

Koch Plaza
Transportation Development District

Basic Financial Statements

And Management's Discussion and Analysis

For The Year Ended December 31, 2021

Koch Plaza Transportation Development District

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December 31, 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Koch Plaza Transportation Development District
Florissant, Missouri

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Koch Plaza Transportation Development District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Koch Plaza 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 Koch Plaza Transportation Development District, as of December 31, 2021, 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 Koch Plaza 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 Koch Plaza 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 Koch Plaza 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.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022, on our consideration of the Koch Plaza 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 Koch Plaza 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 Koch Plaza Transportation Development District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 8, 2022
Hannibal, Missouri

**Management's Discussion
and Analysis**

Koch Plaza Transportation Development District
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

The discussion and analysis of Koch Plaza Transportation Development District's financial performance provides an overview and analysis of the District's financial statements for the year ended December 31, 2021. It should be read in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of Koch Plaza Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2021 by \$130,765. Of this amount, \$65,763 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of Koch Plaza Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2020 by \$116,680. Of this amount, \$51,677 (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 \$14,085 for the year ended December 31, 2021. The primary reason for this is because the District received \$94,067 in total revenues and spent \$79,982 on total expenses.
- The District's total net position increased by \$8,960 for the year ended December 31, 2020. The primary reason for this is because the District received \$93,157 in total revenues and spent \$84,197 on total expenses.
- The District did not issue any additional debt for the years ending December 31, 2021 or 2020.

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 Koch Plaza 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 supplementary information in addition to the basic financial statements.

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 Fund - 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.

Koch Plaza 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.

Koch Plaza Transportation Development District
Management's Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

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 \$130,765 as of December 31, 2021.

Table 1
Summary of Net Position
at December 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 130,765	\$ 116,680
Total Assets	<u>\$ 130,765</u>	<u>\$ 116,680</u>
Net position:		
Restricted	\$ 65,002	\$ 65,003
Unrestricted	65,763	51,677
Total Net Position	<u>\$ 130,765</u>	<u>\$ 116,680</u>

Table 2
Changes in Net Position

	Governmental Activities	
	2021	2020
General Revenues:		
Taxes	\$ 94,058	\$ 92,753
Interest income	9	404
Total revenues	<u>\$ 94,067</u>	<u>\$ 93,157</u>
Expenses:		
General government	\$ 12,193	\$ 10,710
Interest expense	37,820	40,111
Revenue bond principal repayment	29,969	33,376
Total expenses	<u>\$ 79,982</u>	<u>\$ 84,197</u>
Increase (decrease) in net position	\$ 14,085	\$ 8,960
Net Position at beginning of year	116,680	107,720
Net Position at end of year	<u>\$ 130,765</u>	<u>\$ 116,680</u>

PROPERTY, PLANT AND EQUIPMENT AND DEBT

Property, Plant and Equipment

During the years ending December 31, 2021 and 2020, the District did not have any additional capital additions.

Koch Plaza Transportation Development District

Management's Discussion and Analysis For the Year Ended December 31, 2021 (Unaudited)

Debt

As of the year ended December 31, 2021, the District had \$556,355 in revenue bonds payable. The District made principal payments of \$29,969 and interest payments of \$37,820 during the year.

As of the year ended December 31, 2020, the District had \$586,324 in revenue bonds payable. The District made principal payments of \$33,376 and interest payments of \$40,111 during the year.

General Fund Budgeting Highlights

For the year ending December 31, 2021, actual expenditures on a budgetary basis were \$12,193 compared to the budgeted amount of \$17,150. The primary reason for the \$4,957 positive variance is the result of the District budgeting for legal and professional fees that were not incurred during the fiscal year.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$94,061 compared to the budgeted amount of \$90,000. The primary reason for the \$4,061 positive variance is the result of the District not budgeting enough for TDD sales tax revenues.

Debt Service Fund Budgeting Highlights

For the year ending December 31, 2021, actual expenditures on a budgetary basis were \$67,789, compared to the budgeted amount of \$73,026. The primary reason for the \$5,237 positive variance is the result of the District budgeting not much for revenue bond principal repayment.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$6, compared to the budgeted amount of \$500. The reason for the \$494 negative variance is the result of the District budgeting too much for interest income.

Project Fund Budgeting Highlights

For the year ending December 31, 2021, actual expenditures on a budgetary basis were \$0, compared to the budgeted amount of \$0.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$0, compared to the budgeted amount of \$0.

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.

Koch Plaza Transportation Development District

Governmental Funds Balance Sheet and
Statement of Net Position - Cash Basis
December 31, 2021

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Net Position
Assets						
Cash and equivalents	\$ 65,763	\$ 65,002	\$ -	\$ 130,765	\$ -	\$ 130,765
Total Assets	<u>\$ 65,763</u>	<u>\$ 65,002</u>	<u>\$ -</u>	<u>\$ 130,765</u>	<u>\$ -</u>	<u>\$ 130,765</u>
Liabilities and Fund Balances / Net Position						
Fund Balance:						
Restricted for:						
Debt Service	\$ -	\$ 65,002	\$ -	\$ 65,002	\$ (65,002)	\$ -
Capital Projects	-	-	-	-	-	-
Unassigned	65,763	-	-	65,763	(65,763)	-
Total Liabilities and Fund Balances	<u>\$ 65,763</u>	<u>\$ 65,002</u>	<u>\$ -</u>	<u>\$ 130,765</u>	<u>\$ (130,765)</u>	<u>\$ -</u>
Net Position:						
Restricted for:						
Debt Service					\$ 65,002	\$ 65,002
Capital Projects					-	-
Unrestricted					65,763	65,763
Total Net Position					<u>\$ 130,765</u>	<u>\$ 130,765</u>

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

Koch Plaza Transportation Development District

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Activities
Expenditures/Expenses:						
Trustee fees	\$ 1,650	\$ -	\$ -	\$ 1,650	\$ -	\$ 1,650
Bank fees	393	-	-	393	-	393
Administrative expenses	8,400	-	-	8,400	-	8,400
Interest expense	-	37,820	-	37,820	-	37,820
Revenue bond principal repayment	-	29,969	-	29,969	-	29,969
Rebate calculation fees	1,750	-	-	1,750	-	1,750
Total Expenditures/Expenses	\$ 12,193	\$ 67,789	\$ -	\$ 79,982	\$ -	\$ 79,982
General Revenues:						
TDD sales tax revenues	\$ 94,058	\$ -	\$ -	\$ 94,058	\$ -	\$ 94,058
Interest income	3	6	-	9	-	9
Total General Revenues	\$ 94,061	\$ 6	\$ -	\$ 94,067	\$ -	\$ 94,067
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,868	\$ (67,783)	\$ -	\$ 14,085	\$ -	\$ 14,085
Other Financing Sources (Uses)						
Transfers in	-	67,782	-	67,782	-	67,782
Transfers out	(67,782)	-	-	(67,782)	-	(67,782)
Total Other Financing Sources (Uses)	\$ (67,782)	\$ 67,782	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 14,086	\$ (1)	\$ -	\$ 14,085	\$ (14,085)	\$ -
Change in net position					14,085	14,085
Fund balance/net position:						
Beginning of Year	51,677	65,003	-	116,680	-	116,680
End of Year	\$ 65,763	\$ 65,002	\$ -	\$ 130,765	\$ -	\$ 130,765

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

Koch Plaza Transportation Development District

Notes to Financial Statements For the Year Ended December 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On January 19, 2006, 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 Koch Plaza Transportation Development District (the "District") as a political subdivision of the state of Missouri created under the Missouri Transportation Development District Act, sections 238.200 through 238.275 of the Revised Statutes of Missouri, as amended (the "TDD Act"). The District has an area of approximately 8.35 acres and they operate under a Board of Directors for the purpose to fund, promote, plan, design, construct, improve, maintain, and operate certain transportation improvements, or to assist in any such activity.

The District has imposed a sales tax pursuant to the TDD Act at a rate of 1/2 of one percent (the "TDD Sales Tax"), 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 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.

In accordance with the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800 to 99.865 of the Revised Statutes of Missouri, as amended, (the "TIF Act"), the City has adopted the Koch Plaza Redevelopment Plan and Project (the "Redevelopment Plan") within an area of the City generally bounded by Schackelford Road to the southeast, Charbonier Road on the Southwest, the eastern line of the Lillian J. Hickman tract on the northwest, and southern lines of properties fronting Windsong and Storkway Courts to the northeast (the "Redevelopment Area"), which Redevelopment Area includes all of the real property located within the boundaries of the District; and pursuant to Section 99.845 of the TIF Act, fifty percent of the TDD Sales Tax revenues generated within the Redevelopment Area are deemed to be economic activities taxes subject to allocation by the District to the City in accordance with the TIF Act until such time as the redevelopment project identified in the City's Redevelopment Plan is completed and the obligations issued by the City to finance the redevelopment project costs have been retired.

The District entered into an Intergovernmental Cooperation Agreement with the City of Florissant, Missouri (the "Cooperation Agreement") whereby the District agrees to finance the Developer's construction of the Transportation Project in accordance with the Developer's obligations to the City under the Development Contract in exchange for the City's agreement to collect and remit the TDD Sales Tax as reimbursement for the actual costs incurred by the Developer in the construction and implementation of the Transportation Project.

The approximate location of the project is the intersection of Shackelford Road and Charbonier Road, all within the City of Florissant, Missouri. A general description of the Project is as follows: (a) signal modification, (b) utility relocation, (c) road widening and (d) accompanying grading, drainage, pavement, curb, gutter, sidewalk, stormwater facilities, structures, signing, striping, lighting, traffic signals, landscaping or other similar or related infrastructure or improvements in connection with the Project.

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.

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 – Money deposited in the Revenue Fund shall be allocated in the following order:

(a) On the Fortieth (40th) day prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) moneys in the Revenue fund shall be applied by the Trustee to the extent necessary for the purposes and in the amounts as follows:

First, for transfer to the Rebate Fund when necessary, 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;

Second, beginning on the first payment date in calendar year 2007, for transfer to the Operating Fund, the sum of \$7,500;

Third, for transfer to the Bond Payment Account of the Debt Service Fund an amount sufficient (taking into account moneys available in the Capitalized Interest Account) to pay the interest on the Bonds on the next Payment Date;

Fourth, for transfer to the Debt Service Reserve Fund such amount as may be required to restore any deficiency in the Debt Service Reserve Fund if the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement;

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

Fifth, pay to the Trustee or any Paying Agent, an amount sufficient to pay any 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; provided, however, that payments to the Trustee may not exceed \$1,500 in any calendar year;

Sixth, for transfer to the Redemption Account of the Debt Service Fund all moneys then remaining in the Revenue fund, which shall be applied to the payment of principal on all Bonds that are subject to redemption on the next succeeding Payment Date.

(b) Upon the payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in the Trust Indenture) and the fees, charges and expenses of the Trustee and any Paying Agent, and any other amounts required to be paid under the Indenture, all amounts remaining on deposit in the Revenue Fund shall be paid to the District for deposit into the Transportation Development District Special Trust Fund.

Operating Fund – Money in the Operating Fund shall be disbursed by the Trustee from time to time upon receipt of a written request of the Authorized District Representative to pay costs of operating the District; maintaining the Project; paying the principal of or interest on the Bonds; or any other lawful purpose of the District.

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

Debt Service Fund –

(a) Except as provided herein, all amounts paid and credited to the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same mature and become due or upon the redemption thereof.

(b) The District authorizes and directs the Trustee to withdraw sufficient moneys from the Capitalized Interest Account of the Project Fund, prior to withdrawing any other moneys from the Debt Service Fund or the Revenue Fund, to pay the interest on the Bonds as the same becomes due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said interest on the Bonds.

(c) The District hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the Bonds 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 the Bonds.

(d) After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in the Trust Indenture) and the fees, charges and expenses of the Trustee and Paying Agents and any other amounts required to be paid under the Trust Indenture, all amounts remaining on deposit in the Debt Service Fund shall be paid to the District and deposited in the special trust fund.

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONCLUDED)

Debt Service Reserve Fund –

(a) Except as otherwise provided in the Trust 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 Bonds if moneys otherwise available for such purpose are insufficient to pay the same as they become due and payable. If the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Funds at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid. The amount on deposit in the Debt Service Reserve Fund shall be valued by the Trustee forty five days prior to each Payment Date. 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 valued at their fair market value on the date of valuation. Moneys in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement shall be deposited by the Trustee without further authorization in the Debt Service Fund.

(b) After payment in full of the principal of, redemption premium, if any, and interest on the Bonds, and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Trust Indenture, all amounts remaining in the Debt Service Reserve Fund shall be paid to the District for transfer into the Special Trust Fund.

Project Fund –

(a) The money in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt of a written request of the Authorized District Representative. Any money remaining on deposit in the Project Account of the Project Fund when the portion of the Project financed with the proceeds of the Bonds is completed, shall be deposited into the Redemption Account of the Debt Service Fund and shall be used to redeem Bonds on the earliest possible date.

(b) Moneys in the Cost of Issuance 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 for the sole purpose of paying costs of issuance of the Bonds. Any moneys remaining in the Cost of Issuance Account of the Project Fund on the date that is six months from the date of initial issuance shall be deposited, without further authorization, into the Redemption Account of the Debt Service Fund and used to redeem Bonds on the earliest possible date.

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 than when earned and expenditures are recognized when cash is disbursed rather than when the obligation is incurred.

Koch Plaza Transportation Development District

Notes to Financial Statements For the Year Ended December 31, 2021

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 2021 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.

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

E) 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, 2021.

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 \$65,002 for restricted fund balances that consisted of the Debt Service 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, 2021.

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, 2021.

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.

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.

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

2) CASH AND CASH EQUIVALENTS (CONCLUDED)

Cash of the District at December 31, 2021 is as follows:

Deposits

At December 31, 2021, the carrying amount of the District's deposits was \$130,765 and the bank balance was \$130,765. The bank balance in the Special Trust Fund was \$233 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, cash 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, 2021.

3) COMMITMENTS

The District has entered into a Sales Tax Collection Agreement with the City of Florissant, Missouri (the "Collection Agreement") pursuant to which the City agrees to perform all functions incident to the administration, collection, enforcement and operation of the TDD Sales Tax or to provide for the performance of such functions. The City, having collected or received the TDD Sales Tax, shall deposit all TDD Sales Tax Revenues into the TDD Special Trust Fund. The City may deduct from the TDD Sales Tax Revenues on deposit in the Special Trust Fund the cost of collection of the TDD Sales Tax in an amount not to exceed one percent (1%) of the total amount collected. Beginning in March 2010, the State of Missouri began collecting the sales tax revenue and remitting it to the District. Monies on deposit in the Special Trust Fund shall not be deemed to be City funds and shall not be commingled with any funds of the City. The District's Board of Directors may, in its sole discretion, direct the City to invest any or all of the monies deposited into the Special Trust Fund in accordance with applicable laws relating to investment of District funds. All interest earned upon the balance in the Special Trust Fund shall be deposited to the credit of the Special Trust Fund.

Per the Sales Tax Collection Agreement, upon imposition of the TDD Sales Tax and continuing until the earlier of repeal of the TDD Sales Tax or completion of the redevelopment project identified in the Redevelopment Plan and retirement of all TIF Obligations issued by or on behalf of the City to finance redevelopment project costs in connection with the Redevelopment Plan, the City shall allocate that portion of the TDD Sales Tax revenues that constitute economic activity taxes generated within the Redevelopment Area for use by the City in accordance with Section 99.845 of the TIF Act. The City shall make such allocation from time to time but not more than monthly. Within five days of each allocation, the City shall provide written notice to the District of the amount of TDD Sales Tax revenues being allocated and the method of calculating such amount.

Per the Sales Tax Collection Agreement, upon imposition of the TDD Sales tax and continuing until the expiration or repeal of the TDD Sales Tax, the City shall distribute part or all of the monies on deposit in the Special Trust Fund as directed by the Board of Directors from time to time, but not more than monthly. The District may expend such monies on deposit in the Special Trust Fund for any and all purposes authorized by the Act.

Koch Plaza Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2021

4) LITIGATION

At December 31, 2021 there were no claims or lawsuits pending against the District.

5) TAXES

The District has imposed a sales tax pursuant to the TDD Act at a rate of 1/2 of one percent, effective March 1, 2006, (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, 2021 the balance of Transportation Sales Tax Revenue Bonds was \$556,355. The revenue bonds bear interest at 6.5% and will mature on March 1, 2046.

A debt schedule is not presented in the audit report, because payments are interest only unless enough excess funds exist to make principal payments. The total amount of interest that is past due as of December 31, 2021 is \$0. In 2021 the District paid \$37,820 in interest expense.

Revenue bonds payable, January 1, 2021	\$	586,324
Bonds issued		-
Bonds retired		<u>(29,969)</u>
Revenue bonds payable, December 31, 2021	<u>\$</u>	<u>556,355</u>

7) PROJECT COSTS

The District has spent a total of \$606,259 on improvements and projects within the District as of December 31, 2021. Upon completion and submission for dedication of the Transportation Project, the Developer shall furnish to the District a Certificate of Substantial Completion. The submission of the Certificate of Substantial Completion shall serve to certify the completion of the Transportation Project pursuant to the Transportation Development Agreement. In 2021, the District did not pay for any additional project costs.

8) INTERFUND TRANSFERS

During the fiscal year ended December 31, 2021, the District had the following interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ -	\$ 67,782
Debt Service Fund	67,782	-
Project Fund	-	-
	<u>\$ 67,782</u>	<u>\$ 67,782</u>

During the year ended December 31, 2021, the District transferred funds from the General Fund to the Debt Service fund to make required debt payments.

Koch Plaza Transportation Development District

Notes to Financial Statements For the Year Ended December 31, 2021

9) SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 8, 2022, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The long-term impact of the COVID-19 pandemic on TDD Sales Tax Revenues is difficult to determine at this point. The District cannot predict (a) the duration or extent of the COVID-19 pandemic; (b) the duration or expansion of related business closings, public health orders, regulations and legislation; (c) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; (d) whether recent job losses resulting from COVID-19-related business closures will be temporary or permanent and what effect such losses will have on consumer confidence; or (e) the impact the COVID-19 pandemic will have on TDD Sales Tax Revenues available for appropriation by the District. Developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the TDD Sales Tax Revenues in the future is highly uncertain and cannot be predicted.

Supplementary Information

Koch Plaza Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

General Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2021

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
TDD sales tax revenues	\$ 77,000	\$ 90,000	\$ 94,058	\$ 4,058
Interest income	-	-	3	3
Total Revenues	\$ 77,000	\$ 90,000	\$ 94,061	\$ 4,061
Expenditures:				
Bank fees	\$ 450	\$ 450	\$ 393	\$ 57
Trustee fees	1,700	1,700	1,650	50
Administrative expenses	8,400	8,400	8,400	-
Legal and professional fees	6,600	6,600	-	6,600
Rebate calculation fees	-	-	1,750	(1,750)
Total Expenditures	\$ 17,150	\$ 17,150	\$ 12,193	\$ 4,957
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(59,850)	(59,850)	(67,782)	(7,932)
Total Other Financing Sources (Uses)	\$ (59,850)	\$ (59,850)	\$ (67,782)	\$ (7,932)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ 13,000	\$ 14,086	\$ 1,086
Fund Balances - at beginning of the year		51,677	51,677	
Fund Balances - at end of the year	\$ 64,677	\$ 64,677	\$ 65,763	

Koch Plaza Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Debt Service Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2021

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Interest income	\$ 1,250	\$ 500	\$ 6	\$ (494)
Total Revenues	<u>\$ 1,250</u>	<u>\$ 500</u>	<u>\$ 6</u>	<u>\$ (494)</u>
Expenditures:				
Interest expense	\$ 38,926	\$ 38,926	\$ 37,820	\$ 1,106
Revenue bond principal repayment	22,100	34,100	29,969	4,131
Total Expenditures	<u>\$ 61,026</u>	<u>\$ 73,026</u>	<u>\$ 67,789</u>	<u>\$ 5,237</u>
Other Financing Sources (Uses)				
Transfers in	\$ 59,850	\$ 59,850	\$ 67,782	\$ 7,932
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 59,850</u>	<u>\$ 59,850</u>	<u>\$ 67,782</u>	<u>\$ 7,932</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 74</u>	<u>\$ (12,676)</u>	<u>\$ (1)</u>	<u>\$ 12,675</u>
Fund Balances - at beginning of the year		65,003		
Fund Balances - at end of the year		<u>\$ 52,327</u>	<u>\$ 65,002</u>	

Koch Plaza Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Project Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2021

	Budgeted	Budgeted	Actual	Variance - Favorable (Unfavorable)
	Amount Original	Amount Final		
Revenues:				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Project costs	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	\$ -	\$ -
Fund Balances - at beginning of the year				
Fund Balances - at end of the year	\$ -	\$ -	\$ -	\$ -

Koch Plaza Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

All Funds - Budget and Actual - Cash Basis

For the Year Ended December 31, 2021

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDD sales tax revenues	\$ 77,000	\$ 90,000	\$ 94,058	\$ 4,058
Interest income	1,250	500	9	(491)
Total Revenues	\$ 78,250	\$ 90,500	\$ 94,067	\$ 3,567
Expenditures:				
Trustee fees	\$ 1,700	\$ 1,700	\$ 1,650	\$ 50
Bank fees	450	450	393	57
Administrative expenses	8,400	8,400	8,400	-
Legal and professional fees	6,600	6,600	-	6,600
Interest expense	38,926	38,926	37,820	1,106
Rebate calculation fees	-	-	1,750	(1,750)
Revenue bond principal repayment	22,100	34,100	29,969	4,131
Total Expenditures	\$ 78,176	\$ 90,176	\$ 79,982	\$ 10,194
Other Financing Sources (Uses)				
Transfers in	\$ 59,850	\$ 59,850	\$ 67,782	\$ 7,932
Transfers out	(59,850)	(59,850)	(67,782)	(7,932)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 74	\$ 324	\$ 14,085	\$ 13,761
Fund Balances - at beginning of the year		116,680	116,680	
Fund Balances - at end of the year		\$ 117,004	\$ 130,765	

Compliance Section



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
Koch Plaza Transportation Development District
Florissant, 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 Koch Plaza Transportation Development District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Koch Plaza Transportation Development District's basic financial statements, and have issued our report thereon dated June 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Koch Plaza 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 Koch Plaza Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Koch Plaza 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 Koch Plaza 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 8, 2022
Hannibal, Missouri