ 181,611,031 | \$ 270,470,730 | \$ 452,152,450 | \$ 445,992,428 | \$ 453,574,954 | \$ 494,963,439 | \$ 521,778,423 |
| Restricted Assets as Percent of Total Assets | 12.7% | 11.9% | 15.6% | 13.2% | 18.4% | 26.5% | 25.3% | 25.0% | 26.1% | 28.0% |
| Total Debt | | | | | | | | | | |
| Total Debt | \$ 573,068,550 | \$ 559,392,536 | \$ 572,471,624 | \$ 579,331,391 | \$ 592,653,426 | \$ 583,333,774 | \$ 580,746,061 | \$ 574,835,163 | \$ 576,569,601 | \$ 438,191,141 |

Source of data: Audited financial statements

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Net Position by Operating Organization**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| General Agency | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 7,025 | \$ 9,458 | \$ 11,890 | \$ 14,720 | \$ 21,931 | \$ 29,251 | \$ 14,728 | \$ 21,207 | \$ 5,106 | \$ 9,456 |
| Restricted | 62 | 47 | 92 | - | - | - | - | - | - | - |
| Unrestricted | 3,352,899 | 2,766,085 | 1,545,542 | 1,251,196 | 1,317,839 | 731,960 | 277,871 | 256,920 | 160,836 | 411,741 |
| Total General Agency Net Position | <u>\$ 3,359,986</u> | <u>\$ 2,775,590</u> | <u>\$ 1,557,524</u> | <u>\$ 1,265,916</u> | <u>\$ 1,339,770</u> | <u>\$ 761,211</u> | <u>\$ 292,599</u> | <u>\$ 278,127</u> | <u>\$ 165,942</u> | <u>\$ 421,197</u> |
| Gateway Arch Tram System | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 675,725 | \$ 876,499 | \$ 1,218,888 | \$ 1,566,113 | \$ 2,219,209 | \$ 2,815,408 | \$ 3,304,483 | \$ 3,611,923 | \$ 3,951,292 | \$ 3,902,085 |
| Restricted | | | | | | | | | | |
| Accounts receivable | 1,476 | 5,206 | 7,159 | - | - | - | - | - | - | - |
| Cooperative agreement | 15,094,229 | 14,476,933 | 9,770,402 | 8,498,350 | 6,440,449 | 1,242,764 | 1,242,764 | 1,242,764 | 1,242,764 | 1,048,000 |
| Unrestricted | 1,809,431 | 1,023,788 | 3,004,899 | 2,782,504 | 4,461,583 | 8,316,736 | 6,157,879 | 6,603,080 | 4,783,030 | 3,223,555 |
| Total Arch Tram Net Position | <u>\$ 17,580,861</u> | <u>\$ 16,382,426</u> | <u>\$ 14,001,348</u> | <u>\$ 12,846,967</u> | <u>\$ 13,121,241</u> | <u>\$ 12,374,908</u> | <u>\$ 10,705,126</u> | <u>\$ 11,457,767</u> | <u>\$ 9,977,086</u> | <u>\$ 8,173,640</u> |
| Gateway Arch Parking Facility | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 69,551 | \$ - | \$ (746,119) | \$ (730,919) | \$ (1,136,598) | \$ (175,847) | \$ (179,823) | \$ (303,957) | \$ 96,958 | \$ (2,551,058) |
| Restricted | | | | | | | | | | |
| Accounts receivable | 4 | 581 | 483 | - | - | - | - | - | - | - |
| Revenue bond indenture | - | - | 1,345,025 | 1,384,696 | 1,364,725 | 1,349,697 | 1,340,678 | 1,347,659 | 1,325,967 | 1,295,368 |
| Unrestricted | 492,660 | 588,542 | 1,580,506 | 1,205,430 | 1,304,468 | 254,916 | 461,291 | 355,470 | (274,211) | 2,417,284 |
| Total Arch Parking Facility Net Position | <u>\$ 562,215</u> | <u>\$ 589,123</u> | <u>\$ 2,179,895</u> | <u>\$ 1,859,207</u> | <u>\$ 1,532,595</u> | <u>\$ 1,428,766</u> | <u>\$ 1,622,146</u> | <u>\$ 1,399,172</u> | <u>\$ 1,148,714</u> | <u>\$ 1,161,594</u> |
| Gateway Arch Riverboats | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 1,751,217 | \$ 1,802,631 | \$ 2,010,488 | \$ 2,267,460 | \$ 2,532,306 | \$ 2,830,934 | \$ 3,131,135 | \$ 3,375,388 | \$ 3,588,093 | \$ 1,935,971 |
| Unrestricted | (1,006,599) | (839,108) | (673,312) | (768,798) | (390,212) | (273,429) | (164,261) | 192,289 | 96,139 | 1,528,543 |
| Total Arch Riverboats Net Position | <u>\$ 744,618</u> | <u>\$ 963,523</u> | <u>\$ 1,337,176</u> | <u>\$ 1,498,662</u> | <u>\$ 2,142,094</u> | <u>\$ 2,557,505</u> | <u>\$ 2,966,874</u> | <u>\$ 3,567,677</u> | <u>\$ 3,684,232</u> | <u>\$ 3,464,514</u> |
| St Louis Downtown Airport | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 25,472,207 | \$ 26,142,115 | \$ 26,415,744 | \$ 21,644,892 | \$ 19,508,606 | \$ 15,653,501 | \$ 13,554,537 | \$ 12,513,295 | \$ 13,028,694 | \$ 15,530,762 |
| Unrestricted | 549,243 | 393,755 | 220,408 | 210,743 | 942,987 | 407,924 | 922,939 | 853,983 | 662,486 | (1,427,651) |
| Total St Louis Downtown Airport Net Position | <u>\$ 26,021,450</u> | <u>\$ 26,535,870</u> | <u>\$ 26,636,152</u> | <u>\$ 21,855,635</u> | <u>\$ 20,451,593</u> | <u>\$ 16,061,425</u> | <u>\$ 14,477,476</u> | <u>\$ 13,367,278</u> | <u>\$ 13,691,180</u> | <u>\$ 14,103,111</u> |
| Transit System | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 545,369,189 | \$ 500,699,601 | \$ 524,316,828 | \$ 523,718,388 | \$ 553,771,193 | \$ 629,708,503 | \$ 666,125,529 | \$ 737,621,053 | \$ 823,823,907 | \$ 932,784,613 |
| Restricted | | | | | | | | | | |
| Accounts receivable | 42,038 | 37,038 | 44,167 | - | - | - | - | - | - | - |
| Mass transit sales tax bond indenture | 40,958,799 | 47,785,296 | 48,200,198 | 20,811,654 | 21,058,862 | 4,127,698 | 3,421,333 | (265,806) | (331,831) | (89,542) |
| Fuel hedge agreement | 1,654,357 | 3,002,589 | 2,413,648 | 5,115,552 | 3,445,947 | 3,690,927 | 11,912,681 | 4,188,227 | 5,432,639 | 3,200,041 |
| Capital lease obligations | 14,972 | 14,972 | 7,691,014 | 8,736,150 | 4,399,289 | 4,463,601 | - | - | - | - |
| Self insurance agreement | 246,586 | (2,966,049) | (4,025,763) | (462,312) | 773,272 | (1,610,369) | (2,733,093) | (1,018,259) | (2,403,987) | (1,197,785) |
| Collateral for LRV capital lease | 8,484,863 | 8,522,055 | 7,676,342 | 8,721,177 | - | - | - | - | - | - |
| Other | - | - | 45,683 | - | - | - | - | - | - | - |
| SIB Loan Collateral | - | - | - | - | - | 1,546,000 | 1,546,000 | 1,546,000 | 1,546,500 | 1,546,500 |
| Unrestricted | 6,334,561 | 43,391,350 | 35,376,441 | 52,663,892 | 70,530,869 | 78,814,442 | 103,001,524 | 130,926,287 | 102,297,088 | 78,623,019 |
| Total Transit System Net Position | <u>\$ 603,105,365</u> | <u>\$ 600,486,852</u> | <u>\$ 621,738,558</u> | <u>\$ 619,304,501</u> | <u>\$ 653,979,432</u> | <u>\$ 720,740,802</u> | <u>\$ 783,273,974</u> | <u>\$ 872,997,502</u> | <u>\$ 930,364,316</u> | <u>\$ 1,014,866,846</u> |
| Total | | | | | | | | | | |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 573,344,914 | \$ 529,530,304 | \$ 553,227,719 | \$ 548,480,654 | \$ 576,916,647 | \$ 650,861,750 | \$ 685,950,589 | \$ 756,838,909 | \$ 844,494,050 | \$ 951,611,829 |
| Restricted | | | | | | | | | | |
| Accounts receivable | 43,580 | 42,872 | 51,901 | - | - | - | - | - | - | - |
| Cooperative agreement | 15,094,229 | 14,476,933 | 9,770,402 | 8,498,350 | 6,440,449 | 1,242,764 | 1,242,764 | 1,242,764 | 1,242,764 | 1,048,000 |
| Revenue bond indenture | - | - | 1,345,025 | 1,384,696 | 1,364,725 | 1,349,697 | 1,340,678 | 1,347,659 | 1,325,967 | 1,295,368 |
| Mass transit sales tax bond indenture | 40,958,799 | 47,785,296 | 48,200,198 | 20,811,654 | 21,058,862 | 4,127,698 | 3,421,333 | (265,806) | (331,831) | (89,542) |
| Fuel hedge agreement | 1,654,357 | 3,002,589 | 2,413,648 | 5,115,552 | 3,445,947 | 3,690,927 | 11,912,681 | 4,188,227 | 5,432,639 | 3,200,041 |
| Capital lease obligations | 14,972 | 14,972 | 7,691,014 | 8,736,150 | 4,399,289 | 4,463,601 | - | - | - | - |
| Self insurance agreement | 246,586 | (2,966,049) | (4,025,763) | (462,312) | 773,272 | (1,610,369) | (2,733,093) | (1,018,259) | (2,403,987) | (1,197,785) |
| Collateral for LRV capital lease | 8,484,863 | 8,522,055 | 7,676,342 | 8,721,177 | - | - | - | - | - | - |
| Other | - | - | 45,683 | - | - | - | - | - | - | - |
| SIB Loan Collateral | - | - | - | - | - | 1,546,000 | 1,546,000 | 1,546,000 | 1,546,500 | 1,546,500 |
| Unrestricted | 11,532,195 | 47,324,412 | 41,054,484 | 57,344,967 | 78,167,534 | 88,252,549 | 110,657,243 | 139,188,029 | 107,725,368 | 84,776,490 |
| Total Net Position | <u>\$ 651,374,495</u> | <u>\$ 647,733,384</u> | <u>\$ 667,450,653</u> | <u>\$ 658,630,888</u> | <u>\$ 692,566,725</u> | <u>\$ 753,924,617</u> | <u>\$ 813,338,195</u> | <u>\$ 903,067,523</u> | <u>\$ 959,031,470</u> | <u>\$ 1,042,190,902</u> |

Source of data: Audited Financial Statement

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Continuing Disclosure Requirements
MetroLink Cross County Extension Project
Mass Transit Sales Tax Appropriation Bonds
Series 2013 A

Historical Sources of Operating Funds & Operating Expenses of the Agency's Transit System for 10 Year Period

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Operating revenues | | | | | | | | | | |
| Passenger revenue | \$ 53,035,637 | \$ 50,725,441 | \$ 48,892,350 | \$ 46,115,422 | \$ 44,631,129 | \$ 47,273,386 | \$ 45,489,586 | \$ 42,776,383 | \$ 38,389,988 | \$ 35,922,851 |
| Service revenue | 3,216,567 | 4,829,032 | 5,193,082 | 5,134,269 | 5,363,445 | 5,352,097 | 5,436,033 | 5,578,631 | 4,940,486 | 4,688,117 |
| Other operating revenue | 4,804,652 | 4,263,071 | 3,976,026 | 3,690,847 | 2,911,101 | 2,454,174 | 2,692,944 | 1,962,782 | 2,243,480 | 1,423,729 |
| Total operating revenues | 61,056,856 | 59,817,544 | 58,061,458 | 54,940,538 | 52,905,675 | 55,079,657 | 53,618,563 | 50,317,796 | 45,573,954 | 42,034,697 |
| Operating expenses | | | | | | | | | | |
| Wages and benefits | 168,422,154 | 158,765,282 | 153,423,104 | 148,631,567 | 141,320,824 | 144,666,083 | 140,842,082 | 117,832,732 | 117,509,340 | 116,510,165 |
| Services | 32,376,875 | 28,637,959 | 27,694,579 | 24,168,313 | 20,921,946 | 22,532,332 | 25,470,811 | 20,733,284 | 17,047,869 | 16,928,167 |
| Materials and supplies | 37,681,691 | 37,199,651 | 35,813,904 | 31,490,368 | 28,041,172 | 29,010,846 | 28,870,479 | 25,346,229 | 21,912,157 | 19,841,157 |
| Casualty and liability | 5,014,763 | 4,408,443 | 3,559,142 | 5,933,642 | 4,832,084 | 3,664,032 | 5,339,265 | 6,136,126 | 6,804,223 | 7,358,131 |
| Other operating expense | 12,200,367 | 12,023,546 | 10,235,755 | 10,335,787 | 9,743,927 | 12,505,092 | 11,158,486 | 12,286,958 | 10,646,974 | 9,258,126 |
| Total operating expenses | 255,695,850 | 241,034,881 | 230,726,484 | 220,559,677 | 204,859,953 | 212,378,385 | 211,681,123 | 182,335,329 | 173,920,563 | 169,895,746 |
| Operating income (loss) | (194,638,994) | (181,217,337) | (172,665,026) | (165,619,139) | (151,954,278) | (157,298,728) | (158,062,560) | (132,017,533) | (128,346,609) | (127,861,049) |
| Depreciation and amortization | 67,489,065 | 69,947,404 | 71,680,383 | 75,490,541 | 74,813,944 | 76,635,111 | 78,295,597 | 77,497,004 | 73,437,551 | 58,009,306 |
| Operating income (loss) after depreciation | (262,128,059) | (251,164,741) | (244,345,409) | (241,109,680) | (226,768,222) | (233,933,839) | (236,358,157) | (209,514,537) | (201,784,160) | (185,870,355) |
| Non-operating revenue (expense) | | | | | | | | | | |
| Grants & assistance | 220,761,529 | 206,108,978 | 198,035,793 | 193,432,008 | 168,262,219 | 171,022,169 | 169,005,401 | 156,083,492 | 124,217,878 | 147,476,596 |
| Interest revenue | 5,672,919 | 5,538,658 | 5,399,495 | 7,068,791 | 16,365,826 | 24,319,319 | 27,511,987 | 29,323,350 | 28,513,815 | 26,073,022 |
| Interest expense | (28,773,662) | (26,480,258) | (27,060,470) | (35,759,954) | (43,090,628) | (50,082,654) | (52,200,718) | (39,004,628) | (19,879,845) | (33,395,842) |
| Misc other non-operating revenue (expense) | (2,547,145) | (4,753,318) | (1,020,010) | 192,130 | (2,842,895) | 386,592 | (12,794,409) | (29,311,457) | (55,303,881) | (68,367,935) |
| Total non-operating revenue (expense) | 195,113,641 | 180,414,060 | 175,354,808 | 164,932,975 | 138,694,522 | 145,645,426 | 131,522,261 | 117,090,757 | 77,547,967 | 71,785,841 |
| Net transfers | 46,697 | 36,805 | - | - | - | - | - | - | - | - |
| Net income (loss) | \$ (66,967,721) | \$ (70,713,876) | \$ (68,990,601) | \$ (76,176,705) | \$ (88,073,700) | \$ (88,288,413) | \$ (104,835,896) | \$ (92,423,780) | \$ (124,236,193) | \$ (114,084,514) |
| Total Assets | \$ 1,395,074,928 | \$ 1,373,789,954 | \$ 1,397,984,565 | \$ 1,376,712,107 | \$ 1,471,250,609 | \$ 1,704,418,470 | \$ 1,763,652,603 | \$ 1,815,692,662 | \$ 1,893,648,365 | \$ 1,865,289,914 |
| Capital Assets | \$ 1,048,456,745 | \$ 1,054,619,363 | \$ 1,088,873,589 | \$ 1,098,395,149 | \$ 1,142,807,954 | \$ 1,198,851,341 | \$ 1,241,070,976 | \$ 1,183,711,304 | \$ 713,581,162 | \$ 750,490,360 |
| Capital Assets as Percent of Total Assets | 75.2% | 76.8% | 77.9% | 79.8% | 77.7% | 70.3% | 70.4% | 65.2% | 37.7% | 40.2% |
| Restricted Assets | \$ 176,664,245 | \$ 163,748,043 | \$ 217,889,076 | \$ 198,198,922 | \$ 270,470,730 | \$ 452,152,450 | \$ 445,992,428 | \$ 453,574,954 | \$ 494,963,439 | \$ 521,778,423 |
| Restricted Assets as Percent of Total Assets | 12.7% | 11.9% | 15.6% | 14.4% | 18.4% | 26.5% | 25.3% | 25.0% | 26.1% | 28.0% |

*Includes Interest Income and Interest Expense
Source of data: Audited financial statements

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

Continuing Disclosure Requirements
 MetroLink Cross County Extension Project
 Mass Transit Sales Tax Appropriation Bonds
 Series 2013 A

Historical Sources and Uses of Agency Funding for Transit System Operations

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| Operating Revenue | | | | | | | | | | |
| Passenger/TMA Revenue | \$ 53,035,637 | \$ 52,103,346 | \$ 50,296,567 | \$ 47,496,596 | \$ 46,229,397 | \$ 48,932,760 | \$ 47,216,455 | \$ 44,750,654 | \$ 40,213,116 | \$ 37,798,724 |
| Auxiliary Operating Revenue | 4,804,652 | 4,263,071 | 3,976,026 | 3,690,847 | 2,911,101 | 2,454,174 | 2,692,944 | 1,962,782 | 2,243,480 | 1,423,729 |
| Total Operating Revenue | 57,840,289 | 56,366,417 | 54,272,593 | 51,187,443 | 49,140,498 | 51,386,934 | 49,909,399 | 46,713,436 | 42,456,596 | 39,222,453 |
| Subsidized Revenue | | | | | | | | | | |
| 1/2 Cent Sales Tax (incl Prop A) | 101,296,201 | 96,747,271 | 93,115,423 | 86,462,164 | 50,273,829 | 56,952,338 | 66,217,860 | 60,379,234 | 52,718,173 | 60,979,700 |
| Prop M Sales Tax (incl Prop M2) | 47,038,173 | 42,509,044 | 40,910,892 | 38,802,043 | 36,905,547 | 47,980,937 | 42,162,375 | 46,141,227 | 28,540,616 | 44,275,090 |
| St. Clair County Transit District | 46,806,797 | 42,568,974 | 40,503,721 | 39,992,390 | 33,680,825 | 32,300,858 | 27,140,081 | 22,958,426 | 23,779,110 | 21,315,331 |
| Madison County Service Agreement | - | - | - | 10,978 | 11,009 | 10,321 | - | 11,800 | - | (891) |
| Illinois State and local | 3,035,101 | 3,538,997 | 963,637 | 613,547 | 80,803 | 62,111 | 117 | 16,478 | - | - |
| Missouri State and local | 1,548,621 | 1,301,765 | 838,254 | 1,038,117 | 9,644,028 | 3,180,822 | 3,842,371 | 1,365,830 | 1,365,830 | 1,365,832 |
| Paratransit Contracts | 3,216,567 | 3,451,127 | 3,788,866 | 3,753,095 | 3,765,177 | 3,692,723 | 3,709,164 | 3,604,360 | 3,117,357 | 2,812,244 |
| Planning and Demonstration | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 100,000 | 108,800 | 100,000 | 159,996 |
| Other Miscellaneous Grants/Assistance (270) | - | - | - | - | - | - | - | - | - | - |
| Total State and Local Assistance | 203,101,190 | 190,277,178 | 180,280,793 | 170,832,334 | 134,521,218 | 144,340,110 | 143,171,968 | 134,586,155 | 109,621,086 | 130,907,302 |
| Federal Assistance | 20,876,636 | 19,282,927 | 21,543,864 | 26,352,771 | 37,506,178 | 30,374,783 | 29,542,597 | 25,101,696 | 17,714,150 | 19,381,538 |
| Total Subsidized Revenue | 223,977,826 | 209,560,105 | 201,824,657 | 197,185,105 | 172,027,396 | 174,714,893 | 172,714,565 | 159,687,851 | 127,335,236 | 150,288,840 |
| Non-operating Revenue | | | | | | | | | | |
| Investment Income | 270,721 | 305,446 | 328,304 | 311,439 | 242,228 | 1,672,321 | 5,267,468 | 7,464,643 | 8,141,013 | 4,897,417 |
| Miscellaneous Non-Operating Revenue | 45,836 | 123,367 | 77,296 | 1,161,748 | 184,321 | 188,765 | 1,435,910 | 2,756,372 | 1,313,538 | 157,484 |
| Gain (Loss) Disposition of Assets | 125,819 | 63,659 | (25,918) | 1,800 | (2,070,019) | 1,319,571 | (9,809,306) | 218,640 | (55,043,323) | (52,394,180) |
| Non-Cash items | 5,402,198 | 5,233,212 | 5,595,389 | 268,609 | 16,123,598 | 22,646,998 | 31,066,170 | 20,604,642 | 20,342,801 | 22,788,649 |
| Total Non-operating Revenue | 5,844,574 | 5,725,684 | 5,975,071 | 1,743,596 | 14,480,128 | 25,827,655 | 27,960,242 | 31,044,297 | (25,245,971) | (24,550,630) |
| Total Operating, Subsidized, and Non-operating Revenue | 287,662,689 | 271,652,206 | 262,072,321 | 250,116,144 | 235,648,022 | 251,929,482 | 250,584,206 | 237,445,584 | 144,545,861 | 164,960,663 |
| Operating Expense | | | | | | | | | | |
| MetroBus | 156,872,722 | 151,590,583 | 145,092,586 | 139,636,149 | 128,366,640 | 131,195,359 | 131,815,407 | 113,040,489 | 112,113,151 | 110,340,306 |
| MetroLink | 73,645,742 | 66,914,903 | 64,152,264 | 61,823,507 | 56,806,893 | 61,183,935 | 59,423,467 | 50,942,099 | 43,706,844 | 42,288,765 |
| Metro Paratransit | 25,177,386 | 22,529,395 | 21,481,634 | 18,846,522 | 19,480,473 | 19,897,072 | 20,302,600 | 18,191,971 | 18,166,701 | 17,274,100 |
| Cross County Capital Costs | - | - | - | 253,499 | 205,947 | 102,019 | 139,649 | 160,770 | (66,133) | (7,425) |
| Total Operating Expense | 255,695,850 | 241,034,881 | 230,726,484 | 220,559,677 | 204,859,953 | 212,378,385 | 211,681,123 | 182,335,329 | 173,920,563 | 169,895,746 |
| Non-operating Expense | | | | | | | | | | |
| Contributions to Outside Entities | 2,061,979 | 4,604,378 | 1,071,389 | 971,419 | 957,197 | 1,121,745 | 13,242,664 | 31,032,404 | 1,544,095 | 17,744,283 |
| Interest Expense | 23,371,464 | 21,247,046 | 22,513,475 | 22,513,860 | 26,391,830 | 23,253,309 | 24,524,973 | 17,224,315 | 9,019,857 | 2,991,232 |
| Total Non-Operating Expense | 25,433,443 | 25,851,424 | 23,584,864 | 23,485,279 | 27,349,027 | 24,375,054 | 37,767,637 | 48,256,719 | 10,563,952 | 20,735,515 |
| Total Expense before Non-Cash Items | 281,129,293 | 266,886,305 | 254,311,348 | 244,044,956 | 232,208,980 | 236,753,439 | 249,448,760 | 230,592,048 | 184,484,515 | 190,631,261 |
| Non-Cash Items | 73,547,814 | 75,516,582 | 76,751,574 | 82,247,893 | 91,512,742 | 103,464,456 | 105,971,342 | 99,277,316 | 84,297,539 | 88,413,916 |
| Total Operating and Non-operating Expense | 354,677,107 | 342,402,887 | 331,062,922 | 326,292,849 | 323,721,722 | 340,217,895 | 355,420,102 | 329,869,364 | 268,782,054 | 279,045,177 |
| Income (Loss) before Transfers | (67,014,418) | (70,750,681) | (68,990,601) | (76,176,705) | (88,073,700) | (88,288,413) | (104,835,896) | (92,423,780) | (124,236,193) | (114,084,514) |
| Net Transfers | 46,697 | 36,805 | - | - | - | - | - | - | - | - |
| Income (Loss) before Capital Contributions | \$ (66,967,721) | \$ (70,713,876) | \$ (68,990,601) | \$ (76,176,705) | \$ (88,073,700) | \$ (88,288,413) | \$ (104,835,896) | \$ (92,423,780) | \$ (124,236,193) | \$ (114,084,514) |

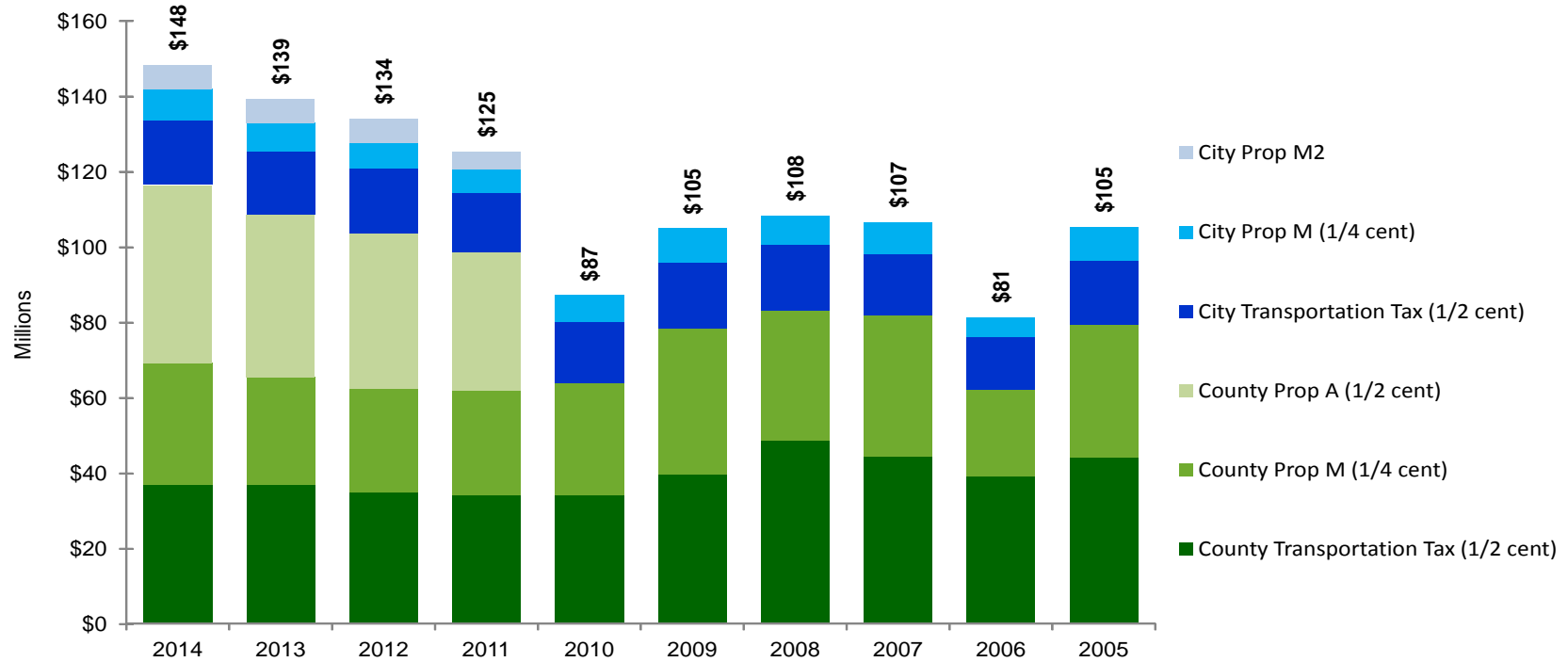
**Bi-State Development Agency MO-IL District
Transportation Sales Tax Collections and Receipts: Last Ten Years**

| | FY 2014 | FY 2013 | FY 2012 | FY 2011 | FY 2010 | FY 2009 | FY 2008 | FY 2007 | FY 2006 | FY 2005 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1/2 Cent Sales Tax (est. 1974) | | | | | | | | | | |
| <i>St. Louis County Gross Collections</i> | \$ 80,239,976 | \$ 79,916,846 | \$ 78,723,951 | \$ 75,585,123 | \$ 73,196,044 | \$ 77,299,636 | \$ 83,009,748 | \$ 82,298,340 | \$ 80,970,303 | \$ 79,256,020 |
| Funds Withheld (1) | (2,924,897) | (4,188,764) | (3,976,046) | (3,952,134) | (3,639,635) | (3,510,933) | (3,813,434) | (5,046,641) | (4,224,990) | (4,678,520) |
| Net Collections | \$ 77,315,079 | \$ 75,728,082 | \$ 74,747,905 | \$ 71,632,989 | \$ 69,556,409 | \$ 73,788,703 | \$ 79,196,314 | \$ 77,251,699 | \$ 76,745,313 | \$ 74,577,500 |
| Annualized Growth Rate (%) | 0.4% | 1.5% | 4.2% | 3.3% | -5.3% | -6.9% | 0.9% | 1.6% | 2.2% | 1.7% |
| Amount Distributed to Metro | \$ 38,657,532 | \$ 37,864,040 | \$ 37,373,952 | \$ 33,921,222 | \$ 34,778,192 | \$ 39,500,000 | \$ 48,480,000 | \$ 47,400,000 | \$ 45,300,000 | \$ 44,100,000 |
| % Gross Collections to Metro | 48.2% | 47.4% | 47.5% | 44.9% | 47.5% | 51.1% | 58.4% | 57.6% | 55.9% | 55.6% |
| <i>City of St. Louis Gross Collections</i> | \$ 18,898,260 | \$ 18,230,140 | \$ 19,103,235 | \$ 17,442,567 | \$ 17,204,164 | \$ 18,069,678 | \$ 18,569,330 | \$ 18,388,355 | \$ 17,576,780 | \$ 17,335,410 |
| Funds Withheld (1) | (902,267) | (756,368) | (778,883) | (667,311) | (682,528) | (617,333) | (831,469) | (619,118) | (391,115) | (496,585) |
| Net Collections | \$ 17,995,993 | \$ 17,473,772 | \$ 18,324,352 | \$ 16,775,256 | \$ 16,521,636 | \$ 17,452,345 | \$ 17,737,861 | \$ 17,769,237 | \$ 17,185,665 | \$ 16,838,825 |
| Annualized Growth Rate (%) | 3.7% | -4.6% | 9.5% | 1.4% | -4.8% | -2.7% | 1.0% | 4.6% | 1.4% | 3.2% |
| Amount Distributed to Metro | \$ 17,995,993 | \$ 17,473,772 | \$ 18,324,352 | \$ 16,775,256 | \$ 16,521,636 | \$ 17,452,345 | \$ 17,737,861 | \$ 17,769,237 | \$ 17,185,665 | \$ 16,839,325 |
| % Gross Collections to Metro | 95.2% | 95.9% | 95.9% | 96.2% | 96.0% | 96.6% | 95.5% | 96.6% | 97.8% | 97.1% |
| Total to Metro | \$ 56,653,525 | \$ 55,337,812 | \$ 55,698,304 | \$ 50,696,478 | \$ 51,299,828 | \$ 56,952,345 | \$ 66,217,861 | \$ 65,169,237 | \$ 62,485,665 | \$ 60,939,325 |
| 1/4 Cent Sales Tax "Prop M" (est. 1994) | | | | | | | | | | |
| <i>St. Louis County Gross Collections</i> | \$ 39,298,083 | \$ 39,069,101 | \$ 38,965,350 | \$ 37,411,985 | \$ 36,281,970 | \$ 38,968,769 | \$ 41,263,334 | \$ 41,111,836 | \$ 40,420,713 | \$ 39,608,364 |
| Annualized Growth Rate (%) | 0.6% | 0.3% | 4.2% | 3.1% | -6.9% | -5.6% | 0.4% | 1.7% | 2.1% | 1.8% |
| Amount Distrib. to Metro Trustee (2) | \$ 39,298,083 | \$ 39,069,101 | \$ 38,965,350 | \$ 37,411,985 | \$ 36,281,970 | \$ 38,968,769 | \$ 41,263,334 | \$ 41,111,836 | \$ 40,420,713 | \$ 39,608,364 |
| % Gross Collections to Metro | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| <i>City of St. Louis Gross Collections</i> | \$ 9,457,369 | \$ 9,112,765 | \$ 9,513,707 | \$ 8,508,373 | \$ 8,614,250 | \$ 9,012,168 | \$ 9,269,702 | \$ 9,183,525 | \$ 8,900,484 | \$ 8,661,930 |
| Annualized Growth Rate (%) | 3.8% | -4.2% | 11.8% | -1.2% | -4.4% | -2.8% | 0.9% | 3.2% | 2.8% | 2.3% |
| Amount Distrib. to Metro Trustee (2) | \$ 9,457,369 | \$ 9,112,765 | \$ 9,513,707 | \$ 8,508,373 | \$ 8,614,250 | \$ 9,012,168 | \$ 9,269,702 | \$ 9,183,525 | \$ 8,900,484 | \$ 8,661,930 |
| % Gross Collections to Metro | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total to Metro Trustee | \$ 48,755,452 | \$ 48,181,866 | \$ 48,479,057 | \$ 45,920,358 | \$ 44,896,220 | \$ 47,980,937 | \$ 50,533,036 | \$ 50,295,361 | \$ 49,321,197 | \$ 48,270,294 |
| 1/2 Cent Sales Tax "Prop A" (est. 2010) | | | | | | | | | | |
| <i>St. Louis County Gross Collections</i> | \$ 79,510,570 | \$ 78,149,334 | \$ 77,816,456 | \$ 60,055,011 | | | | | | |
| Annualized Growth Rate (%) | 1.7% | 0.4% | 29.6% | n/a | | | | | | |
| Amount Distributed to Metro | \$ 51,420,100 | \$ 46,300,000 | \$ 44,000,000 | \$ 39,500,000 | | | | | | |
| % Gross Collections to Metro | 64.7% | 59.2% | 56.5% | 65.8% | | | | | | |
| 1/4 Cent Sales Tax (est. 2010) | | | | | | | | | | |
| <i>City of St. Louis Gross Collections</i> | \$ 9,457,368 | \$ 9,112,764 | \$ 9,513,707 | \$ 7,209,896 | | | | | | |
| Annualized Growth Rate (%) | 3.8% | -4.2% | 32.0% | n/a | | | | | | |
| Amount Distributed to Metro | \$ 9,457,368 | \$ 9,112,764 | \$ 9,513,707 | \$ 7,209,896 | | | | | | |
| % Gross Collections to Metro | 100.0% | 100.0% | 100.0% | 100.0% | | | | | | |
| Total to Metro | \$ 60,877,468 | \$ 55,412,764 | \$ 53,513,707 | \$ 46,709,896 | | | | | | |
| Grand Total to Metro | \$ 166,286,445 | \$ 158,932,442 | \$ 157,691,068 | \$ 143,326,732 | \$ 96,196,048 | \$ 104,933,282 | \$ 116,750,897 | \$ 115,464,598 | \$ 111,806,862 | \$ 109,209,619 |
| Retail Taxpayers | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| St. Louis County | Unavailable | 21,822 | 21,921 | 22,237 | 22,313 | 22,394 | 22,644 | 23,093 | 23,279 | 22,960 |
| City of St. Louis | Unavailable | 8,649 | 8,592 | 8,612 | 8,610 | 8,647 | 8,746 | 8,948 | 9,008 | 8,614 |

Notes:

- (1) Funds withheld for Tax Incentive Financing (TIF)
- (2) 1/4 cent Prop M receipts pledged to debt service on Cross-County Bonds and sent directly to bond trustee. Trustee remits balance after debt service to Metro.

**Bi-State Development Agency MO-IL District
 Transportation Sales Tax Used for Transit Operations: Last Ten Years**



The St. Louis County and City of St. Louis 1/2 cent transportation sales tax inception date was 1973. The St Louis County and St. Louis City Proposition M 1/4 sales tax inception date was 1994. The Proposition A St. Louis County sales tax and the City of St. Louis Proposition M2 sales tax inception date was 2010.

Sales tax receipts in the City of St. Louis have grown slowly over the past decade. The passage of Proposition A and subsequent enactment of Proposition M2 provided Metro Transit with funds needed following a service reduction

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

Ratio of Outstanding Debt By Type

Last Ten Fiscal Years

| | 2014 | 2013 | 2012 | 2011** | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Senior Debt (Revenue Bonds) | | | | | | | | | | |
| MetroLink Cross-County Sales Tax Bonds | | | | | | | | | | |
| Series 2002 A, B, C | \$ - | \$ 360,899,761 | \$ 301,246,761 | \$ 311,366,761 | \$ 321,016,761 | \$ 396,016,761 | \$ 396,016,761 | \$ 414,121,761 | \$ 414,121,761 | \$ 414,121,761 |
| Series 2007 | - | 20,820,000 | 20,820,000 | 20,820,000 | 20,820,000 | 20,820,000 | 20,820,000 | - | - | - |
| Series 2009 | 97,220,000 | 97,220,000 | 97,220,000 | 97,220,000 | 97,220,000 | - | - | - | - | - |
| Series 2013 A | 381,225,000 | - | - | - | - | - | - | - | - | - |
| Arch Parking Garage Revenue Bonds | - | - | 720,000 | 1,400,000 | 2,045,000 | 2,660,000 | 3,245,000 | 3,795,000 | 4,325,000 | 4,830,000 |
| Total Senior Debt | 478,445,000 | 478,939,761 | 420,006,761 | 430,806,761 | 441,101,761 | 419,496,761 | 420,081,761 | 417,916,761 | 418,446,761 | 418,951,761 |
| Subordinate Debt (Revenue Bonds) | | | | | | | | | | |
| MetroLink Cross-County Sales Tax Bonds | | | | | | | | | | |
| Series 2005 A | - | - | - | - | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | - |
| Series 2010 A | - | 75,000,000 | 75,000,000 | 75,000,000 | - | - | - | - | - | - |
| Series 2010 B | - | - | 70,290,000 | 70,290,000 | - | - | - | - | - | - |
| Series 2013 B | 75,000,000 | - | - | - | - | - | - | - | - | - |
| Total Subordinate Debt | 75,000,000 | 75,000,000 | 145,290,000 | 145,290,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | - |
| Loans / Leases | | | | | | | | | | |
| Missouri Transportation Finance Corporation | - | 5,000,000 | 5,000,000 | - | - | 2,306,077 | 3,563,867 | 4,759,133 | 5,896,049 | 6,976,973 |
| Interest Rate Swaps | - | - | - | - | - | 9,299,800 | 4,325,326 | (1,105,900) | (1,027,505) | 8,485,309 |
| Capital Leases | 86,018,071 | 84,088,710 | 80,783,003 | 78,661,441 | 147,281,532 | 334,049,893 | 326,685,081 | 319,580,219 | 312,673,911 | 307,512,232 |
| Total Loans / Leases | 86,018,071 | 89,088,710 | 85,783,003 | 78,661,441 | 147,281,532 | 345,655,770 | 334,574,274 | 323,233,452 | 317,542,455 | 322,974,514 |
| Total Debt | 639,463,071 | 643,028,471 | 651,079,764 | 654,758,202 | 738,383,293 | 915,152,531 | 904,656,035 | 891,150,213 | 885,989,216 | 741,926,275 |
| Premiums and Discounts | | | | | | | | | | |
| Senior Debt (Revenue Bonds) | 19,623,550 | 56,802 | 927,908 | 1,887,144 | 2,929,170 | 4,235,133 | 5,370,389 | 6,416,850 | 7,452,861 | 8,443,213 |
| Subordinate Debt (Revenue Bonds) | - | 395,973 | 1,966,955 | 3,537,936 | - | - | - | - | - | - |
| Total Premiums and Discounts | 19,623,550 | 452,775 | 2,894,863 | 5,425,080 | 2,929,170 | 4,235,133 | 5,370,389 | 6,416,850 | 7,452,861 | 8,443,213 |
| Total | \$ 659,086,621 | \$ 643,481,246 | \$ 653,974,627 | \$ 660,183,282 | \$ 741,312,463 | \$ 919,387,664 | \$ 910,026,424 | \$ 897,567,063 | \$ 893,442,077 | \$ 750,369,488 |
| Population: St. Louis Metropolitan area * | 2,482,424 | 2,482,424 | 2,478,293 | 2,474,770 | 2,471,623 | 2,488,718 | 2,479,096 | 2,469,874 | 2,459,257 | 2,445,364 |
| Senior Debt Per Capita | \$193 | \$193 | \$169 | \$174 | \$178 | \$169 | \$169 | \$169 | \$170 | \$171 |
| As a Share of Personal Income * | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% |
| Subordinate Debt Per Capita | \$30 | \$30 | \$59 | \$59 | \$61 | \$60 | \$61 | \$61 | \$61 | \$0 |
| As a Share of Personal Income * | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.0% |
| Total Debt Per Capita | \$258 | \$259 | \$263 | \$265 | \$299 | \$368 | \$365 | \$361 | \$360 | \$303 |
| As a Share of Personal Income * | 0.6% | 0.6% | 0.6% | 0.6% | 0.7% | 0.9% | 0.9% | 0.9% | 0.9% | 0.8% |

Sources of data:

US Census Bureau, Annual Estimates of the Resident Population

U.S. Department of Commerce, Bureau of Economic Analysis, November 2012 (2012 statistics unavailable)

*Note- Amounts for FY 2014 and FY 2013 are calculated based on latest population and per capita figures that are available.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**
Continuing Disclosure Requirements
MetroLink Cross County Extension Project
Mass Transit Sales Tax Appropriation Bonds
Senior Lien : Series 2013 A; Series 2007; Series 2009
Subordinate Lien: Series 2013 B, Series 2005; Series 2010 A, B

Use of Sales Tax by the Agency

| Fiscal Year Ending June 30 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Local 1993 Quarter Cent Gross Sales Tax Receipts (1) | \$ 48,755,452 | \$ 48,181,866 | \$ 48,479,057 | \$ 45,920,358 | \$ 44,896,220 | \$ 47,980,937 | \$ 50,533,036 | \$ 50,295,361 | \$ 49,321,197 | \$ 48,270,294 |
| Prop M2 Receipts (1) | 9,457,368 | 9,112,765 | 9,513,707 | 7,209,896 | - | - | - | - | - | - |
| Prop A Receipts (1) | 79,510,570 | - | - | - | - | - | - | - | - | - |
| Net Receipts to Metro (2) | 137,723,390 | 57,294,631 | 57,992,764 | 53,130,254 | 44,896,220 | 47,980,937 | 50,533,036 | 50,295,361 | 49,321,197 | 48,270,294 |

Debt Service: Cross County Bonds

Senior Bonds

| | | | | | | | | | | |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Series 2002 A, B, C | \$ 2,152,599 | \$ 25,427,100 | \$ 25,627,633 | \$ 25,981,217 | \$ 24,463,109 | \$ 22,043,136 | \$ 22,228,147 | \$ 20,209,609 | \$ 19,552,690 | \$ 19,855,670 |
| Series 2007 | 89,535 | 1,074,422 | 1,074,421 | 1,074,425 | 1,074,420 | 1,074,420 | 268,606 | - | - | - |
| Series 2009 | 4,767,973 | 4,767,972 | 4,767,972 | 4,767,975 | 3,072,695 | - | - | - | - | - |
| Series 2013 A | 22,168,951 | - | - | - | - | - | - | - | - | - |
| Total Senior Lien | \$ 29,179,058 | \$ 31,269,494 | \$ 31,470,026 | \$ 31,823,617 | \$ 28,610,224 | \$ 23,117,556 | \$ 22,496,753 | \$ 20,209,609 | \$ 19,552,690 | \$ 19,855,670 |

Subordinate Bonds

| | | | | | | | | | | |
|------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Series 2005 | \$ - | \$ - | \$ - | \$ 100,793 | \$ 1,346,318 | \$ 4,647,028 | \$ 5,395,674 | \$ 6,220,090 | \$ 2,773,582 | \$ - |
| Series 2010 A | 4,890 | 120,109 | 199,219 | 140,699 | - | - | - | - | - | - |
| Series 2010 B | 234,300 | 2,811,601 | 2,811,600 | 2,116,512 | - | - | - | - | - | - |
| Series 2013 B | 728,750 | - | - | - | - | - | - | - | - | - |
| Total Subordinate Lien | \$ 967,940 | \$ 2,931,710 | \$ 3,010,819 | \$ 2,358,004 | \$ 1,346,318 | \$ 4,647,028 | \$ 5,395,674 | \$ 6,220,090 | \$ 2,773,582 | \$ - |

| | | | | | | | | | | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Debt Service | \$ 30,146,998 | \$ 34,201,204 | \$ 34,480,845 | \$ 34,181,621 | \$ 29,956,542 | \$ 27,764,584 | \$ 27,892,427 | \$ 26,429,699 | \$ 22,326,272 | \$ 19,855,670 |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

Debt Service Coverage Ratio (3)

| | | | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Senior Debt | 472% | 154% | 154% | 146% | 157% | 208% | 225% | 249% | 252% | 243% |
| Senior and Subordinate | 457% | 141% | 141% | 139% | 150% | 173% | 181% | 190% | 221% | 243% |
| Required Debt Coverage (4) | 180% | 120% | 120% | 120% | 120% | 120% | 120% | 120% | 120% | 120% |

Notes

- Under the Series 2013 Bonds Trust Indenture, all 1/4 cent Prop M Sales Tax (est. 1994), 1/4 cent Prop M2 Sales Tax (enacted 2010), and 1/2 cent Prop A Sales Tax (est. 2010), receipts from St. Louis City and St. Louis County, are paid, monthly, directly to the Bond Trustee.
- The Bond Trustee intercepts, from the monthly City and County receipts received, estimated amounts necessary to satisfy debt service on the senior and subordinate debt. The trustee remits 36.16% of Prop A funds to St. Louis County and all remaining funds to Metro.
- Beginning in 2014, Prop M, Prop M2 and Prop A are a % over debt service. Prior years are Prop M only as a % over debt service.
- With the 2014 debt refunding, a pledge of 1/4 cent and 1/2 cent Prop A tax improved the debt service coverage to nearly 400% and the bonds received a Moody's rating of Aa3 and a S&P rating of AA+. The rates acquired due to the debt service coverage were very favorable. Prior to this debt refunding the Trust Indentures required a debt service coverage of 120%.

Source: Bi-State Development Agency Finance Department

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Pledge Revenue Coverage**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating revenue | \$ 72,650,940 | \$ 71,622,808 | \$ 69,723,686 | \$ 65,593,774 | \$ 64,306,460 | \$ 66,370,267 | \$ 64,443,785 | \$ 62,417,373 | \$ 57,917,966 | \$ 53,452,027 |
| Non-operating revenue | 226,472,202 | 211,672,688 | 203,455,548 | 200,518,762 | 184,703,405 | 195,492,489 | 197,016,994 | 186,000,460 | 153,099,468 | 173,695,901 |
| Total revenues | 299,123,142 | 283,295,496 | 273,179,234 | 266,112,536 | 249,009,865 | 261,862,756 | 261,460,779 | 248,417,833 | 211,017,434 | 227,147,928 |
| depreciation) | (334,286,142) | (321,137,278) | (313,326,375) | (307,499,885) | (290,627,294) | (299,880,244) | (301,234,955) | (270,178,679) | (258,519,051) | (238,330,242) |
| Net available revenues | (35,163,000) | (37,841,782) | (40,147,141) | (41,387,349) | (41,617,429) | (38,017,488) | (39,774,176) | (21,760,846) | (47,501,617) | (11,182,314) |
| Debt service | | | | | | | | | | |
| Senior Debt | \$ 29,179,058 | \$ 31,269,494 | \$ 31,470,026 | \$ 31,823,617 | \$ 28,610,224 | \$ 23,117,556 | \$ 22,496,753 | \$ 20,209,609 | \$ 19,552,690 | \$ 19,855,670 |
| Subordinate Debt | 967,940 | 2,931,710 | 3,010,819 | 2,358,004 | 1,346,318 | 4,647,028 | 5,395,674 | 6,220,090 | 2,773,582 | - |
| Total | 30,146,998 | 34,201,204 | 34,480,845 | 34,181,621 | 29,956,542 | 27,764,584 | 27,892,427 | 26,429,699 | 22,326,272 | 19,855,670 |
| Total Debt Coverage Ratio | (1.17) | (1.11) | (1.16) | (1.21) | (1.39) | (1.37) | (1.43) | (0.82) | (2.13) | (0.56) |
| Debt service | | | | | | | | | | |
| Senior Debt | 29,179,058 | 31,269,494 | 31,470,026 | 31,823,617 | 28,610,224 | 23,117,556 | 22,496,753 | 20,209,609 | 19,552,690 | 19,855,670 |
| Senior Debt Coverage Ratio | (1.21) | (1.21) | (1.28) | (1.30) | (1.45) | (1.64) | (1.77) | (1.08) | (2.43) | (0.56) |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Capital Assets**

Last Ten Fiscal Years

(In thousands)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Assets | | | | | | | | | | |
| Buildings and Improvements | \$ 179,963 | \$ 179,597 | \$ 177,396 | \$ 175,119 | \$ 170,117 | \$ 168,047 | \$ 160,956 | \$ 160,511 | \$ 157,273 | \$ 156,949 |
| Airport Runways | 34,850 | 34,738 | 33,556 | 26,474 | 24,745 | 23,528 | 23,691 | 21,852 | 21,807 | 22,296 |
| Arch Parking | - | - | 9,947 | 9,947 | 9,947 | 9,947 | 9,947 | 9,947 | 9,947 | 9,950 |
| Riverboat and barges | 4,386 | 4,193 | 4,176 | 4,176 | 4,176 | 4,189 | 4,189 | 4,103 | 4,103 | 3,600 |
| Light rail, right of way, facility and improvements | 1,273,261 | 1,271,381 | 1,251,486 | 1,234,037 | 1,224,565 | 1,218,529 | 1,200,218 | 1,194,818 | 680,692 | 683,682 |
| Revenue Vehicles | 348,784 | 323,360 | 326,825 | 310,736 | 303,427 | 312,650 | 306,907 | 310,202 | 303,590 | 280,986 |
| Autos and trucks | 11,156 | 11,019 | 10,359 | 9,981 | 9,350 | 7,588 | 7,588 | 7,387 | 6,715 | 6,339 |
| Furniture, fixtures equipment, and intangibles | 126,514 | 119,448 | 115,566 | 114,647 | 111,882 | 107,793 | 98,026 | 92,224 | 71,586 | 83,105 |
| Total Capital Assets | 1,978,914 | 1,943,736 | 1,929,311 | 1,885,117 | 1,858,209 | 1,852,271 | 1,811,522 | 1,801,044 | 1,255,713 | 1,246,907 |
| Accumulated Depreciation | | | | | | | | | | |
| Buildings and Improvements | 137,878 | 134,152 | 131,097 | 126,787 | 122,372 | 117,907 | 112,093 | 104,604 | 99,821 | 94,748 |
| Airport Runways | 22,648 | 21,703 | 20,784 | 19,767 | 18,990 | 18,185 | 17,547 | 16,874 | 16,313 | 15,972 |
| Arch Parking | - | - | 9,475 | 9,413 | 9,065 | 8,667 | 8,269 | 7,871 | 7,473 | 7,078 |
| Riverboat and barges | 2,663 | 2,421 | 2,181 | 1,938 | 1,694 | 1,459 | 1,214 | 965 | 727 | 514 |
| Light rail, right of way, facility and improvements | 576,055 | 532,158 | 487,617 | 444,350 | 401,027 | 358,805 | 316,024 | 273,987 | 231,002 | 193,794 |
| Revenue Vehicles | 199,744 | 188,568 | 175,750 | 169,901 | 152,680 | 151,142 | 141,666 | 130,736 | 115,404 | 105,618 |
| Autos and trucks | 8,641 | 8,117 | 7,582 | 7,386 | 6,740 | 5,149 | 5,214 | 5,892 | 4,526 | 3,672 |
| Furniture, fixtures equipment, and intangibles | 105,027 | 104,320 | 105,458 | 100,475 | 90,419 | 81,433 | 69,541 | 61,191 | 49,929 | 56,406 |
| Total Accumulated Depreciation | 1,052,656 | 991,439 | 939,944 | 880,017 | 802,987 | 742,747 | 671,568 | 602,120 | 525,195 | 477,802 |
| Net Capital Assets | 926,258 | 952,297 | 989,367 | 1,005,100 | 1,055,222 | 1,109,524 | 1,139,954 | 1,198,924 | 730,518 | 769,105 |
| Land | 101,975 | 101,975 | 101,924 | 101,931 | 101,799 | 104,859 | 103,613 | 100,360 | 90,373 | 90,438 |
| Construction in progress | 48,220 | 29,178 | 27,894 | 17,526 | 10,977 | 7,099 | 19,218 | 31,828 | 549,730 | 443,762 |
| Total Net Capital Assets | \$ 1,076,453 | \$ 1,083,450 | \$ 1,119,185 | \$ 1,124,557 | \$ 1,167,998 | \$ 1,221,482 | \$ 1,262,785 | \$ 1,331,112 | \$ 1,370,621 | \$ 1,303,305 |

Source of data: Audited Financial Statement

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Capital Asset Statistics by Function and Program**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-----------------------------------|-------------|-------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue Vehicles | | | | | | | | | | |
| MetroBus | 386 | 382 | 389 | 376 | 358 | 438 | 418 | 399 | 432 | 439 |
| MetroLink (cars) | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 83 | 71 |
| Demand Response Call-A-Ride vans | <u>117</u> | <u>116</u> | <u>116</u> | <u>116</u> | <u>116</u> | <u>126</u> | <u>114</u> | <u>118</u> | <u>119</u> | <u>119</u> |
| | 590 | 585 | 592 | 579 | 561 | 651 | 619 | 604 | 634 | 629 |
| Passenger Stations | | | | | | | | | | |
| MetroBus | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 5 |
| MetroLink | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>37</u> | <u>28</u> | <u>28</u> |
| | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 34 | 33 |
| Escalators | | | | | | | | | | |
| MetroBus | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| MetroLink | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> |
| | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 |
| Elevators | | | | | | | | | | |
| MetroBus | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |
| MetroLink | <u>18</u> | <u>18</u> | <u>17[^]</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>12</u> | <u>12</u> |
| | 19 | 19 | 18 | 19 | 19 | 19 | 19 | 19 | 12 | 12 |
| Maintenance Facilities | | | | | | | | | | |
| MetroBus | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| MetroLink | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Demand Response | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> |
| | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| MetroLink Light Rail | | | | | | | | | | |
| Track (miles) | 96.3 | 96.3 | 96.3 | 96.3 | 96.3 | 96.3 | 96.3 | 96.3 | 81.0 | 81.0 |
| Crossings | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 24 | 24 |
| Park and Ride Lots | 20 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 16 | 16 |
| Riverfront Attractions | | | | | | | | | | |
| Riverboats | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Heliport Barge (Acquired in 2006) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | n/a |
| Bicycles (Acquired in 2006) | - * | 32 | 30 | 36 | 32 | 24 | 31 | 33 | 33 | n/a |

Source of data: Audited Financial Statements, annual NTD report and annual operating budget

[^] MetroLink Grand Station elevator out of service during the construction of the Grand Bridge and the Scott Transit Plaza

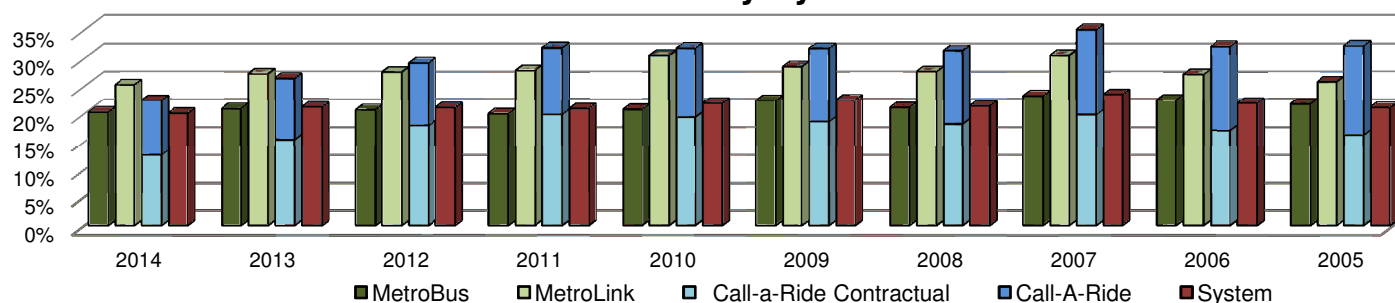
* Bicycle rental operations were suspended during FY 2014 due to construction on the St. Louis Riverfront.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Continuing Disclosure Requirements
MetroLink Cross County Extension Project
Mass Transit Sales Tax Appropriation Bonds
Series 2013 A (Cross County Extension Bonds)
Series 2004 and 2006 (Cross County Extension Bonds, 1998 Refunded)**

Transit System Ridership Statistics

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| System-Total | 48,170,065 | 47,054,481 | 46,704,850 | 42,992,656 | 40,630,713 | 52,768,856 | 53,766,733 | 50,943,196 | 48,585,648 | 46,505,507 |
| MetroBus | 30,123,181 | 29,408,800 | 29,120,554 | 26,215,139 | 24,256,126 | 32,679,788 | 33,370,847 | 31,561,602 | 32,526,207 | 30,181,263 |
| MetroLink | 17,466,322 | 17,054,484 | 17,000,005 | 16,209,098 | 15,828,981 | 19,423,931 | 19,696,094 | 18,717,725 | 15,391,319 | 15,648,233 |
| Call-A-Ride | 580,562 | 591,197 | 584,291 | 568,419 | 545,606 | 665,137 | 699,792 | 663,869 | 668,122 | 676,011 |
| Segment-Total | | | | | | | | | | |
| St. Clair Phase II * | 2,527,921 | 2,499,029 | 2,411,683 | 2,238,408 | 2,210,993 | 3,757,791 | 3,632,160 | 3,801,244 | 3,013,314 | 2,798,659 |
| Cross County ** | 2,480,641 | 2,364,380 | 2,350,808 | 2,165,338 | 1,954,519 | 2,476,391 | 2,551,421 | 2,092,688 | n/a | n/a |
| System/Avg Weekday | 151,998 | 147,590 | 148,207 | 137,379 | 129,591 | 167,952 | 173,156 | 165,228 | 154,336 | 148,548 |
| MetroBus | 95,911 | 92,446 | 93,470 | 85,108 | 78,596 | 107,370 | 109,182 | 104,245 | 108,034 | 99,796 |
| MetroLink | 54,111 | 53,123 | 52,723 | 50,282 | 49,083 | 58,272 | 61,573 | 58,663 | 43,997 | 46,417 |
| Call-A-Ride | 1,976 | 2,021 | 2,014 | 1,989 | 1,912 | 2,310 | 2,401 | 2,320 | 2,305 | 2,335 |

Farebox Recovery by Mode



MetroLink ridership for 2010 was revised to correct software issues.

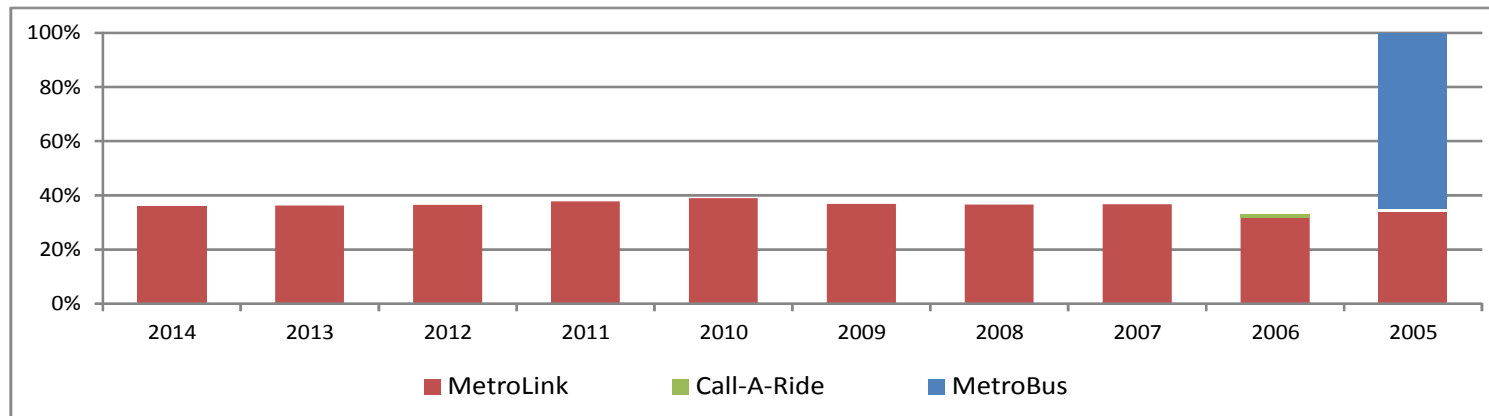
*Includes Emerson Park Station through Shiloh-Scott Station in Illinois.

**Includes Skinker Station through Shrewsbury Station in Missouri. Service began August 28, 2006.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Continuing Disclosure Requirements
MetroLink Cross County Extension Project
Mass Transit Sales Tax Appropriation Bonds
Series 2013 A (Cross County Extension Bonds)
Series 2004 and 2006 (Cross County Extension Bonds, 1998 Refunded)**

Transit System Ridership Statistics

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| System-Total | 48,170,065 | 47,054,481 | 46,704,850 | 42,992,656 | 40,630,713 | 52,768,856 | 53,766,733 | 50,943,196 | 48,585,648 | 46,505,507 |
| MetroBus | 30,123,181 | 29,408,800 | 29,120,554 | 26,215,139 | 24,256,126 | 32,679,788 | 33,370,847 | 31,561,602 | 32,526,207 | 30,181,263 |
| Call-A-Ride | 580,562 | 591,197 | 584,291 | 568,419 | 545,606 | 665,137 | 699,792 | 663,869 | 668,122 | 676,011 |
| MetroLink | 17,466,322 | 17,054,484 | 17,000,005 | 16,209,098 | 15,828,981 | 19,423,931 | 19,696,094 | 18,717,725 | 15,391,319 | 15,648,233 |



Sources of data:
Bi-State Development Quarterly Performance Indicators - June 2014

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Continuing Disclosure Requirements
MetroLink Cross County Extension Project
Mass Transit Sales Tax Appropriation Bonds
Series 2013 A (Cross County Extension Bonds)
Series 2004 and 2006 (Cross County Extension Bonds, 1998 Refunded)**

Transit System Mileage Statistics

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Passenger Miles Traveled | | | | | | | | | | |
| MetroBus | 155,456,974 | 152,729,036 | 151,355,394 | 131,169,730 | 108,371,786 | 125,838,680 | 136,173,327 | 122,820,571 | 123,459,339 | 129,193,853 |
| MetroLink (train) | 146,235,380 | 153,686,406 | 125,915,654 | 142,647,265 | 136,857,181 | 156,712,446 | 143,815,869 | 137,439,468 | 119,769,526 | 117,724,578 |
| Call-A-Ride | 5,758,246 | 5,974,105 | 5,889,244 | 5,346,265 | 5,052,421 | 6,510,904 | 6,847,815 | 6,743,382 | 6,425,864 | 6,486,403 |
| System | <u>307,450,600</u> | <u>312,389,547</u> | <u>283,160,292</u> | <u>279,163,260</u> | <u>250,281,388</u> | <u>289,062,030</u> | <u>286,837,011</u> | <u>267,003,421</u> | <u>249,654,729</u> | <u>253,404,834</u> |
| Vehicle Revenue Miles | | | | | | | | | | |
| MetroBus | 18,520,758 | 18,478,303 | 18,643,083 | 18,198,749 | 16,082,275 | 16,938,053 | 17,529,352 | 17,012,635 | 16,445,757 | 16,434,183 |
| MetroLink (train) | 3,127,483 | 3,118,537 | 3,166,500 | 3,147,571 | 2,913,199 | 3,398,923 | 3,393,520 | 3,230,926 | 2,375,807 | 2,392,183 |
| Call-A-Ride | 5,315,418 | 5,246,725 | 5,127,068 | 4,766,990 | 4,616,903 | 4,903,975 | 4,908,341 | 5,015,158 | 5,151,109 | 5,176,795 |
| System | <u>26,963,659</u> | <u>26,843,565</u> | <u>26,936,651</u> | <u>26,113,310</u> | <u>23,612,377</u> | <u>25,240,951</u> | <u>25,831,213</u> | <u>25,258,719</u> | <u>23,972,673</u> | <u>24,003,161</u> |
| Vehicle Revenue Hours | | | | | | | | | | |
| MetroBus | 1,360,962 | 1,354,799 | 1,359,468 | 1,328,276 | 1,168,685 | 1,247,124 | 1,300,269 | 1,252,467 | 1,227,514 | 1,151,787 |
| MetroLink (train) | 132,920 | 132,150 | 132,942 | 131,404 | 116,975 | 137,754 | 141,951 | 135,134 | 92,050 | 86,321 |
| Call-A-Ride | 311,539 | 310,857 | 306,134 | 297,494 | 290,620 | 322,410 | 307,362 | 295,618 | 299,838 | 303,706 |
| System | <u>1,805,421</u> | <u>1,797,806</u> | <u>1,798,544</u> | <u>1,757,174</u> | <u>1,576,280</u> | <u>1,707,288</u> | <u>1,749,582</u> | <u>1,683,219</u> | <u>1,619,402</u> | <u>1,541,814</u> |
| Number of Vehicles (active fleet at end of each fiscal year) | | | | | | | | | | |
| MetroBus | 386 | 382 | 389 | 376 | 358 | 438 | 418 | 399 | 432 | 439 |
| MetroLink (cars) | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 83 | 71 |
| Call-A-Ride | 117 | 116 | 116 | 116 | 116 | 126 | 114 | 118 | 119 | 119 |
| System | <u>590</u> | <u>585</u> | <u>592</u> | <u>579</u> | <u>561</u> | <u>651</u> | <u>619</u> | <u>604</u> | <u>634</u> | <u>629</u> |

Passenger Miles Traveled (PMT) is a measure of service consumed by transit users. This measure tracks the distance traveled by each passenger. For example, the distance from the time a passenger boards until the passenger gets off the vehicle. PMT is the cumulative sum of the distances ridden by each passenger. Source: National Transit Database.

Vehicle Revenue Miles are the miles traveled when the vehicle is in revenue service. Source: Metro Performance Indicators, Fiscal Year Ended June 30, 2012.

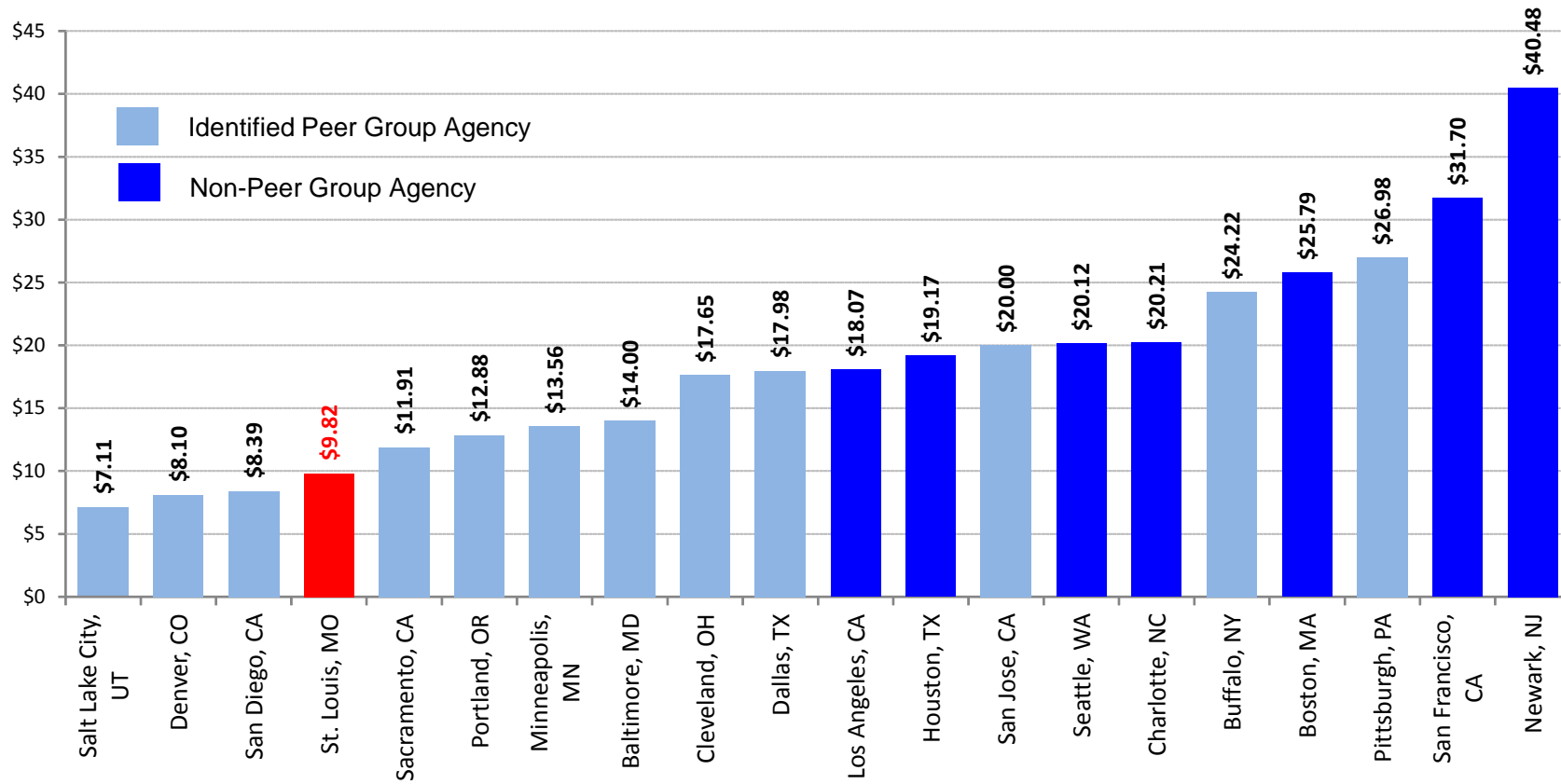
Vehicle Revenue Hours are the hours traveled when the vehicle is in revenue service. Source: Metro Performance Indicators, Fiscal Year Ended June 30, 2012.

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

National Transit Database 2012 (most recent data)

Top 50 Transit Agencies Ranked by Passenger Trips per NTD which have Light Rail Service

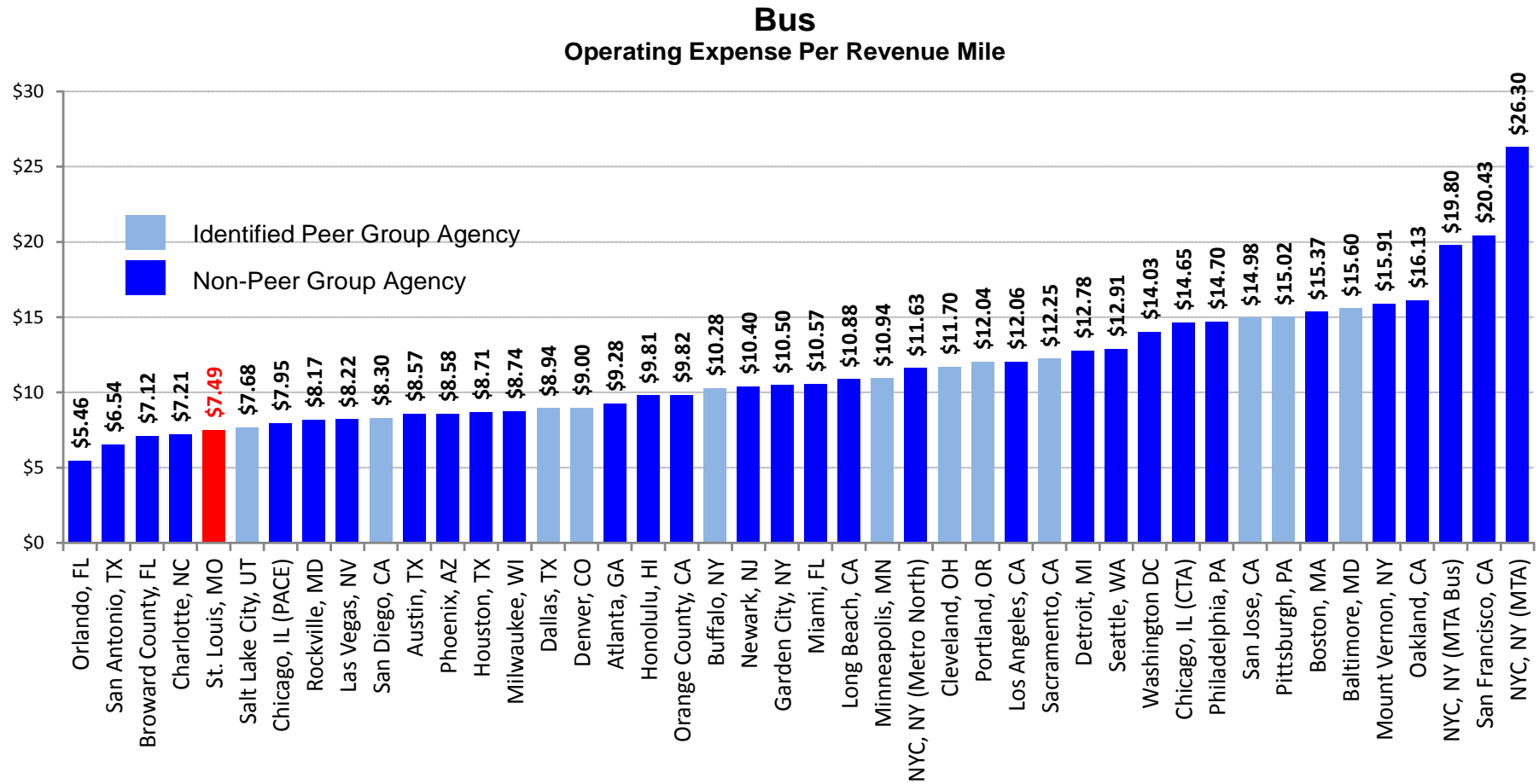
Light Rail
Operating Expense Per Revenue Mile



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

National Transit Database 2012 (most recent data)

Top 50 Transit Agencies Ranked by Passenger Trips per NTD which have Bus Service



**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Budgeted Positions**

(Using Current Organization)

Personnel Data

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>Weighted Average*</u> <u>2009</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|---|--------------|--------------|--------------|--------------|--------------|
| Transit by Function | | | | | | | | | | | |
| Transit Operations | | | | | | | | | | | |
| ADA | 7 | 7 | 7 | 7 | 6 | 8 | 8 | 7 | 6 | 5 | 6 |
| Bus Operators | 870 | 857 | 860 | 826 | 728 | 610 | 852 | 846 | 833 | 844 | 875 |
| Bus Operations Support | 73 | 73 | 73 | 71 | 66 | 109 | 75 | 75 | 70 | 71 | 71 |
| Facility Maintenance | 32 | 32 | 32 | 31 | 31 | 31 | 32 | 28 | 29 | 18 | 19 |
| Light Rail Operators | 99 | 97 | 95 | 95 | 89 | 90 | 109 | 102 | 101 | 70 | 70 |
| Light Rail Operations Support | 39 | 39 | 39 | 39 | 32 | 50 | 39 | 39 | 39 | 30 | 30 |
| Maintenance of Way | 149 | 138 | 128 | 123 | 118 | 122 | 124 | 127 | 126 | 111 | 103 |
| Paratransit Operators | 200 | 200 | 202 | 202 | 202 | 204 | 228 | 223 | 234 | 239 | 240 |
| Paratransit Operations Support | 49 | 49 | 49 | 49 | 49 | 66 | 51 | 46 | 45 | 46 | 47 |
| Research and Development | 39 | 39 | 39 | 38 | 38 | 40 | 41 | 41 | 46 | 45 | 46 |
| Security | 34 | 34 | 34 | 33 | 33 | 35 | 35 | 31 | 31 | 20 | 15 |
| Vehicle Maintenance | 339 | 336 | 336 | 336 | 295 | 312 | 335 | 334 | 336 | 335 | 348 |
| Transit Operations Administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 |
| Total Transit Operations | <u>1,932</u> | <u>1,903</u> | <u>1,896</u> | <u>1,852</u> | <u>1,689</u> | <u>1,679</u> | <u>1,931</u> | <u>1,900</u> | <u>1,897</u> | <u>1,835</u> | <u>1,872</u> |
| Finance | 87 | 87 | 87 | 87 | 83 | 88 | 90 | 88 | 85 | 86 | 86 |
| Engineering and New Development | 20 | 20 | 18 | 20 | 20 | 26 | 26 | 22 | 22 | 13 | 9 |
| Human Resources | 19 | 19 | 18 | 18 | 17 | 20 | 21 | 21 | 19 | 20 | 21 |
| Marketing | 8 | 8 | 6 | 6 | 7 | 7 | 7 | 6 | 6 | 5 | 5 |
| Procurement | 57 | 57 | 54 | 53 | 53 | 57 | 60 | 58 | 60 | 49 | 48 |
| Information Technology | 43 | 31 | 44 | 44 | 43 | 42 | 42 | 36 | 37 | 34 | 35 |
| Communications | 7 | 6 | 6 | 5 | 6 | 5 | 4 | 4 | 4 | 4 | 4 |
| Capital Positions | - | - | 12 | 12 | 8 | 8 | 8 | 6 | 8 | 87 | 64 |
| Total Transit by Function | <u>2,173</u> | <u>2,131</u> | <u>2,141</u> | <u>2,097</u> | <u>1,926</u> | <u>1,932</u> | <u>2,189</u> | <u>2,141</u> | <u>2,138</u> | <u>2,133</u> | <u>2,144</u> |
| Executive Services | 21 | 20 | 19 | 16 | 14 | 16 | 16 | 19 | 19 | 19 | 14 |
| Gateway Arch | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 6 | 6 | 7 | 10 |
| St. Louis Downtown Airport | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 8 | 8 | 8 | 9 |
| Gateway Arch Parking Facility | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Riverfront Attractions | 12 | 12 | 12 | 14 | 14 | 15 | 15 | 19 | 19 | 19 | 18 |
| Total All Companies | <u>2,236</u> | <u>2,192</u> | <u>2,200</u> | <u>2,155</u> | <u>1,982</u> | <u>1,991</u> | <u>2,248</u> | <u>2,199</u> | <u>2,196</u> | <u>2,192</u> | <u>2,201</u> |

In FY 2013, the 100% Capitalized Positions no longer were 100% grant funded, so the positions became operating; adding ten electricians to Maintenance of Way and two salaried positions to Engineering. In FY 2012, Bi-State reinstated a part-time bus operator staff, which is included in the FY 2012 and FY 2013 bus operator count. FY 2011 reflects a complete restoration of revenue service, phased in to allow time to hire and train new operators and other personnel for maintenance.

In FY 2009, the Board Approved Budget had an increase in service requiring additional vehicle operators, security, and operational support. However, due to funding issues in March 2009, Metro experienced a major service reduction. Although Bi-State did not formally amend its budget, the Agency feels the budgeted personnel for 2009 demonstrates a misleading position count. To clarify Bi-State's FY 2009 personnel, a weighted personnel count representing the first nine months as budgeted and the final three months of FY 2009 as actual based upon service personnel reductions. The funding issue continued into the FY 2010 budget. In August 2009, Bi-State received temporary funding that enabled a partial service restoration and an amended FY 2010 budget was approved by the Board.

In FY 2007 and 2008, minimal position increases were needed to cover the operational needs of the Cross County extension. During 2006, the Cross County corridor was opened for revenue service. Employees from capital programs moved to operating positions in transit service support and security. Overall, 87 more operating positions were required for the Cross County extension. Utilizing cost efficiencies in other areas, the Agency was able to absorb most of the additional positions for Cross County.

Source of data:

Bi-State Development Agency, Financial Planning and Budgeting, March 2014

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**

Transit Fares

Fare Type as of June 30, 2014

| | Adults | Seniors, Children, & Customers with Disabilities* |
|--|---------------|--|
| MetroBus Fare | \$ 2.00 | \$ 1.00 |
| MetroLink One-Ride Ticket | 2.25 | 1.10 |
| Metro Two-Hour Pass w/transfer | 3.00 | 1.50 |
| Metro Two-Hour Pass from Lambert Airport w/transfer | 4.00 | n/a |
| Metro One-Day Pass (may not be used for Call-A-Ride or special services) | 7.50 | n/a |
| Metro Two-Hour Pass (Book of 10) | 30.00 | n/a |
| Metro Weekly Pass | 25.00 | n/a |
| Metro Monthly Pass | 72.00 | 36.00 |
| Metro Combo Pass (sold only at MetroRide Downtown and MetroRide Clayton Centers) | 92.00 | n/a |
| Metro University Semester Pass | 150.00 | n/a |
| Call-A-Ride (ADA Eligible Trips) | 4.00 | n/a |

***Seniors, Children and Customers with Disabilities**

Seniors (age 65+) with proper ID (Metro's Reduced Fare Card - Elderly).

Customers with Disabilities must present either a Metro Reduced Fare Permit or Metro ADA Paratransit Permit to ride for the reduced fares.

Children are those aged 5-12, and proof of age may be requested (younger than age 5 ride free).

| Historical Base Passenger Fare | | |
|---------------------------------------|------------------------|-------------------------|
| | <u>MetroBus</u> | <u>MetroLink</u> |
| FY99 – 00 | \$ 0.75 | \$ 0.75 |
| FY 01 | \$ 1.00 | \$ 1.00 |
| FY02 – 04 | \$ 1.25 | \$ 1.25 |
| FY05 | \$ 1.50 | \$ 1.50 |
| FY06 | \$ 1.65 | \$ 1.75 |
| FY07 – 08 | \$ 1.75 | \$ 2.00 |
| FY09 – Present | \$ 2.00 | \$ 2.25 |

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch
Activities and Ticket Prices**

Gateway Arch

Journey to the Top

The tallest national monument in the United States and highest point in downtown St. Louis City is at the top of the Gateway Arch at 630 feet, where, on a clear day, you can see a distance of 30 miles. Looking West, you'll have a breathtaking view of downtown St. Louis. Looking East, you can see the Mississippi River and Illinois.

The entrance to the south leg of the Gateway Arch features life in St. Louis as it was during the 1800s, returning to a time when the St. Louis Riverfront was bustling with steamboats, fur traders and merchants.

The entrance to the north leg of the Gateway Arch takes you back to the year 1965 showing what it was like for the construction workers fitting into place the final piece of the Arch.

Ticket prices are:

Adults: \$10.00* Children (ages 3 to 15): \$5.00

"Monument to the Dream" Documentary Film

This award-winning film documents the construction of the Gateway Arch, culminating with the placement of the final piece.

Ticket prices are:

Adults: \$7.00* Children (ages 3 to 15): \$2.50

"Lewis and Clark: Great Journey West"

This giant-screen film narrated by Jeff Bridges recreates one of the most compelling and heroic adventure stories in history. The film depicts the dangers, adventures and beautiful landscapes encountered by the Lewis & Clark Expedition on their 1804 exploration of the unmapped American Northwest.

Ticket prices are:

Adults: \$7.00* Children (ages 3 to 15): \$2.50

Museum of Westward Expansion

The National Park Service preserves the experience of the expansion into the West with glimpses of Native American and pioneer life of the Old West. Take a journey into the past and see the tools, guns, animals and wagons of the explorers, pioneers, cowboys and Native Americans who helped forge our nation.

Admission: Free

*Each of these ticket amounts include a \$3 National Park Entrance Fee. When more than one ticket is purchased for the same visitor, the Fee is charged only once.

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Riverfront Attractions
Activities and Ticket Prices**

Gateway Arch Riverboats

Sightseeing Cruises

"One-hour Sightseeing Cruises": View all the St. Louis riverfront sights, historic Eads Bridge and the Gateway Arch while the Captain provides a lively narrative about the history of the river and St. Louis aboard the Tom Sawyer and Becky Thatcher riverboats.

Daily fare. Adults: \$14.00 Children (ages 3 to 15): \$8.00

"Lock and Dam Cruise": Journey to the mouth of the Missouri river and experience the passage through the massive Mississippi lock system, while enjoying a buffet and live banjo band.

Reservations required. All: \$46.00

"Kimmswick Cruise": Cruise to or from the quaint river town of Kimmswick, which is known for its shopping, antiques, and the famous Blue Owl Restaurant. Passengers are allowed time to browse the town and enjoy lunch at the Blue Owl (included), with return to the Arch by motorcoach or by riverboat.

Reservations required All: \$80.00

"Sunday Brunch Cruise": Cruise the Mighty Mississippi River while enjoying a festive Sunday brunch and Dixieland music.

Reservations required. Adults: \$38.00 Children (ages 3 to 12): \$18.00

Dinner Cruise

"Skyline Dinner Cruise": Enjoy this two hour evening cruise listening to riverboat style jazz while enjoying fine dining as the riverboat travels the Mississippi River viewing the St. Louis skyline, historic Eads Bridge and the Gateway Arch.

Reservations required. Adults: \$42.00 Children (ages 3 to 12): \$20.00

Entertainment Cruises

"Blues Cruise": Experience the sounds of the area's most popular live blues bands as you cruise down the Mississippi River and enjoy the beautiful St. Louis skyline.

Reservations highly suggested. Per Person: \$18.00 Select Thursdays, June through October

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Riverfront Attractions
Activities and Ticket Prices**

Gateway Arch Riverboats

Entertainment Cruises (continued)

"Majic 100.3 Cruises": Enjoy your favorite radio station's music played by a live Disc Jockey. Dance and dine on fabulous light hors d'oeuvres and meet a personality from local radio station Majic 100.3FM.

Reservations required. Per Person: \$23.00 Fridays, May through October

"Oktoberfest Cruise": Savor an authentic German buffet and listen to music or dance along to the live German band. Enjoy Oktoberfest any Sunday afternoon in October.

Reservations required. Adults: \$38.00 Children (ages 3 to 12): \$15.00

"Halloween Costume Party Cruise": Show off your best costume in our costume contest all while enjoying a DJ, light hors d'oeuvres, cash bar and of course Halloween decorations and candy.

Reservations required. Per Person: \$25.00 Select Saturday in October

"New Year's Eve Cruise": Ring in the New Year with a view of the magnificent St. Louis skyline, while enjoying a delicious dinner featuring filet mignon and jumbo shrimp, open bar, DJ entertainment, and a champagne toast at midnight.

Reservations required. Per Person: \$85.00 New Year's Eve

Gateway Arch Riverboats are available for special events.

Corporate/convention functions Weddings Reunions More

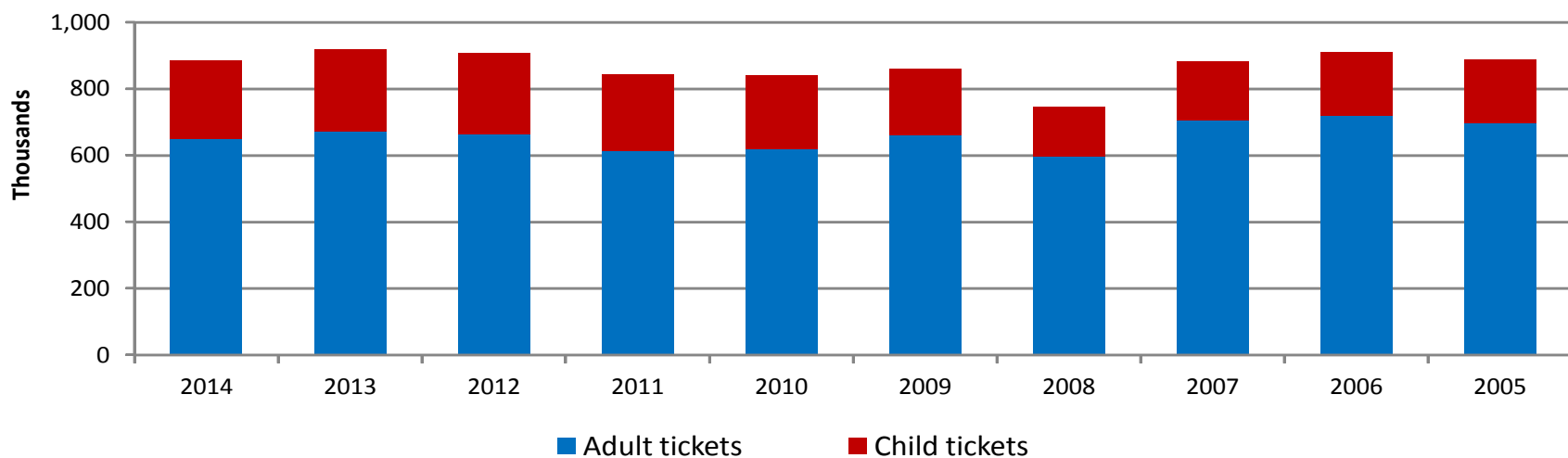
Gateway Arch Riverfront Helicopter Tours

These helicopter tours accommodate 2-3 passengers with the tour office located on the St. Louis riverfront directly below the Gateway Arch Grand Staircase. Flight options include tours of the Riverfront, Downtown St. Louis, and Forest Park. Flown by certified pilots and FAA regulated.

Tours pricing starts at \$35.00 per person.

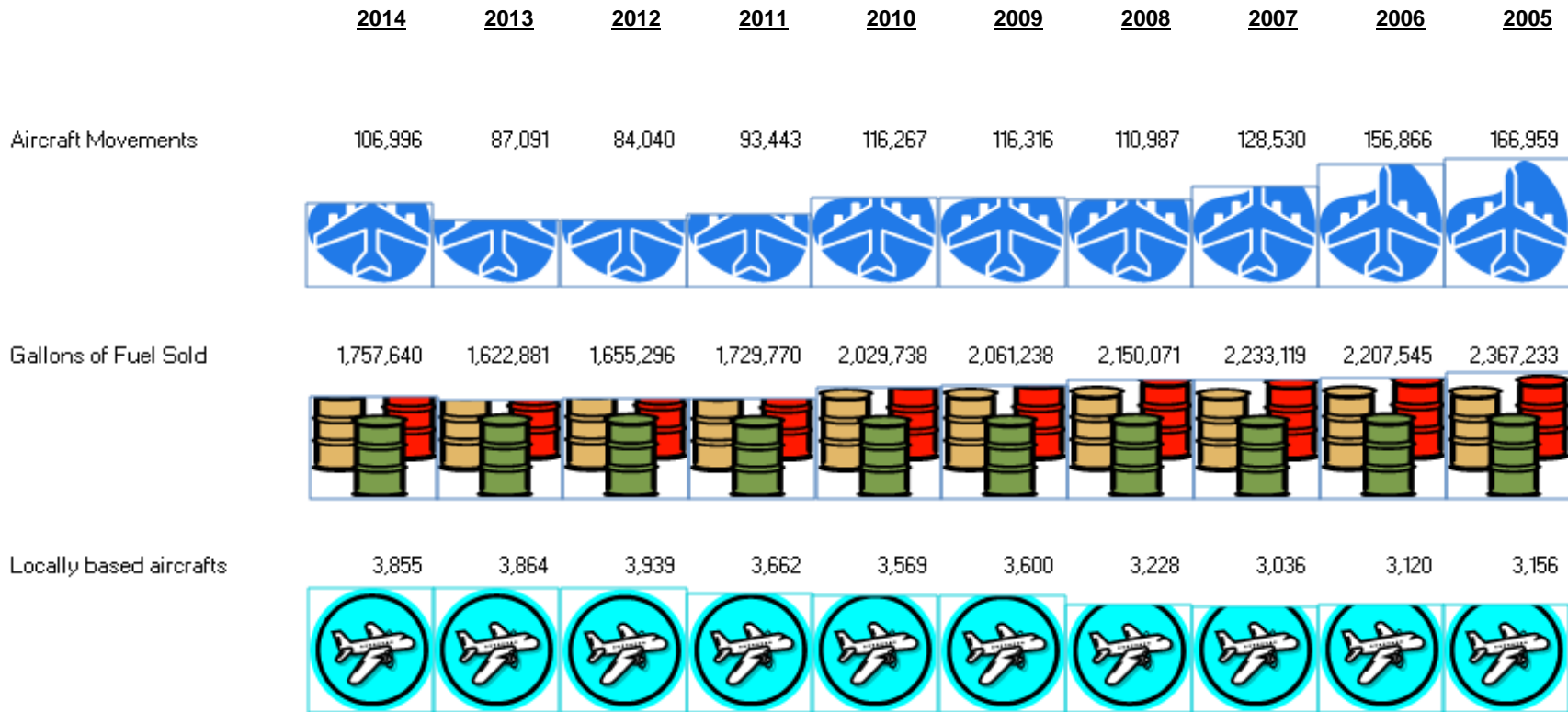
**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Tram Sysytem
Operating Statistics**

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Adult tickets | 649,269 | 671,615 | 663,400 | 612,796 | 618,332 | 662,259 | 597,854 | 706,312 | 719,212 | 697,289 |
| Child tickets | <u>235,896</u> | <u>244,996</u> | <u>243,747</u> | <u>229,270</u> | <u>221,964</u> | <u>199,263</u> | <u>150,163</u> | <u>176,681</u> | <u>192,503</u> | <u>192,123</u> |
| Total | 885,165 | 916,611 | 907,147 | 842,066 | 840,296 | 861,522 | 748,017 | 882,993 | 911,715 | 889,412 |



Sources of data:
Bi-State Development Quarterly Performance Indicators - June 2014

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
St. Louis Downtown Airport
Operating Statistics**

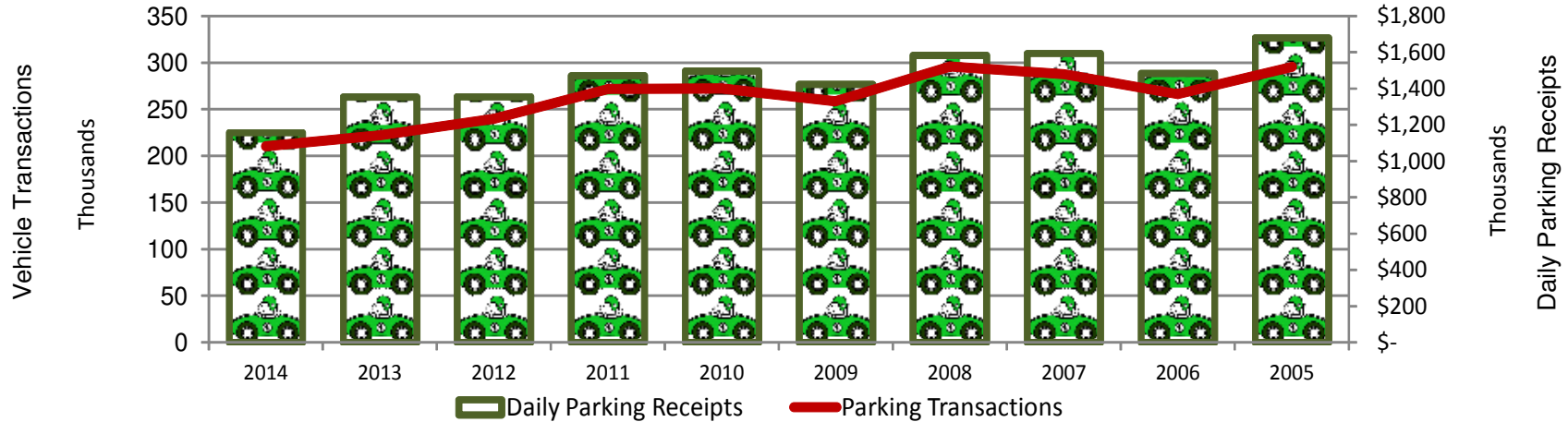


Sources of data:
Bi-State Development Agency Quarterly Performance Indicators - June 2014

Bi-State Development Agency of the Missouri-Illinois Metropolitan District Gateway Arch Parking Facility Operating Statistics

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Daily Parking Receipts | 1,157,550 | 1,354,218 | 1,354,697 | 1,471,250 | 1,497,182 | 1,424,460 | 1,584,307 | 1,593,863 | 1,483,815 | 1,680,571 |
| Parking Transactions | 210,394 | 222,239 | 239,801 | 271,589 | 272,258 | 258,567 | 295,957 | 287,803 | 266,214 | 295,427 |

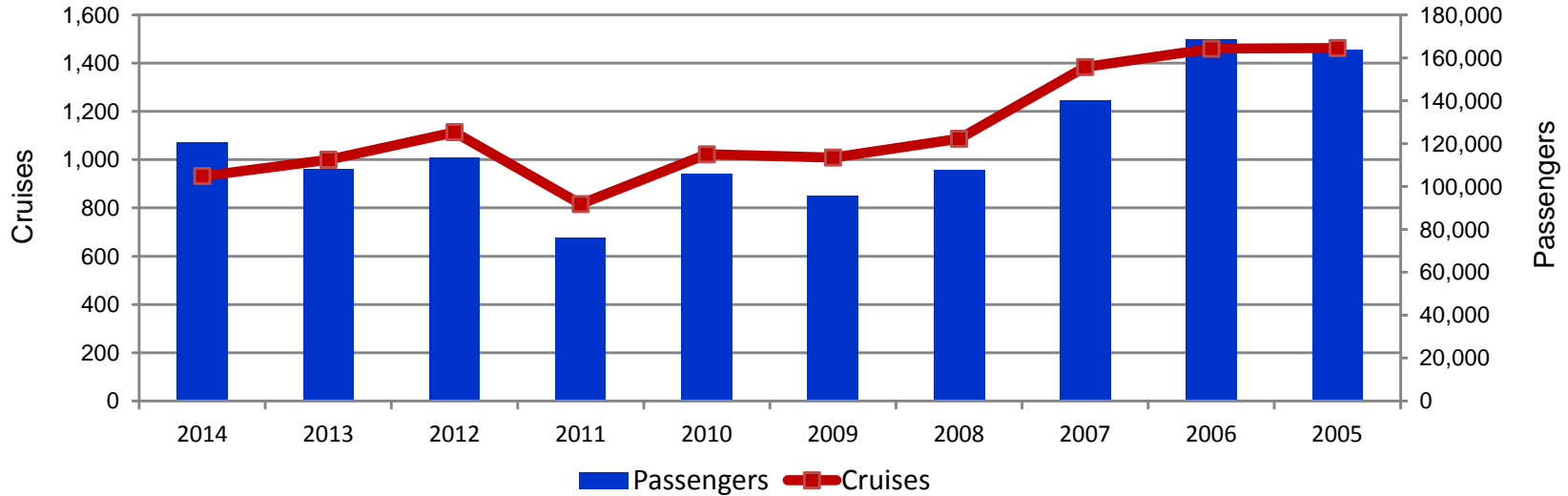


Sources of data:
Bi-State Development Quarterly Performance Indicators - June 2014

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District
Gateway Arch Riverfront Attractions: Riverboats
Operating Statistics**

Last Ten Fiscal Years

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Passengers | 120,723 | 108,122 | 113,731 | 76,230 | 105,887 | 95,834 | 107,588 | 140,290 | 168,738 | 163,752 |
| Cruises | 932 | 1,000 | 1,114 | 816 | 1,022 | 1,009 | 1,087 | 1,384 | 1,460 | 1,463 |
| Operating days | 248 | 245 | 263 | 224 | 234 | 244 | 248 | 278 | 286 | 273 |
| Flood days | 18 | 33 | 7 | 54 | 36 | 25 | 40 | - | - | - |



Sources of data:
Bi-State Development Quarterly Performance Indicators - June 2014

**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**

Bi-State Service Area Population

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Missouri | | | | | | | | | | |
| St. Louis City | 318,416 | 319,112 | 319,147 | 319,257 | 356,587 | 356,730 | 355,663 | 353,837 | 352,572 | 350,705 |
| St. Louis County | 1,001,444 | 1,000,473 | 999,171 | 998,920 | 992,408 | 992,331 | 993,690 | 996,664 | 999,523 | 1,004,271 |
| St. Charles County | 373,495 | 368,556 | 364,900 | 361,650 | 355,367 | 349,595 | 343,833 | 336,422 | 327,594 | 318,743 |
| Jefferson County | <u>221,396</u> | <u>220,229</u> | <u>219,703</u> | <u>219,087</u> | <u>219,046</u> | <u>217,599</u> | <u>215,904</u> | <u>213,768</u> | <u>210,615</u> | <u>208,186</u> |
| Missouri total | <u>1,914,751</u> | <u>1,908,370</u> | <u>1,902,921</u> | <u>1,898,914</u> | <u>1,923,408</u> | <u>1,916,255</u> | <u>1,909,090</u> | <u>1,900,691</u> | <u>1,890,304</u> | <u>1,881,905</u> |
| Illinois | | | | | | | | | | |
| St. Clair County | 266,955 | 268,714 | 270,118 | 270,420 | 263,617 | 262,131 | 261,238 | 260,503 | 258,849 | 258,406 |
| Madison County | 267,225 | 267,899 | 268,486 | 269,279 | 268,457 | 267,839 | 267,105 | 266,119 | 264,911 | 264,032 |
| Monroe County | <u>33,493</u> | <u>33,310</u> | <u>33,245</u> | <u>33,010</u> | <u>33,236</u> | <u>32,871</u> | <u>32,441</u> | <u>31,944</u> | <u>31,300</u> | <u>30,659</u> |
| Illinois total | <u>567,673</u> | <u>569,923</u> | <u>571,849</u> | <u>572,709</u> | <u>565,310</u> | <u>562,841</u> | <u>560,784</u> | <u>558,566</u> | <u>555,060</u> | <u>553,097</u> |
| Total Bi-State Service Area | <u><u>2,482,424</u></u> | <u><u>2,478,293</u></u> | <u><u>2,474,770</u></u> | <u><u>2,471,623</u></u> | <u><u>2,488,718</u></u> | <u><u>2,479,096</u></u> | <u><u>2,469,874</u></u> | <u><u>2,459,257</u></u> | <u><u>2,445,364</u></u> | <u><u>2,435,002</u></u> |

Sources of data:
US Census Bureau, Annual Estimates of the Resident Population

<http://www.census.gov/popest/data/datasets.html>

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

Per Capita Personal Income by Region

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Missouri | | | | | | | | | | |
| St. Louis City | \$ 37,896 | \$ 37,232 | \$ 35,641 | \$ 34,275 | \$ 36,022 | \$ 34,362 | \$ 32,773 | \$ 30,327 | \$ 28,975 | \$ 28,135 |
| St. Louis County | 54,254 | 52,783 | 50,476 | 49,769 | 55,401 | 52,370 | 50,608 | 46,779 | 45,538 | 43,927 |
| St. Charles County | 42,845 | 41,257 | 39,159 | 38,546 | 40,150 | 37,929 | 36,425 | 34,653 | 33,425 | 32,662 |
| Jefferson County | 36,014 | 34,681 | 33,114 | 33,233 | 34,284 | 32,242 | 30,784 | 29,330 | 27,976 | 27,520 |
| Illinois | | | | | | | | | | |
| St. Clair County | \$ 38,470 | \$ 36,680 | \$ 35,363 | \$ 34,676 | \$ 35,778 | \$ 33,196 | \$ 31,857 | \$ 30,322 | \$ 29,472 | \$ 28,677 |
| Madison County | 40,150 | 38,133 | 36,752 | 35,847 | 36,984 | 34,203 | 32,894 | 31,490 | 30,498 | 30,167 |
| Monroe County | 47,258 | 44,712 | 42,425 | 40,812 | 42,663 | 38,588 | 36,721 | 34,622 | 34,364 | 32,624 |
| St. Louis, MO-IL (MSA) | \$ 44,625 | \$ 42,969 | \$ 41,306 | \$ 40,935 | \$ 42,829 | \$ 41,019 | \$ 39,696 | \$ 37,402 | \$ 36,017 | \$ 34,573 |
| United States average | \$ 45,188 | \$ 43,743 | \$ 41,603 | \$ 40,816 | \$ 42,511 | \$ 41,560 | \$ 39,882 | \$ 37,465 | \$ 35,773 | \$ 33,830 |

Since 2009, the per capita trend in the U.S. and the region has been trending upward. The Bi-State region per capita income outpaced the US average in 2008 and 2009, but returned to below the United States national average in the years since 2010. Despite overall regional results, St. Louis County (MO) and Monroe County (IL) are both currently outpacing the national average.

| | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Debt per capita * | \$ 231 | \$ 234 | \$ 240 | \$ 235 | \$ 235 | \$ 234 | \$ 236 | \$ 181 | \$ 179 | \$ 184 |
| Debt as a percentage of total income | 0.52% | 0.55% | 0.58% | 0.57% | 0.55% | 0.57% | 0.59% | 0.48% | 0.50% | 0.53% |

* Debt per capita represents the amount of Bi-State Development Agency debt per resident in the St. Louis Metropolitan region (MO-IL).
n/a – Information is not available for fiscal year 2002.

Source of data:
U.S. Department of Commerce, Bureau of Economic Analysis (2013 statistics unavailable)

<http://www.bea.gov>

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

Annual Average Unemployment Percentage Rate in Bi-State Service Area

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Missouri | | | | | | | | | | |
| St. Louis City | 9.1 | 9.3 | 11.6 | 12.8 | 11.9 | 7.6 | 7.0 | 6.9 | 8.1 | 8.8 |
| St. Louis County | 6.5 | 6.7 | 8.1 | 9.1 | 9.1 | 5.8 | 4.9 | 4.7 | 5.1 | 5.5 |
| St. Charles County | 5.6 | 6.0 | 7.2 | 8.3 | 8.7 | 5.3 | 4.0 | 3.9 | 4.2 | 4.5 |
| Jefferson County | 6.9 | 7.4 | 8.7 | 10.1 | 10.8 | 6.6 | 5.1 | 4.9 | 5.4 | 5.7 |
| Illinois | | | | | | | | | | |
| Madison County | 8.4 | 8.8 | 8.9 | 9.8 | 10.0 | 6.6 | 5.7 | 5.2 | 5.7 | 6.2 |
| Monroe County | 6.6 | 7.0 | 7.3 | 7.8 | 7.6 | 5.3 | 4.5 | 4.1 | 4.4 | 4.5 |
| St. Clair County | 9.5 | 9.7 | 10.1 | 10.8 | 10.7 | 7.7 | 6.4 | 6.1 | 6.5 | 7.0 |
| Bi-State region average | 7.2 | 7.6 | 8.6 | 9.8 | 10.0 | 6.4 | 5.3 | 5.1 | 5.6 | 6.0 |
| United States | 7.4 | 8.1 | 8.9 | 9.6 | 9.3 | 5.8 | 4.6 | 4.6 | 5.1 | 5.5 |

The Bi-State region has historically shown a higher unemployment rate than the United States average. However, this trend reversed itself beginning in calendar year 2011. St. Louis City, MO and St. Clair County, IL have historically had the highest trending unemployment rates for each respective state in the Bi-State region. The unemployment data provided represent data which has not been seasonally adjusted.

Sources of data:

Missouri Department of Economic Development, Missouri Economic Research and Information Center

Illinois Department of Employment Security, Local Area Unemployment Statistics: LAUS

<http://www.missourieconomy.org>

<http://www.ides.illinois.gov>

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

Bi-State Region Top Businesses by Employee Count As of September 2013

| <u>Employer*</u> | <u>Employees</u> | <u>% of Region</u> | <u>Workforce by Bi-State Service Area**:</u> | |
|--------------------------------------|------------------|--------------------|--|------------------|
| 1 BJC Healthcare | 25,200 | 2.0% | Missouri | |
| 2 Boeing Defense, Space & Security | 15,129 | 1.2% | St. Louis City | 138,211 |
| 3 Washington University in St. Louis | 14,248 | 1.2% | St. Louis County | 509,341 |
| 4 Scott Air Force Base | 13,002 | 1.1% | St. Charles County | 199,058 |
| 5 Mercy Health | 12,489 | 1.0% | Jefferson County | 115,202 |
| 6 SSM Healthcare | 11,898 | 1.0% | Total Missouri | <u>961,812</u> |
| 7 Wal-Mart Stores Inc. | 11,600 | 0.9% | Illinois | |
| 8 Schnuck Markets, Inc. | 10,919 | 0.9% | St. Clair County | 121,818 |
| 9 Archdiocese of St. Louis | 9,826 | 0.8% | Madison County | 132,363 |
| 10 McDonald's | 9,455 | 0.8% | Monroe County | 17,897 |
| Total | <u>133,766</u> | <u>10.8%</u> | Total Illinois | <u>272,078</u> |
| | | | Total Bi-State Region | <u>1,233,890</u> |

The Bi-State region is home to eighteen (18) Fortune 1000 companies of which nine (9) are Fortune 500 companies. The Fortune 1000 companies in the region include Express Scripts, Emerson Electric, Monsanto Company, Centene and Reinsurance Group of America. It is also home to many of the nation's largest privately held companies such as Enterprise Holdings, Graybar Electric and Edward Jones.

Sources of data:

* St. Louis Regional Chamber & Growth Association (RCGA), September 2013

<http://www.stlregionalchamber.com/home>

** Dancing Engineer Data Web Site, March 2013

<http://data.dancingengineer.com/>



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