

# **North Outer Forty Transportation Development District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**For The Year Ended December 31, 2020**

# North Outer Forty Transportation Development District

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December 31, 2020

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## **Independent Auditor's Report**

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

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of North Outer Forty Transportation Development District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes 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 error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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 North Outer Forty Transportation Development District as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with the cash basis of accounting as described in Note 1.

## **Independent Auditor's Report (Concluded)**

### **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.

### **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise North Outer Forty Transportation Development District's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages 3-6 and 20-26, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, on our consideration of the North Outer Forty Transportation Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Outer Forty Transportation Development District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Outer Forty Transportation Development District's internal control over financial reporting and compliance.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

June 18, 2021  
Hannibal, Missouri

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

## **North Outer Forty Transportation Development District**

### **Management's Discussion and Analysis For the Year Ended December 31, 2020 (Unaudited)**

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The discussion and analysis of North Outer Forty Transportation Development District's financial performance provides an overview and analysis of the District's financial statements for the year ended December 31, 2020. It should be read in conjunction with the accompanying basic financial statements.

#### **Financial Highlights**

- The assets of North Outer Forty Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2020 by \$31,660. Of this amount, \$28,499 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of North Outer Forty Transportation Development District exceeded its liabilities at the close of the year ended December 31, 2019 by \$41,259. Of this amount, \$38,114 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position decreased by \$9,599 for the year ended December 31, 2020. The primary reason for this is because the District received \$180,551 in total revenues, spent \$5,958,203 on total expenses, and received \$5,768,053 in other financing sources, net of financing uses.
- The District's total net position decreased by \$3,312 for the year ended December 31, 2019. The primary reason for this is because the District received \$346,897 in total revenues, spent \$508,722 on total expenses, and received \$158,513 in other financing sources, net of financing uses.
- The District issued additional debt in the amount of \$5,768,053 for the year ending December 31, 2020.
- The District issued additional debt in the amount of \$158,513 for the year ending December 31, 2019.

#### **Using This Special Purpose Framework**

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

#### **Overview of the Financial Statements**

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

The North Outer Forty Transportation Development District internally maintains five individual governmental funds, however, to conform with Governmental Accounting Standards, reporting is summarized into three major funds. Information is presented in the 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. Internal fund information is shown as other supplementary information.

# North Outer Forty Transportation Development District

## Management's Discussion and Analysis For the Year Ended December 31, 2020 (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 \$31,660 as of December 31, 2020.

**Table 1**  
**Summary of Net Position**  
**at December 31, 2020 and 2019**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 31,660	\$ 41,259
Total Assets	\$ 31,660	\$ 41,259
Net position:		
Restricted	\$ 3,161	\$ 3,145
Unrestricted	28,499	38,114
Total Net Position	\$ 31,660	\$ 41,259

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

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
General Revenues:		
Taxes	\$ 180,211	\$ 344,709
Revenue note proceeds	5,768,053	158,513
Interest income	340	2,188
Total revenues	\$ 5,948,604	\$ 505,410
Expenses:		
General government	\$ 21,102	\$ 19,379
Interest expense	146,081	206,131
Revenue note principal repayment	22,967	124,699
Project costs	5,768,053	158,513
Total expenses	\$ 5,958,203	\$ 508,722
Increase (decrease) in net position	\$ (9,599)	\$ (3,312)
Net Position at beginning of year	41,259	44,571
Net Position at end of year	\$ 31,660	\$ 41,259

### PROPERTY, PLANT AND EQUIPMENT AND DEBT

#### Property, Plant and Equipment

During the years ending December 31, 2020 and 2019, the District had capital additions of \$5,768,053 and \$158,513, respectively.

## **North Outer Forty Transportation Development District**

### **Management's Discussion and Analysis For the Year Ended December 31, 2020 (Unaudited)**

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#### **Debt**

As of the year ended December 31, 2020, the District had \$11,225,017 in revenue notes payable. The District had previous certificates that were not properly authorized in the amount of \$18,341, but issued \$5,768,053 in additional revenue notes payable as of December 31, 2020. The District made principal payments of \$22,967 and made interest payments of \$146,081 during the year.

As of the year ended December 31, 2019, the District had \$5,461,590 in revenue notes payable. The District had previous certificates that were not properly authorized in the amount of \$75,784, but issued \$158,513 in additional revenue notes payable as of December 31, 2019. The District made principal payments of \$124,699 and made interest payments of \$206,131 during the year.

#### **General Fund Budgeting Highlights**

For the year ending December 31, 2020, actual expenditures on a budgetary basis were \$21,102, compared to the budgeted amount of \$23,198. The primary reason for the \$2,096 positive variance is the result of the District budgeting too much for administrative expenses.

For the year ending December 31, 2019, actual expenditures on a budgetary basis were \$19,379, compared to the budgeted amount of \$22,898. The primary reason for the \$3,519 positive variance is the result of the District budgeting too much for legal and professional fees.

For the year ending December 31, 2020, actual revenues on a budgetary basis were \$180,527, compared to the budgeted amount of \$282,502. The primary reason for the \$101,975 negative variance is the result of the District budgeting too much for TDD sales tax revenues.

For the year ending December 31, 2019, actual revenues on a budgetary basis were \$346,753, compared to the budgeted amount of \$347,000. The primary reason for the \$247 negative variance is the result of the District budgeting too much for TDD sales tax revenues.

#### **Debt Service Fund Budgeting Highlights**

For the year ending December 31, 2020, actual expenditures on a budgetary basis were \$169,048, compared to the budgeted amount of \$257,127. The primary reason for the \$88,079 positive variance is the result of the District budgeting too much for revenue bond principal repayment.

For the year ending December 31, 2019, actual expenditures on a budgetary basis were \$330,830, compared to the budgeted amount of \$321,812. The primary reason for the \$9,018 negative variance is the result of the District not budgeting enough for revenue bond principal repayment and budgeting too much for interest expense.

For the year ending December 31, 2020, actual revenues on a budgetary basis were \$8, compared to the budgeted amount of \$6. The reason for the \$2 positive variance is the result of the District not budgeting enough for interest income.

For the year ending December 31, 2019, actual revenues on a budgetary basis were \$78, compared to the budgeted amount of \$0. The reason for the \$78 positive variance is the result of the District not budgeting for interest income.

#### **Project Fund Budgeting Highlights**

For the year ending December 31, 2020, actual expenditures on a budgetary basis were \$5,768,053, compared to the budgeted amount of \$0. The reason for the \$5,768,053 negative variance is the result of the District not budgeting for project costs.



## **North Outer Forty Transportation Development District**

### **Management's Discussion and Analysis For the Year Ended December 31, 2020 (Unaudited)**

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For the year ending December 31, 2019, actual expenditures on a budgetary basis were \$158,513, compared to the budgeted amount of \$0. The reason for the \$158,513 negative variance is the result of the District not budgeting for project costs.

For the year ending December 31, 2020, actual revenues on a budgetary basis were \$16, compared to the budgeted amount of \$60. The reason for the \$44 negative variance is the result of the District budgeting too much for interest income.

For the year ending December 31, 2019, actual revenues on a budgetary basis were \$66, compared to the budgeted amount of \$0. The reason for the \$66 positive variance is the result of the District not budgeting for interest income.

#### **Economic Factors and Next Year's Budget**

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

#### **Contacting the District's Financial Management**

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

# North Outer Forty Transportation Development District

Governmental Funds Balance Sheet and

Statement of Net Position - Cash Basis

December 31, 2020

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash and equivalents	\$ 28,499	\$ -	\$ 3,161	\$ 31,660	\$ -	\$ 31,660
<b>Total Assets</b>	<u>\$ 28,499</u>	<u>\$ -</u>	<u>\$ 3,161</u>	<u>\$ 31,660</u>	<u>\$ -</u>	<u>\$ 31,660</u>
<b>Liabilities and Fund Balances / Net Position</b>						
Fund Balance:						
Restricted for:						
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	3,161	3,161	(3,161)	-
Unassigned	28,499	-	-	28,499	(28,499)	-
<b>Total Liabilities and Fund Balances</b>	<u>\$ 28,499</u>	<u>\$ -</u>	<u>\$ 3,161</u>	<u>\$ 31,660</u>	<u>\$ (31,660)</u>	<u>\$ -</u>
<b>Net Position:</b>						
Restricted for:						
Debt Service					\$ -	\$ -
Capital Projects					3,161	3,161
Unrestricted					28,499	28,499
<b>Total Net Position</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 31,660</u>	<u>\$</u>	<u>\$ 31,660</u>

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

# **North Outer Forty Transportation Development District**

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and

Statement of Activities - Cash Basis

For the Year Ended December 31, 2020

	General Fund	Debt Service Fund	Project Fund	Total Funds	Adjustments	Statement of Activities
<b>Expenditures/Expenses:</b>						
Trustee fees	\$ 2,500	\$ -	\$ -	\$ 2,500	\$ -	\$ 2,500
Bank fees	288	-	-	288	-	288
Administrative expenses	7,500	-	-	7,500	-	7,500
Insurance expense	1,295	-	-	1,295	-	1,295
Legal and professional fees	7,119	-	-	7,119	-	7,119
Audit fees	2,400	-	-	2,400	-	2,400
Interest expense	-	146,081	-	146,081	-	146,081
Revenue bond principal repayment	-	22,967	-	22,967	-	22,967
Project costs	-	-	5,768,053	5,768,053	-	5,768,053
<b>Total Expenditures/Expenses</b>	<b>\$ 21,102</b>	<b>\$ 169,048</b>	<b>\$ 5,768,053</b>	<b>\$ 5,958,203</b>	<b>\$ -</b>	<b>\$ 5,958,203</b>
<b>General Revenues:</b>						
TDD sales tax revenues	\$ 180,211	\$ -	\$ -	\$ 180,211	\$ -	\$ 180,211
Interest income	316	8	16	340	-	340
<b>Total General Revenues</b>	<b>\$ 180,527</b>	<b>\$ 8</b>	<b>\$ 16</b>	<b>\$ 180,551</b>	<b>\$ -</b>	<b>\$ 180,551</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 159,425</b>	<b>\$ (169,040)</b>	<b>\$ (5,768,037)</b>	<b>\$ (5,777,652)</b>	<b>\$ -</b>	<b>\$ (5,777,652)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ -	\$ 169,040	\$ -	\$ 169,040	\$ -	\$ 169,040
Revenue note proceeds	-	-	5,768,053	5,768,053	-	5,768,053
Transfers out	(169,040)	-	-	(169,040)	-	(169,040)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (169,040)</b>	<b>\$ 169,040</b>	<b>\$ 5,768,053</b>	<b>\$ 5,768,053</b>	<b>\$ -</b>	<b>\$ 5,768,053</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ (9,615)</b>	<b>\$ -</b>	<b>\$ 16</b>	<b>\$ (9,599)</b>	<b>\$ 9,599</b>	<b>\$ -</b>
Change in net position					(9,599)	(9,599)
Fund balance/net position:						
Beginning of Year	38,114	-	3,145	41,259	-	41,259
End of Year	\$ 28,499	\$ -	\$ 3,161	\$ 31,660	\$ -	\$ 31,660

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

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

#### **Reporting Entity**

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

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

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

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

A general description of the Project is as follows: construction of a commercial real estate development known as Taubman Prestige Outlets Chesterfield by Taubman with North Outer Forty and Boone's Crossing improvements, stormwater drainage improvements, and construction of levee bike/hiking trail parking and access area; construction of a commercial real estate development by Summit with improvements to the Summit property; and, construction of an access road and parking area with access to public wetlands, trailhead and related facilities, Baxter Road overpass U.S. 40/I-64, collector-distributor system I-64 to Boone's Crossing, Long Road Interchange contribution, extension of North Outer Forty Road to Chesterfield Parkway with related slip ramp and reconfiguration of access and entrances, and North Outer Forty Road to future intersection with Baxter Road construction by the City of Chesterfield, Missouri.

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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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 insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

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

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

#### **A) BASIS OF PRESENTATION**

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

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

The District reports the following major governmental funds:

#### **Governmental Funds**

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

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

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

(b) On or before the twentieth (20<sup>th</sup>) calendar day of each month (or the next Business Day thereafter if the twentieth (20<sup>th</sup>) is not a Business Day) while the Series 2013A Notes are Outstanding, the District shall transfer or cause the transfer of all Net Proceeds that constitute Taubman Revenues from the Special Trust Fund to the Trustee with written instructions to deposit such moneys into the Series 2013A Account of the Revenue Fund. If the District has no such Net Proceeds to transfer to the Trustee, the District shall so notify the Trustee in writing. Moneys on deposit in the Series 2013A Account of the Revenue Fund shall be

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

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

disbursed by the Trustee on or before the fifth (5<sup>th</sup>) day prior to each Payment Date (or the next Business Day if such day is not a Business Day) for the purposes and in the amounts as follows:

*First*, 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 invoices for such amounts;

*Second*, to the Operating Fund, half of the Annual Operating Fund Deposit (provided that the amount of such transfer shall be reduced by the amount of any funds remaining in the Operating Fund at the end of each Fiscal Year, subject to adjustment by written notice of the District pursuant to Section 405);

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

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

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

*Sixth*, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, and (ii) no Series 2013A Notes remain Outstanding, then transfer to the Series 2013B-1 Debt Service Account of the Debt Service Fund and be applied to pay pro rata, the past-due interest, if any, owing on the Series 2013B-1 Notes and then to pay pro rata, the interest becoming due and payable on the Series 2013B-1 Notes on the next succeeding Payment Date;

*Seventh*, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, and (ii) no Series 2013A Notes remain Outstanding, then transfer to the Series 2013B-1 Redemption Account of the Debt Service Fund moneys in an amount not to exceed the Outstanding Series 2013B-1 Notes, which shall be applied to the payment of principal on the Series 2013B-1 Notes that are subject to redemption on such Payment Date pursuant to Section 302(b)(i);

*Eighth*, once (i) the District and the City have accepted the Taubman Certificate of Substantial Completion and provided evidence of same to the Trustee, (ii) no Series 2013A Notes remain Outstanding, and (iii) no Series 2013B-1 Notes remain Outstanding, then transfer all moneys then remaining in the Series 2013A Account of the Revenue Fund pro rata (based on the respective Outstanding principal balances of the Series 2013B-2 Notes and Series C Notes) to each of the Series 2013B-2 Account and the Series C Account of the Revenue Fund, and if no Series C Notes are then Outstanding, to the Series 2013B-2 Account of the Revenue Fund.

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

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

(c) On or before the twentieth (20<sup>th</sup>) calendar day of each month (or the next Business Day thereafter if the twentieth (20<sup>th</sup>) is not a Business Day), the District shall transfer or cause the transfer of all Net Proceeds that constitute Summit Revenues from the Special Trust Fund to the Trustee with written instructions to deposit such moneys into the Series 2013B Account of the Revenue Fund. If the District has no such Net Proceeds to transfer to the Trustee, the District shall so notify the Trustee in writing. Moneys on deposit in the Series 2013B Account of the Revenue Fund shall be disbursed by the Trustee on or before the fifth (5<sup>th</sup>) day prior to each Payment Date (or the next Business Day if such day is not a Business Day) for the purposes and in the amounts as follows:

*First*, transfer to the Series 2013B-1 Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series 2013B-1 Notes;

*Second*, transfer to the Series 2013B-1 Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series 2013B-1 Notes on such Payment Date;

*Third*, transfer to the Series 2013B-1 Redemption Account of the Debt Service Fund all moneys then remaining in the Series 2013B Account of the Revenue Fund, in an amount not to exceed the Outstanding Series 2013B-1 Notes, which shall be applied pro rata to the payment of principal on the Series 2013B-1 Notes that is subject to redemption on such Payment Date pursuant to Section 302(b);

*Fourth*, transfer to the Series 2013B-2 Debt Service Account of the Debt Service Fund, an amount sufficient to pay pro rata, the past-due interest, if any, owing on the Series 2013B-2 Notes;

*Fifth*, transfer to the Series 2013B-2 Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay, pro rata, the interest becoming due and payable on the Series 2013B-2 Notes on such Payment Date;

*Sixth*, transfer to the Series 2013B-2 Redemption Account of the Debt Service Fund all moneys then remaining in the Series 2013B Account of the Revenue Fund, in an amount not to exceed the Outstanding Series 2013B-2 Notes, which shall be applied pro rata to the payment of principal on the Series 2013B-2 Notes that is subject to redemption on such Payment Date pursuant to Section 302(b)(ii);

*Seventh*, once no Series 2013B Notes remain Outstanding, hold all moneys remaining in the Series 2013B Account of the Revenue Fund until any of the following have occurred: (i) the District and the City have accepted the Summit Certificate of Substantial Completion, and provided written evidence of same to the Trustee, or (ii) Summit provides written notice to the District and the Trustee that it will not undertake any further portion of the Summit Transportation Projects, or (iii) the District provided written evidence to the Trustee that the Development Agreement has been terminated as to Summit; and

*Eighth*, once (i)(A) the District and the City have accepted the Summit Certificate of Substantial Completion and provided evidence of same to the Trustee, or (B) Summit has provided written notice to the District and Trustee that it will not undertake any further portion of the Summit Transportation Projects, or (C) the District has provided written evidence to the Trustee that the Development Agreement has been terminated

## North Outer Forty Transportation Development District

### Notes to Financial Statements For the Year Ended December 31, 2020

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

##### A) BASIS OF PRESENTATION (CONTINUED)

as to Summit, and (ii) no Series 2013B Notes remain Outstanding, then transfer all moneys then remaining in the Series 2013B Account of the Revenue Fund pro rata (based on the respective Outstanding principal balances of the Series 2013A Notes and Series C Notes) to each of the Series 2013A Account and the Series C Account of the Revenue Fund.

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

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

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

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

(e) Upon payment in full of the principal and interest on the Notes (of provisions have been made for the payment as specified) and the fees, charges and expenses of the Trustee and any Paying Agent, and any other amounts required to be paid or held, all amounts remaining on deposit in the Revenue Fund shall be paid to the District for deposit into the Special Trust Fund.

**Operating Fund** – On each December 1 the Trustee shall advise the District in writing of the then-current balance of the Operating Fund to be carried over to the next Fiscal Year pursuant to Section 402(b), and if the balance is greater than \$100, request that the District notify the Trustee in writing as to whether the Annual Operating Amount or some lesser amount as specified by the District. If the Trustee has received no response from the District by December 31 of such Fiscal Year, the Trustee shall by January 5<sup>th</sup> of the following Fiscal Year provide a second written notice to the District, requesting that the District notify the Trustee in writing as to whether the Annual Operating Fund Deposit should be reduced by the full Carryover Amount or some lesser amount as specified by the District. If the District does not so notify the Trustee in writing by February 1 of such Fiscal Year, then the Trustee shall reduce the Annual Operating Fund Deposit for that Fiscal Year by an amount equal to the Carryover Amount.

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



# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

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

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

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

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

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

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

**Project Fund** – (a) Upon approval by the District of a Certificate of Reimbursable Transportation Project Costs and the issuance of endorsement of a Series 2013A Note pursuant to Section 203(c), funds shall be deemed to have been advanced by Taubman, as appropriate, to purchase such Series 2013A Note and the District shall be deemed to have deposited such funds in the Series 2013A Account in the Project Fund and shall be deemed to have reimbursed Taubman, as appropriate, in full for such costs from the amounts deemed to be on deposit in the Project Fund. Following the date of initial issuance of a Series 2013A Note, endorsements to such Series 2013A Note shall be dated as provided in Section 203. If the Series 2013A Note is held by the Trustee, the Trustee shall promptly but no later than thirty (30) days following an endorsement of Series 2013A Notes by the Trustee, send a response copy of Schedule 1 via (i) personal delivery, (ii) certified mail, return receipt requested, or (iii) overnight delivery to the Owner and the District at their respective addresses pursuant to Section 1102.

(b) Upon the approval by the District of a Certificate of Reimbursable Transportation Project Costs and the issuance or endorsement of a Series 2013B Note pursuant to Section 203(c), funds shall be deemed to have been advanced by Summit Ice, as appropriate, to purchase such Series 2013B Note and the District shall be deemed to have deposited such funds in the Series 2013B Account in the Project Fund and shall be deemed to have reimbursed Summit Ice, as appropriate, in full for such costs from the amounts deemed to be on deposit in the Project Fund. Following the date of initial issuance of a Series 2013B Note, endorsements to such Series 2013B Note shall be dated as provided in Section 203. If the Series 2013B Note is held by the Trustee, the Trustee shall promptly but no later than thirty (30) days following an endorsement of Series 2013B Notes by the Trustee, send a revised copy of Schedule 1 via (i) personal delivery, (ii) return receipt requested, or (iii) overnight delivery to the Owner and the District at their respective addresses pursuant to Section 1102.

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

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

(c) Upon the approval by the District of a Certificate of Reimbursable Transportation Project Costs and the issuance or endorsement of a Series C Note pursuant to Section 203(c), funds shall be deemed to have been advanced by the City, as appropriate, to purchase such Series C Note and the District shall be deemed to have deposited such funds in the appropriate Account for such series in the Project Fund and shall be deemed to have reimbursed the City, as appropriate, in full for such costs from the amounts deemed to be on deposit in the Project Fund. Following the date of initial issuance of a Series C Note, endorsements to such Series C Note shall be dated as provided in Section 203. If the Series C Note is held by the Trustee, the Trustee shall promptly but no later than thirty (30) days following an endorsement of Series C Notes by the Trustee, send a revised copy of Schedule 1 via (i) personal delivery, (ii) return receipt requested, or (iii) overnight delivery to the Owner and the District at their respective addresses pursuant to Section 1102.

#### **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.

#### **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.

# **North Outer Forty Transportation Development District**

## **Notes to Financial Statements For the Year Ended December 31, 2020**

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

#### **C) BUDGETS AND BUDGETARY ACCOUNTING (CONCLUDED)**

- 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 2020 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.

#### **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, 2020.

**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 \$3,161 for restricted fund balances that consisted of the Debt Service Fund and the Project Fund.

**Committed-** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District had no committed resources as of December 31, 2020.

## **North Outer Forty Transportation Development District**

### **Notes to Financial Statements For the Year Ended December 31, 2020**

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

##### **E) FUND BALANCE AND NET POSITION (CONCLUDED)**

**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, 2020.

**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 restrictions 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, 2020 is as follows:

##### **Deposits**

At December 31, 2020, the carrying amount of the District's deposits was \$31,660 and the bank balance was \$31,660. The bank balance in the Sales Tax Trust Fund was \$76 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, 2020.

## **North Outer Forty Transportation Development District**

### **Notes to Financial Statements**

For the Year Ended December 31, 2020

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#### **3) COMMITMENTS**

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

#### **4) LITIGATION**

At December 31, 2020, the District had settled the lawsuit they were involved in.

#### **5) TAXES**

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

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

At the year ended December 31, 2020 the balance of Taxable Transportation Development Revenue Notes, Series 2013A was \$9,512,737 and \$1,712,280 on the Series 2013B Notes. The notes bear interest at 5.25% and will mature on March 20, 2053. The District had previous certificates that were not properly authorized in the amount of \$18,341 as of December 31, 2020, thus increasing the balance of the Taxable Transportation Development Revenue Notes, Series 2013A.

The total amount of interest that is past due as of December 31, 2020 is \$505,571 on the Series 2013A Notes and \$13,760 on the Series 2013B Notes. In 2020 the District paid \$146,081 in interest expense. A debt schedule is not presented in the audit report, because payments are interest only unless enough excess funds exist to make principal payments.

# North Outer Forty Transportation Development District

## Notes to Financial Statements For the Year Ended December 31, 2020

### 6) LONG-TERM DEBT (CONCLUDED)

#### Taxable Transportation Development Revenue Notes, Series 2013A

Revenue notes payable, January 1, 2020	\$ 4,862,343
Notes issued	4,632,053
Notes retired	-
Previous certificates not properly authorized	18,341
Revenue notes payable, December 31, 2020	<u>\$ 9,512,737</u>

#### Taxable Transportation Development Revenue Notes, Series 2013B

Revenue notes payable, January 1, 2020	\$ 599,247
Notes issued	1,136,000
Notes retired	(22,967)
Revenue notes payable, December 31, 2020	<u>\$ 1,712,280</u>

### 7) PROJECT COSTS

The District spent \$5,768,053 on improvements and projects within the District during the year ended December 31, 2020.

### 8) SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 18, 2021, 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**

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

General Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount		Budgeted Amount	Actual	Variance - Favorable (Unfavorable)
	Original		Final		
<b>Revenues:</b>					
TDD sales tax revenues	\$ 310,000	\$	280,472	\$ 180,211	\$ (100,261)
Interest income	-		2,030	316	(1,714)
<b>Total Revenues</b>	<u>\$ 310,000</u>	<u>\$</u>	<u>282,502</u>	<u>\$ 180,527</u>	<u>\$ (101,975)</u>
<b>Expenditures:</b>					
Bank fees	\$ 288	\$	288	\$ 288	\$ -
Trustee fees	2,500		2,500	2,500	-
Administrative expenses	10,000		10,000	7,500	2,500
Insurance expenses	1,000		1,300	1,295	5
Legal and professional fees	6,710		6,710	7,119	(409)
Audit fees	2,400		2,400	2,400	-
<b>Total Expenditures</b>	<u>\$ 22,898</u>	<u>\$</u>	<u>23,198</u>	<u>\$ 21,102</u>	<u>\$ 2,096</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ -	\$	-	\$ -	\$ -
Transfers out	(286,812)		(257,127)	(169,040)	88,087
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (286,812)</u>	<u>\$</u>	<u>(257,127)</u>	<u>\$ (169,040)</u>	<u>\$ 88,087</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>					
	<u>\$ 290</u>	<u>\$</u>	<u>2,177</u>	<u>\$ (9,615)</u>	<u>\$ (11,792)</u>
<b>Fund Balances - at beginning of the year</b>					
			38,114	38,114	
<b>Fund Balances - at end of the year</b>		<u>\$</u>	<u>40,291</u>	<u>\$ 28,499</u>	

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



# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

Debt Service Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount		Budgeted Amount	Actual	Variance - Favorable (Unfavorable)
	Original		Final		
<b>Revenues:</b>					
Interest income	\$ -		\$ 6	\$ 8	\$ 2
<b>Total Revenues</b>	<u>\$ -</u>		<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 2</u>
<b>Expenditures:</b>					
Interest expense	\$ 172,812		\$ 138,127	\$ 146,081	\$ (7,954)
Revenue bond principal repayment	114,000		119,000	22,967	96,033
<b>Total Expenditures</b>	<u>\$ 286,812</u>		<u>\$ 257,127</u>	<u>\$ 169,048</u>	<u>\$ 88,079</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 286,812		\$ 257,127	\$ 169,040	\$ (88,087)
Transfers out	-		-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 286,812</u>		<u>\$ 257,127</u>	<u>\$ 169,040</u>	<u>\$ (88,087)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ -</u>		<u>\$ 6</u>	<u>\$ -</u>	<u>\$ (6)</u>
<b>Fund Balances - at beginning of the year</b>					
<b>Fund Balances - at end of the year</b>			<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>

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

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

Project Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ 60	\$ 16	\$ (44)
<b>Total Revenues</b>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 16</u>	<u>\$ (44)</u>
<b>Expenditures:</b>				
Project costs	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Revenue note proceeds	\$ -	\$ -	\$ 5,768,053	\$ 5,768,053
Transfers out	\$ -	\$ -	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,768,053</u>	<u>\$ 5,768,053</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 16</u>	<u>\$ (44)</u>
<b>Fund Balances - at beginning of the year</b>		3,145	3,145	
<b>Fund Balances - at end of the year</b>		<u>\$ 3,205</u>	<u>\$ 3,161</u>	

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

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

Sales Tax Trust Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount		Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original		Final			
<b>Revenues:</b>						
TDD sales tax revenues	\$ 310,000		\$ 280,472		\$ 180,211	\$ (100,261)
<b>Total Revenues</b>	<u>\$ 310,000</u>		<u>\$ 280,472</u>		<u>\$ 180,211</u>	<u>\$ (100,261)</u>
<b>Expenditures:</b>						
Bank fees	\$ 288		\$ 288		\$ 288	\$ -
<b>Total Expenditures</b>	<u>\$ 288</u>		<u>\$ 288</u>		<u>\$ 288</u>	<u>\$ -</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ -		\$ -		\$ -	\$ -
Transfers out	(309,712)		(280,184)		(179,947)	100,237
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (309,712)</u>		<u>\$ (280,184)</u>		<u>\$ (179,947)</u>	<u>\$ 100,237</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ (24)</u>	<u>\$ (24)</u>
<b>Fund Balances - at beginning of the year</b>			100		100	
<b>Fund Balances - at end of the year</b>			<u>\$ 100</u>		<u>\$ 76</u>	

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

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

Revenue Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ 1,830	\$ 248	\$ (1,582)
<b>Total Revenues</b>	\$ -	\$ 1,830	\$ 248	\$ (1,582)
<b>Expenditures:</b>				
Trustee fees	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
<b>Total Expenditures</b>	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 309,712	\$ 280,184	\$ 179,947	\$ (100,237)
Transfers out	(307,212)	(277,527)	(186,329)	91,198
<b>Total Other Financing Sources (Uses)</b>	\$ 2,500	\$ 2,657	\$ (6,382)	\$ (9,039)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 1,987	\$ (8,634)	\$ (10,621)
<b>Fund Balances - at beginning of the year</b>		24,555	24,555	
<b>Fund Balances - at end of the year</b>		\$ 26,542	\$ 15,921	

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

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

Operating Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ 200	\$ 68	\$ (132)
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 68</b>	<b>\$ (132)</b>
<b>Expenditures:</b>				
Administrative expenses	\$ 10,000	\$ 10,000	\$ 7,500	\$ 2,500
Insurance expenses	1,000	1,300	1,295	5
Legal and professional fees	6,710	6,710	7,119	(409)
Audit fees	2,400	2,400	2,400	-
<b>Total Expenditures</b>	<b>\$ 20,110</b>	<b>\$ 20,410</b>	<b>\$ 18,314</b>	<b>\$ 2,096</b>
Transfers in				
Transfers out	\$ 20,400	\$ 20,400	\$ 17,289	\$ (3,111)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 290</b>	<b>\$ 190</b>	<b>\$ (957)</b>	<b>\$ (1,147)</b>
<b>Fund Balances - at beginning of the year</b>				
		13,459	13,459	
<b>Fund Balances - at end of the year</b>		<b>\$ 13,649</b>	<b>\$ 12,502</b>	

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

# **North Outer Forty Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

All Funds - Budget and Actual - Cash Basis

For the Year Ended December 31, 2020

	Budgeted Amount		Budgeted Amount		Variance - Favorable (Unfavorable)
	Original		Final	Actual	
<b>Revenues:</b>					
TDD sales tax revenues	\$ 310,000	\$	280,472	\$ 180,211	\$ (100,261)
Interest income	-		2,096	340	(1,756)
<b>Total Revenues</b>	<u>\$ 310,000</u>	<u>\$</u>	<u>282,568</u>	<u>\$ 180,551</u>	<u>\$ (102,017)</u>
<b>Expenditures:</b>					
Trustee fees	\$ 2,500	\$	2,500	\$ 2,500	\$ -
Bank fees	288		288	288	-
Administrative expenses	10,000		10,000	7,500	2,500
Insurance expense	1,000		1,300	1,295	5
Legal and professional fees	6,710		6,710	7,119	(409)
Audit fees	2,400		2,400	2,400	-
Interest expense	172,812		138,127	146,081	(7,954)
Revenue bond principal repayment	114,000		119,000	22,967	96,033
Project costs	-		-	5,768,053	(5,768,053)
<b>Total Expenditures</b>	<u>\$ 309,710</u>	<u>\$</u>	<u>280,325</u>	<u>\$ 5,958,203</u>	<u>\$ (5,677,878)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 286,812	\$	257,127	\$ 169,040	\$ (88,087)
Revenue note proceeds	-		-	5,768,053	5,768,053
Transfers out	(286,812)		(257,127)	(169,040)	88,087
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$</u>	<u>-</u>	<u>\$ 5,768,053</u>	<u>\$ 5,768,053</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ 290</u>	<u>\$</u>	<u>2,243</u>	<u>\$ (9,599)</u>	<u>\$ (11,842)</u>
<b>Fund Balances - at beginning of the year</b>			41,259	41,259	
<b>Fund Balances - at end of the year</b>		<u>\$</u>	<u>43,502</u>	<u>\$ 31,660</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  
North Outer Forty Transportation Development District  
Chesterfield, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of North Outer Forty Transportation Development District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise North Outer Forty Transportation Development District's basic financial statements, and have issued our report thereon dated June 18, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North Outer Forty Transportation Development District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was



**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)**

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*.

**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 18, 2021  
Hannibal, Missouri