North Outer Forty
Transportation Development District

Basic Financial Statements

And Management's Discussion and Analysis

For The Year Ended December 31, 2023

North Outer Forty Transportation Development District

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Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Outer Forty Transportation Development District
Chesterfield, Missouri

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of North Outer Forty Transportation Development District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the North Outer Forty Transportation Development District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of the North Outer Forty Transportation Development District, as of December 31, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Outer Forty Transportation Development District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024, on our consideration of the North Outer Forty Transportation Development District'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 solely 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 the effectiveness of the North Outer Forty Transportation Development District's 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 North Outer Forty Transportation Development District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 19, 2024
Hannibal, Missouri

Management's Discussion and Analysis

The discussion and analysis of North Outer Forty Transportation Development District's financial performance provides an overview and analysis of the District's financial statements for the year ended December 31, 2023. It should be read in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of North Outer Forty Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2023 by $203,630. Of this amount, $40,015 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of North Outer Forty Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2022 by $179,208. Of this amount, $23,882 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by $24,422 for the year ended December 31, 2023. The primary reason for this is because the District received $313,200 in total revenues and spent $288,778 on total expenses.
- The District's total net position decreased by $34,176 for the year ended December 31, 2022. The primary reason for this is because the District received $227,073 in total revenues and spent $261,249 on total expenses.
- The District did not issue any additional debt for the years ending December 31, 2023 and 2022.

Using This Special Purpose Framework

The financial statements are presented on a basis of cash receipts and cash disbursements, a basis of accounting other than Generally Accepted Accounting Principles (GAAP). These statements include all assets and liabilities arising from cash transactions; a basis of accounting takes into consideration all of the current year's revenues collected and expenditures paid, but does not include capital assets, amounts due in the future from others, or liabilities payable from future revenues.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to North Outer Forty Transportation Development District's basic financial statements. The District's financial statements are comprised of two components, combined government-wide and fund financial statements and notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves.

Combined Government-wide and Fund Financial Statements

Government-wide and Fund financial statements are combined as allowed by the Governmental Accounting Standards Board for special purpose governments. As such, these combined statements show each major fund as well as the primary government as a whole.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balance left at year-end that is available for spending. The funds are reported using the cash basis of accounting. This measurement focus reports on revenues received and expenditures paid during the period. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The North Outer Forty Transportation Development District internally maintains six individual governmental funds, however, to conform with Governmental Accounting Standards, reporting is summarized into three major funds. Information is presented in the Governmental Funds Balance Sheet and Statement of Net Position - Cash Basis, for the General Fund, the Debt Service Fund, and the Project Fund, which are all considered major funds. The General Fund consists of: the Special Trust Fund, the Revenue Fund, and the Operating Fund. The Debt Service Fund consists of: the Debt Service Fund and the Debt Service Reserve Fund. The Project Fund consists of: the Project Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the basic financial statements.

The District as a Whole – Government-Wide Financial Analysis

The District's combined net position was $203,630 as of December 31, 2023.

Table 1
Summary of Net Position
at December 31, 2023 and 2022

	Governmental Activities	
	2023	2022
Current and other assets	$ 203,630	$ 179,208
Total Assets	$ 203,630	$ 179,208
Net position:		
Restricted	$ 163,615	$ 155,326
Unrestricted	40,015	23,882
Total Net Positiion	$ 203,630	$ 179,208

Table 2
Changes in Net Position

	Governmental Activities	
	2023	2022
General Revenues:		
Taxes	$ 301,096	$ 224,355
Interest income	12,104	2,718
Total Revenues	$ 313,200	$ 227,073
Expenses:		
General government	$ 37,942	$ 17,256
Interest expense	217,594	165,836
Revenue note principal repayment	33,242	78,157
Total Expenses	$ 288,778	$ 261,249
Increase (decrease)		
in Net Position	$ 24,422	$ (34,176)
Net Position at beginning of year	179,208	213,384
Net Position at end of year	$ 203,630	$ 179,208

PROPERTY, PLANT AND EQUIPMENT AND DEBT

Property, Plant and Equipment

During the years ending December 31, 2023 and 2022, the District had capital additions of $0 and $0, respectively.

Debt

As of the year ended December 31, 2023, the District had $11,896,338 in revenue notes payable. The District made principal payments of $33,242 and made interest payments of $217,594 during the year.

As of the year ended December 31, 2022, the District had $11,929,580 in revenue notes payable. The District made principal payments of $78,157 and made interest payments of $165,836 during the year.

General Fund Budgeting Highlights

For the year ending December 31, 2023, actual expenditures on a budgetary basis were $37,942, compared to the budgeted amount of $37,849. The primary reason for the $93 negative variance is the result of the District budgeting too much for continuing disclosure fees and not enough for administrative fees.

For the year ending December 31, 2022, actual expenditures on a budgetary basis were $17,256, compared to the budgeted amount of $22,950. The primary reason for the $5,694 positive variance is the result of the District budgeting too much for legal and professional fees and continuing disclosure fees.

For the year ending December 31, 2023, actual revenues on a budgetary basis were $304,092, compared to the budgeted amount of $352,750. The primary reason for the $48,658 negative variance is the result of the District budgeting too much for TDD sales tax revenues.

For the year ending December 31, 2022, actual revenues on a budgetary basis were $225,036, compared to the budgeted amount of $270,292. The primary reason for the $45,256 negative variance is the result of the District budgeting too much for TDD sales tax revenues.

Debt Service Fund Budgeting Highlights

For the year ending December 31, 2023, actual expenditures on a budgetary basis were $250,836, compared to the budgeted amount of $308,347. The primary reason for the $57,511 positive variance is the result of the District budgeting too much for interest expense.

For the year ending December 31, 2022, actual expenditures on a budgetary basis were $243,993, compared to the budgeted amount of $238,347. The primary reason for the $5,646 negative variance is the result of the District not budgeting enough for revenue note principal repayment.

For the year ending December 31, 2023, actual revenues on a budgetary basis were $8,928, compared to the budgeted amount of $7,560. The reason for the $1,368 positive variance is the result of the District not budgeting enough for interest income.

For the year ending December 31, 2022, actual revenues on a budgetary basis were $1,993, compared to the budgeted amount of $930. The reason for the $1,063 positive variance is the result of the District not budgeting enough for interest income.

Project Fund Budgeting Highlights

For the year ending December 31, 2023, actual expenditures on a budgetary basis were $0, compared to the budgeted amount of $0.

For the year ending December 31, 2022, actual expenditures on a budgetary basis were $0, compared to the budgeted amount of $0.

For the year ending December 31, 2023, actual revenues on a budgetary basis were $180, compared to the budgeted amount of $160. The reason for the $20 positive variance is the result of the District budgeting not budgeting enough for interest income.

For the year ending December 31, 2022, actual revenues on a budgetary basis were $44, compared to the budgeted amount of $30. The reason for the $14 positive variance is the result of the District budgeting not budgeting enough for interest income.

Economic Factors and Next Year's Budget

Local, national and international economic factors influence the District's revenues. Positive economic growth correlates with increased revenues from property taxes. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, and new construction and assessed valuation. The District has prepared its budget for the next fiscal year considering the economic factors discussed above.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District.

North Outer Forty Transportation Development District

Governmental Funds Balance Sheet and
Statement of Net Position - Cash Basis
December 31, 2023

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Net Position
Assets						
Cash and equivalents	$ 40,015	$ 159,783	$ 3,832	$ 203,630	$ -	$ 203,630
Total Assets	$ 40,015	$ 159,783	$ 3,832	$ 203,630	$ -	$ 203,630
Liabilities and Fund Balances / Net Position						
Fund Balance:						
Restricted for:						
Debt Service	$ -	$ 159,783	$ -	$ 159,783	$ (159,783)	$ -
Capital Projects	-	-	3,832	3,832	(3,832)	-
Unassigned	40,015	-	-	40,015	(40,015)	-
Total Liabilities and Fund Balances	$ 40,015	$ 159,783	$ 3,832	$ 203,630	$ (203,630)	$ -
Net Position:						
Restricted for:						
Debt Service					$ 159,783	$ 159,783
Capital Projects					3,832	3,832
Unrestricted					40,015	40,015
Total Net Position					$ 203,630	$ 203,630

The accompanying notes to financial statements are an integral part of this statement.

North Outer Forty Transportation Development District

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Activities
Expenditures/Expenses:						
Trustee fees	$ 2,500	$ -	$ -	$ 2,500	$ -	$ 2,500
Bank fees	354	-	-	354	-	354
Administrative expenses	15,552	-	-	15,552	-	15,552
Insurance expense	1,200	-	-	1,200	-	1,200
Legal and professional fees	14,336	-	-	14,336	-	14,336
Audit fees	4,000	-	-	4,000	-	4,000
Interest expense	-	217,594	-	217,594	-	217,594
Revenue note principal repayment	-	33,242	-	33,242	-	33,242
Total Expenditures/Expenses	$ 37,942	$ 250,836	$ -	$ 288,778	$ -	$ 288,778
General Revenues:						
TDD sales tax revenues	$ 301,096	$ -	$ -	$ 301,096	$ -	$ 301,096
Interest income	2,996	8,928	180	12,104	-	12,104
Total General Revenues	$ 304,092	$ 8,928	$ 180	$ 313,200	$ -	$ 313,200
Excess (Deficiency) of Revenues Over Expenditures	$ 266,150	$ (241,908)	$ 180	$ 24,422	$ -	$ 24,422
Other Financing Sources (Uses)						
Transfers in	$ -	$ 250,017	$ -	$ 250,017	$ -	$ 250,017
Transfers out	(250,017)	-	-	(250,017)	-	(250,017)
Total Other Financing Sources (Uses)	$ (250,017)	$ 250,017	$ -	$ -	$ -	$ -
Net Change in Fund Balance	$ 16,133	$ 8,109	$ 180	$ 24,422	$ (24,422)	$ -
Change in net position					24,422	24,422
Fund balance/net position:						
Beginning of Year	23,882	151,674	3,652	179,208	-	179,208
End of Year	$ 40,015	$ 159,783	$ 3,832	$ 203,630	$ -	$ 203,630

The accompanying notes to financial statements are an integral part of this statement.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On June 26, 2012, the Circuit Court of the County of St. Louis (the "Court") entered a Judgment and Order Organizing a Transportation Development District (the "Order") which established the North Outer Forty Transportation Development District (the "District") as a political subdivision pursuant to and in accordance with the Missouri Transportation Development District Act, sections 238.200 through 238.275 of the Revised Statutes of Missouri, as amended (the "TDD Act"). The Order provided that the District be established for the sole purpose of funding the Transportation Project through the imposition of a transportation development district sales tax.

On July 2, 2012, pursuant to Section 238.235 of the TDD Act, the District adopted Resolution No. 12-004 authorizing the District to impose a transportation development district sales tax (the "TDD Sales Tax") at a rate of five eights of one percent (5/8%) on all retail sales made in the District which are subject to the taxation pursuant to the provision of Sections 144.010 to 144.525, RSMo, with certain exceptions listed in the TDD Act. These exceptions include sale or use of motor vehicles, trailers, boats or outboard motors, sale of electricity or electrical current, water and gas, natural or artificial, and sales of service to telephone subscribers, whether local or long distance. The TDD Sales Tax became effective on the first day of the month following the adoption of the TDD Sales Tax by the qualified voters of the District at an election held in accordance with Section 238.216 of the TDD Act.

On July 2, 2012, the District entered into a Development Agreement with the City of Chesterfield, Missouri, Taubman Prestige Outlets of Chesterfield LLC, Summit Ice Center Investors, LLC, and Summit Outer Forty Investors, LLC. Pursuant to the Development Agreement, Taubman may advance all Transportation Project Costs associated with the Taubman Transportation Project, including without limitation TDD Administrative Costs incurred prior to Grand Opening, subject to reimbursement of Reimbursable Transportation Project Costs by the District upon its issuance of TDD Obligations to finance all or a portion of the Taubman Transportation Project. In addition, Summit and the City may advance all or any portion of the Transportation Project Costs associated with the Summit Transportation Project and the City Transportation Project, subject to reimbursement of Reimbursable Transportation Project Costs by the District upon its issuance of TDD Obligations to finance all or a portion of the Summit Transportation Project and the City Transportation Project. The District shall issue the TDD Obligations to finance the Transportation Project, collect the TDD Sales Tax and transfer TDD Revenues to the Trustee to be used to pay TDD Administrative Costs and debt service on the TDD Obligations, and cause each functional portion of the Transportation Project to be dedicated to the Missouri Highways and Transportation Commission or the applicable local transportation authority.

On March 13, 2013, the Board of Directors of the District determined that is was in the best interest of the District to authorize its Taxable Transportation Development Revenue Notes, Series 2013A, in an aggregate principal amount not to exceed $12,232,000 (plus TDD Administrative Costs, Taubman Operating Expenses and Issuance Costs), its Taxable Transportation Development Revenue Notes, Series 2013B, in an aggregate principal amount not to exceed $4,000,000 (plus TDD Administrative Costs, Summit Operating Expenses and Issuance Costs), and its Taxable Transportation Development Revenue Notes, Series 2013C, in an aggregate principal amount not to exceed $34,475,000 (plus Issuance Costs). The Notes and the interest shall be limited obligations of the District payable solely from the pledged revenues, and other monies solely pledged and held by BOKF, N.A.as trustee.

On September 1, 2021, the Board of Directors of the District determined that is was in the best interest of the District to authorize its $2,495,000 aggregate principal amount Tax-Exempt Transportation Development Refunding Revenue Notes, Series 2021A and its Subordinate Taxable Transportation Development Refunding Revenue Note, Series 2021B for the purpose of providing funds to refund all of the outstanding Series 2013B-2 Notes, fund a debt service reserve fund for the Series 2021A Note, to reimburse certain Reimbursable Transportation Project Costs, and pay certain costs associated with the issuance of the Series 2021 Notes.

A general description of the Project is as follows: construction of a commercial real estate development known as Taubman Prestige Outlets Chesterfield by Taubman with North Outer Forty and Boone's Crossing improvements, stormwater drainage improvements, and construction of levee bike/hiking trail parking and access area; construction of a commercial real estate development by Summit with improvements to the Summit property; and,

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

construction of an access road and parking area with access to public wetlands, trailhead and related facilities, Baxter Road overpass U.S. 40/I-64, collector-distributor system I-64 to Boone's Crossing, Long Road Interchange contribution, extension of North Outer Forty Road to Chesterfield Parkway with related slip ramp and reconfiguration of access and entrances, and North Outer Forty Road to future intersection with Baxter Road construction by the City of Chesterfield, Missouri.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

A) BASIS OF PRESENTATION

Special-purpose governments engaged in a single governmental program and having no component units may present financial statements as combining fund financial statements with government-wide statements. This is illustrated on the Governmental Funds Balance Sheet and Statement of Net Position - Cash Basis and the Governmental Fund Revenues, Expenditures and Changes in Fund Balances and Statement of Activities - Cash Basis.

In the fund financial statements, financial transactions and accounts of the District are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund statements are also presented on a cash basis of accounting. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

Governmental Funds

General Fund - The District internally maintains three separate funds that make up the General Fund, as follows:

Special Trust Fund – The Special Trust Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from sales taxes.

Revenue Fund – (a) The creation of the Special Trust Fund in the treasury of the District.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

(b) On or before the twentieth (20th) calendar day of each month (or the next Business Day thereafter if the twentieth (20th) is not a Business Day) while the Series 2013A Notes are Outstanding, the District shall

transfer or cause the transfer of all Net Proceeds that constitute Taubman Revenues from the Special Trust Fund to the Trustee with written instructions to deposit such moneys into the Series 2013A Account of the Revenue Fund. If the District has no such Net Proceeds to transfer to the Trustee pursuant to this paragraph, the District shall so notify the Trustee in writing. Moneys on deposit in the Series 2013A Account of the Revenue Fund shall be disbursed by the Trustee on or before the fifth (5th) day prior to each Payment Date (or the next Business Day if such day is not a Business Day) for the purposes and in the amounts as set forth below:

First, to the Trustee or any Paying Agent, an amount sufficient for payment of 79.22% of the fees and expenses which are due and owing to the Trustee or any Paying Agent, upon delivery to the District of an invoice for such amounts;

Second, to the Operating Fund, 79.22% of one half of the Annual Operating Fund Deposit;

Third, transfer to the Series 2013A Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series 2013A Notes;

Fourth, transfer to the Series 2013A Debt Service Account of the Debt Service Fund, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series 2013A Notes on such Payment Date;

Fifth, transfer to the Series 2013A Redemption Account of the Debt Service Fund all moneys then remaining in the Series 2013A Account of the Revenue Fund, in an amount not to exceed the Outstanding Series 2013A Notes, which shall be applied pro rata to the payment of principal on the Series 2013A Notes that is subject to redemption on such Payment Date pursuant to Section 302(b)(i) of the Original Indenture;

Sixth, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, and (ii) no Series 2013A Notes remain Outstanding, then transfer to the Series 2021A Debt Service Account of the Debt Service Fund and be applied to pay pro rata, the past-due interest, if any, owing on the Series 2021A Notes and then to pay pro rata, the interest becoming due and payable on the Series 2021A Notes on the next succeeding Payment Date;

Seventh, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, and (ii) no Series 2013A Notes remain Outstanding, then transfer to the Series 2021A Redemption Account of the Debt Service Fund moneys in an amount not to exceed the Outstanding Series 2021A Notes, which shall be applied to the payment of principal on the Series 2021A Notes that are subject to redemption on such Payment Date pursuant to Section 301(b)(i) of the First Supplemental Indenture;

Eighth, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, (ii) no Series 2013A Notes remain Outstanding, and (iii) no Series 2021A Notes remain Outstanding, then transfer all moneys then remaining in the Series 2013A Account of the Revenue Fund pro rata (based on the respective Outstanding principal balances of the Series 2021B Notes and the Series C Notes) to each of the Series 2021B Account and the Series C Account of the Revenue Fund, and if no Series C Notes are then Outstanding and there are Series 2021B Notes Outstanding, to the Series 2021B Account of the Revenue Fund.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

Provided, that, if any amounts required to be paid on any date into any account described in the *First* or *Second* step above under this Section 404(b), together with the amounts require to be paid on such date into the same account described in the *Second* or *Third* step under Section 404(c), shall exceed the aggregate amount required to be paid, such excess amount shall be applied to reduce the amount required under each subsection, pro rata to the amounts of the Taubman Revenues and the Summit Revenues available for such purpose.

(c) On or before the twentieth (20th) calendar day of each month (or the next Business Day thereafter if the twentieth (20th) is not a Business Day) while the Series 2021 Notes are Outstanding, the District shall transfer or cause the transfer of all Net Proceeds that constitute Summit Revenues from the Special Trust Fund to the Trustee with written instructions to deposit such moneys into the Series 2021 Account of the Revenue Fund. If the District has no such Net Proceeds to transfer to the Trustee pursuant to this paragraph, the District shall so notify the Trustee in writing. Moneys on deposit in the Series 2021 Account of the Revenue Fund shall be disbursed by the Trustee on or before the fifth (5th) day prior to each Payment Date (or the next Business Day if such day is not a Business Day) for the purposes and in the amounts as set forth below:

First, when necessary, to the Rebate Fund, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the District in accordance with the Tax Compliance Agreement or to pay any rebate analyst to perform rebate services as required by the Tax Compliance Agreement;

Second, to the Trustee or any Paying Agent, an amount sufficient for payment of 20.78% of the fees and expenses which are due and owing to the Trustee or any Paying Agent, upon delivery to the District of an invoice for such amounts;

Third, to the Operating Fund, 20.78% of one half of the Annual Operating Fund Deposit;

Fourth, transfer to the Series 2021A Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series 2021A Notes;

Fifth, transfer to the Series 2021A Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series 2021A Notes on such Payment Date;

Sixth, transfer to the Series 2021A Redemption Account of the Debt Service Fund all moneys then remaining in the Series 2021 Account of the Revenue Fund, in an amount not to exceed the Outstanding Series 2021A Notes, which shall be applied to the payment of principal on the Series 2021A Notes that are subject to redemption on such Payment Date pursuant to Section 301(b)(i);

Seventh, once no Series 2021A Notes are Outstanding and if any Series 2021B Notes are Outstanding, transfer to the Series 2021B Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series 2021B Notes;

Eighth, once no Series 2021A Notes are Outstanding and if any Series 2021B Notes are Outstanding, transfer to the Series 2021B Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series 2021B Notes on such Payment Date;

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

Ninth, once no Series 2021A Notes are Outstanding and if any Series 2021B Notes are Outstanding, transfer to the Series 2021B Redemption Account of the Debt Service Fund all moneys then remaining in the Series 2021B Account of the Revenue Fund, in an amount not to exceed the Outstanding Series 2021B Notes, which shall be applied to the payment of principal on the Series 2021B Notes that are subject to redemption on such Payment Date pursuant to Section 301(b)(ii);

Tenth, once no Series 2021 Notes remain Outstanding, hold all moneys remaining in the Series 2021 Account of the Revenue Fund until any of the following have occurred: (i) the District and the City have accepted the Summit Certificate of Substantial Completion, and provided written evidence of same to the Trustee, or (ii) Summit provides written notice to the District and the Trustee that it will not undertake any further portion of the Summit Transportation Projects, or (iii) the District provides written evidence to the Trustee that the Development Agreement has been terminated as to Summit; and

Eleventh, once (i)(A) the District and the City have accepted the Summit Certificate of Substantial Completion and provided evidence of same to the Trustee, or (B) Summit has provided written notice to the District and Trustee that it will not undertake any further portion of the Summit Transportation Projects, or (C) the District has provided written evidence to the Trustee that the Development Agreement has been terminated as to Summit, and (ii) no Series 2021 Notes remain Outstanding, then transfer all moneys then remaining in the Series 2021 Account of the Revenue Fund pro rata (based on the respective Outstanding principal balances of the Series 2013A Notes and Series C Notes) to each of the Series 2013A Account and the Series C Account of the Revenue Fund.

Provided, that, if any amounts required to be paid on any date into any account described in the *First* or *Second* step above under Section 404(b), together with the amounts require to be paid on such date into the same account described in the *Second* or *Third* step under this Section 404(c), shall exceed the aggregate amount required to be paid, such excess amount shall be applied to reduce the amount required under each subsection, pro rata to the amounts of the Taubman Revenues and the Summit Revenues available for such purpose.

(d) To the extent that moneys are deposited in the Series C Account of the Revenue Fund due to transfers made pursuant to Sections 402(b) and (c) above, the Trustee shall disburse such moneys in the Series C Account of the Revenue Fund on or before the fifth (5th) day prior to each Payment Date (or the next Business Day if such day is not a Business Day) for the purposes and in the amounts as set forth below:

First, transfer to the Series C Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series C Notes;

Second, transfer to the Series C Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series C Notes on such Payment Date; and

Third, transfer to the Series C Redemption Account of the Debt Service Fund all moneys then remaining in the Series C Account of the Revenue Fund, which shall be applied to the payment of principal on the Series C Notes that is subject to redemption on the next succeeding Payment Date pursuant to Section 302(b)(iii) of the Original Indenture.

(e) Upon payment in full of the principal of and interest on the Notes (or provisions have been made for the payment thereof as specified in this Indenture) and the fees, charges and expenses of the Trustee and any Paying Agent, and any other amounts required to be paid or held under this Indenture, all amounts

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

remaining on deposit in the Revenue Fund shall be paid to the District for deposit into the Special Trust Fund.

Operating Fund – On each December 1 the Trustee shall advise the District in writing of the then-current balance of the Operating Fund to be carried over to the next Fiscal Year pursuant to Section 402(b), paragraph *Second* (the *"Carryover Amount")* and if the balance is greater than $100.00, request that the District notify the Trustee in writing as to whether the Annual Operating Fund Deposit for the immediately succeeding Fiscal Year should be reduced by the full Carryover Amount or some lesser amount as specified by the District. If the Trustee has received no response from the District by December 31 of such Fiscal Year, the Trustee shall by January 5 fil of the following Fiscal Year provide a second written notice to the District, requesting that the District notify the Trustee in writing as to whether the Annual Operating Fund Deposit should be reduced by the full Carryover Amount or some lesser amount as specified by the District. If the District does not so notify the Trustee in writing by February 1 of such Fiscal Year, then the Trustee shall reduce the Annual Operating Fund Deposit for that Fiscal Year by an amount equal to the Carryover Amount.

Money in the Operating Fund shall be disbursed by the Trustee without inquiry or investigation from time to time upon receipt of a written request of the Authorized District Representative to pay TDD Administrative Costs, costs of maintaining the Transportation Project to the extent that such costs of maintenance consist of non-capital expenditures, ordinary repairs and routine maintenance of those portions of the Transportation Project with a reasonably expected useful life of not more than two years, or any other lawful purpose of the District. Any TDD Administrative Costs or costs of maintaining the Transportation Project in excess of the Annual Operating Fund Deposit shall be carried forward for payment from the next deposit of the Annual Operating Fund Deposit.

Debt Service Fund - The District internally maintains two separate funds that make up the Debt Service Fund, as follows:

Debt Service Fund – (a) All amounts paid and credited to the Debt Service Fund shall be expended solely for (1) the payment of the principal of and interest on the Notes as the same matures and becomes due or upon the redemption thereof, or (2) to purchase the Notes for cancellation prior to maturity.

(b) The District hereby authorizes and directs the Trustee to withdraw (to the extent available) sufficient moneys from the appropriate account of the Debt Service Fund to pay the principal of and interest on the applicable series of Notes as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on such Notes.

(c) The Trustee shall use any moneys remaining in each account of the Debt Service Fund to redeem all or part of the applicable series of Notes then Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by Article III, so long as said moneys are in excess of the amount required for payment of the Notes theretofore matured or called for redemption.

(d) If the moneys in any account of the Debt Service Fund relating to a series of Notes are insufficient to pay all accrued interest on the applicable series of Notes on any Payment Date, then such moneys shall be applied ratably, according to the amounts due on such installment, to the Persons entitled thereto with respect to such Notes without any discrimination or privilege, and any unpaid portion shall accrue to the next Payment Date, with interest thereon at the rate or rates specified in the Notes to the extent permitted by law. If the moneys in the Debt Service Fund relating to a series of Notes are insufficient to pay the principal of the applicable series of Notes on the maturity date thereof, then such moneys shall be applied

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

ratably, according to the amounts of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(e) After payment in full of the principal of and interest on the Notes (or provision has been made for the payment thereof as specified in this Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under this Indenture, all amounts remaining in the Debt Service Fund shall be paid to the District for deposit into the Special Trust Fund.

Debt Service Reserve Fund - (a) Except as otherwise provided in this Indenture, moneys in the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Series 2021A Notes if moneys otherwise available for such purpose as provided in Section 403 of the Original Indenture are insufficient to pay the same as they become due and payable and to make the final payment on such Series 2021A Notes. The amount on deposit in the Debt Service Reserve

Fund shall be valued by the Trustee 45 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) and the Trustee shall give prompt written notice to the District if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be set at their fair market value (exclusive of accrued interest thereon) on the date of valuation. Moneys in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement on any valuation date shall be deposited promptly by the Trustee in the Series 2021A Debt Service Account of the Debt Service Fund.

(b) Moneys in the Debt Service Reserve Fund shall be used to pay principal of and interest on the Series 2021A Notes upon final Maturity thereof. After payment in full of the principal of, redemption premium, if any, and interest on the Series 2021A Notes (or provision having been made for the payment thereof as specified in this Indenture), and the fees, charges, and expenses of the Trustee and any Paying Agent and the District, and any other amounts required to be paid under this Indenture, all amounts remaining in the Debt Service Reserve Fund shall be returned to District for deposit into the Special Trust Fund.

Project Fund – (a) Moneys in the Series 2021 Costs of Issuance Account of the Project Fund shall be disbursed from time to time by the Trustee as set forth in Schedule I attached hereto, to be paid upon receipt by the Trustee of invoices in the amount set forth in Schedule I, but without the necessity of receipt by the Trustee of a requisition therefor. Any moneys remaining in the Series 2021 Costs of Issuance Account of the Project Fund on the earlier of the payment of all of the Costs of Issuance set forth on Schedule I or the date (and if such date is not a Business Day, the next succeeding Business Day) which is ninety (90) days after the date of issuance of the Series 2021 Notes, shall be deposited, without further authorization, into the Series 2021A Subaccount of the Redemption Account of the Debt Service Fund.

(b) Moneys in the Series 2021 Project Account of the Project Fund shall be disbursed from time to time by the Trustee upon receipt of a written request of the District signed by the Authorized District Representative, which contains the statements, representations and certifications set forth in a written request in substantially the form of Exhibit D, attached hereto and incorporated herein by reference. Any money remaining on deposit in the Series 2021A Project Account of the Project Fund on the date that is the earlier of (i) the date that the portion of the Summit Transportation Project financed with the Series 2021A Notes is completed, as evidenced by a certificate executed and delivered by the Authorized Summit Representative to the Trustee or (ii) the date that is three years after the date of issuance of the Series 2021 Notes, shall be deposited into the Series 2021A Subaccount of the Redemption Account of the Debt Service Fund.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONCLUDED)

(c) Upon the approval by the District of a Certificate of Reimbursable Transportation Project Costs and the issuance or endorsement of a Series 2021B Note pursuant to Section 202(c) hereof, funds shall be deemed to have been advanced by Summit to purchase such Series 2021B Note and the District shall be deemed to have deposited such funds in the Series 2021B Project Account in the Project Fund and shall be deemed to have reimbursed Summit in full for such costs from the amounts deemed to be on deposit in the Series 2021B Project Account of the Project Fund. Following the date of initial issuance of a Series 2021B Note, endorsements to such Series 2021B Note shall be dated as provided in Section 202. If the Series 2021B Note is held by the Trustee, the Trustee shall promptly but no later than thirty (30) days following an endorsement of Series 2021B Notes by the Trustee, send a revised copy of Schedule 1 via (i) personal delivery, (ii) certified mail, return receipt requested, or (iii) overnight delivery to the Owner and the District at their respective addresses pursuant to Section 505.

Rebate Fund - (a) There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the transfer provisions provided in subsection (c) below, all money at any time deposited in the Rebate Fund and any income earned thereon shall be held in trust to the extent required to pay arbitrage rebate to the federal government of the United States of America; the District and the Owners of any Notes shall not have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Compliance Agreement (which is incorporated herein by reference).

(b) Pursuant to the Tax Compliance Agreement, the Trustee, on behalf of the District, shall remit from the Rebate Fund rebate installments and the final rebate payments to the United States of America. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Series 2021A Notes and payment and satisfaction of any arbitrage rebate, or provision made therefor, shall be transferred to the Series 2021A Debt Service Account of the Debt Service Fund or, if the Series 2021A Notes are no longer Outstanding, the Series 2021B Debt Service Account of the Debt Service Fund or, if the Series 2021 Notes are no longer Outstanding, the Series C Debt Service Account of the Debt Service Fund. After payment in full of the principal of and interest on the Notes (or provision has been made for the payment thereof as specified in this Indenture), and the fees, charges and expenses of the Trustee and any Paying Agents and any other amounts required to be paid under this Indenture, all amounts remaining in the Rebate Fund shall be returned to the District for deposit into the Special Trust Fund.

(c) Notwithstanding any other provision of this Indenture, including in particular this Article, the obligation to remit arbitrage rebate to the United States of America and to comply with all other requirements of this Section, the preceding Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Series 2021A Notes.

B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements and Fund Financial Statements are prepared using the cash basis of accounting, a special purpose framework. Under the cash basis, revenues are recognized when received rather when earned and expenditures are recognized when cash is disbursed rather when the obligation is incurred.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Section 67 of the Missouri Revised Statutes, the budget officer, as designated by the District, prepares and adopts an annual budget which represents the complete financial plan for the ensuing budget year. The budget includes at least the following information:

   a) A budget message describing the important features of the budget and major changes from the preceding year;

   b) Estimated revenues to be collected from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;

   c) The amount required for the payment of interest, amortization, and redemption charges on the debt of the District;

   d) A general budget summary.

2) In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

3) The District may revise, alter, increase or decrease the items in the proposed budget, subject to such limitations as may be provided by law provided, that in no event, shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

4) The District shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues in the budget.

5) After the District has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the District shall not increase the total amount authorized for expenditure from any fund, unless the District Board adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion resolution or ordinance to authorize the expenditures.

The 2023 budget was approved at the regularly scheduled Board of Directors' meeting. Annual budgets are prepared and adopted by fund on a basis consistent with the cash basis of accounting for the major individual governmental funds. All annual appropriations lapse at fiscal year end.

D) CAPITAL ASSETS AND LONG-TERM LIABILITIES

In accordance with the cash basis of accounting, the government-wide and fund financial statements report capital asset additions as expenditures when cash is expended and debt proceeds are shown as other financing sources when cash is received. Debt principal payments are shown as expenditures when payments are made. Capital assets and long term liabilities are not maintained on these financial statements but long term debt is disclosed later in these notes to the financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

E) REVENUE RECOGNITION – SALES TAX

Sales tax revenues are collected monthly and remitted to the Missouri Department of Revenue. The District receives the sales tax revenue the month after it is collected by the Missouri Department of Revenue.

Sales tax revenue is recognized when they are received by the District.

F) FUND BALANCE AND NET POSITION

Net Position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by laws or regulations of the government. All other net position that does not meet the definition of "restricted" are reported as unrestricted net position. It is the District's policy to expend restricted resources first if the restrictions are met.

Fund balances are classified as follows:

Nonspendable- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable fund balance as of December 31, 2023.

Restricted- This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District had an ending balance of $163,615 for restricted fund balances that consisted of the Debt Service Fund and the Project Fund.

Committed- This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District had no committed resources as of December 31, 2023.

Assigned- This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board through budgetary process. The District had no assigned resources as of December 31, 2023.

Unassigned- All amounts not included in other spendable classifications.

The District would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

2) CASH AND CASH EQUIVALENTS

The District complies with various regulations on deposits and investments, which are imposed by the state statutes as follows:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

2) CASH AND CASH EQUIVALENTS (CONCLUDED)

Investments - The District may invest in bonds of the State of Missouri or any wholly owned corporation of the United States; or in other short-term obligations of the United States.

Cash of the District at December 31, 2023, is as follows:

Deposits

At December 31, 2023, the carrying amount of the District's deposits was $203,630 and the bank balance was $203,630. The bank balance in the Sales Tax Trust Fund was $226 at year end. Any balance maintained in this account would be covered by federal depository insurance up to $250,000. All cash balances with the Trustee were invested in Fidelity U.S. Treasury Money Market accounts. Due to the short-term nature of investments, these balances are classified as cash equivalents in the District's basic financial statements. The Fidelity U.S. Treasury Money Market Fund is not insured by federal depository insurance coverage. The Fund, however, invests only in direct obligations of the United States and repurchase agreements for direct obligations of the United States.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. State statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

Investments

There were no investments at December 31, 2023.

3) COMMITMENTS

On July 2, 2012, the District entered into a Development Agreement with the City of Chesterfield, Missouri, Taubman Prestige Outlets of Chesterfield LLC, Summit Ice Center Investors, LLC, and Summit Outer Forty Investors, LLC. Pursuant to the Development Agreement, Taubman may advance all Transportation Project Costs associated with the Taubman Transportation Project, including without limitation TDD Administrative Costs incurred prior to Grand Opening, subject to reimbursement of Reimbursable Transportation Project Costs by the District upon its issuance of TDD Obligations to finance all or a portion of the Taubman Transportation Project. In addition, Summit and the City may advance all or any portion of the Transportation Project Costs associated with the Summit Transportation Project and the City Transportation Project, subject to reimbursement of Reimbursable Transportation Project Costs by the District upon its issuance of TDD Obligations to finance all or a portion of the Summit Transportation Project and the City Transportation Project. The District shall issue the TDD Obligations to finance the Transportation Project, collect the TDD Sales Tax and transfer TDD Revenues to the Trustee to be used to pay TDD Administrative Costs and debt service on the TDD Obligations, and cause each functional portion of the Transportation Project to be dedicated to the Missouri Highways and Transportation Commission or the applicable local transportation authority.

4) LITIGATION

At December 31, 2023, the District had settled the lawsuit they were involved in.

5) TAXES

The District has imposed a sales tax pursuant to the TDD Act at a rate of five-eighths of one percent (5/8%), effective July 2 2012, (the "TDD Sales Tax") on all retail sales made in the District which are subject to the taxation pursuant to the provision of Sections 144.010 to 144.525, RSMo, with certain exceptions listed in the TDD Act. These exceptions include sale or use of motor vehicles, trailers, boats or outboard motors, sale of electricity or electrical current, water and gas, natural or artificial, and sales of service to telephone subscribers, whether local or long distance.

6) LONG-TERM DEBT

At the year ended December 31, 2023, the balance of Taxable Transportation Development Revenue Notes, Series 2013A was $9,512,737. The Taxable Transportation Development Revenue Notes, Series 2013B were refunded in 2021, and the Tax-Exempt Transportation Development Refunding Revenue Notes, Series 2021A were issued in the amount of $2,495,000. At the year ended December 31, 2023, the balance of the 2021A Notes was $2,383,601. The Series 2013A Notes bear interest at 5.25% and will mature on March 20, 2053. The Series 2021A Notes bear interest at 4.00% and will mature on December 1, 2046.

The total amount of interest that is past due as of December 31, 2023, is $1,781,358 on the Series 2013A Notes and $0 on the Series 2021A Notes. In 2023, the District paid $217,594 in interest expense. A debt schedule is not presented in the audit report, because payments are interest only unless enough excess funds exist to make principal payments.

Taxable Transportation Development Revenue Notes, Series 2013A

Revenue notes payable, January 1, 2023	$	9,512,737
Notes issued		-
Notes retired		-
Revenue notes payable, December 31, 2023	$	9,512,737

Tax-Exempt Transportation Development Refunding Revenue Notes, Series 2021A

Revenue notes payable, January 1, 2023	$	2,416,843
		-
Notes retired		(33,242)
Revenue notes payable, December 31, 2023	$	2,383,601

7) PROJECT COSTS

The District spent $0 on improvements and projects within the District during the year ended December 31, 2023.

8) INTERFUND TRANSFERS

During the fiscal year ended December 31, 2023, the District had the following interfund transfers:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	$ -	$ (250,017)
Debt Service Fund	250,017	-
Project Fund	-	-
	$ 250,017	$ (250,017)

During the year ended December 31, 2023, the District transferred funds from the General Fund to the Debt Service fund to make required debt payments.

9) SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 19, 2024, the date the financial statements were available to be issued. In 2024, the Taxable Transportation Development Revenue Note, Series 2013A registered No. R-1 by Taubman will be assigned as registered No. 2 to TSG Chesterfield Lifestyle, LLC.

Other Information

North Outer Forty Transportation Development District

Statement of Revenues Collected and Expenditures Paid -
General Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
TDD sales tax revenues	$ 350,000	$ 350,000	$ 301,096	$ (48,904)
Interest income	292	2,750	2,996	246
Total Revenues	$ 350,292	$ 352,750	$ 304,092	$ (48,658)
Expenditures:				
Bank fees	$ 350	$ 350	$ 354	$ (4)
Trustee fees	2,000	2,500	2,500	-
Continuing disclosure fees	3,000	3,000	-	3,000
Administrative expenses	10,404	12,363	15,552	(3,189)
Insurance expenses	1,300	1,300	1,200	100
Legal and professional fees	3,700	14,336	14,336	-
Audit fees	4,000	4,000	4,000	-
Total Expenditures	$ 24,754	$ 37,849	$ 37,942	$ (93)
Other Financing Sources (Uses)				
Transfers in	$ 371,725	$ 381,700	$ -	$ (381,700)
Transfers out	(698,747)	(690,047)	(250,017)	440,030
Total Other Financing Sources (Uses)	$ (327,022)	$ (308,347)	$ (250,017)	$ 58,330
Net Change in Fund Balance	$ (1,484)	$ 6,554	$ 16,133	$ 9,579
Fund Balance - at beginning of the year		23,882	23,882	
Fund Balance - at end of the year		$ 30,436	$ 40,015	

North Outer Forty Transportation Development District

Statement of Revenues Collected and Expenditures Paid -
Debt Service Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Interest income	$ 930	$ 7,560	$ 8,928	$ 1,368
Total Revenues	$ 930	$ 7,560	$ 8,928	$ 1,368
Expenditures:				
Interest expense	$ 238,347	$ 258,347	$ 217,594	$ 40,753
Revenue note principal repayment	90,000	50,000	33,242	16,758
Total Expenditures	$ 328,347	$ 308,347	$ 250,836	$ 57,511
Other Financing Sources (Uses)				
Transfers in	$ 328,347	$ 308,347	$ 250,017	$ (58,330)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	$ 328,347	$ 308,347	$ 250,017	$ (58,330)
Net Change in Fund Balance	$ 930	$ 7,560	$ 8,109	$ 549
Fund Balance - at beginning of the year		151,674	151,674	
Fund Balance - at end of the year		$ 159,234	$ 159,783	

North Outer Forty Transportation Development District

Statement of Revenues Collected and Expenditures Paid -
Project Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Interest income	$ 30	$ 160	$ 180	$ 20
Total Revenues	$ 30	$ 160	$ 180	$ 20
Expenditures:				
Project costs	$ -	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -	$ -
Other Financing Sources (Uses)				
Transfers in	$ -	$ -	$ -	$ -
Transfers out	(1,325)	-	-	-
Total Other Financing Sources (Uses)	$ (1,325)	$ -	$ -	$ -
Net Change in Fund Balance	$ (1,295)	$ 160	$ 180	$ 20
Fund Balance - at beginning of the year		3,652	3,652	
Fund Balance - at end of the year		$ 3,812	$ 3,832	

North Outer Forty Transportation Development District

Statement of Revenues Collected and Expenditures Paid -
All Funds - Budget and Actual - Cash Basis
For the Year Ended December 31, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
TDD sales tax revenues	$ 350,000	$ 350,000	$ 301,096	$ (48,904)
Interest income	1,252	10,470	12,104	1,634
Total Revenues	$ 351,252	$ 360,470	$ 313,200	$ (47,270)
Expenditures:				
Trustee fees	$ 2,000	$ 2,500	$ 2,500	$ -
Bank fees	350	350	354	(4)
Continuing disclosure fees	3,000	3,000	-	3,000
Administrative expenses	10,404	12,363	15,552	(3,189)
Insurance expense	1,300	1,300	1,200	100
Legal and professional fees	3,700	14,336	14,336	-
Audit fees	4,000	4,000	4,000	-
Interest expense	238,347	258,347	217,594	40,753
Revenue bond principal repayment	90,000	50,000	33,242	16,758
Total Expenditures	$ 353,101	$ 346,196	$ 288,778	$ 57,418
Other Financing Sources (Uses)				
Transfers in	$ 700,072	$ 690,047	$ 250,017	$ (440,030)
Transfers out	(700,072)	(690,047)	(250,017)	440,030
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
Net Change in Fund Balance	$ (1,849)	$ 14,274	$ 24,422	$ 10,148
Fund Balances - at beginning of the year		179,208	179,208	
Fund Balances - at end of the year		$ 193,482	$ 203,630	

Compliance Section

Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
North Outer Forty Transportation Development District
Chesterfield, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of North Outer Forty Transportation Development District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise North Outer Forty Transportation Development District's basic financial statements, and have issued our report thereon dated June 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Outer Forty Transportation Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Outer Forty Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Outer Forty Transportation Development District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Outer Forty Transportation Development District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONCLUDED)

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 19, 2024
Hannibal, Missouri