

Ballwin Town Center Transportation
Development District

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2016

	<u>Page</u>
Financial Section	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 5
Statement of Net Position and Governmental Funds Balance Sheet	6
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	7
Notes to Financial Statements	8 - 12
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	13
Compliance Section	
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 <i>Government Auditing Standards</i>	14 - 15

Financial Section



Independent Auditor's Report

To the Board of Directors
Ballwin Town Center Transportation Development District
Ballwin, Missouri

We have audited the accompanying financial statements of the governmental activities of Ballwin Town Center Transportation Development District (the "District"), as of and for the year ended December 31, 2016, 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Ballwin Town Center Transportation Development District, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of the Ballwin Town Center 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 Ballwin Town Center Transportation Development District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.

Certified Public Accountants

June 13, 2017
Hannibal, Missouri

Management's Discussion and Analysis

The discussion and analysis of Ballwin Town Center Transportation Development District's (the "District") financial performance provides an overview and analysis of the District's financial activities for the year ended December 31, 2016. It should be read in conjunction with the accompanying independent auditor's report and the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the District's basic financial statements. Ballwin Town Center Transportation Development District's basic financial statements are comprised of two components, fund financial statements and notes to the financial statements.

Basic Financial Statements

The District's statements combine the governmental fund and the government-wide financial statements and show a reconciliation column to explain the differences between these two required reporting formats of the District's financial activities. The government fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The government-wide financial statements include the statement of net position and the statement of activities and changes in net position. The balance sheet (governmental fund) reports only current assets and liabilities while the statement of net position (government-wide) report current year's revenues and expenses using the modified accrual basis of accounting, while the statement of activities (government-wide) reports current year's revenues and expenses using the accrual basis of accounting.

The District maintains one governmental fund. Information regarding this fund, which is considered a major fund, is presented in the Statement of Net Position and Governmental Funds Balance Sheet.

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

Net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2016 and 2015, total assets and liabilities were \$27,054 and \$18,823, respectively. Total assets and liabilities of the District's governmental activities increased by 43.73%. Due to the Missouri state statutes and agreements which the District operates under, net position should always be zero.

	Governmental Activities	
	2016	2015
Total assets	\$ 27,054	\$ 18,823
Total liabilities	\$ 27,054	\$ 18,823
Net position	\$ -	\$ -

Statement of Activities for the Year Ended December 31, 2016 and 2015

The following table provides a summary of the District's operations for the fiscal years ended December 31, 2016 and 2015.

	Governmental Activities	
	2016	2015
Revenues		
General revenues		
Sales tax	\$ 138,587	\$ 130,852
Interest income	24	8
Total revenues	\$ 138,611	\$ 130,860
Expenses		
General government	\$ 138,611	\$ 130,860
Change in Net Position	\$ -	\$ -
Net Position, Beginning of Year	\$ -	\$ -
Net Position, End of Year	\$ -	\$ -

Total revenues and related expenses increased from the previous year by \$7,751 or 5.92%. The retailers operating within the District's boundaries provide personal services and consumer goods. District expenses are determined by the revenues generated.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. For the fiscal year ended December 31, 2016 no adjustments were necessary to convert the fund balance of the District's governmental funds to the net position of the governmental activities.

BUDGETING HIGHLIGHTS

For the fiscal year ended December 31, 2016, actual revenues and related expenditures on a budgetary basis were \$138,611 compared to the budget amount of \$129,024. The variance of \$9,587 was primarily the result of receiving more sales tax revenue than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District issued two promissory notes totaling \$850,000 to pay for transportation related improvements within its boundaries. The notes were refunded when the City of Ballwin, Missouri issued its Tax Increment Refunding and Improvement Revenue Bonds, Series 2002. In addition, the District transferred ownership and control of the improvements to the City of Ballwin, Missouri. Thus, the District does not report capital assets or related debt obligations in its government-wide financial statements.

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. The District has prepared its budget for the next year considering the economic factors discussed above.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's office: Ballwin Town Center Transportation Development District, James Mello, Executive Director, c/o Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, MO 63105.

Basic Financial Statements

Ballwin Town Center Transportation Development District
Statement of Net Position and Governmental
Funds Balance Sheet
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current Assets			
Cash and equivalents	\$ 3,371	\$ -	\$ 3,371
Sales tax receivable	23,683	-	23,683
Total Assets	<u>\$ 27,054</u>	<u>\$ -</u>	<u>\$ 27,054</u>
Liabilities and Fund Balance / Net Position			
Liabilities - Current			
Accounts payable	\$ 2,909	\$ -	\$ 2,909
Economic activity taxes payable	11,841	-	11,841
TDD revenues appropriated payable	12,304	-	12,304
Total Liabilities	<u>\$ 27,054</u>	<u>\$ -</u>	<u>\$ 27,054</u>
Fund Balance:			
Unassigned	\$ -	\$ -	\$ -
Total Liabilities and Fund Balance	<u>\$ 27,054</u>	<u>\$ -</u>	<u>\$ 27,054</u>
Net Position (Deficit):			
Unrestricted		\$ -	\$ -
Total Net Position (Deficit)		<u>\$ -</u>	<u>\$ -</u>
Total Liabilities and Net Position (Deficit)		<u>\$ -</u>	<u>\$ 27,054</u>

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

Ballwin Town Center Transportation Development District
Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses:			
Administrative fees	\$ 7,089	\$ -	\$ 7,089
Audit fees	2,350	-	2,350
Economic activity taxes	69,294	-	69,294
TDD revenues appropriated	59,878	-	59,878
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures/Expenses	<u>\$ 138,611</u>	<u>\$ -</u>	<u>\$ 138,611</u>
General Revenues:			
Sales tax revenue	\$ 138,587	\$ -	\$ 138,587
Interest income	24	-	24
	<u> </u>	<u> </u>	<u> </u>
Total General Revenues	<u>\$ 138,611</u>	<u>\$ -</u>	<u>\$ 138,611</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position	-	-	-
Fund balance/net position:			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Notes to the
Financial Statements

1) Summary of Significant Accounting Policies

Reporting Entity

On October 11, 1999, the City of Ballwin, Missouri (the "City") adopted Ordinance No. 99-52 which approved the following: 1) the Ballwin Town Center Tax Increment Financing (TIF) Redevelopment Plan (the "Redevelopment Plan"), and 2) the redevelopment projects for Redevelopment Project Area 2 as described in the Redevelopment Proposal and the Redevelopment Plan (the "Redevelopment Project"). The City also adopted Ordinance No. 99-53 which approved tax increment financing within the Redevelopment Project Area 2.

On June 13, 2000, the City and Regency/DS Ballwin, LLC (the "Developer") entered into an Amended and Restated Redevelopment Agreement (the "Redevelopment Agreement"). Pursuant to Section 3.18 of the Redevelopment Agreement, the Developer was authorized to petition the Circuit Court for St. Louis County, Missouri for the creation of a transportation development district.

In March 2001, Regency/DS Ballwin, LLC filed a petition (as sole owner of all real property within the District) with the Circuit Court of St. Louis County, Missouri for the creation of a transportation development district. On April 26, 2001, the Court entered an order organizing a transportation development district which established the Ballwin Town Center Transportation Development District (the "District") as a political subdivision of the state of Missouri under the Missouri Transportation Development District Act, Sections 238.200 through 238.275 of the Revised Statutes of Missouri, as amended (the "TDD Act").

In April 2006, Olde Town Plaza, LLC purchased Regency/DS Ballwin's real property within the District. The Transportation Project includes the following: 1) construction of a connector road, which shall consist of a loop road connecting Seven Trails Drive and Kehrs Mill Road in Ballwin, Missouri, including a traffic signal at Holloway Road and Kehrs Mill Road and related improvements, and 2) any additional "project" within the meaning of Section 238.202.1 (5) of the TDD Act that is contemplated by the Redevelopment Plan, as approved by the City October 11, 1999, pursuant to Ordinance No. 99-52, as such plan may from time to time be amended.

Terms not otherwise defined herein have the meaning given in the respective agreements.

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.

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 combining fund financial statements with government-wide statements. This is illustrated on page 6 for Statements of Net Position and Governmental Fund Balances and page 7 for Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances.

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.

B. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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.

1) Summary of Significant Accounting Policies (Continued)

C. Budgets and Budgetary Accounting (Concluded)

- 3) The District may revise, alter, increase or decrease the items in the proposed budget, subject to such limitations as may be provided by law provided, that in no event, shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 4) The District shall, before the beginning of the 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 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.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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.

As of these financial statements, the District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. 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.

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.

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.

1) Summary of Significant Accounting Policies (Concluded)

F. 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.

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.

Deposits and Investments

As of December 31, 2016, the carrying value and bank balance of the District's deposits was \$3,371 and was covered by federal depository insurance.

3) Taxes

On June 1, 2001, the District authorized a transportation development district-wide sales tax pursuant to the TDD Act at a rate of 0.25% on all retail sales. The sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors, to sales of electricity or electrical current, water and gas, or to sales of service to telephone subscribers, either local or long distance. The sales tax became effective on October 1, 2001 and is for a period of no more than 30 years from the date such tax is first imposed by the District. Thirteen (13) retailers operated within the District's boundaries during the year ended December 31, 2016.

4) Litigation

There are no pending or threatened claims against the District.

5) Commitments

Pursuant to Section 3.15 of the Redevelopment Agreement and pursuant to notice dated November 30, 2000, the City elected to undertake the construction of the Transportation Project, and the Developer advanced a total of \$850,000 (the "Advance") to pay costs associated with constructing the Transportation Project. The Advance was made in two installments, consisting of a payment of \$400,000 on May 9, 2001 and another payment in the amount of \$450,000 on August 23, 2001. The District issued two promissory notes ("TDD Notes") to the Developer pursuant to the Redevelopment Agreement and the TDD Act to evidence the District's obligation to reimburse the Developer for the Advance.

5) Commitments (Concluded)

In May 2002, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (the "TIF Act") and the Redevelopment Agreement, the City issued its Tax Increment Refunding and Improvement Revenue Bonds, Series 2002 (Ballwin Town Center Redevelopment Project) in the aggregate principal amount of \$20,100,000 (the "TIF Bonds") to provide funds for the purpose of (a) refunding the TIF Notes issued by the City, plus accrued interest thereon, (b) refunding the TDD Notes issued by the District, plus accrued interest thereon, (c) providing additional financing for the Transportation Project and the Redevelopment Project, (d) funding capitalized interest on the TIF Bonds, (e) funding a debt service reserve fund for the TIF Bonds, and (f) paying the costs of issuance of the TIF Bonds. The TIF Bonds are scheduled to mature October 1, 2022.

On May 1, 2002, the City and District entered into an Intergovernmental Cooperation Agreement (the "Cooperation Agreement") which provided for the following: 1) the City's administration, collection, enforcement, and operation of the TDD Sales Tax, and deposit of all proceeds of the TDD Sales Tax into a special trust account (the "Ballwin Town Center TDD Fund" held by the City) to be used to pay Transportation Project costs, including District administrative costs and debt service on the portion of the TIF Bonds related to the Transportation Project, and 2) the termination of the Sales Tax Collection Agreement dated October 1, 2001 between the City and District.

Pursuant to the TDD Act, the TIF Act, and the Cooperation Agreement the City applies the TDD Sales Tax proceeds in the following order:

1. Payment to the City for the cost of collection of the TDD Sales Tax in an amount not to exceed 1% of the total amount collected (the "Collection Fees");
2. Payment to the City for the Economic Activity Taxes relating to the TIF Bonds in an amount not to exceed 50% of the TDD Sales Tax collected less the Collection Fees (the "EAT Payment");
3. Payment of District's operating costs (which are not to exceed \$20,000 annually); and
4. Payment of the remaining proceeds to the City into the Ballwin Town Center TDD Fund for payment of debt service on the portion of the TIF Bonds relating to the Transportation Project (the "TDD Revenues Appropriated").

Pursuant to the Cooperation Agreement, the District's obligation to pay a portion of debt service on the TIF Bonds for Transportation Project Costs is payable only from TDD Revenues on deposit in the Ballwin Town Center TDD Fund and from no other source. The Cooperation Agreement states that the TDD Revenues sent to the Trustee shall in no event be applied to payment of more than 6.661 % of the debt service on the TIF Bonds.

The State of Missouri began collecting and remitting the TDD Sales Tax to the District in 2010.

6) Related Parties

The Executive Director and Assistant Secretary of the District are members of the District's legal counsel. Legal fees incurred by the District's legal counsel were \$7,089 for the year ended December 31, 2016. As of December 31, 2016, the District owed their legal counsel \$2,909.

7) Subsequent Events

These financial statements considered subsequent events through June 13, 2017, the date the financial statements were available to be issued.

Required Supplementary Information

Ballwin Town Center Transportation Development District
Statement of Revenues, Expenditures, and Changes in Fund Balance -
General Fund - Budget to Actual
For the Year Ended December 31, 2016

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Sales tax revenue	\$ 129,000	\$ 129,000	\$ 138,587	\$ 9,587
Interest income	8	24	24	-
Total Revenues	<u>\$ 129,008</u>	<u>\$ 129,024</u>	<u>\$ 138,611</u>	<u>\$ 9,587</u>
Expenditures:				
Administrative fees	\$ 7,200	\$ 8,400	\$ 7,089	\$ 1,311
Audit fees	2,350	2,350	2,350	-
Economic activity taxes	64,500	64,500	69,294	(4,794)
TDD revenues appropriated	54,958	53,774	59,878	(6,104)
Total Expenditures	<u>\$ 129,008</u>	<u>\$ 129,024</u>	<u>\$ 138,611</u>	<u>\$ (9,587)</u>
Increase (Decrease) in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, January 1, 2016		-	-	
Fund Balance, December 31, 2016		<u>\$ -</u>	<u>\$ -</u>	

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

Compliance Section



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

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Ballwin Town Center Transportation Development District

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 of Ballwin Town Center Transportation Development District, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Ballwin Town Center Transportation Development District's basic financial statements, and have issued our report thereon dated June 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ballwin Town Center 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 Ballwin Town Center Transportation Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ballwin Town Center 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 Ballwin Town Center 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards (Concluded)***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wade Stables P.C.

Wade Stables P.C.

Certified Public Accountants

June 13, 2017
Hannibal, Missouri