

**Mid Rivers/N
Transportation Development District**

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2017

Mid Rivers/N Transportation Development District

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December 31, 2017

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Independent Auditor's Report

To the Board of Directors
Mid Rivers/N Transportation Development District
St. Peters & Cottleville, Missouri

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Mid Rivers/N Transportation Development District as of and for the year ended December 31, 2017, 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. 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 financial position of the governmental activities and each major fund of Mid Rivers/N Transportation Development District as of December 31, 2017, 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 opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mid Rivers/N Transportation Development District's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages 3-5 and 13, 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 21, 2018, on our consideration of the Mid Rivers/N 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 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 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 Mid Rivers/N Transportation Development District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 21, 2018
Hannibal, Missouri

Management's Discussion and Analysis

Mid Rivers/N Transportation Development District

Management's Discussion and Analysis

For the Year Ended December 31, 2017

(Unaudited)

The discussion and analysis of the Mid Rivers/N Transportation Development District's financial performance provides an overview and analysis of the District's financial activities for the year ended December 31, 2017. It should be read in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the Mid Rivers/N Transportation Development District exceeded its liabilities at the close of the year ending December 31, 2017 by \$64,537 (net position). Of this amount, \$64,537 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of the Mid Rivers/N Transportation Development District exceeded its liabilities at the close of the year ending December 31, 2016 by \$53,713 (net position). Of this amount, \$53,713 (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 \$10,824 for the year ended December 31, 2017. The primary reason for this is because the District received \$109,368 in total revenues and spent \$98,544 on total expenses.
- The District's total net position increased by \$23,223 for the year ended December 31, 2016. The primary reason for this is because the District received \$86,697 in total revenues and spent \$63,474 on total expenses.
- The District did not issue any additional debt for the years ending December 31, 2017 or 2016.

Using This Special Purpose Framework

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

Overview of the Financial Statements

The discussion and analysis serves as an introduction to the Mid Rivers/N Transportation Development District's basic financial statements. The District's basic financial statements are comprised of two components, 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 Mid Rivers/N Transportation Development District internally maintains one individual governmental fund. Information is presented in the Statement of Net Position – Cash Basis, for the General Fund, which is considered a major fund. The General Fund consists of: the Sales Tax Trust Fund. Internal fund information is shown as other supplementary information.

Mid Rivers/N Transportation Development District

Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the 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 were \$64,537 as of December 31, 2017.

Table 1
Summary of Net Position
at December 31, 2017 and 2016

	Governmental Activities	
	2017	2016
Current and other assets	\$ 64,537	\$ 53,713
Total Assets	<u>\$ 64,537</u>	<u>\$ 53,713</u>
Net position:		
Restricted	\$ -	\$ -
Unrestricted	64,537	53,713
Total Net Position	<u>\$ 64,537</u>	<u>\$ 53,713</u>

Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
General Revenues:		
Taxes	\$ 109,340	\$ 86,697
Interest income	28	-
Total revenues	<u>\$ 109,368</u>	<u>\$ 86,697</u>
Expenses:		
General government	\$ 13,544	\$ 13,474
Interest expense	85,000	50,000
Total expenses	<u>\$ 98,544</u>	<u>\$ 63,474</u>
Increase (decrease) in net position	\$ 10,824	\$ 23,223
Net Position at beginning of year	53,713	30,490
Net Position at end of year	<u>\$ 64,537</u>	<u>\$ 53,713</u>

PROPERTY, PLANT AND EQUIPMENT AND DEBT

Property, Plant and Equipment

During the years ending December 31, 2017 and 2016, the District did not have any additional capital additions.

Mid Rivers/N Transportation Development District

Management's Discussion and Analysis For the Year Ended December 31, 2017 (Unaudited)

Debt

As of the year ending December 31, 2017, the District had \$2,455,420 in revenue notes payable. The District did not make any principal payments, but made interest payments of \$85,000 during the year.

As of the year ending December 31, 2016, the District had \$2,455,420 in revenue notes payable. The District did not make any principal payments, but made interest payments of \$50,000 during the year.

General Fund Budgeting Highlights

For the year ending December 31, 2017, actual expenditures on a budgetary basis were \$98,544 compared to the budgeted amount of \$143,579. The primary reason for the \$45,035 positive variance is the result of the District budgeting too much for interest expense.

For the year ending December 31, 2017, the District's actual revenues on a budgetary basis were \$109,368 compared to the budgeted amount of 110,000. The primary reason for the \$632 negative variance is the result of the District budgeting too much for TDD sales tax revenues.

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, new construction, assessed valuation, and Enterprise Fund revenues. The District has prepared a 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, taxpayers, 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, please contact the District.

Mid Rivers/N Transportation Development District

Governmental Funds Balance Sheet/
Statement of Net Position - Cash Basis
For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Total Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets				
Cash and equivalents	\$ 64,537	\$ 64,537	\$ -	\$ 64,537
Total Assets	<u>\$ 64,537</u>	<u>\$ 64,537</u>	<u>\$ -</u>	<u>\$ 64,537</u>
Liabilities and Fund Balances / Net Position				
Fund Balance:				
Restricted for:				
Debt Service	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	-	-
Unassigned	<u>64,537</u>	<u>64,537</u>	<u>(64,537)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 64,537</u>	<u>\$ 64,537</u>	<u>\$ (64,537)</u>	<u>\$ -</u>
Net Position:				
Restricted for:				
Debt Service			\$ -	\$ -
Capital Projects			-	-
Unrestricted			<u>64,537</u>	<u>64,537</u>
Total Net Position			<u>\$ 64,537</u>	<u>\$ 64,537</u>

Mid Rivers/N Transportation Development District
 Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and
 Statement of Activities - Cash Basis
 For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Total Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses:				
Collection fees	\$ 105	\$ 105	\$ -	\$ 105
Administrative expenses	12,000	12,000	-	12,000
Insurance expense	1,439	1,439	-	1,439
Interest expense	85,000	85,000	-	85,000
Total Expenditures/Expenses	<u>\$ 98,544</u>	<u>\$ 98,544</u>	<u>\$ -</u>	<u>\$ 98,544</u>
General Revenues:				
TDD sales tax revenues	\$ 109,340	\$ 109,340	\$ -	\$ 109,340
Interest income	28	28	-	28
Total General Revenues	<u>\$ 109,368</u>	<u>\$ 109,368</u>	<u>\$ -</u>	<u>\$ 109,368</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	10,824	10,824	(10,824)	-
Change in net position			10,824	10,824
Fund balance/net position:				
Beginning of Year	<u>53,713</u>	<u>53,713</u>	<u>-</u>	<u>53,713</u>
End of Year	<u>\$ 64,537</u>	<u>\$ 64,537</u>	<u>\$ -</u>	<u>\$ 64,537</u>

Mid Rivers/N Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2017

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Mid Rivers/N Transportation Development District (the District) is a political subdivision of the state of Missouri created under the Missouri Transportation Development District Act, Sections 238.200 through 238.275 of the Revised Statutes of Missouri. The District was established for the sole purpose of funding the Transportation Project through the imposition of the transportation development district sales tax ("TDD Sales Tax") pursuant to section 238.236 of the Act. The TDD Sales Tax was approved by the qualified voters of the District as the District's funding method and became effective upon the adoption of a resolution by the District's board of directors and notification of the Director of Revenue of the adoption of such resolution in accordance with Section 238.236 of the Act.

Revenues collected by one retailer within the District represent over 50% of total revenues collected.

The Transportation Project is located at the intersection of Mid-Rivers Mall Drive and Highway N in the City of St. Peters, Missouri and the City of Cottleville, Missouri. The District adopted Order Number 2005-01 authorizing the District to impose the Transportation Development District Sales tax at a rate of one-half of one percent.

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 Boards (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 Statement of Net Position and Governmental Funds Balance Sheet - Cash Basis and Statement 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.

The following is a brief description of the specific fund used by the District.

Mid Rivers/N Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2017

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) BASIS OF PRESENTATION (CONCLUDED)

Governmental Fund

General Fund – The District internally maintains one fund that makes up the General Fund, as follows:

Sales Tax Trust Fund – The District's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in other specialized funds.

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, 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 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.

Mid Rivers/N Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2017

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 Council 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 2017 budget was approved at the regularly scheduled Board of Directors meeting.

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 are 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, 2017.

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 did not have any restricted fund balance as of December 31, 2017.

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, 2017.

Mid Rivers/N Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2017

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, 2017.

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 INVESTMENTS

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, 2017 is as follows:

Deposits

At December 31, 2017, the carrying amount of the District's deposits was \$64,537 and the bank balance was \$64,537 in the Sales Tax Trust Fund at year end. Any balance maintained in this account would be covered by federal depository insurance up to \$250,000.

Investments

There were no investments at year ending December 31, 2017.

3) LITIGATION

At December 31, 2017, there were no claims or lawsuits pending against the District.

4) TAXES

The District has imposed a sales tax pursuant to the Transportation Development District Act at a rate of one-half of one percent (.5%) effective February 18, 2005 on all retail sales made in the District which are subject to taxation pursuant to provisions of Sections 144.010 to 144.525, RSMo, with certain exceptions listed in the Act.

5) RELATED PARTIES

The District and the City of St. Peters, Missouri and the City of Cottleville, Missouri have entered into an intergovernmental cooperation agreement, which governs the relationship between the District and the cities. The District has also entered in to an agreement with the Missouri Highway and Transportation Commission. The agreements call for the improvements from the project to be dedicated to the Missouri Department of Transportation and the respective cities upon their completion.

Mid Rivers/N Transportation Development District

Notes to Financial Statements
For the Year Ended December 31, 2017

5) RELATED PARTIES (CONCLUDED)

The developer is responsible for the completion of the infrastructure improvements made to the District. Once the improvements are complete the developer will be reimbursed by the District for expenditures incurred in accordance with the transportation development district agreement. During 2008, the District executed a promissory note with the developer in an amount equal to the cost of the improvements totaling \$2,470,158.

6) LONG-TERM DEBT

On November 6, 2008, the District adopted a resolution issuing a Sales Tax Revenue Note totaling \$2,470,158. The note matures on December 31, 2037. The note bears an interest rate of prime plus 2.5%. The note will be repaid with the District revenues applied in the following order: 1) to make an annual deposit to the Operating Fund; 2) to pay any obligations owed by the District pursuant to the Development agreement; 3) to pay interest becoming due and payable on this note; and 4) to pay principal on this note as it becomes due. Unpaid interest at December 31, 2017 is \$724,867. Principal payments are only required if the District has enough revenues to pay the principal.

Following is a summary of the revenue notes in 2017:

Sales Tax Revenue Note

Revenue notes payable, January 1, 2017	\$ 2,455,420
Notes issued	-
Notes retired	-
Revenue notes payable, December 31, 2017	<u>\$ 2,455,420</u>

7) PROJECT COSTS

Costs totaling \$2,470,158 for improvements within the District were paid by the developer. On November 6, 2008 the District issued a note to the developer for an amount equal to the cost of the improvements. Since the statements are prepared on a cash basis this transaction is not reflected in the financial statements of the District. Upon completion and submission for dedication of the Transportation Project, the Developer (Costco Wholesale Corporation) shall furnish to the District a Certificate of Substantial Completion. The submission of the Certificate of Substantial Completion shall serve to certify the completion of the Transportation Project pursuant to the Transportation Development Agreement. The Developer, on behalf of the District, shall use reasonable efforts to cause St. Charles County ("County") and the Missouri Highways and Transportation Commission ("Commission"), as the case may be, to accept dedication of that portion of the Transportation Project intended for dedication to the County and the Commission (maintenance of which shall be assumed by the County or the Commission, as the case may be) in accordance with the applicable ordinances and regulations of the County or the Commission. In 2017, there were no project costs incurred.

8) SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 21, 2018, the date the financial statements were available to be issued.

Supplementary Information

Mid Rivers/N Transportation Development District

Statement of Revenues Collected and Expenditures Paid -
 General Fund - Budget and Actual - Cash Basis
 For the Year Ended December 31, 2017

	Budgeted	Budgeted	Actual	Variance - Favorable (Unfavorable)
	Amount Original	Amount Final		
Revenues:				
TDD sales tax revenues	\$ 110,000	\$ 110,000	\$ 109,340	\$ (660)
Interest income	-	-	28	28
Total Revenues	\$ 110,000	\$ 110,000	\$ 109,368	\$ (632)
Expenditures:				
Collection fees	\$ 140	\$ 140	\$ 105	\$ 35
Administrative expenses	12,000	12,000	12,000	-
Insurance expense	1,439	1,439	1,439	-
Interest expense	130,000	130,000	85,000	45,000
Total Expenditures	\$ 143,579	\$ 143,579	\$ 98,544	\$ 45,035
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (33,579)	\$ (33,579)	\$ 10,824	\$ 44,403
Fund Balances - at beginning of the year		53,713	53,713	
Fund Balances - at end of the year		\$ 20,134	\$ 64,537	

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

Compliance Section



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**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
Mid Rivers/N Transportation Development District
St. Peters & Cottleville, 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 Mid Rivers/N Transportation Development District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Mid Rivers/N Transportation Development District's basic financial statements, and have issued our report thereon dated June 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid Rivers/N 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 Mid Rivers/N Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid Rivers/N 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 Mid Rivers/N 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 not an objective of our audit, and accordingly, we do not express such an opinion. The results of our

**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)**

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 21, 2018
Hannibal, Missouri