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# CITIZENS SUMMARY

## Findings in the audit of the Neosho Transportation Development District

### Background

The Neosho Transportation Development District (TDD) was formed in February 2011 for the purpose of improving Highway 60 and Adams Drive in the City of Neosho and Newton County. These projects generally included traffic signals, curb, gutter, storm sewer, storm drainage, a roundabout, and various improvements. The first, second, and third project phases were completed in 2016, 2017, and 2022, respectively. In addition, the Neosho TDD made repairs to Adams Drive, which were completed in May 2024. Upon dissolution of the district, the City of Neosho will continue ongoing maintenance, receive the allocation of excess revenues, and accept ownership of the project. The Neosho TDD's total portion of the project costs was \$4,940,920.

The project was funded by a 1/2-cent (0.5 percent) sales tax on all taxable transactions within the boundaries of the district. The sales tax was effective April 2011.

In October 2014, the Board of Directors entered into an agreement with Arvest Bank to issue revenue notes to pay for the project costs as well as other costs related to the redevelopment project. The Neosho TDD satisfied this debt in November 2023. The Board of Directors approved rescinding the sales tax and notifying the Department of Revenue to stop collecting the district's sales tax on February 20, 2024. The sales tax officially expired on March 31, 2024.

Based on the audit, the cash balance of the Neosho TDD as of April 30, 2024, was \$478,364. According to the district's Executive Director, as of February 19, 2024, the district is expected to incur approximately \$152,500 in fees to dissolve the district. After the district's final costs and professional fees are paid, the TDD will distribute the surplus funds to the City of Neosho in accordance with the cooperative agreement dated March 29, 2012, and state law.

### Financial Status

The audit of the Neosho Transportation Development District indicates the financial condition of the district is such that it may be abolished.

Because of the nature of this audit, no rating is provided.