

**St. John's Church Road  
Transportation Development District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**For The Year Ended December 31, 2021**

# **St. John's Church Road Transportation Development District**

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December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. John's Church Road Transportation Development District  
St. Louis County, Missouri

### Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road 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**

## **St. John's Church Road Transportation Development District**

### **Management's Discussion and Analysis**

**For the Year Ended December 31, 2021**

**(Unaudited)**

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The discussion and analysis of the St. John's Church Road 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 the St. John's Church Road Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2021 by \$333,587 (net position). Of this amount, \$332,982 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of the St. John's Church Road Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2020 by \$214,596 (net position). Of this amount, \$214,397 (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 \$118,991 for the year ended December 31, 2021. The primary reason for this is because the District received \$1,124,859 in total revenues and spent \$1,005,868 on total expenses.
- The District's total net position increased by \$37,319 for the year ended December 31, 2020. The primary reason for this is because the District received \$1,002,451 in total revenues and spent \$965,132 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 the St. John's Church Road Transportation Development District's basic financial statements. The District's basic 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 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 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.

St. John's Church Road 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 Sales Tax 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.

# **St. John's Church Road Transportation Development District**

## **Management's Discussion and Analysis**

For the Year Ended December 31, 2021

(Unaudited)

### **Notes to the 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 \$333,587 as of December 31, 2021.

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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 333,587	\$ 214,596
Total Assets	\$ 333,587	\$ 214,596
Net position:		
Restricted	\$ 605	\$ 199
Unrestricted	332,982	214,397
Total Net Position	\$ 333,587	\$ 214,596

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues and Other Financing Sources:		
Taxes	\$ 1,124,756	\$ 1,001,764
Interest income	103	687
Total revenues	\$ 1,124,859	\$ 1,002,451
Expenses and Other Financing Sources:		
General government	\$ 13,754	\$ 14,046
Interest expense	63,114	109,086
Revenue note principal repayment	929,000	842,000
Total expenses	\$ 1,005,868	\$ 965,132
Increase (decrease)		
in net position	\$ 118,991	\$ 37,319
Net Position at beginning of year	214,596	177,277
Net Position at end of year	\$ 333,587	\$ 214,596

### **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.



**St. John's Church Road Transportation Development District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited)

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**Debt**

As of the year ended December 31, 2021, the District had \$574,000 in revenue notes payable. The District made principal payments of \$929,000 and made interest payments of \$63,114 during the year.

As of the year ended December 31, 2020, the District had \$1,503,000 in revenue notes payable. The District made principal payments of \$842,000 and made interest payments of \$109,086 during the year.

**General Fund Budgeting Highlights**

For the year ending December 31, 2021, actual expenditures on a budgetary basis were \$13,754 compared to the budgeted amount of \$16,365. The primary reason for the \$2,611 positive variance is the result of the District budgeting too much for trustee fees.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$1,124,835 compared to the budgeted amount of \$990,240. The primary reason for the \$134,595 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 \$992,114 compared to the budgeted amount of \$927,029. The primary reason for the \$65,085 negative variance is the result of the District not budgeting enough for revenue note principal repayment.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$24 compared to the budgeted amount of \$10. The reason for the \$14 positive variance is the result of the District not budgeting enough 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.

# **St. John's Church Road 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
<b>Assets</b>						
Cash and equivalents	\$ 332,982	\$ 605	\$ -	\$ 333,587	\$ -	\$ 333,587
<b>Total Assets</b>	<u>\$ 332,982</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 333,587</u>	<u>\$ -</u>	<u>\$ 333,587</u>
<b>Liabilities and Fund Balances / Net Position</b>						
Fund Balance:						
Restricted for:						
Debt Service	\$ -	\$ 605	\$ -	\$ 605	\$ (605)	\$ -
Capital Projects	-	-	-	-	-	-
Unassigned	332,982	-	-	332,982	(332,982)	-
<b>Total Liabilities and Fund Balances</b>	<u>\$ 332,982</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 333,587</u>	<u>\$ (333,587)</u>	<u>\$ -</u>
Net Position:						
Restricted for:						
Debt Service				\$ 605	\$ -	\$ 605
Capital Projects				-	-	-
Unrestricted				332,982	332,982	332,982
<b>Total Net Position</b>	<u>\$ 332,982</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 333,587</u>	<u>\$ 333,587</u>	<u>\$ 333,587</u>

**St. John's Church Road 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
<b>Expenditures/Expenses:</b>						
Trustee fees	\$ 1,802	\$ -	\$ -	\$ 1,802	\$ -	\$ 1,802
Bank fees	179	-	-	179	-	179
Administrative expenses	7,500	-	-	7,500	-	7,500
Legal and professional fees	4,273	-	-	4,273	-	4,273
Interest expense	-	63,114	-	63,114	-	63,114
Revenue note principal repayment	-	929,000	-	929,000	-	929,000
<b>Total Expenditures/Expenses</b>	<b>\$ 13,754</b>	<b>\$ 992,114</b>	<b>\$ -</b>	<b>\$ 1,005,868</b>	<b>\$ -</b>	<b>\$ 1,005,868</b>
<b>General Revenues:</b>						
TDD sales tax revenues	\$ 1,124,756	\$ -	\$ -	\$ 1,124,756	\$ -	\$ 1,124,756
Interest income	79	24	-	103	-	103
<b>Total General Revenues</b>	<b>\$ 1,124,835</b>	<b>\$ 24</b>	<b>\$ -</b>	<b>\$ 1,124,859</b>	<b>\$ -</b>	<b>\$ 1,124,859</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,111,081</b>	<b>\$ (992,090)</b>	<b>\$ -</b>	<b>\$ 118,991</b>	<b>\$ -</b>	<b>\$ 118,991</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	992,496	-	992,496	-	992,496
Transfers out	(992,496)	-	-	(992,496)	-	(992,496)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (992,496)</b>	<b>\$ 992,496</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 118,585</b>	<b>\$ 406</b>	<b>\$ -</b>	<b>\$ 118,991</b>	<b>\$ (118,991)</b>	<b>\$ -</b>
Change in net position					118,991	118,991
Fund balance/net position:						
Beginning of Year	214,397	199	-	214,596	-	214,596
End of Year	\$ 332,982	\$ 605	\$ -	\$ 333,587	\$ -	\$ 333,587

# **St. John's Church Road Transportation Development District**

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

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## **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Reporting Entity**

The St. John's Church Road Transportation Development District (the District) is 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. The District was established for the sole purpose of funding the Transportation Project through the imposition of the transportation development district sales tax ("TDD Sales Tax") pursuant to section 238.236 of the Act. The TDD Sales Tax was approved by the qualified voters of the District as the District's funding method and became effective upon the adoption of a resolution by the District's board of directors and notification of the Director of Revenue of the adoption of such resolution in accordance with Section 238.236 of the Act. The District may impose the TDD Sales Tax at a rate of one-half of one percent (1/2%) on all retail sales made in the District which are subject to taxation pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, except such TDD Sales Tax does not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to all sales of electricity or electrical current, water and gas, natural and artificial, nor to sales of service to telephone subscribers, either local or long distance. The effective date of the TDD sales tax was July 1, 2002. The St. John's Church Road Transportation Development District operates under a Board of Trustees for the purpose of financing the Transportation Project.

A general description of the Transportation Project is as follows:

- (a) construction of an extension of St. John's Church Road south of Lindbergh Boulevard, including approximately 2400 linear feet of 39-foot-wide roadway and approximately 240 linear feet of 27-foot-wide roadway with cul-de-sac;
- (b) construction of a cul-de-sac at the end of existing Elm Road;
- (c) construction of improvements at the intersection of St. John's Church Road and Lindbergh Boulevard, including (i) adding a left turn lane to westbound Lindbergh Boulevard; (ii) adding an eastbound lane to Lindbergh Boulevard providing for entrance to Interstate 55; (iii) adding an eastbound lane to Lindbergh Boulevard providing for a right turn lane onto newly construction southbound St. John's Church Road; (iv) adding a left turn lane to existing southbound St. John's Church Road; (v) adding three traffic control islands; and (vi) making traffic signal improvements;
- (d) construction of Brotman Way from Rusty Road (originally identified as the extension of St. John's Church Road south of Lindbergh Boulevard) to Elm Park Drive (originally identified as Elm Road);
- (e) construction of improvements to existing Elm Park Drive (originally identified as Elm Road);
- (f) construction of improvements to Bi-State Industrial Drive;
- (g) payment of Traffic Generation Assessments imposed by St. Louis County in connection with the retail development proposed within the District; and
- (h) accompanying curb, gutter, sidewalk, storm water facilities or other similar or related infrastructure or improvement.

The approximate location of the Transportation Project is as follows: south of and including the right-of-way of Lindbergh Boulevard, north of and excluding the right-of-way of Interstate 270, generally east of and including the right-of-way of the Burlington Railroad, and west of and including the right-of-way of Interstate 55.

# **St. John's Church Road Transportation Development District**

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

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### **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure 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 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:

**Sales Tax Trust Fund** - The Sales Tax Trust Fund is the "Special Trust Fund" of the District authorized under Section 238.235.1 of the TDD Act. It is the account into which the TDD Revenues attributable to the TDD Sales Tax are being deposited.

**Revenue Fund** – While the Notes are outstanding, the District shall transfer all Net Proceeds for deposit into the Revenue Fund. Monies in the Revenue Fund shall be disbursed by the Trustee on each Interest Payment Date for the purposes and in the amounts as follows:

*First*, 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 pursuant to the Arbitrage Certificate;

# **St. John's Church Road Transportation Development District**

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

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## **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **A) BASIS OF PRESENTATION (CONCLUDED)**

*Second*, to the Operating Fund, the Annual Operating Fund Deposit (\$15,000 annually);

*Third*, pay to the Trustee or any Paying Agent, an amount sufficient for payment of 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;

*Fourth*, transfer to the Debt Service Fund, when necessary, an amount sufficient to pay past-due interest, if any, owing on any Notes;

*Fifth*, transfer to the Debt Service Fund, when necessary, an amount sufficient to pay the interest becoming due and payable on the Notes on such Interest Payment Date;

*Sixth*, transfer to the Redemption Account of the Debt Service Fund all monies then remaining in the Revenue Fund, which shall be applied to the payment of principal on all Notes that are subject to redemption on the next succeeding Interest Payment Date pursuant to Section 302(b) hereof.

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 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 Trust Indenture, all amounts remaining on deposit in the Revenue Fund shall be paid to the District for deposit into the TDD Sales Tax Trust Fund.

**Operating Fund** – 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, paying the principal of or interest on the Notes 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** – 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 mature and become due or upon the redemption thereof, or (2) to purchase Notes for cancellation prior to maturity.

**Project Fund** – Upon the acceptance by the District of a Certification of Reimbursable Project Costs and the issuance or endorsement of a Note pursuant to Section 203(c) hereof, the Developer shall be deemed to have advanced funds necessary to purchase such Note and the District shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund.

### **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.

# **St. John's Church Road Transportation Development District**

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

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## **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.

# **St. John's Church Road Transportation Development District**

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

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## **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 \$605 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.

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



## **St. John's Church Road Transportation Development District**

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

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### **2) CASH AND CASH EQUIVALENTS (CONCLUDED)**

#### **Deposits**

At year ending December 31, 2021, the carrying amount of the District's deposits was \$333,587. The bank balance was \$333,587. The balance in the Sales Tax Trust Fund was \$235 at the 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) RELATED PARTIES**

St. John's Church Road Transportation Development District (the "District") entered into a Transportation Development Agreement with Costco Wholesale Corporation (the "Developer") as of December 1, 2002. According to the Agreement, the District and the Developer agree that the Developer shall, at its sole cost, construct and implement, or cause to be constructed or implemented, the Transportation Project in accordance with the Agreement and the Construction Agreements.

The parties acknowledge and agree that the District was created solely for the purpose of issuing the TDD Obligations to fund the construction and implementation of the Transportation Project with revenues derived from the TDD Sales Tax. Therefore, upon execution of the Agreement, the TDD Revenues shall be available, subject to annual appropriation, to reimburse Transportation Project Costs advanced by the Developer and to fund the Developer's construction and implementation of the Transportation Project.

The Developer has advanced and shall advance all Transportation Project Costs as necessary to acquire and dedicate the right-of-way and construct the Transportation Project. All of the Transportation Project Costs for which payment is being requested by the Developer pursuant to the Agreement shall constitute work that is being performed or has been performed in connection with the performance of the Construction Agreements.

In performing the Agreement, the Developer is an independent contractor and not the agent or employee of the District. The District is not responsible for making any payments to the contractor, subcontractor, agent, consultant, employee or supplier of the Developer. The Developer shall comply with Section 238.252 of the TDD Act and other applicable laws regarding construction of the Transportation Project.

Costco Wholesale Corporation is one of the retailers operating within the Transportation Development District and charging and collecting the one-half of one percent (1/2%) Transportation Development District Sales Tax for the purpose of reimbursing themselves for the Transportation Project Costs.

# **St. John's Church Road Transportation Development District**

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

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### **4) LITIGATION**

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

### **5) TAXES**

The District, pursuant to Section 238.235 of the TDD Act, adopted Resolution No. 02-001 authorizing it to impose the TDD Sales Tax at a rate of one-half of one percent (1/2%) on all retail sales made in the District which are subject to taxation pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, except such TDD Sales Tax does not apply to the sale of use or motor vehicles, trailers, boats or outboard motors nor to all sales of electricity or electrical current, water and gas, natural and artificial, nor to sales of service to telephone subscribers, either local or long distance. The effective date of the TDD sales tax was July 1, 2002.

### **6) LONG-TERM DEBT**

Resolution # 02-003, adopted November 21, 2002, authorized the St. John's Church Road Transportation Development District to issue up to \$12,000,000 of revenue notes. The notes have been issued through UMB Bank and bear interest at 5.125%. Interest is payable semi-annually on December 1 and June 1 in each year, beginning on June 1, 2003. Interest is calculated on the basis of a 360-day year of twelve 30-day months. The District does not prepare an amortization schedule for debt as principal payments are made based on revenues available to the District. The revenues notes are scheduled to mature on December 24, 2042. As of December 31, 2021, the District had a balance of \$574,000 on their revenue notes payable. In 2021 the District made interest payments in the amount of \$63,114 and made principal payments in the amount of \$929,000.

Following is a summary of the revenue notes payable activity for 2021:

Revenue notes payable, January 1, 2021	\$ 1,503,000
Notes issued	-
Principal payments	(929,000)
Revenue notes payable, December 31, 2021	<u>\$ 574,000</u>

### **7) PROJECT COSTS**

The District has spent a total of \$7,318,000 on improvements and projects within the District as of December 31, 2021. Upon completion and submission for dedication of the Transportation Project, the Developer (Costco Wholesale Corporation) 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. The Developer, on behalf of the District, shall use reasonable efforts to cause St. Louis County ("County") and the Missouri Highways and Transportation Commission ("Commission"), as the case may be, to accept dedication of that portion of the Transportation Project intended for dedication to the County and the Commission (maintenance of which shall be assumed by the County or the Commission, as the case may be) in accordance with the applicable ordinances and regulations of the County or the Commission. In 2021, the District did not pay for any additional project costs.

# **St. John's Church Road Transportation Development District**

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

## **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	\$ -	\$ (992,496)
Debt Service Fund	992,496	-
Project Fund	-	-
	<u>\$ 992,496</u>	<u>\$ (992,496)</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.

## **9) SUBSEQUENT EVENTS**

These financial statements considered subsequent events through June 8, 2022, the date the financial statements were available to be issued. On June 1, 2022, the District paid off the 2002 Notes.

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**

# **St. John's Church Road 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)
<b>Revenues:</b>				
TDD sales tax revenues	\$ 990,000	\$ 990,000	\$ 1,124,756	\$ 134,756
Interest income	240	240	79	(161)
<b>Total Revenues</b>	<u>\$ 990,240</u>	<u>\$ 990,240</u>	<u>\$ 1,124,835</u>	<u>\$ 134,595</u>
<b>Expenditures:</b>				
Bank fees	\$ 160	\$ 160	\$ 179	\$ (19)
Trustee fees	3,605	3,605	1,802	1,803
Administrative expenses	7,500	7,500	7,500	-
Legal and professional fees	5,100	5,100	4,273	827
<b>Total Expenditures</b>	<u>\$ 16,365</u>	<u>\$ 16,365</u>	<u>\$ 13,754</u>	<u>\$ 2,611</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(926,820)	(926,820)	(992,496)	(65,676)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (926,820)</u>	<u>\$ (926,820)</u>	<u>\$ (992,496)</u>	<u>\$ (65,676)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ 47,055</u>	<u>\$ 47,055</u>	<u>\$ 118,585</u>	<u>\$ 71,530</u>
<b>Fund Balances - at beginning of the year</b>		214,397	214,397	
<b>Fund Balances - at end of the year</b>		<u>\$ 261,452</u>	<u>\$ 332,982</u>	

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

# **St. John's Church Road 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)
<b>Revenues:</b>				
Interest income	10	10	24	14
<b>Total Revenues</b>	<u>10</u>	<u>10</u>	<u>24</u>	<u>14</u>
<b>Expenditures:</b>				
Interest expense				
Revenue note principal repayment	77,029	77,029	63,114	13,915
<b>Total Expenditures</b>	<u>850,000</u>	<u>850,000</u>	<u>929,000</u>	<u>(79,000)</u>
<b>Other Financing Sources (Uses)</b>	<u>927,029</u>	<u>927,029</u>	<u>992,114</u>	<u>(65,085)</u>
Transfers in				
Transfers out	926,820	926,820	992,496	65,676
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>926,820</u>	<u>926,820</u>	<u>992,496</u>	<u>65,676</u>
<b>Fund Balances - at beginning of the year</b>	<u>(199)</u>	<u>(199)</u>	<u>406</u>	<u>605</u>
<b>Fund Balances - at end of the year</b>	<u>199</u>	<u>199</u>	<u>605</u>	<u>605</u>

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

# **St. John's Church Road 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 Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Project costs	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ -
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	\$ -	\$ -	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances - at beginning of the year</b>				
<b>Fund Balances - at end of the year</b>	\$ -	\$ -	\$ -	\$ -

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

# **St. John's Church Road 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		Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original		Final			
<b>Revenues:</b>						
TDD sales tax revenues	\$ 990,000		\$ 990,000		\$ 1,124,756	\$ 134,756
Interest income	250		250		103	(147)
<b>Total Revenues</b>	<u>\$ 990,250</u>		<u>\$ 990,250</u>		<u>\$ 1,124,859</u>	<u>\$ 134,609</u>
<b>Expenditures:</b>						
Trustee fees	\$ 3,605		\$ 3,605		\$ 1,802	\$ 1,803
Bank fees	160		160		179	(19)
Administrative expenses	7,500		7,500		7,500	-
Legal and professional fees	5,100		5,100		4,273	827
Interest expense	77,029		77,029		63,114	13,915
Revenue note principal repayment	850,000		850,000		929,000	(79,000)
<b>Total Expenditures</b>	<u>\$ 943,394</u>		<u>\$ 943,394</u>		<u>\$ 1,005,868</u>	<u>\$ (62,474)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ 926,820		\$ 926,820		\$ 992,496	\$ 65,676
Transfers out	(926,820)		(926,820)		(992,496)	(65,676)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>						
<b>Fund Balances - at beginning of the year</b>	<u>\$ 46,856</u>		<u>\$ 46,856</u>		<u>\$ 118,991</u>	<u>\$ 72,135</u>
<b>Fund Balances - at end of the year</b>			<u>214,596</u>		<u>214,596</u>	
	<u>\$ 261,452</u>		<u>\$ 261,452</u>		<u>\$ 333,587</u>	

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



## **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  
St. John's Church Road Transportation Development District  
St. Louis County, 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 St. John's Church Road Transportation Development District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise St. John's Church Road 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 St. John's Church Road 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 St. John's Church Road Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of St. John's Church Road 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 St. John's Church Road 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