

**Hawk Ridge
Transportation Development District**

Basic Financial Statements

And Management's Discussion and Analysis

For The Year Ended June 30, 2023

Hawk Ridge Transportation Development District

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June 30, 2023

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hawk Ridge Transportation Development District
Lake St. Louis, Missouri

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Hawk Ridge Transportation Development District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Hawk Ridge 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 Hawk Ridge Transportation Development District, as of June 30, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hawk Ridge 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 Hawk Ridge 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 Hawk Ridge 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 October 19, 2023, on our consideration of the Hawk Ridge 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 Hawk Ridge 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 Hawk Ridge Transportation Development District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

October 19, 2023
Hannibal, Missouri

**Management's Discussion
and Analysis**

Hawk Ridge Transportation Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)

The discussion and analysis of the Hawk Ridge Transportation Development District's financial performance provides an overview and analysis of the District's financial statements for the year ended June 30, 2023. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of Hawk Ridge Transportation Development District exceeded its liabilities at the close of the year ending June 30, 2023 by \$996,008. Of this amount, \$994,887 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of Hawk Ridge Transportation Development District exceeded its liabilities at the close of the year ending June 30, 2022 by \$935,040. Of this amount, \$72,042 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$60,968 for the year ended June 30, 2023. The primary reason for this is because the District received \$1,897,933 in total revenues and spent \$1,836,965 in total expenses.
- The District's total net position increased by \$147,816 for the year ended June 30, 2022. The primary reason for this is because the District received \$1,655,593 in total revenues and spent \$1,507,777 in total expenses.
- The District did not issue any additional debt for the years ending June 30, 2023 and 2022.

USING THIS SPECIAL PURPOSE FRAMEWORK

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Hawk Ridge Transportation Development District internally maintains seven individual governmental 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 considered major funds. The General Fund consists of: the Special Trust Fund, the Revenue Fund, the County Roads 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.

Hawk Ridge Transportation Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2023
(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 \$996,008 as of June 30, 2023.

Table 1
Summary of Net Position
at June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Current and other assets	\$ 996,008	\$ 935,040
Total Assets	<u>\$ 996,008</u>	<u>\$ 935,040</u>
Net Position:		
Restricted	\$ 1,121	\$ 862,998
Unrestricted	994,887	72,042
Total Net Position	<u>\$ 996,008</u>	<u>\$ 935,040</u>

Table 2
Changes in Net Position

	Governmental Activities	
	2023	2022
General Revenues:		
Taxes	\$ 1,866,521	\$ 1,640,061
Interest income	27,142	532
Trustee deposit for interest expense	4,270	15,000
Total Revenues	<u>\$ 1,897,933</u>	<u>\$ 1,655,593</u>
Expenses:		
General government	\$ 43,217	\$ 45,194
Interest expense	244,349	285,704
Revenue bond principal repayment	1,545,000	1,165,000
Add'l Dierbergs project expenses	4,399	11,879
Total Expenses	<u>\$ 1,836,965</u>	<u>\$ 1,507,777</u>
Increase (decrease) in Net Position	\$ 60,968	\$ 147,816
Net Position at beginning of year	935,040	787,224
Net Position at end of year	<u>\$ 996,008</u>	<u>\$ 935,040</u>

PROPERTY, PLANT AND EQUIPMENT AND DEBT

Property, Plant and Equipment

During the years ending June 30, 2023 and 2022, the District had additional Dierbergs project expenses of \$4,399 and \$11,879, respectively.

Hawk Ridge Transportation Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)

Debt

As of the year ended June 30, 2023, the District had \$5,400,000 in revenue bonds payable. The District made principal payments of \$1,545,000 and interest payments of \$244,349 during the year.

As of the year ended June 30, 2022, the District had \$6,945,000 in revenue bonds payable. The District made principal payments of \$1,165,000 and interest payments of \$285,704 during the year.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

General Fund Budgeting Highlights

For the fiscal year ending June 30, 2023, actual expenditures on a budgetary basis were \$47,616 compared to the budgeted amount of \$54,126. The \$6,510 positive variance is primarily the result of the District budgeting too much for legal and professional fees.

For the fiscal year ending June 30, 2022, actual expenditures on a budgetary basis were \$57,073 compared to the budgeted amount of \$69,113. The \$12,040 positive variance is primarily the result of the District budgeting too much for legal and professional fees.

For the fiscal year ending June 30, 2023, actual revenues on a budgetary basis were \$1,892,208 compared to the budgeted amount of \$1,816,750. The \$75,458 positive variance is primarily the result of the District not budgeting enough for TDD sales tax revenue.

For the fiscal year ending June 30, 2022, actual revenues on a budgetary basis were \$1,655,575 compared to the budgeted amount of \$1,660,610. The \$5,035 negative variance is primarily the result of the District budgeting too much for TDD sales tax revenue.

Debt Service Fund Budgeting Highlights

For the fiscal year ending June 30, 2023, actual expenditures on a budgetary basis were \$1,789,349 compared to the budgeted amount of \$1,789,349, resulting in a \$0 variance.

For the fiscal year ending June 30, 2022, actual expenditures on a budgetary basis were \$1,450,704 compared to the budgeted amount of \$1,450,704, resulting in a \$0 variance.

For the fiscal year ending June 30, 2023, actual revenues on a budgetary basis were \$5,725 compared to the budgeted amount of \$5,720. The \$5 positive variance is the result of the District not budgeting enough for interest income.

For the fiscal year ending June 30, 2022, actual revenues on a budgetary basis were \$18 compared to the budgeted amount of \$40. The \$22 negative variance is the result of the District budgeting too much for interest income.

Project Fund Budgeting Highlights

For the fiscal years ending June 30, 2023 and 2022, the District had no activity in this fund and did not budget any activity accordingly.

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 sales 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.

Hawk Ridge Transportation Development District

Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

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.

Hawk Ridge Transportation Development District

Governmental Funds Balance Sheet/
Statement of Net Position - Cash Basis
June 30, 2023

	General Fund	Debt Service Fund	Project Fund	Total Major Funds	Adjustments	Statement of Net Position
Assets						
Cash and equivalents	\$ 994,887	\$ 1,121	\$ -	\$ 996,008	\$ -	\$ 996,008
Total Assets	<u>\$ 994,887</u>	<u>\$ 1,121</u>	<u>\$ -</u>	<u>\$ 996,008</u>	<u>\$ -</u>	<u>\$ 996,008</u>
Liabilities and Fund Balances / Net Position						
Fund Balance:						
Restricted for:						
Debt Service	\$ -	\$ 1,121	\$ -	\$ 1,121	\$ (1,121)	\$ -
Capital Projects	-	-	-	-	-	-
Unassigned	994,887	-	-	994,887	(994,887)	-
Total Liabilities and Fund Balances	<u>\$ 994,887</u>	<u>\$ 1,121</u>	<u>\$ -</u>	<u>\$ 996,008</u>	<u>\$ (996,008)</u>	<u>\$ -</u>
Net Position:						
Restricted for:						
Debt Service					\$ 1,121	\$ 1,121
Capital Projects					-	-
Unrestricted					994,887	994,887
Total Net Position					<u>\$ 996,008</u>	<u>\$ 996,008</u>

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

Hawk Ridge Transportation Development District

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and
Statement of Activities - Cash Basis
For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Project Fund	Total Major Funds	Adjustments	Statement of Activities
Expenditures/Expenses:						
Bank fees	\$ 300	-	\$ -	\$ 300	\$ -	\$ 300
Administrative expenses	29,342	-	-	29,342	-	29,342
Legal and professional fees	10,015	-	-	10,015	-	10,015
Audit fees	3,560	-	-	3,560	-	3,560
Additional Dierbergs project expenditures	4,399	-	-	4,399	-	4,399
Interest expense	-	244,349	-	244,349	-	244,349
Revenue bond principal repayment	-	1,545,000	-	1,545,000	-	1,545,000
Total Expenditures/Expenses	\$ 47,616	\$ 1,789,349	\$ -	\$ 1,836,965	\$ -	\$ 1,836,965
General Revenues:						
TDD sales tax revenues	\$ 1,866,521	-	\$ -	\$ 1,866,521	\$ -	\$ 1,866,521
Trustee deposit for interest expense	-	4,270	-	4,270	-	4,270
Interest income	25,687	1,455	-	27,142	-	27,142
Total General Revenues	\$ 1,892,208	\$ 5,725	\$ -	\$ 1,897,933	\$ -	\$ 1,897,933
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,844,592	\$ (1,783,624)	\$ -	\$ 60,968	\$ -	\$ 60,968
Other Financing Sources (Uses)						
Transfers in	-	921,747	-	921,747	-	921,747
Transfers out	(921,747)	-	-	(921,747)	-	(921,747)
Total Other Financing Sources (Uses)	\$ (921,747)	\$ 921,747	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 922,845	\$ (861,877)	\$ -	\$ 60,968	\$ (60,968)	\$ -
Change in net position					60,968	60,968
Fund balance/net position:						
Beginning of Year	72,042	862,998	-	935,040	-	935,040
End of Year	\$ 994,887	\$ 1,121	\$ -	\$ 996,008	\$ -	\$ 996,008

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On September 2, 2004, the Circuit Court of the County of St. Charles, Missouri entered a Judgment and Order organizing a Transportation Development District (the "Order") which established Hawk Ridge Transportation Development District (the "District") as a political subdivision pursuant to and in accordance with the Missouri Transportation Development District Act, Sections 238.200 to 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, as defined in the Order, initially through the imposition of a transportation development district sales tax (the "TDD Sales Tax").

The TDD Project is described as follows:

- (a) Widen relocated Highway N to provide four travel lanes (two in each direction) between Henke Road and Sommers Road, including the modification of certain bridges and the widening of the temporary bypass, proposed by MoDOT as part of its construction project to rebuild the interchange at the intersection of Highway N and Highway 40;
- (b) provide four travel lanes on Hawk Ridge Trail extension between Highway N and the western end of the site;
- (c) provide a three lane section on South Fox Hound Drive between the proposed Highway 40 overpass and relocated Highway N (except at its intersection with Hawk Ridge Trail);
- (d) construct the Fox Hound Drive overpass over Highway 40 with a minimum of a 52-foot cross section so as to provide adequate width to accommodate a possible widening of four lanes in the future (striped for two lanes initially);
- (e) construct Highway N and westbound Highway 40 exit ramps: (i) construct a right-turn bypass from the westbound off-ramp to accommodate the heavy westbound-to-southbound traffic movement and provide a third (auxiliary) lane between the westbound ramps and the south-to-eastbound loop ramp (approx. 900 feet); (ii) provide dual southbound left turn lanes from the off ramp onto eastbound Highway N; and (iii) provide a westbound right turn lane onto the Highway 40 on ramp;
- (f) construct Highway N and eastbound Highway 40 off ramp, including installation of a traffic signal;
- (g) construct Highway N and Hawk Ridge Trail extension, including; (i) provide a southbound right turn lane on Highway N; and (ii) provide dual eastbound left turn lanes and a shared through/right turn lane on Hawk Ridge Trail;
- (h) construct the following at the intersection of Highway N and Orf Road provide a southbound right turn lane;
- (i) construct the following at the intersection of Highway N and Sommers Road: (a) install a traffic signal; (b) provide an eastbound left turn lane on Highway N; and (c) provide northbound right turn lane on Sommers Road;
- (j) construct the following at the intersection of Hawk Ridge Trail Extension and Fox Hound Drive: (a) install a traffic signal; (b) provide the following geometrics: (1) eastbound left turn lane, through lane, and shared through/right turn lane; (2) westbound left turn lane, two through lanes, and a right turn lane; (3) northbound left turn lane, through lane, and a right turn lane; and (4) southbound dual left turn lanes, through lane, and a right turn lane;
- (k) construct the following at the intersection of Fox Hound Drive at Austin Lane (future planned Wal-Mart entrance) (a) install a traffic signal; and (b) provide designated left turn lanes on all approaches;
- (l) Fox Hound Drive and Feise Connection: (a) provide a 2 lane loop ramp from western end of Feise Road to Fox Hound Drive; and (b) provide access to the gravel drive;
- (m) Construct all necessary sidewalks; any similar or related improvement or infrastructure provided for by Section 238.202(5) of the TDD Act, including but not limited to (a) work requested by the Missouri Highways and Transportation Commission to finalize MoDOT Project J6P06720 and engineering services related to MoDOT work; (b) extension of Robert Raymond Lane through Block E of the Shoppes of Hawk Ridge to connect Hawk Ridge Trail and Ronald Reagan Boulevard; and (c) extension of sidewalks and crosswalks for Highway N – Ronald Reagan Drive pedestrian access.

Hawk Ridge Transportation Development District

Notes to Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Concluded)

On March 23, 2006, pursuant to Section 238.235 of the TDD Act, the District adopted Resolution No. 06-001 authorizing the District to impose a transportation development district sales tax (the "TDD Sales Tax") at a rate of three-fourths of one percent (3/4%), which became effective on the first day of the month following 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.

Pursuant to an Intergovernmental Cooperation Agreement dated as of December 1, 2006 (the "Cooperation Agreement"), between the City of Lake Saint Louis, Missouri (the "City") and the District, the City has agreed to transfer County Road Funds to the Trustee at the times and in the manner provided in the Cooperation Agreement.

The TDD determined that it was in the best interests of the District to issue its (i) \$14,850,000 aggregate principal amount of Tax-Exempt Transportation Sales Tax Revenue Bonds, Series 2006A (the "Series 2006A Bonds") to finance costs of the Transportation Project, fund a debt service reserve, fund capitalized interest and pay costs related to the issuance of the Bonds, and (ii) \$2,110,000 aggregate principal amount of Tax-Exempt Transportation Sales Tax Revenue Bonds, Series 2006B (the "Series 2006B Bonds" and together with the Series 2006A Bonds, the "Bonds") to finance certain costs of the Transportation Project and pay costs related to the issuance of the Series 2006B Bonds.

Pursuant to Resolution No. 16-001, the District's Board of Directors approved the issuance of the Transportation Sales Tax Revenue Refunding Bonds, Series 2016 (the "Bonds"), in the aggregate principal amount not to exceed \$12,250,000, for the purpose of refunding the Prior Bonds and paying the costs of issuance of the Bonds. The Bonds shall be payable out of payments, revenues and receipts derived by the District from certain TDD Sales Tax Revenues. On June 21, 2016, the Transportation Sales Tax Revenue Refunding Bonds, Series 2016 were issued for \$12,115,000. The maturity date of the Bonds is February 1, 2030 with an interest rate of 3.65%.

Pursuant to Resolution No. 20-002, the District entered into a Preliminary Funding Agreement on May 7, 2020 between the District and Dierbergs Lake Louis LLC. Pursuant to the Agreement, Dierbergs would advance certain funds necessary to pay the fees and expense of the District, its General Counsel and any consultants engaged by the District in connection with the Additional Transportation Project and any related cooperation and/or development agreement.

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.

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION

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

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

The District reports the following major governmental funds:

Governmental Funds

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

TDD Trust Fund - The TDD 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 – Moneys deposited in the Revenue Fund shall be allocated in the following order:

- a) Pursuant to the District's grant of authority to the Administrator under the Administrative Services Agreement, the Administrator has agreed to pay, on the fifteenth (15th) calendar day of each month (or next Business Day), to the Trustee for deposit in the Revenue Fund, the TDD Revenues to the extent appropriated by the District for such purpose.

The foregoing provisions shall not be construed to impose any legal obligation on the District or the City to appropriate moneys for the payment of the Bonds. The Trustee shall notify the District and the Original Purchaser if the Trustee has not received funds into the Revenue Fund on or before the seventeenth (17th) calendar day of each month (or the next Business Day thereafter if the seventeenth (17th) day is not a Business Day).

- b) On the 40th day (or if such day is not a Business Day, the immediately preceding Business Day), except as otherwise provided, prior to each Interest payment Date, the Trustee shall apply moneys in the Revenue Fund to the extent necessary for the purposes and in the amounts as follows:

First, to the Operating Fund, fifty percent (50%) of the Annual Operating Fund Deposit;

Second, to the Rebate Fund, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the District in accordance with the Tax Compliance Agreement or to pay any rebate analyst to perform rebate services as required by the Tax Compliance Agreement including, but limited to, the arbitrage rebate analysis and calculation of the arbitrage rebate;

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

Third, pay to the Trustee or any Paying Agent, an amount sufficient for payment of any fees and expenses which are due and owing to the Trustee or any Paying Agent, upon delivery to the District (with a copy to the Trustee, if the Trustee is not the Paying Agent) of an invoice for such amounts (payments to the Trustee are to be made from the Revenue Fund and, except as otherwise provided in Section 802 of the Trust Indenture, may not exceed \$1,800 in any calendar year);

Fourth, transfer to Debt Service Account of the Debt Service Fund an amount sufficient to pay the interest becoming due and payable on the Bonds on the next succeeding Interest Payment Date;

Fifth, for transfer to the Debt Service Account of the Debt Service Fund an amount sufficient to pay the principal becoming due and payable on the succeeding Interest Payment Date by reason of maturity;

Sixth, for transfer to the Redemption Account of the Debt Service Fund all moneys then remaining in the Revenue Fund, which shall be applied to the payment of the principal of all Bonds that are subject to redemption pursuant to Section 302(b) in the Trust Indenture.

- c) Notwithstanding the foregoing, if on the 40th day (or if such day is not a Business Day, the immediately preceding Business Day) prior to each Interest Payment Date, the amounts in the Revenue Fund are not sufficient to make the deposits required by clauses (a), First through Fifth, above, then on the Business Day immediately preceding such Interest Payment Date, the Trustee shall apply all amounts on deposit in the Revenue Fund to make the deposits required by clauses (a), First through Fifth above, to the extent possible prior to the application of any amount held in any reserve fund therefor.
- d) If, on any Interest Payment Date, the moneys in the Revenue Fund are insufficient to make payment of the Trustee and Paying Agents, the District, and/or the Authority for its respective fees and expenses as provided above, then the unpaid portion shall be carried forward to the next Interest Payment Date, without accruing interest thereon, except as provided in Section 802 of the Trust Indenture.
- e) Upon final maturity of the Bonds, all moneys in the Revenue Fund shall be used to the extent necessary to pay unpaid principal of and accrued interest on the Bonds. After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or provision having 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 the District, and any other amounts required to be paid under the Trust Indenture, all moneys remaining in the Revenue Fund shall be returned to the District for deposit into the TDD Trust Fund.

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

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

Debt Service Fund –

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

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONTINUED)

- b) The District hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Debt Service Fund to pay the principal and interest on the Bonds as the same becomes due and payable and
- c) to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on Bonds. The Trustee shall use any moneys remaining in the Redemption Account of the Debt Service Fund to redeem all or part of the Bonds Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by Article III of the Trust Indenture. The Trustee, upon the written instructions from the Authority, signed by the Authorized Authority Representative as directed by the District, shall use moneys in the Redemption Account of the Debt Service Fund on a best efforts basis for the purchase of Bonds in the open market to the extent practical for the purpose of cancellation at prices not exceeding the principal amount of the Bonds plus accrued interest thereon to the date of such purchase, as applicable.
- d) If the moneys in the Debt Service Fund are insufficient to pay all accrued interest on the Bonds on any Interest Payment Date, then such moneys shall be applied ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege, and any unpaid portion shall accrue to the next Interest Payment Date, with interest thereon at the rate or rates specified in the Bonds to the extent permitted by law. If the moneys in the Debt Service Fund are insufficient to pay the principal of the Bonds on the stated maturity date thereof, then such moneys shall be applied ratably, according to the amounts of principal due on such date, to the Person entitled thereto without any discrimination or privilege.
- e) After payment in full of the principal of, redemption premium, if any, and Interest on the Bonds (or provision has been made for the payment thereof as specified in the Trust Indenture), and the fees, charges and expenses of the Trustee, the District, and any Paying Agents and any other amounts required to be paid under the Trust Indenture, all amounts remaining in the Debt Service Fund shall be paid to the District for deposit into the TDD Trust Fund.

Rebate Fund -

- a) There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the transfer provisions provided in subsection (c) below, all money at any time deposited in the Rebate Fund and any income earned thereon shall be held in trust, to the extent required to pay arbitrage rebate to the federal government of the United States of America, and neither the District nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Compliance Agreement (which is incorporated herein by reference).
- b) Pursuant to the Tax Compliance Agreement, the Trustee, on behalf of the District, shall remit from the Rebate Fund rebate installments and the final rebate payments to the United States of America. The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section and the Tax Compliance Agreement other than from moneys held in the Funds created under the Trust Indenture or from other moneys provided to it by the District. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate, or provision made therefor, shall be withdrawn and released to the District for deposit into the TDD Trust Fund.
- c) Notwithstanding any other provision of the Trust Indenture, including in particular this Article, the obligation to remit arbitrage rebate to the United States and to comply with all other requirements of this

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONCLUDED)

- d) Section, the preceding Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds.

Project Fund – The District internally maintains two separate fund that make up the Project Fund, as follows:

Project Fund –

- a) Moneys in the Cost of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee as set forth on Schedule 1 of the Trust Indenture, to be paid upon receipt by the Trustee of invoices therefor, but without the necessity of receipt by the Trustee of a requisition therefor. Any moneys remaining in the Cost Issuance Account on the earlier of the payment of the "Cost of Issuance" set forth on Schedule 1 of the Trust Indenture or the date (and if such date is not a Business Day, the next succeeding Business Day) which is ninety (90) days after the date of issuance of the Bonds, shall be deposited, without further authorization, into the Redemption Account of the Debt Service Fund.
- b) In making payments and disbursements pursuant to this Section, the Trustee may conclusively rely upon the written requests and accompanying certificates and statements. The Trustee is not required to make any independent investigation in connection with the matters set forth in the written requests. The approval of each disbursement request by an Authorized District Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Cost of Issuance Account have been completed.

Escrow Fund – The Escrow Agent shall establish a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the "Escrow Fund for Defeased Bonds – Hawk Ridge Transportation Development District" (the "Escrow Fund"). Except as otherwise provided in the Escrow Deposit Agreement, moneys in the Escrow Fund shall be held in trust by the Escrow Agent and shall be applied solely for the purpose of purchasing Escrowed Securities and to provide funds to the Trustee in accordance with the Escrow Deposit Agreement at the times and in the amounts required to pay debt service on the Defeased Bonds.

B) BASIS OF ACCOUNTING

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

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;

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) BUDGETS AND BUDGETARY ACCOUNTING (CONCLUDED)

- c) The amount required for the payment of interest, amortization, and redemption charges on the debt of the District;
 - d) A general budget summary.
 - i. 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.
 - ii. 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.
- 2) 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.
- 3) After the District has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the District shall not increase the total amount authorized for expenditure from any fund, unless the District Board adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion resolution or ordinance to authorize the expenditures.

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

D) CAPITAL ASSETS AND LONG-TERM LIABILITIES

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

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 June 30, 2023.

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

E) FUND BALANCE AND NET POSITION (CONCLUDED)

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 \$1,121 for restricted fund balance 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 June 30, 2023.

Assigned- This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board through budgetary process. The District had no assigned resources as of June 30, 2023.

Unassigned- All amounts not included in other spendable classifications.

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

2) CASH AND CASH EQUIVALENTS

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

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

Investments - The District may invest in the following:

- (a) Government Securities;
- (b) bonds, notes or other obligations of the State, or any political subdivision of the State, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, including, without limitation, the Trustee or any of its affiliates, that are continuously and fully secured by any one or more of the securities described in clause (a) or (b) above and have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the District;
- (d) obligations of Fannie Mae, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, including, without limitation, the Trustee or any of its affiliates, provided that such certificates of deposit or demand deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clause (a) or (b), which shall have a market value,

Hawk Ridge Transportation Development District

Notes to Financial Statements For the Year Ended June 30, 2023

2) CASH AND CASH EQUIVALENTS (CONCLUDED)

exclusive or accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits;

- (e) money market mutual funds that are invested in Government Securities or agreement to repurchase Government Securities; and
- (f) any other securities that are lawful for the investment of moneys held in such funds or accounts under the laws of the State.

Cash of the District at June 30, 2023, is as follows:

Deposits

At year ending June 30, 2023 the carrying amount of the District's deposits in the TDD Trust Fund was \$250 and the bank balance was \$250. Any balance maintained in this account would be covered by federal depository insurance up to \$250,000. The cash balances with the Trustee, \$995,758, were invested in Goldman Sachs Financial Square Government Fund money market accounts. Due to the short-term nature of the investments, these balances are classified as cash equivalents in the District's basic financial statements. The Goldman Sachs Financial Square Government Fund money market account is not insured by federal depository insurance coverage. The Fund, however, only invests in U.S. government securities and repurchase agreements.

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

The District held no investments at June 30, 2023.

3) COMMITMENTS

On September 15, 2004, the District entered into a Missouri Highways and Transportation Commission Development District Cooperative Agreement because a portion of the Transportation Project was intended to be merged into the state highways and transportation system (the "State Transportation Project") under the jurisdiction of the Missouri Highways and Transportation Commission. Under the Agreement, the State Transportation Project is described as follows:

- (a) modification of some bridges and widening of the temporary bypass as part of the construction project to rebuild Highway 40 interchange with relocated Highway N;
- (b) construct the Fox Hound Drive overpass over Highway 40 with a minimum of a 48-foot cross section;
- (c) Highway N and westbound 40 ramps: (1) construct a right-turn bypass from the westbound off-ramp to accommodate the heavy westbound-to-southbound traffic movement and provide a third (auxiliary) lane between the westbound ramps and the south-to-eastbound loop ramp (approximately 900 feet), (2) provide dual southbound left turn lanes from the off ramp onto eastbound Highway N, and (3) provide a westbound right turn lane onto the Highway 40 on ramp;
- (d) install a traffic signal at the Highway N and eastbound Highway 40 off ramp;

Hawk Ridge Transportation Development District

Notes to Financial Statements
For the Year Ended June 30, 2023

3) COMMITMENTS (CONCLUDED)

- (e) any similar or related improvement or infrastructure provided for by Section 238.202(5) of the TDD Act, contemplated by the Construction Plans and approved by the Commission; and
- (f) accompanying grading, drainage, pavement, curb, gutter, sidewalk, stormwater facilities, structures (including any architectural treatments related thereto), signing, striping, lighting, traffic signals, landscaping or similar or related infrastructure or improvement in connection therewith.

The District shall provide or cause to be provided all funding, complete and accurate plans and specifications, surveying, and all necessary construction work, equipment and materials to complete the State Transportation Project.

It is understood by the District and the Commission that any of the State Transportation Project improvements placed on the Commission's right of way becomes the property of the Commission. Effective upon the final acceptance of the construction of the State Transportation Project, the Commission shall keep control and maintain as part of the state highway system that portion of the State Transportation Project lying within state-owned limited access right of way limit (including structural maintenance of any overpass therein), and the District shall have no further rights, obligations or responsibility with respect to said State Transportation Project improvements other than the following:

- (1) Provide maintenance responsibility for that portion of the State Transportation Project, if any, that is not within Commission right of way.
- (2) Provide maintenance responsibility for any and all aesthetic interchange treatments or improvements, if any, approved by the City and the Commission, including decorative or ornamental lighting. Costs for electric power for any extraordinary decorative or ornamental lighting shall be the responsibility of the District.
- (3) Provide maintenance responsibility for all landscape treatments, if any, within the Commission right of way, including irrigation systems. Any landscape treatments and irrigation systems shall be approved by the Commission and the City. Costs for water to supply irrigation systems shall be the responsibility of the District.
- (4) Provide routine and regular maintenance, including, but not limited to the sweeping, striping, and snow removal, on any portion of roadway that goes over or above the state highway system, but is not an extension of a state-owned and maintained roadway constructed pursuant to the Agreement.

On September 3, 2015, the District approved a certificate of substantial completion submitted by Lila, Inc. for the completion of the District's Transportation Project.

The District issued \$12,115,000 in Series 2016 Sales Tax Refunding Bonds during the year ending June 30, 2016. The proceeds will be used to pay off the Series 2006A Sales Tax Revenue Bonds on August 1, 2017.

4) LITIGATION

At June 30, 2023, there were no claims or lawsuits pending against the District.

5) TAXES

The District imposed a transportation development district sales tax (the "TDD Sales Tax") at a rate of three-fourths of one percent (3/4%), which became effective on the first day of the month following 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. The qualified voters of the TDD approved the TDD Sales Tax by election, which became effective on May 1, 2005, pursuant to Section 238.216.1(3) of the TDD Act.

Hawk Ridge Transportation Development District
Notes to Financial Statements
For the Year Ended June 30, 2023

6) LONG-TERM DEBT

Pursuant to Resolution No. 16-001, the District's Board of Directors approved the issuance of the Transportation Sales Tax Revenue Refunding Bonds, Series 2016 (the "Bonds"), in the aggregate principal amount not to exceed \$12,250,000, for the purpose of refunding the Prior Bonds and paying the costs of issuance of the Bonds. The Bonds shall be payable out of payments, revenues and receipts derived by the District from certain TDD Sales Tax Revenues. On June 21, 2016, the Transportation Sales Tax Revenue Refunding Bonds, Series 2016 were issued for \$12,115,000. The maturity date of the Bonds is February 1, 2030 with an interest rate of 3.65%. Since the District only pays on principal if there are funds available, no debt service requirements are presented in this report.

As of June 30, 2023, the District had Bonds payable in the amount of \$5,400,000. The District made debt principal payments of \$1,545,000 and interest payments of \$244,349 during the fiscal year. As of June 30, 2023, the District had accrued interest of \$0.

Following is a summary of the Bonds payable as of June 30, 2023:

	Balance @ 6/30/2022	Issued in FY 2023	Repaid in FY 2023	Balance @ 6/30/2023	Interest Paid in FY 2023
Sales Tax Revenue Refunding Bonds - Series 2016	\$ 6,945,000	\$ -	\$ (1,545,000)	\$ 5,400,000	\$ 244,349
	<u>\$ 6,945,000</u>	<u>\$ -</u>	<u>\$ (1,545,000)</u>	<u>\$ 5,400,000</u>	<u>\$ 244,349</u>

7) PROJECT COSTS

During the year ending June 30, 2023, the District had additional Dierbergs project expenses of \$4,399.

8) INTERFUND TRANSFERS

During the fiscal year ended June 30, 2023, the District had the following interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ -	\$ (921,747)
Debt Service Fund	921,747	-
Project Fund	-	-
	<u>\$ 921,747</u>	<u>\$ (921,747)</u>

During the year ended June 30, 2023, the District transferred funds from the General Fund to the Debt Service fund to make required debt payments.

9) SUBSEQUENT EVENTS

These financial statements considered subsequent events through October 19, 2023, the date the financial statements were available to be issued.

Other Information

Hawk Ridge Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

General Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDD sales tax revenues	\$ 1,695,500	\$ 1,800,000	\$ 1,866,521	\$ 66,521
Interest income	110	16,750	25,687	8,937
Total Revenues	\$ 1,695,610	\$ 1,816,750	\$ 1,892,208	\$ 75,458
Expenditures:				
Bank fees	\$ 325	\$ 325	\$ 300	\$ 25
Trustee fees	1,500	1,500	-	1,500
Administrative expenses	23,972	29,342	29,342	-
Legal and professional fees	15,000	15,000	10,015	4,985
Audit fees	3,400	3,560	3,560	-
Additional Dierbergs project expenditures	-	4,399	4,399	-
Total Expenditures	\$ 44,197	\$ 54,126	\$ 47,616	\$ 6,510
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(903,370)	(921,747)	(921,747)	-
Total Other Financing Sources (Uses)	\$ (903,370)	\$ (921,747)	\$ (921,747)	\$ -
Net Change in Fund Balance	\$ 748,043	\$ 840,877	\$ 922,845	\$ 81,968
Fund Balance - at beginning of the year		72,042	72,042	
Fund Balance - at end of the year	\$ 912,919	\$ 912,919	\$ 994,887	

Hawk Ridge Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Debt Service Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest income	\$ 40	\$ 1,450	\$ 1,455	\$ 5
Trustee deposit for interest expense	-	4,270	4,270	-
Total Revenues	<u>\$ 40</u>	<u>\$ 5,720</u>	<u>\$ 5,725</u>	<u>\$ 5</u>
Expenditures:				
Interest expense	\$ 253,492	\$ 244,349	\$ 244,349	\$ -
Revenue bond principal repayment	1,200,000	1,545,000	1,545,000	-
Total Expenditures	<u>\$ 1,453,492</u>	<u>\$ 1,789,349</u>	<u>\$ 1,789,349</u>	<u>\$ -</u>
Other Financing Sources (Uses)				
Transfers in	\$ 903,370	\$ 921,747	\$ 921,747	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 903,370</u>	<u>\$ 921,747</u>	<u>\$ 921,747</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ (550,082)</u>	<u>\$ (861,882)</u>	<u>\$ (861,877)</u>	<u>\$ 5</u>
Fund Balance - at beginning of the year		<u>862,998</u>	<u>862,998</u>	
Fund Balance - at end of the year	<u>\$ 1,116</u>		<u>\$ 1,121</u>	

Hawk Ridge Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Project Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

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

Hawk Ridge Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

All Funds - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
TDD sales tax revenues	\$ 1,695,500	\$ 1,800,000	\$ 1,866,521	\$ 66,521
Trustee deposit for interest expense	-	4,270	4,270	-
Interest income	150	18,200	27,142	8,942
Total Revenues	\$ 1,695,650	\$ 1,822,470	\$ 1,897,933	\$ 75,463
Expenditures:				
Trustee fees	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
Bank fees	325	325	300	25
Administrative expenses	23,972	29,342	29,342	-
Legal and professional fees	15,000	15,000	10,015	4,985
Audit fees	3,400	3,560	3,560	-
Interest expense	253,492	244,349	244,349	-
Revenue bond principal repayment	1,200,000	1,545,000	1,545,000	-
Additional Dierbergs project expenditures	-	4,399	4,399	-
Total Expenditures	\$ 1,497,689	\$ 1,843,475	\$ 1,836,965	\$ 6,510
Other Financing Sources (Uses)				
Transfers in	\$ 903,370	\$ 921,747	\$ 921,747	\$ -
Transfers out	(903,370)	(921,747)	(921,747)	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 197,961	\$ (21,005)	\$ 60,968	\$ 81,973
Fund Balances - at beginning of the year		935,040	935,040	
Fund Balances - at end of the year	\$ 914,035		\$ 996,008	

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
Hawk Ridge Transportation Development District
Lake St. Louis, 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 Hawk Ridge Transportation Development District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hawk Ridge Transportation Development District's basic financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hawk Ridge 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 Hawk Ridge Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hawk Ridge 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 Hawk Ridge 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.
Certified Public Accountants

October 19, 2023
Hannibal, Missouri