

Posted: September 29, 2026 at 3:30 p.m.
MHTC Central Office
105 West Capitol
Jefferson City, MO 65101

Copies of this notice may be obtained by contacting:
Jennifer Jorgensen
Secretary to the MTFC
(573) 751-3704

Missouri Transportation Finance Corporation Agenda

MoDOT's mission is to provide a world-class transportation system that is safe, innovative, reliable and dedicated to serving customers for a prosperous Missouri.

**Missouri Department of Transportation
105 West Capitol Avenue
Conference Room 103
Jefferson City, MO
and via video conference**

October 6, 2026

Open Meeting 1:30 p.m.

Action Item – **Consideration of Minutes**: May 6, 2026 regular meeting.

1. **Non-Action Item** – **Government Finance Officers Association (GFOA) – Certificate of Achievement for Excellence in Financial Reporting.**
Brenda Morris, Executive Director
2. **Action Item** – **Fiscal Year 2026 Financial Statement Audit.**
Amanda Schultz, CPA, Williams-Keepers, LLC
3. **Action Item** – **MTFC Investment Policy.**
Brenda Morris, Executive Director
4. **Action Item** – **Fiscal Year 2027 Audit Services Contract.**
Doug Hood, Assistant Treasurer
5. **Action Item** – **City of St. Charles MTFC Loan Request.**
Doug Hood, Treasurer
6. **Non-Action Item** – **Executive Director's Report.**
Brenda Morris, Executive Director

ADJOURN.

- REPORTS --

Written reports pertaining to the items listed below are presented to the MTFC for informational purposes and do not require action.

1. [**MTFC Financial Report - Fiscal Year 2027.**](#)
Doug Hood, Treasurer
2. [**Loan Portfolio Report.**](#)
Doug Hood, Treasurer
3. [**Central Bank Investment Reports.**](#)
Doug Hood, Treasurer



Minutes



Missouri Transportation Finance Corporation
Minutes of Board of Directors Meeting
May 6, 2026

Missouri Department of Transportation
105 West Capitol Avenue
Jefferson City, Missouri

Call to Order

A meeting of the Missouri Transportation Finance Corporation (MTFC) Board of Directors was held on May 6, 2026.

President Gregg Smith called the meeting to order at 8:00 a.m.

Board members Gregg Smith, Warren Erdman, Ann Marie Baker, Tom Waters, Jr., Ed Hassinger, Brenda Morris, and Jerica Holtsclaw were present. Corporation officers Doug Hood, Treasurer; Sunny Wilde, Assistant Treasurer; Jennifer Jorgensen, Secretary; and Melinda Grace-Beasley, Assistant Chief Counsel, were present.

Approval of Minutes

Upon motion by Tom Waters, Jr., seconded by Ann Marie Baker, the February 3, 2026, meeting minutes were unanimously approved as submitted.

Election of Officers

This meeting is the MTFC annual meeting. The bylaws require the election of officers at the annual meeting.

On April 1, 2015, the Chairman of the Commission appointed Commissioner Gregg Smith to serve as President of the MTFC Board of Directors in accordance with the Commission Policy Financial-Project Funding and Financing Alternatives-MTFC Loan. Commissioner Smith continues to serve as President.

Upon motion by Warren Erdman, seconded by Tom Waters, Jr., the Board unanimously elected the following officers for fiscal year 2027.

Vice President	-	Warren K. Erdman, Commissioner
Executive Director	-	Brenda Morris, Chief Financial Officer
Treasurer	-	Doug Hood, Financial Services Director
Assistant Treasurer	-	Sunny Wilde, Assistant Financial Services Director
Secretary	-	Jennifer Jorgensen, Secretary to the Commission

Fiscal Year 2027 Budget

Following Brenda Morris' explanation and discussion of the following budget items and upon motion by Warren Erdman, seconded by Tom Waters, Jr., the Board unanimously approved the following budget for fiscal year 2027.

	<u>Fiscal Year 2025 Actual</u>	<u>Fiscal Year 2026 Budget</u>	<u>Fiscal Year 2026 thru March 31, 2026</u>	<u>Fiscal Year 2027 Budget Request</u>
Operating Revenues				
Interest income on loans	\$ 914,270	\$ 789,804	\$ 584,877	\$ 732,781
Program fees	<u>8,256</u>	<u>19,950</u>	<u>5,221</u>	<u>19,950</u>
Total Operating Revenues	<u>922,526</u>	<u>809,754</u>	<u>590,098</u>	<u>752,731</u>
Operating Expenses				
Administrative fees	74,205	101,800	60,512	106,700
Professional fees	14,500	13,500	12,000	13,850
Travel and training	500	500	--	500
Other	<u>480</u>	<u>1,210</u>	<u>1,005</u>	<u>1,100</u>
Total Operating Expenses	<u>89,685</u>	<u>117,010</u>	<u>73,517</u>	<u>122,150</u>
Operating Income	<u>832,841</u>	<u>692,744</u>	<u>516,581</u>	<u>630,581</u>
Non-Operating Revenues (Expenses)				
Interest income on deposits	885,801	331,700	390,724	352,900
Investment earnings	185,193	1,260,600	378,209	791,700
Market value of investments adjustment	1,378,536	514,700	1,157,194	1,408,600
Investment fees	<u>(31,301)</u>	<u>(51,400)</u>	<u>(44,823)</u>	<u>(70,400)</u>
Total Non-Operating Revenues (Expenses)	<u>2,418,229</u>	<u>2,055,600</u>	<u>1,881,304</u>	<u>2,482,800</u>
Net Income	<u>\$ 3,251,070</u>	<u>\$ 2,748,344</u>	<u>\$ 2,397,885</u>	<u>\$ 3,113,381</u>

Fiscal Year 2026 Audit Engagement Letter

In accordance with the TEA-21 Cooperative Agreement with the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, agencies of the United States Department of Transportation, and the Missouri Highways and Transportation Commission, the Missouri Transportation Finance Corporation (MTFC) agreed to an annual independent financial and compliance audit of the corporation and its operations.

On January 25, 2023, the Board approved a contract with Williams Keepers, LLC, to perform an independent financial audit of the MTFC for fiscal years 2023, 2024, and 2025. The contract also provides two one-year renewal options. For the fiscal year 2026 audit, Williams Keepers, LLC agreed to perform the audit for \$13,850.

An engagement letter for the fiscal year 2026 audit was provided to the Board. This item was provided to the Board for information purposes and no action was required.

MTFC Executive Director's Report

Brenda Morris, Executive Director, provided a written Executive Director's report highlighting cash flow projections, potential loans, and adjustments. To supplement the written report, she discussed the following:

Cash Flow Data – The anticipated low cash balance is \$67.0 million in April 2026.

Potential Loans – There is one inquiry about obtaining a loan.

- The City of Jonesburg would like to widen Route Y. The estimated loan request is \$1,548,398.

Marketing Activities – Ms. Morris noted that staff attended the TEAM Conference in mid-March and marketed the MTFC along with other partnering programs including the cost share program.

Next meeting – The next meeting of the MTFC Board of Directors is scheduled for August 2026.

Reports

The Board of Directors was provided with written reports on approved loans, loan disbursements, investments, and financial statements. There was no discussion thereon.

Adjournment

Upon motion duly made and seconded, the meeting of the MTFC Board of Directors adjourned.

President

Attest:

Jennifer Jorgensen, Secretary



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GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) - CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

-- Presented by Brenda Morris, Executive Director, 573-522-5688.

ISSUE: A Certificate of Achievement for Excellence in Financial Reporting has been awarded by the GFOA of the United States and Canada to the Missouri Transportation Finance Corporation (MTFC) for its fiscal year 2025 Annual Comprehensive Financial Report, as shown in Attachment 1.

RECOMMEND the MTFC Board Members:

- No action required. This item is informational.

STAFF VIEW:

- Staff is committed to providing quality financial statements, which conform to governmental accounting standards and provide an accurate representation of each financial transaction.

OTHER VIEWS:

- The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Its attainment represents a significant accomplishment by MoDOT's financial reporting staff in the Financial Services Division.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

OTHER PERTINENT INFORMATION:

- This is the 18th consecutive year the MTFC has been the recipient of this award.
- The Annual Comprehensive Financial Report was judged by an impartial panel to meet the high standards of the program including demonstrating a “spirit of full disclosure” to clearly communicate its financial story.
- The GFOA is a nonprofit professional association serving approximately 18,000 government finance professionals.
- The Annual Comprehensive Financial Report was prepared by Kim Carrender, Jessie Schulte, Jared Martin, Samantha Berhorst, Sunshine Wilde, and Doug Hood of the Financial Services Division, and Brenda Morris, Chief Financial Officer.

SOURCE OF FUNDING: Not applicable.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Missouri Transportation Finance Corporation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morill

Executive Director/CEO



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FISCAL YEAR 2026 FINANCIAL STATEMENT AUDIT

-- Presented by Amanda Schultz, CPA, Williams-Keepers LLC

ISSUE: In accordance with the Transportation Equity Act for the 21st Century Cooperative Agreement between the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, all agencies of the United States Department of Transportation, the Missouri Highways and Transportation Commission, and the Missouri Transportation Finance Corporation (MTFC), the MTFC received an annual independent financial and compliance audit. Williams-Keepers LLC performed the audit of the MTFC for the fiscal year ended June 30, 2026.

RECOMMEND the MTFC Board Members:

- Accept the audit report as presented in Attachment 1 and Attachment 2.

STAFF VIEW:

- Staff was pleased with the work performed by Williams-Keepers LLC on the fiscal year 2026 audit.

OTHER VIEWS:

- Not applicable.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

OTHER PERTINENT INFORMATION

- The summary report that documents the audit results is included as Attachment 3.
- The MTFC received an unmodified opinion with no audit findings. This is the 30th consecutive unmodified opinion.
- The MTFC received its 18th Certificate of Achievement for Excellence in Financial Reporting award for its Fiscal Year 2025 Annual Comprehensive Financial Report.
- The MTFC will be applying for its 19th Certificate of Achievement for Excellence in Financial Reporting award for its Fiscal Year 2026 Annual Comprehensive Financial Report.

SOURCE OF FUNDING: Fiscal year 2027 operating budget.

MISSOURI TRANSPORTATION FINANCE CORPORATION

AUDITOR'S COMMUNICATION LETTER

JUNE 30, 2026

August 31, 2026

To the Board of Directors
Missouri Transportation Finance Corporation

We have audited the financial statements of the Missouri Transportation Finance Corporation (the Corporation), a component unit of the State of Missouri, as of and for the year ended June 30, 2026, and have issued our report thereon dated August 31, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 30, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control below.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

According to auditing standards generally accepted in the United States of America (GAAS), significant risks of material misstatement include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we considered these as significant risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Corporation is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimate affecting the financial statements was the allowance for uncollectible loans receivable. We evaluated the key factors and assumptions used to develop the allowance for uncollectible loans receivable in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Corporation's financial statements relate to loans receivable and loan commitments.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No misstatements were identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Corporation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated August 31, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

Internal Control

In planning and performing our audit of the basic financial statements of the Corporation as of and for the year ended June 30, 2026, in accordance with GAAS and *Governmental Auditing Standards*, we considered the Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

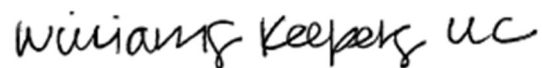
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control as 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Board of Directors and management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Williams-Keepers LLC". The script is cursive and somewhat stylized, with the letters "W", "K", and "L" being particularly prominent.

WILLIAMS-KEEPERS LLC



2026

The Annual Comprehensive Financial Report

for fiscal years ended
June 30, 2026 and 2025



Missouri Transportation
Finance Corporation
a Component Unit of the State of Missouri



Annual Comprehensive Financial Report

for fiscal years ended
June 30, 2026 and 2025

Ed Hassinger, MoDOT Director
Brenda Morris, CPA, Executive Director
Doug Hood, Treasurer

Prepared by the Financial Services Division
Missouri Department of Transportation

Missouri Transportation Finance Corporation
P.O. Box 270
Jefferson City, MO 65102
573-526-8106

 **MTFC**
**Missouri Transportation
Finance Corporation**
a Component Unit of the State of Missouri



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Introductory Section



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A Component Unit of the State of Missouri

August 31, 2026

Board of Directors and Citizens of the State of Missouri
Missouri Transportation Finance Corporation
Jefferson City, Missouri

The Missouri Transportation Finance Corporation (MTFC) is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the MTFC for the fiscal years ended June 30, 2026 and 2025.

The Transportation Equity Act of the Twenty-first Century (TEA-21) Cooperative Agreement between the Federal Highway Administration, the Federal Transit Administration and the Federal Railroad Administration, agencies of the United States Department of Transportation, the Missouri Highways and Transportation Commission (MHTC) and the MTFC requires the MTFC to have an annual independent financial and compliance audit. In fulfillment of this requirement, the MTFC prepared this ACFR and contracted with the independent auditing firm of Williams-Keepers LLC to audit the financial statements.

Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MTFC's MD&A can be found on page 21, immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the MTFC. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the MTFC's net position and changes in net position. All disclosures necessary to enable the reader to gain an understanding of the MTFC's financial activities have been included.

Profile of the MTFC

The MTFC, incorporated in August 1996 as a not-for-profit corporation, derived its authority to form and operate from the TEA-21. The Cooperative Agreement provided the original capitalization for the entity, a mixture of federal and state funds, to administer a program focused on funding Missouri highway and transportation projects by offering financing options such as low interest direct loans to private and public entities. An eight-member Board of Directors administers the MTFC and is responsible for the direction of the entity, including approval of all loans.

Internal Control

The MTFC assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The MTFC believes the corporation's internal control provides reasonable assurance that the financial statements are free from any material misstatement.

Economic Outlook

On November 15, 2021, the President signed into law the Infrastructure Investment and Jobs Act (IIJA), also referred to as the Bipartisan Infrastructure Law (BIL), which authorizes the federal surface transportation programs for highways, highway safety, transit and rail for the five-year period from 2022 through 2026. The IIJA is funded with receipts into the Highway Trust Fund, transfers from the General Fund and additional funding offsets. The IIJA is a five-year legislation to improve the Nation's surface transportation infrastructure, including roads, bridges, transit systems, and rail transportation network. The act reforms and strengthens transportation programs, refocuses on national priorities, provides long-term funding certainty and more flexibility for states and local governments, streamlines project approval processes, and maintains a strong commitment to safety. This bill is set to expire at the end of federal fiscal year 2026. In May 2026, the House Transportation Committee introduced its portion of a surface reauthorization bill, Build Unrivaled Infrastructure and Long-term Development for America's 250th Act (BUILD America 250 Act), which authorizes \$580 billion for federal surface transportation, highway, transit, and rail programs. On August 8, 2026, the Senate passed a short-term extension of the existing surface transportation programs that are set to lapse September 30, 2026. The extension goes through December 11, 2026. The bill also includes a continuing resolution for appropriations. The continuing resolution runs until December 11, 2026. We anticipate continuing resolutions will be passed until a new authorization bill is agreed upon. Congress needs to continue to work on a new authorization bill and on a long-term source of transportation revenue to support the nation's infrastructure needs. Under IIJA, Missouri's annual apportionments have increased approximately 30 percent compared to the last year of the prior transportation act, the Fixing America's Surface Transportation (FAST) Act.



A Component Unit of the State of Missouri

August 31, 2026

Board of Directors and Citizens of the State of Missouri

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From fiscal year 2025 to 2026, state collections designated for transportation increased from \$1,585.4 million to \$1,672.9 million, or 5.5 percent. Motor fuel taxes of \$876.8 million were collected in fiscal year 2026, which is an increase of 11.5 percent compared to fiscal year 2025 and includes additional taxes collected since October 2021, as enacted by Senate Bill 262 by the Missouri General Assembly. Motor vehicle sales taxes remained relatively flat and motor vehicle and driver licensing fees decreased 1.0 percent from fiscal year 2025 to fiscal year 2026.

Future of MTFC

For fiscal year 2026, two loan requests were received, which is the same number as fiscal year 2025. The low number of loans can be attributed to the availability of funds provided by the federal government for COVID relief and by reductions in the workforce to complete projects. As other funding sources are reduced, we anticipate an uptick in the number of loans in the future. We do not anticipate significant changes to this program in the upcoming year.

Initiatives

MoDOT's Financial Services staff is responsible for educating stakeholders about MTFC loans as a transportation project funding option. They accomplish this activity by:

- Maintaining information about the MTFC on the Partnership Development Website;
- Attending and presenting at meetings throughout the state to educate partners; and
- Preparing newsletters to communicate activity to potential customers.

The MTFC made no updates to policies that significantly impacted the financial statements for the fiscal year ended June 30, 2026.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MTFC for its ACFR for the fiscal year ended June 30, 2025. This was the eighteenth consecutive year the MTFC received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

Acknowledgements

The timely preparation of this report was achieved by the dedicated service of MoDOT's Financial Services Division staff who are responsible for MTFC administrative activities. We would like to express appreciation to members of the staff who assisted and contributed to this report.

Sincerely,

Ed Hassinger
MoDOT Director

Brenda Morris, CPA
Executive Director

Doug Hood
Treasurer



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Missouri Transportation Finance Corporation

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morill

Executive Director/CEO

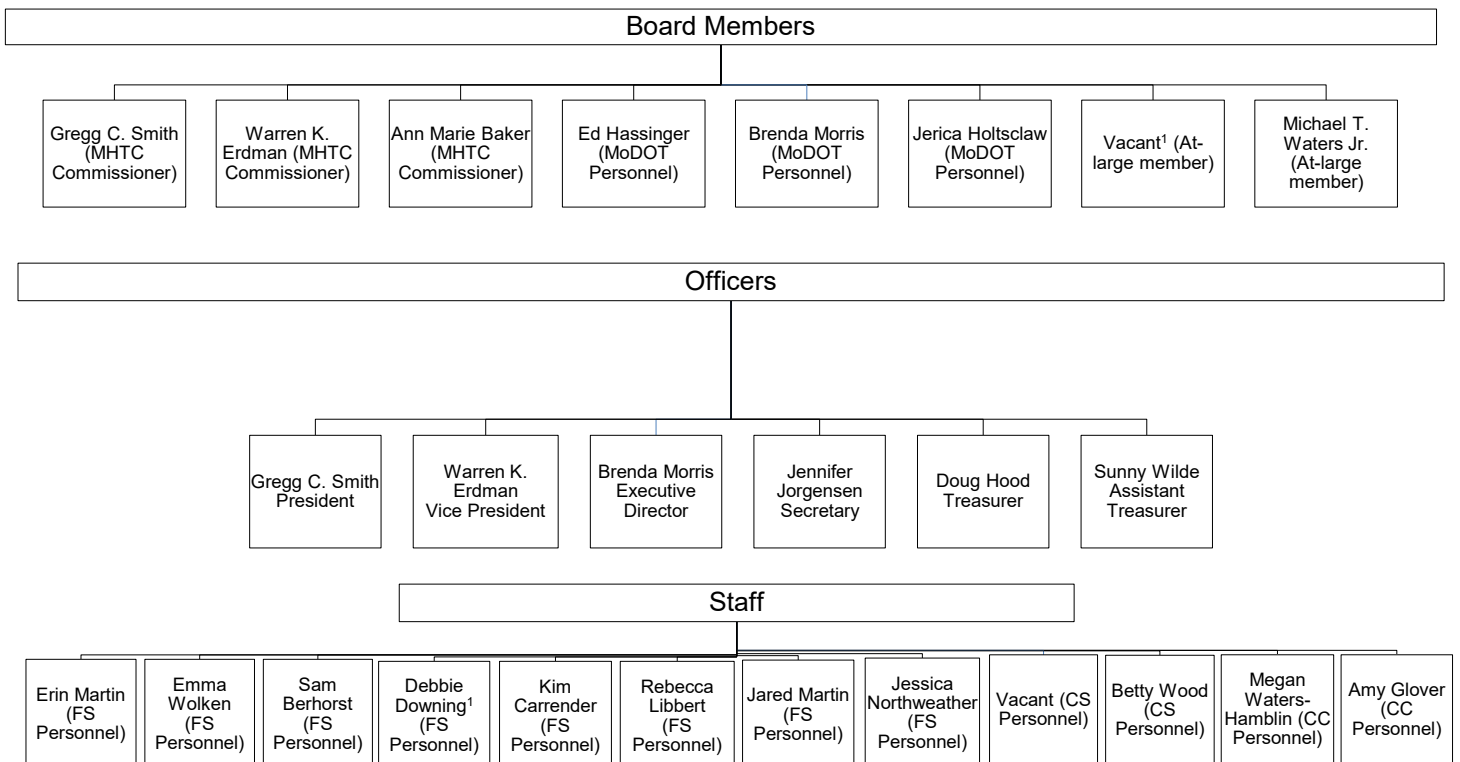


A Component Unit of the State of Missouri

Organizational Chart

June 30, 2026

Missouri Transportation Finance Corporation (MTFC) Organizational Chart



¹Debbie Downing retired, effective July 1, 2026.

MoDOT – Missouri Department of Transportation

MHTC – Missouri Highways and Transportation Commission

FS – Financial Services

CS – Commission Secretary's Office

CC – Chief Counsel's Office



A Component Unit of the State of Missouri

Principal Officials

Fiscal Year 2026

<u>MTFC Title</u>	<u>Name</u>
President	Gregg C. Smith, MHTC Commissioner
Vice President	Warren K. Erdman, MHTC Commissioner
Executive Director	Brenda Morris, MoDOT Chief Financial Officer
Secretary	Jennifer Jorgensen, MHTC Secretary
Treasurer	Doug Hood, MoDOT Financial Services Director
Assistant Treasurer	Sunny Wilde, MoDOT Assistant Financial Services Director

Financial Section



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Missouri Transportation Finance Corporation

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Missouri Transportation Finance Corporation (the Corporation), a component unit of the State of Missouri, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Corporation'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 financial position of the business-type activities of the Corporation as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Corporation 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.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 GAAS 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 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 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 (or update our) 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 Corporation'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Required Supplementary Information

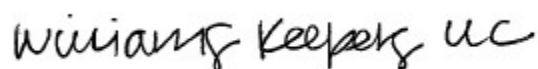
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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 GAAS, 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 Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections 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 consistency 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2026, on our consideration of the Corporation'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 the Corporation's internal control over financial reporting and compliance.



Columbia, Missouri
August 31, 2026



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Management's Discussion and Analysis



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A Component Unit of the State of Missouri

Management's Discussion and Analysis

The following section of our annual financial report presents our discussion and analysis of the MTFC's financial performance during the year. This section is intended to provide an objective and easily readable analysis of the MTFC's financial activities based on currently known facts, decisions and conditions. Readers should consider the information presented here in conjunction with the information presented in the financial statements and notes, which follow this section. MTFC implemented Governmental Accounting Standards Board (GASB) Statement 103, *Financial Reporting Model Improvements*, and GASB Statement 104, *Disclosure of Certain Capital Assets*, during fiscal year 2026. While these standards did not have a financial impact on MTFC's financial statements, GASB Statement 103 required updates to the Management's Discussion and Analysis to align with the revised financial reporting model.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the MTFC's basic financial statements, which are comprised of two components: 1) financial statements and 2) notes to the financial statements.

Financial Statements report information about the MTFC through accounting methods used by private-sector companies, the economic resources measurement focus and accrual basis of accounting. These statements provide short- and long-term information about the financial status of the MTFC.

The *Statements of Net Position* include all MTFC assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the MTFC is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* account for all revenues and expenses of the MTFC as soon as the event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *Statements of Cash Flows* provide readers the sources and uses of cash and the changes in the cash balance during the year.

Notes to the Financial Statements provide additional information and discuss particular accounts in more detail. The Notes are essential to a full understanding of the data provided in the financial statements.

FINANCIAL SUMMARY AND DETAILED ANALYSIS

MTFC Net Position June 30, 2026, 2025, and 2024 (dollars in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>
Assets			
Cash and investments	\$ 69,241	\$ 57,647	\$ 57,615
Interest receivable on loans and investments	746	690	603
Loans receivable, net	56,661	65,144	62,018
Total assets	<u>126,648</u>	<u>123,481</u>	<u>120,236</u>
Liabilities			
Accounts payable	<u>10</u>	<u>6</u>	<u>12</u>
Net Position			
Restricted for lending purposes	90,825	88,376	85,958
Unrestricted net position	35,813	35,099	34,266
Total net position	<u>\$ 126,638</u>	<u>\$123,475</u>	<u>\$120,224</u>



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Assets

Cash and investments increased \$11.6 million from June 30, 2025 to June 30, 2026. At June 30, 2026, net loans receivable was \$8.5 million less than at June 30, 2025. Loan disbursements totaling \$3.9 million were made to two entities in fiscal year 2026 with one entity having multiple disbursements for the same or different loans. In fiscal year 2025, loan disbursements totaling \$25.1 million were made to three entities with some entities having multiple disbursements for the same loans. The increase in cash and investments in fiscal year 2026 can be attributed to loan repayments of \$12.4 million exceeding loan disbursements of \$3.9 million. Net loan receivables are lower as loans are being paid off quicker than new loans are being approved and disbursed. Loan disbursements are based on loans approved.

Net Position

Net position increased \$3.2 million in fiscal year 2026, primarily due to strong investment-related revenues and continued interest income on loans. Although interest earned on deposits decreased from \$886,000 to \$507,000 as funds shifted from short-term deposits into longer-term securities, overall investment returns improved. Investment earnings increased from \$185,000 to \$581,000, and fair value adjustments totaled \$1.4 million at June 30, 2026, reflecting favorable market conditions and higher investment balances at year-end.

Loan activity has fluctuated in recent years as communities used COVID-related relief funds to cover infrastructure costs, reducing the need for financing. MTFC approved two loans totaling \$3.5 million in fiscal year 2026 compared with two loans totaling \$5.5 million in fiscal year 2025. As relief funds diminish and traditional financing demand resumes, MTFC anticipates increased loan activity and continued growth in net position.

MTFC Changes in Net Position Years ended June 30, 2026, 2025, and 2024 (dollars in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>
Operating Revenues			
Interest income on loans	\$ 785	\$ 915	\$ 855
Other income	<u>5</u>	<u>8</u>	<u>1</u>
Total operating revenues	<u>790</u>	<u>923</u>	<u>856</u>
Operating Expenses			
Administrative fees	63	74	79
Other operating expenses	<u>13</u>	<u>16</u>	<u>14</u>
Total operating expenses	<u>76</u>	<u>90</u>	<u>93</u>
Operating Income	<u>714</u>	<u>833</u>	<u>763</u>
Nonoperating Revenues (Expenses)			
Investment earnings	2,510	2,449	2,961
Nonoperating expenses	<u>(61)</u>	<u>(31)</u>	<u>(25)</u>
Total nonoperating revenues (expenses)	<u>2,449</u>	<u>2,418</u>	<u>2,936</u>
Change in net position	3,163	3,251	3,699
Net position at beginning of year	<u>123,475</u>	<u>120,224</u>	<u>116,525</u>
Net position at end of year	<u>\$ 126,638</u>	<u>\$ 123,475</u>	<u>\$ 120,224</u>



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Revenues

Operating income decreased by \$119,000 from fiscal year 2025 to 2026. In fiscal years 2026 and 2025, the primary source of income was interest income on loans and earnings on investments. In fiscal year 2026, interest income on loans, recognized as operating revenue, decreased \$130,000 compared to fiscal year 2025. The decrease can be attributed to lower loans receivable balances in fiscal years 2026. The average loans receivable balance was \$58.4 million in fiscal year 2026 compared to \$69.5 million in fiscal year 2025. Program fees, included in other income in the schedule above, are received at the time applications are submitted and are calculated based upon a percentage of the requested loan amount. In fiscal year 2026, \$5,000 in program fees were collected related to two loans totaling \$3.5 million. In fiscal year 2025, \$8,000 in program fees were collected related to two loans totaling \$5.5 million.

Nonoperating revenue (expense) is recognized on investments. Total nonoperating revenues increased \$31,000 from fiscal year 2025 to 2026. The change reflects the overall improvement in investment performance during the year. Although interest income on deposits declined as balances shifted into longer-term securities, this reduction was more than offset by higher investment earnings and fair value adjustments resulting from stronger market conditions. These factors together contributed to the slight increase in total nonoperating revenues for fiscal year 2026.

Expenses

In fiscal year 2026, administrative fees totaled \$63,000, a decrease of \$11,000 from fiscal year 2025. The decrease in administrative fees between fiscal years 2026 and 2025 is the result of MTFC staff charging fewer hours. As staff gain experience and are more familiar with routine processes, tasks can be performed more efficiently and require less time. Additionally, other operating expenses decreased \$3,000 due to the timing of fees paid for the financial statement audit.

ECONOMIC AND OTHER FACTORS

Additional funds have been made available through the federal government to state and local entities to provide financial relief because of impacts from COVID. The state and local entities have chosen to use some of the funds received for infrastructure. This infusion of cash resulted in a decreased need for financing related to infrastructure projects.

In January 2017, the MHTC re-activated its Cost Share Program, which became effective in fiscal year 2018. The Missouri Department of Transportation sets aside monies for which local entities can compete to accomplish transportation projects on the state system that are a local priority. These projects are completed with a mixture of local funds and monies from the Cost Share Program. MTFC loan activity will lag behind the actions taken related to the MHTC's Cost Share Program. Prior to the suspension of the Cost Share Program in January 2014, local entities would often accelerate the Cost Share projects selected using a MTFC loan to finance their portion of the Cost Share project. The reactivation of this program is one of the reasons we have seen activity in the bank increase in the last several years.

The expectation is as other funding sources are no longer available, activity for the Cost Share Program, and, indirectly, the number of MTFC loans will increase. We anticipate more loans being approved in future years.

CONTACTING THE MTFC

This financial report is designed to provide the Missouri Transportation Finance Corporation's interested parties, including citizens, taxpayers, customers, potential investors, and creditors, with a general overview of the MTFC's finances and to demonstrate the MTFC's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to Missouri Transportation Finance Corporation, P.O. Box 270, Jefferson City, Missouri 65102.



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Financial Statements



A Component Unit of the State of Missouri

Statements of Net Position

June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 14,645,698	\$ 14,043,408
Investments	38,974,194	40,836,257
Interest receivable on loans	515,487	664,528
Interest receivable on investments	230,610	25,780
Loans receivable, net	<u>11,802,062</u>	<u>11,601,286</u>
Total current assets	<u>66,168,051</u>	<u>67,171,259</u>
Noncurrent assets		
Investments	15,621,093	2,767,483
Loans receivable, net	<u>44,858,437</u>	<u>53,542,600</u>
Total noncurrent assets	<u>60,479,530</u>	<u>56,310,083</u>
Total Assets	<u>126,647,581</u>	<u>123,481,342</u>
Liabilities		
Current liabilities		
Accounts payable	<u>9,796</u>	<u>6,167</u>
Total current liabilities	<u>9,796</u>	<u>6,167</u>
Total Liabilities	<u>9,796</u>	<u>6,167</u>
Net Position		
Restricted for lending purposes	90,825,223	88,376,325
Unrestricted net position	<u>35,812,562</u>	<u>35,098,850</u>
Total Net Position	<u>\$126,637,785</u>	<u>\$123,475,175</u>

The notes to the financial statements are an integral part of these statements.



A Component Unit of the State of Missouri

Statements of Revenues, Expenses and Changes in Net Position

For the Fiscal Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Operating Revenues		
Interest income on loans	\$ 784,522	\$ 914,270
Program fees	5,221	8,256
Total Operating Revenues	<u>789,743</u>	<u>922,526</u>
Operating Expenses		
Administrative fees	63,027	74,205
Professional fees	12,000	14,500
Other	1,005	980
Total Operating Expenses	<u>76,032</u>	<u>89,685</u>
Operating Income	<u>713,711</u>	<u>832,841</u>
Nonoperating Revenues (Expenses)		
Investment earnings (loss)	2,509,802	2,449,530
Investment fees	(60,903)	(31,301)
Net Nonoperating Revenues (Expenses)	<u>2,448,899</u>	<u>2,418,229</u>
Changes in net position	3,162,610	3,251,070
Net Position, beginning of year	<u>123,475,175</u>	<u>120,224,105</u>
Net Position, end of year	<u>\$ 126,637,785</u>	<u>\$ 123,475,175</u>

The notes to the financial statements are an integral part of these statements.



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Statements of Cash Flows

For the Fiscal Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash Flows From Operating Activities		
Fees received for services	\$ 5,221	\$ 8,256
Payments for administrative services	(59,398)	(80,273)
Other payments	(13,005)	(15,480)
Net cash provided by (used in) operating activities	<u>(67,182)</u>	<u>(87,497)</u>
Cash Flows From Investing Activities		
Interest received	882,808	1,082,160
Principal received	12,364,306	21,949,278
Sale of investments	230,901,378	290,439,818
Interest received on loans	933,563	815,675
Loan disbursements	(3,880,920)	(25,075,147)
Purchase of investments	(240,470,760)	(303,167,672)
Investment fees	(60,903)	(31,301)
Net cash provided by (used in) investing activities	<u>669,472</u>	<u>(13,987,189)</u>
Net increase (decrease) in cash and cash equivalents	602,290	(14,074,686)
Cash and Cash Equivalents, Beginning of Year	14,043,408	28,118,094
Cash and Cash Equivalents, End of Year	<u>\$ 14,645,698</u>	<u>\$ 14,043,408</u>
Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities		
Operating income	\$ 713,711	\$ 832,841
Interest income on loans	(784,522)	(914,270)
Adjustments to operating cash flows for net change in accounts payable	3,629	(6,068)
Net Cash Provided by (used in) Operating Activities	<u>\$ (67,182)</u>	<u>\$ (87,497)</u>
Noncash Items Impacting Recorded Assets		
Increase (decrease) in fair value of investments	<u>\$ 1,422,164</u>	<u>\$ 1,378,536</u>

The notes to the financial statements are an integral part of these statements.

Notes to the Financial Statements



Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

The Missouri Transportation Finance Corporation (MTFC) was created by the Missouri Highways and Transportation Commission (MHTC), under Missouri Nonprofit Corporation Law Act, Chapter 355 of the Revised Statutes of Missouri (RSMo), on August 23, 1996. The entity administers a program, in conformity with federal transportation laws, to provide financing and other assistance to public and private entities for highway and transportation projects in the state of Missouri.

(A) *Reporting Entity*

The MTFC is a discretely presented component unit of the state of Missouri. The MHTC has authority to remove any board member for cause, and therefore, may impose its will on the MTFC. The accompanying basic financial statements include only those operations related to the MTFC.

(B) *Basis of Accounting*

MTFC accounts for its activities as an Enterprise Fund, a type of Proprietary Fund. Proprietary Funds are used to account for ongoing activities that are similar to activities found in the private sector. The measurement focus is upon determination of net income. In reporting its financial activity, the MTFC applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accrual basis of accounting is utilized under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. In applying the accrual concept to federal grant revenues and contributions, the legal and contractual requirements of the individual programs are used for guidance.

(C) *Cash, Cash Equivalents and Investments*

Cash and cash equivalents include:

- Cash
- Overnight repurchase agreements, which are investments with original maturities of three months or less. MTFC requires that securities underlying overnight repurchase agreements must have a fair value of at least 100 percent of the cost of the agreement. The fair values of the repurchase agreements are determined daily.

Investments are reported at fair value.

(D) *Loans Receivable*

Program loans are made and collected to fulfill the MTFC's responsibility to provide financing and other assistance to public and private entities for highway and transportation projects in the state of Missouri. Management has determined, based on prior experience and collateral pledged on the loans, that an allowance for uncollectible loans is not necessary.

(E) *Net Position*

Equity is categorized in the statements of net position as restricted and unrestricted. Restricted net position is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. In general, restricted net position is composed of the original federal and state grant funds provided to establish the loan program and net investment income earned on those funds not currently loaned. When both restricted and unrestricted resources are available for use, generally it is the MTFC's policy to use restricted resources first for program loans to provide financing and other assistance to public and private entities for highway and transportation projects in the state of Missouri. Unrestricted resources are used for operating expenses and loans as needed.



(F) Classification of Operating and Nonoperating Revenues and Expenses

The MTFC has classified its revenues and expenses according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, including interest income on program loans made to entities as provided by federal transportation laws and program fees.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, including federal, state and local grants and contracts. Investment earnings are also classified as nonoperating revenue.

Operating expenses: Operating expenses primarily include administrative fees and professional services. The administrative fees are reimbursements to the Missouri Department of Transportation for personal service costs related to the support of the MTFC.

Nonoperating expenses: Nonoperating expenses consist of investment fees.

(G) Use of Estimates

The preparation of basic 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(H) Income Taxes

The MTFC submitted a request for ruling to the Internal Revenue Service (IRS). In response to that request, the IRS ruled the income of the MTFC is excludable from gross income for federal income tax purposes under Section 115 of the Code. The MTFC is required to file an annual income tax return on Form 1120.

Note 2: Cash and Investments

(A) Deposits

The carrying amounts of deposits of the MTFC at June 30, 2026 and 2025 were \$14,645,698 and \$14,043,408, respectively, which agrees to cash and cash equivalents on Statements of Net Position. The bank balances were covered by federal depository insurance and by collateral held by a third-party bank under a joint custody agreement.

(B) Investments

The MTFC's investment policy is approved by the Board. This policy supports the MTFC's conservative and prudent approach to investment management. The policy also addresses authorized financial dealers and institutions, internal controls, suitable and authorized investments, collateralization, diversification of the portfolio, maximum maturities, performance standards and reporting requirements.

The policy allows funds to be invested in time deposits, linked deposits, certificates of deposit, commercial paper, bankers' acceptances, repurchase and reverse repurchase agreements and United States Treasury and federal agency securities. The MTFC's investments are reported at fair value. At June 30, 2026 and 2025, the MTFC had \$54,595,287 and \$43,603,740, respectively, of unregistered government sponsored securities for which a financial institution's trust department holds the securities in the MTFC's name.

The maturities of mortgage-backed investments have been estimated based on the weighted average life of the investment type. Estimated maturities will differ from actual maturities because issuers may have the right to call or prepay obligations.



A Component Unit of the State of Missouri

The MTFC has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. As defined by generally accepted accounting principles, Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs comprised of fair value quoted prices for similar, but not identical, assets or liabilities in active markets or inactive markets. Level 3 inputs are significant unobservable inputs.

At June 30, 2026, the MTFC's investments have the following ratings, fair value measurements and maturities:

Investment by Type	Rating		Total Investments	Investment Maturities (in years)			Fair Value Measurements	
	Moody's	S&P		Less than 1 year	1-5 years	6-10 years	Level 1	Level 2
U.S. Treasury obligations	Aaa	AA+	\$46,772,740	\$38,838,890	\$7,933,850	\$---	\$46,772,740	\$---
U.S. agency obligations	Aaa	AA+	7,822,547	135,304	7,319,028	368,215	---	7,822,547
			<u>\$54,595,287</u>	<u>\$38,974,194</u>	<u>\$15,252,878</u>	<u>\$368,215</u>	<u>\$46,772,740</u>	<u>\$7,822,547</u>

Level 1 classifications above consist of U.S. treasury obligations that are valued based on third party pricing services for identical assets. Level 2 classifications above consist of U.S. agency obligations that are valued based on third party pricing services for similar assets. No investments were classified as Level 3 at June 30, 2026.

At June 30, 2025, the MTFC's investments have the following ratings, fair value measurements and maturities:

Investment by Type	Rating		Total Investments	Investment Maturities (in years)			Fair Value Measurements	
	Moody's	S&P		Less than 1 year	1-5 years	6-10 years	Level 1	Level 2
U.S. Treasury obligations	Aaa	AA+	\$33,872,920	\$33,872,920	\$---	\$---	\$33,872,920	\$---
U.S. agency obligations	Aaa	AA+	9,730,820	6,963,337	2,363,710	403,773	---	9,730,820
			<u>\$43,603,740</u>	<u>\$40,836,257</u>	<u>\$2,363,710</u>	<u>\$403,773</u>	<u>\$33,872,920</u>	<u>\$9,730,820</u>

Level 1 classifications above consist of U.S. treasury obligations that are valued based on third party pricing services for identical assets. Level 2 classifications above consist of U.S. agency obligations that are valued based on third party pricing services for similar assets. No investments were classified as Level 3 at June 30, 2025.

Investment earnings consisted of the following for the years ended June 30, 2026 and 2025:

	2026	2025
Interest income on deposits	\$507,057	\$885,801
Interest income on investments	580,581	185,193
Net appreciation (depreciation) in fair value of investments	1,422,164	1,378,536
Total investment earnings (loss)	<u>\$2,509,802</u>	<u>\$2,449,530</u>

(C) Interest Rate Risk

Interest rate risk is the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates. The MTFC policy states interest rate risk will be managed by the following objectives:

Safety: The investment portfolio is developed to avoid the need to sell securities on the open market prior to maturity, with securities scheduled to mature to meet cash requirements for ongoing operations.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so the securities mature concurrent with cash needs to meet anticipated demands (static liquidity).

Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.



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(D) Credit Risk

The MTFC minimizes credit risk by limiting investments to the safest types of securities as defined in Note 2: Cash and Investments, Section (B) Investments.

(E) Concentration of Credit Risk

The MTFC diversifies its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, issuer or class of securities. The asset allocation is periodically reviewed by management.

(F) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the MTFC will not be able to recover collateralized securities in the possession of an outside party. The MTFC's policy is to collateralize demand deposits and repurchase agreements with securities held by the financial institution's agent in the MTFC's name. The MTFC policy also states security transactions are settled "delivery versus payment." This means payment is made simultaneously with the receipt of the security. These securities are delivered to the MTFC's safekeeping bank.

Note 3: Loans Receivable

Loans are entered into to provide financing for highway and transportation projects. Future revenues primarily secure public entity loans. Irrevocable letters of credit or designated funds secure loans for private entities. The receivable balance as of June 30, 2026 and 2025 consists of the following:

(amounts in thousands)

Customer and Project Description	Loan Date	Maturity Date	Interest Rate	2026	2025
Principal and Interest Paid Annually					
City of Cottleville Finance the city's cost apportionment project to widen Route N to three lanes with a center turn lane, add shoulders and a shared-use path.	07/01/16	07/30/26	2.57%	\$ 94	\$ 186
City of Warsaw Finance the city's cost apportionment project to provide intersection improvements at Route 7 and Commercial Street.	11/28/18	07/31/28	2.64	91	120
City of Warrenton Finance the city's portion of a Cost Share project to install sidewalks along Route 47.	06/17/19	07/15/29	2.93	374	608
City of Sunrise Beach Finance the city's portion of the Cost Share project to widen Route 5 to three lanes from Route F to the city of Laurie.	07/01/15	08/31/30	2.55	120	142
City of St. Charles Finance part of the city's portion of a Cost Share project to provide improvements to the Route 94/Route 364 and Muegge Road interchange.	12/16/19	06/30/29	1.40	172	228



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Customer and Project Description	Loan Date	Maturity Date	Interest Rate	2026	2025
Principal and Interest Paid Annually (continued)					
City of St. Charles Finance the city's project to reconstruct and relocate Boschertown Road from Hecker Street to Route B.	12/16/19	06/30/29	1.40%	\$ 382	\$ 506
City of St. Charles Finance the city's project to construct a roundabout at Little Hills Expressway and Mel Wetter Parkway.	12/16/19	06/30/29	1.40	154	204
City of Ashland Finance the city's portion of a Cost Share project to construct a roundabout at Route M and Henry Clay Boulevard.	02/21/20	07/15/29	2.64	347	564
City of Poplar Bluff Finance the city's portion of a Cost Share project to reconstruct Route 67 to a divided, multi-lane interstate highway facility from Route 160 south to County Road 338.	07/01/21	09/01/35	2.09	5,369	5,843
City of St. Charles Finance part of the city's portion of Phase II of a Cost Share project to provide improvements to the Route 94/364 and Muegge Road interchange.	10/01/21	06/30/31	1.05	3,966	4,735
Saline County Finance the county's portion of a Cost Share project to relocate a median crossing at Route 65 and County Road 226/237.	02/01/22	08/15/31	1.45	862	999
City of Poplar Bluff Finance the city's portion of a Cost Share project to reconstruct Route 67 to a divided, multi-lane interstate highway facility from County Road 338 to County Road 352.	04/01/22	09/01/35	1.45	4,365	4,758
City of Republic Finance the city's portion of a Cost Share project to widen Route MM to four lanes plus a center turn lane from Route 360 (James River Freeway) to Interstate 44.	06/01/22	04/15/32	1.40	994	1,409
Missouri Highways & Transportation Commission Finance the Infrastructure for Rebuilding America (INFRA) grant project that replaces the Rocheport Bridge and constructs climbing lanes at Mineola Hill.	08/01/22	08/01/29	1.06	35,967	44,724
City of Sweet Springs Finance the city's portion of a Cost Share project to lower the vertical curve on Route 127 and add right turn lanes onto and off Route 127 and I-70.	12/01/24	04/30/34	2.50	503	118



A Component Unit of the State of Missouri

<u>Customer and Project Description</u>	<u>Loan Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2026</u>	<u>2025</u>
Principal and Interest Paid Annually (continued)					
City of St. Charles* Finance the city's project to construct road and pedestrian improvements on First Capitol Drive.	07/01/25	06/30/35	3.11%	\$ ---	\$ ---
City of St. Charles Finance the city's project to construct road and pedestrian improvements on North Second Street.	07/01/25	06/30/35	3.11	2,900	---
Total				<u>\$ 56,660</u>	<u>\$ 65,144</u>

*The City of St. Charles loan for improvements on First Capitol Drive is a multi-disbursement loan. The first disbursement of \$228,000 made in July 2025 was paid in full in June 2026.

Annual loans receivable to maturity are indicated in the following schedule.
(amounts in thousands)

<u>Fiscal Year</u>	<u>Principal</u>
2027	\$11,802
2028	12,067
2029	11,976
2030	11,670
2031	2,330
2032-2036	<u>6,815</u>
Total principal	<u>\$56,660</u>

Loans receivable are included in the accompanying statements of net position, as follows:
(amounts in thousands)

	<u>2026</u>	<u>2025</u>
Current loans receivable	\$11,802	\$11,601
Noncurrent loans receivable	<u>44,858</u>	<u>53,543</u>
Total loans receivable	<u>\$56,660</u>	<u>\$65,144</u>

Note 4: Administrative Expenses

Administrative expenses and accounts payable represent reimbursements to the Missouri Department of Transportation (MoDOT) for personnel and administrative costs.

Note 5: Restricted Net Position

The MTFC received money from federal grants, which is restricted for lending purposes only. Those grants required a state transportation funding match, which, with net investment earnings (loss), is also restricted for lending purposes. Restricted net position increased due to the gain on net investments for the fiscal years ended June 30, 2026 and 2025, included in net operating revenues (expenses).

(amounts in thousands)

	<u>2026</u>	<u>2025</u>
Federal grant	\$49,410	\$49,410
State grant	10,250	10,250
Cumulative net investment earnings	<u>31,165</u>	<u>28,716</u>
Total restricted net position available for lending purposes	<u>\$90,825</u>	<u>\$88,376</u>



A Component Unit of the State of Missouri

Note 6: Risk Management

The MTFC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets. The MTFC does not carry commercial insurance but takes additional internal control steps to ensure safekeeping of assets. The State's Legal Expense Fund covers all state employees for the risks of errors and omissions. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No liabilities of loss related to torts were reported at June 30, 2026 or 2025. The MTFC has had no settlements in the last three years.

Note 7: Loan Commitments and Loans Approved

At June 30, 2026, the MTFC had three loan commitments totaling \$6.5 million that were approved and executed, but not disbursed.

(amounts in thousands)

<u>Customer and Project Description</u>	<u>Approved Date</u>	<u>Executed Date</u>	<u>Projected Disbursement Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Principal and Interest Paid Annually					
City of Republic Finance the city's portion of a Cost Share project to widen Route MM to four lanes plus a center turn lane from Route 360 (James River Freeway) to Interstate 44.	02/28/22	05/26/22	02/01/27	1.40%	\$ 1,507
City of St. Charles Finance the city's project to construct road and pedestrian improvements on First Capitol Drive.	02/04/25	06/18/25	10/01/26	3.11	2,076
Principal and Interest Paid Semi-Annually					
City of Farmington Finance the city's portion of a Cost Share project to construct a turbo roundabout at Bray Road and Woodlawn Drive/Route 67 Southbound ramps, and add additional turn lanes and installation of a traffic signal at the intersection of Maple Street and Route 67 Northbound ramps.	02/26/26	04/17/26	08/01/26 10/01/26 07/01/27	2.87	544 46 <u>2,361</u> 2,951
Total loan commitments*					<u>\$ 6,534</u>

At June 30, 2026, the MTFC had one loan agreement totaling \$530,000 that was approved, but not executed; therefore, funds have not been disbursed.

(amounts in thousands)

<u>Customer and Project Description</u>	<u>Approved Date</u>	<u>Projected Disbursement Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Principal and Interest Paid Semi-Annually				
City of Battlefield Finance the city's project to widen Waver Road and Route FF to Cloverdale Lane.	02/26/26	10/01/26 09/01/27	2.58 %	\$ 29 <u>501</u>
Total loans approved*				<u>\$ 530</u>

*Unrestricted and restricted net position are sufficient to meet loan commitments and loans approved.

**Note 8: Accounting Pronouncements**

During the current fiscal year, MTFC implemented the following Governmental Accounting Standards Board (GASB) Statements. Implementation of these standards did not have a financial impact on MTFC's financial statements; however, GASB Statement No. 103 resulted in required updates to the Management's Discussion and Analysis (MD&A):

- 103, *Financial Reporting Model Improvements*; and
- 104, *Disclosure of Certain Capital Assets*.

GASB Statements that will be implemented in future fiscal years include:

- 105, *Subsequent Events*



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Statistical Section



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Statistical Section

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A Component Unit of the State of Missouri

Financial Trends

Changes in Net Position

Years Ended June 30
(amounts in thousands)

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues				
Interest income on loans	\$ 785	\$ 915	\$ 855	\$ 789
Program fees	<u>5</u>	<u>8</u>	<u>1</u>	<u>---</u>
Total Operating Revenues	<u>790</u>	<u>923</u>	<u>856</u>	<u>789</u>
Operating Expenses				
Administrative fees	63	74	79	86
Professional fees	12	15	12	12
Other	<u>1</u>	<u>1</u>	<u>2</u>	<u>---</u>
Total Operating Expenses	<u>76</u>	<u>90</u>	<u>93</u>	<u>98</u>
Operating Income	<u>714</u>	<u>833</u>	<u>763</u>	<u>691</u>
Nonoperating Revenues (Expenses)				
Investment earnings (loss)	2,510	2,449	2,961	1,673
Investment fees	<u>(61)</u>	<u>(31)</u>	<u>(25)</u>	<u>(33)</u>
Net Nonoperating Revenues (Expenses)	<u>2,449</u>	<u>2,418</u>	<u>2,936</u>	<u>1,640</u>
Changes in Net Position	<u>\$ 3,163</u>	<u>\$ 3,251</u>	<u>\$ 3,699</u>	<u>\$ 2,331</u>

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 541	\$ 511	\$ 643	\$ 692	\$ 936	\$ 1,205
<u>29</u>	<u>5</u>	<u>102</u>	<u>4</u>	<u>1</u>	<u>52</u>
<u>570</u>	<u>516</u>	<u>745</u>	<u>696</u>	<u>937</u>	<u>1,257</u>
68	32	23	21	20	28
12	12	12	12	9	9
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1</u>	<u>---</u>
<u>80</u>	<u>44</u>	<u>35</u>	<u>33</u>	<u>30</u>	<u>37</u>
<u>490</u>	<u>472</u>	<u>710</u>	<u>663</u>	<u>907</u>	<u>1,220</u>
(1,303)	153	2,211	2,782	645	408
<u>(58)</u>	<u>(67)</u>	<u>(71)</u>	<u>(73)</u>	<u>(59)</u>	<u>(52)</u>
<u>(1,361)</u>	<u>86</u>	<u>2,140</u>	<u>2,709</u>	<u>586</u>	<u>356</u>
\$ <u><u>(871)</u></u>	\$ <u><u>558</u></u>	\$ <u><u>2,850</u></u>	\$ <u><u>3,372</u></u>	\$ <u><u>1,493</u></u>	\$ <u><u>1,576</u></u>



A Component Unit of the State of Missouri

Financial Trends

Net Position

Years Ended June 30
(amounts in thousands)

<u>Fiscal Year</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
2026	\$90,825	\$35,813	\$126,638
2025	88,376	35,099	123,475
2024	85,958	34,266	120,224
2023	83,022	33,503	116,525
2022	81,382	32,812	114,194
2021	82,742	32,323	115,065
2020	82,656	31,851	114,507
2019	80,516	31,141	111,657
2018	77,807	30,478	108,285
2017	77,221	29,571	106,792



A Component Unit of the State of Missouri

Revenue Capacity Average Fair Value of Investments and Average Yields on Investments Held on Behalf of the MTFC

Years Ended June 30
(amounts in thousands)

<u>Fiscal Year</u>	<u>Average Monthly Fair Value of Investments</u>	<u>Average Monthly Yield on Investments</u>
2026	\$51,850	3.60%
2025	32,143	3.28
2024	26,243	2.63
2023	32,472	0.96
2022	59,603	0.60
2021	70,450	0.89
2020	72,967	2.08
2019	73,575	2.22
2018	60,852	1.56
2017	51,090	1.08

Source: Investment summary of funds held at MTFC calculated by Missouri Department of Transportation, Financial Services staff.

Notes:

Fluctuations in the average fair value of investments primarily reflect the timing of loan disbursements and repayments. When loan disbursements increase, cash available for investment decreases, resulting in lower average fair values, as seen in 2023–2025. Periods with fewer disbursements, such as 2020–2022 and 2026, resulted in higher cash available for investment; and therefore, higher average fair values.

Changes in the average yield on investments correspond to shifts in market interest rates. Yields generally increased from 2023 through 2026 as national interest rates rose, while lower yields in earlier years reflect the low-rate environment that persisted prior to and during the COVID-19 period.



A Component Unit of the State of Missouri

Revenue Capacity

Net Loans Receivable by Fiscal Year

Years Ended June 30
(amounts in thousands)

<u>Fiscal Year</u>	<u>Net Loans Receivable</u>	<u>Weighted Average Interest Rate</u>
2026	\$56,660	1.35%
2025	65,144	1.24
2024	62,018	1.33
2023	50,383	1.48
2022	32,728	1.88
2021	20,063	2.31
2020	25,820	2.45
2019	22,859	2.91
2018	24,824	2.96
2017	29,092	3.51

Source: Weighted average interest rate calculated by Missouri Department of Transportation, Financial Services staff.

Notes:

Changes in net loans receivable primarily reflect the timing of loan disbursements and repayments. Balances declined from 2017–2021 as earlier loans were repaid and fewer new loans were issued, partly due to limited project activity and the availability of other funding sources. Beginning in 2022 and continuing through 2025, balances increased as loan disbursements outpaced repayments, driven by renewed participation in the Missouri Highways and Transportation Commission (MHTC) Cost Share Program and the gradual decline of federal COVID-19 relief funds. These factors led to higher demand for financing and steady growth in loans receivable through 2025.



A Component Unit of the State of Missouri

Demographic and Economic Information

Population, Personal Income and

Unemployment Rate – State of Missouri

Years Ended December 31

(amounts in thousands)

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2025	6,271	\$429,318,900	\$68	3.4%
2024	6,245	409,282,200	66	3.2
2023	6,196	385,864,800	62	2.9
2022	6,178	358,840,300	58	2.2
2021	6,168	335,960,100	54	3.4
2020	6,152	312,530,400	51	5.0
2019	6,137	308,467,400	50	3.4
2018	6,126	289,111,800	47	2.3
2017	6,114	269,858,887	44	3.3
2016	6,093	268,379,357	44	4.0

Sources:

Population: United States Department of Commerce, Census Bureau

Personal Income, Per Capita Personal Income and Unemployment Rate: United States Department of Commerce, Bureau of Economic Analysis



A Component Unit of the State of Missouri

Demographic and Economic Information

Employment Sectors – State of Missouri

Years Ended December 31
(amounts in thousands)

	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Trade, transportation and utilities	570	1	19%	550	1	19%
Education and health services	543	2	18	459	2	16
Government	440	3	15	446	3	16
Professional and business services	366	4	12	387	4	14
Leisure and Hospitality	297	5	10	295	5	10
Manufacturing	279	6	9	260	6	9
Financial activities	187	7	6	173	7	6
Construction, natural resources and mining	157	8	5	124	9	4
Other services	116	9	4	116	8	4
Information	46	10	2	51	10	2
Total	<u>3,001</u>		<u>100%</u>	<u>2,861</u>		<u>100%</u>

Source: United States Department of Labor, Bureau of Labor Statistics



A Component Unit of the State of Missouri

Demographic and Economic Information

Gross Domestic Product by Industry

Years Ended December 31

(Amounts in Millions)

	2025			2016		
	GDP	Rank	Percentage	GDP	Rank	Percentage
Financial activities	\$ 92,903	1	20%	\$ 59,468	1	20%
Trade, transportation and utilities	89,370	2	19	55,963	2	18
Professional and business services	58,055	3	12	38,043	3	13
Manufacturing	51,557	4	11	36,219	4	12
Education and health services	50,498	5	11	30,785	6	10
Government	48,508	6	10	36,011	5	12
Construction, natural resources and mining	23,591	7	5	12,884	9	4
Leisure and hospitality	20,321	8	4	12,412	7	4
Information	15,789	9	3	11,757	8	4
Other services	11,268	10	3	7,251	10	2
Agriculture, forestry, fishing and hunting	6,611	11	2	3,351	11	1
Total	\$468,471		100%	\$304,144		100%

Source:

United States Department of Commerce, Bureau of Economic Analysis



Operating Information

Approved Loans by Fiscal Years Ended June 30

(dollar amounts in thousands)

<u>Fiscal Year</u>	<u>Number of Loans Approved</u>	<u>Total Approved Loan Amount</u>
2026	2	\$ 3,481
2025	2	5,504
2024	1	640
2023	---	---
2022	5	37,769
2021	2	3,406
2020	4	64,800
2019	3	2,557
2018	1	500
2017	5	34,546

Source: Missouri Department of Transportation, Financial Services database

Not all loans approved by the MTFC board are executed or disbursed.

Other Information



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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
Missouri Transportation Finance Corporation

We have audited, 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, the financial statements of the business-type activities of the Missouri Transportation Finance Corporation (the Corporation), a component unit of the State of Missouri, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated August 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 the Corporation'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*.

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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William F. Keppel, UC

Columbia, Missouri
August 31, 2026

**MISSOURI TRANSPORTATION
FINANCE CORPORATION**

SUMMARY REPORT

JUNE 30, 2026

August 31, 2026

To the Board of Directors
Missouri Transportation Finance Corporation

We appreciate the opportunity to assist the Missouri Transportation Finance Corporation (the Corporation) in its governance and oversight function by providing annual audit services. Our audit reports for the year ended June 30, 2026, have been provided to you and management and include the following:

Annual Comprehensive Financial Report (ACFR)

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to entities for their Annual Comprehensive Financial Reports (ACFR) submitted to and approved by the GFOA. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy generally accepted accounting principles (GAAP), GFOA requirements, and applicable legal requirements. An ACFR contains substantially more information than that required by GAAP and is a sign of excellence in financial reporting.

An ACFR contains the following information:

- Introductory Section
- Financial Section
- Statistical Section

The Corporation received a GFOA Certificate of Achievement on its June 30, 2025 ACFR, the eighteenth consecutive year of receiving the award.

Financial Statements

The Corporation's ACFR contains the annual financial statements for the years ended June 30, 2026 and 2025, along with our report on those financial statements.

Highlights are as follows:

- We issued an "unmodified" or a "clean" opinion on the financial statements. In our opinion, the financial statements present fairly, in all material respects, the financial position of the business-type activities of the Corporation as of June 30, 2026 and 2025, and the respective changes in its financial position and cash flows for the years then ended in conformity with GAAP.

- We used our judgment in determining how to audit the Corporation. We focused our attention on areas where the financial statements could be misstated.
- The following summarizes the highlights from the financial statements as of and for the years ended June 30, 2026, 2025, and 2024. The management's discussion and analysis on pages 21-24 of the ACFR discusses the changes in the various categories.

(in thousands)	2026	2025	2024
Total loans, net	\$ 56,661	\$ 65,144	\$ 62,018
Other assets	69,987	58,337	58,218
Total assets	126,648	123,481	120,236
Total liabilities	10	6	12
Unrestricted net position	35,813	35,099	34,266
Restricted net position	90,825	88,376	85,958
Total net position	\$ 126,638	\$ 123,475	\$ 120,224
Operating Revenues	\$ 790	\$ 923	\$ 856
Non-operating revenues (expenses)	2,449	2,418	2,936
Operating expenses	(76)	(90)	(93)
Change in net position	\$ 3,163	\$ 3,251	\$ 3,699

Government Auditing Standards

The Corporation's audit is also performed in accordance with U.S. generally accepted government auditing standards (GAGAS) in addition to U.S. generally accepted auditing standards (GAAS) followed in all audits. GAGAS puts additional requirements on both the auditor and the entity.

As a result of following GAGAS, we issued an additional report covering internal control and compliance related to the Corporation's financial reporting.

- We considered internal control over financial reporting in order to determine our auditing procedures but not for the purpose of expressing an opinion on the effectiveness of internal control. Given this limitation, we did not identify any material weaknesses over financial reporting, although they may still exist and not have been identified.
- In addition, we performed tests of compliance related to provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material impact on the determination of financial statement amounts. We do not express an opinion on compliance with those provisions, but our tests disclosed no instances of non-compliance.

Auditor's Communication Letter

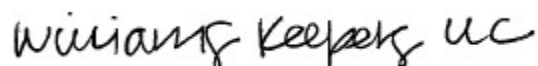
This letter consists of comments about the audit process and its results that are required under our professional standards to be communicated to an audit or similar committee of the governing board of an organization or entity. For the Corporation, the Board of Directors serves that role.

Highlights are as follows:

- We noted no transactions that we considered to be both unusual and significant, and there were no significant changes in accounting policies during the year.
- We evaluated the key factors and assumptions used to develop significant estimates in the financial statements in determining that they are reasonable in relation to the financial statements taken as a whole.
- The financial statement disclosures are neutral, consistent, and clear.
- We found the accounting records to be in good order and we did not propose any adjustments as a result of our audit procedures.
- We had no disagreements with management on accounting or auditing issues, we had no difficulties in performing our audit, and we felt we received full cooperation from the Corporation's staff.

We wish to thank Corporation and its personnel for their cooperation and assistance during our audit. The information in this audit report is intended solely for the use of the Board of Directors and management of the Corporation.

Sincerely,

A handwritten signature in black ink that reads "Williams Keepers LLC". The script is cursive and somewhat stylized.

WILLIAMS KEEPERS LLC



3

PRESENTATION OF MTFC INVESTMENT POLICY

-- Presented by Brenda Morris, Executive Director, 573-526-5688.

ISSUE: On May 6, 2026, the Commission approved the investment policy as an MHTC Financial Policy. The purpose of the investment policy is to establish the Commission's investment objectives for MoDOT for funds deposited outside the State Treasury and to provide a set of investment parameters to govern the type, quality, diversification, and term of investments in order to realize those objectives. The MTFC accounts will be governed by this policy.

RECOMMEND the MTFC Board Members:

- Adopt the MHTC policy, FINANCIAL – Investment, as indicated in Attachment 1.

STAFF VIEW:

- Commission policies provide guidance and direction for the management of the department.
- The Commission policies not only provide direction for the department but also reflect the character of the Commission and the organization.
- Keeping policies current ensures the department business continues to be conducted efficiently.

OTHER VIEWS:

- The public desires the Commission and department conduct itself in a manner that is open and transparent. Having policies in place and available to the public satisfies that desire.

MHTC POLICY:

- FINANCIAL – Investment.

OTHER PERTINENT INFORMATION:

- Non-state funds held outside of the State Treasury include the Local Fund, Medical and Life Insurance Fund, Self-Insurance Fund, and the Missouri Transportation Finance Corporation (MTFC) highway and transportation account funds.
- Authority to hold funds outside of the State Treasury are granted under:
 - Local Fund – Section 227.180 RSMo
 - Medical and Life Insurance Fund – Section 104.270 RSMo
 - Self-Insurance Fund – Sections 226.092 and 226.160 RSMo
 - MTFC – 23 U.S.C. 610(d)(1)
- The investment of funds held outside the State Treasury involves fiduciary responsibilities, statutory authority, and oversight obligations belonging to the Missouri Highways and Transportation Commission, making it appropriate that the Investment Policy be elevated from a department-level policy to a Commission policy. Establishing the policy at the Commission level reinforces transparency, strengthens governance, and ensures alignment with the Commission's oversight role in safeguarding public funds. Additionally, organizational changes since the prior policy was adopted in 2005 have

clarified the decision-making structures, making Commission-level adoption both timely and essential.

- Funds held and invested outside of the State Treasury are performed under a Commercial Banking, Investment Management, and Security Safekeeping Services contract. The current contract is valid through March 31, 2028, with the option of two additional one-year renewals.
- Being a legally separate entity requires the MTFC board to adopt the Commission's investment policy.

SOURCE OF FUNDING: While no direct MTFC budget impact is associated with this policy, professional investment management fees and custodial charges related to funds held outside the State Treasury are paid from the investment earnings or balances of those funds. This structure ensures that costs remain tied to the financial activities they support and do not affect MTFC's operating budget.



Missouri Highways and Transportation Commission Policies

Category: FINANCIAL
Subcategory: Investment

INVESTMENT

Missouri Department of Transportation (MoDOT) funding comes from both state and federal sources. Most of the money is dedicated by federal law or the state constitution and statutes to specific purposes. Funds are held in two locations: State funds are held at the State Treasury and non-state funds are held outside of the State Treasury at a bank selected during the Commercial Banking, Investment Management and Security Safekeeping Services Request for Proposals process.

As mandated by the Missouri Constitution, the State Treasurer's Office holds custody of all state moneys, specifically, those that get appropriated by the legislature. The State Treasurer's Office Investment Committee is responsible for developing and reviewing the investment process of the State Treasurer's Office within the framework provided by the Constitution and statutes of the State of Missouri. The State Treasurer's Office Investment Committee shall set and monitor policies, set general strategies, and implement necessary monitoring mechanisms.

Non-state funds include the Local Fund, Medical and Life Insurance Fund, Self Insurance Fund, Missouri Transportation Finance Corporation (MTFC) highway and transportation accounts, and Department of Revenue-Motor Carrier Services.

Investments through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

I. Scope

The purpose of the Investment Policy shall be to establish the investment objectives of MoDOT and provide a set of investment parameters to govern the type, quality, diversification and term of investments in order to realize those objectives. To assist in accomplishing investment objectives, MoDOT shall employ an Investment Advisor to act in a fiduciary capacity as custodian for the interest and benefit of MoDOT and to, among other responsibilities, develop, implement and execute an investment strategy consistent with this Investment Policy.

The Investment Advisor and MoDOT shall have an agreement defining the duties expected of them as MoDOT's Investment Advisor. In developing and implementing any investment strategy for the assets, the Investment Advisor shall comply with the investment parameters set forth in this policy.

II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.
 - a. **Credit Risk.** MoDOT's Investment Advisor will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - limiting investments to the safest types of securities, as defined in Section V; and
 - diversifying the investment portfolio so that potential losses on individual securities will be minimized, as defined in Section VI.
 - b. **Interest Rate Risk.** MoDOT's Investment Advisor will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations; thereby, avoiding the need to sell securities on the open market prior to maturity.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. This is accomplished by structuring the portfolio so securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds, local government investment pools or overnight repurchase agreements that offer next day liquidity for short-term funds. In the event a security must be sold prior to maturity, all measures will be taken to preserve loss of principal.
3. **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is the least important objective. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

III. Standards of Care

1. **Delegation of Authority.** Responsibility for the operation of the investment program and execution of documents in accordance with this Investment Policy is hereby delegated to the Director, Deputy Director/Chief Engineer, and Chief Financial Officer and his or her delegate(s), hereinafter referred to as MoDOT personnel. MoDOT personnel shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy. Procedures should include references to: safekeeping, delivery vs. payment,

investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by MoDOT personnel. MoDOT personnel shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees.

The Director, Deputy Director/Chief Engineer, and the Chief Financial Officer may execute documents in accordance with the Investment Policy, including those listed in Section IX of this policy, and may delegate authority as needed per written notification to the Commission Secretary's Office.

2. **Prudence.** The standard of prudence to be used by MoDOT personnel shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The standard of prudence to be used by the Investment Advisor shall be the "prudent expert" standard and shall be applied in the context of managing an overall portfolio.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety, liquidity and yield to be derived.

3. **Ethics and Conflicts of Interest.** Investment Advisors, MoDOT personnel and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. MoDOT personnel and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. MoDOT personnel and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of MoDOT.

IV. Safekeeping and Custody

1. **Authorized Financial Dealers and Institutions.** MoDOT's Investment Advisor will serve as MoDOT's Financial Dealer and Institution. The Investment Advisor shall retain principal collection subject to MoDOT's direction and shall distribute income to MoDOT. All securities will be registered in the name of the Missouri Highways and Transportation Commission (MHTC) unless otherwise instructed. Reviews of the financial condition and registration of MoDOT's Investment Advisor will be conducted by MoDOT personnel. MoDOT's Investment Advisor will supply the following information as requested:
 - Audited financial statements; and

- Certification of having read and understood and agreeing to comply with MHTC's Investment Policy.
- 2. Internal Controls.** MoDOT personnel are responsible for establishing and maintaining an internal control structure designed to ensure the assets of MoDOT are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, MoDOT personnel, as a part of its annual review of all of the Department's internal controls, shall establish a process for an annual review to ensure compliance with policies and procedures. The internal controls shall address the following points:

- Separation of transaction authority from accounting and record keeping;
- Custodial safekeeping;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers; and
- Sufficiency check of repurchase agreement collateral.

In addition, as part of the Department's annual financial statement audit, the financial statement auditors will review investments to determine they are fairly presented in the financial statements.

- 3. Delivery vs. Payment.** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure securities are deposited in an eligible financial institution prior to the release of funds. All securities will be held to avoid custodial credit risk as defined by Governmental Accounting Standards Board (GASB) standards. DVP is the industry standard, and it is the Investment Advisor's responsibility to notify MoDOT personnel of any changes to this standard.

V. Suitable and Authorized Investments

- 1. Investment Types.** In accordance with and subject to restrictions imposed by current statutes, the following list represents the entire range of investments MoDOT will consider. MoDOT may directly invest in or purchase money market mutual funds with the following as underlying securities:
- a. United States Treasury Securities.** MoDOT may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.

- b. United States Agency Securities. MoDOT may invest in obligations issued or guaranteed by any agency of the United States Government as described below:
 - i. U.S. Govt. Agency Coupon and Zero Coupon Securities. Bullet coupon bonds with no embedded options.
 - ii. U.S. Govt. Agency Discount Notes. Purchased at a discount.
 - iii. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par or above.
 - iv. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At specific future rate reset dates, the coupon rate changes to a new pre-determined rate, for a specific period of time.
 - v. U.S. Govt. Agency Floating Rate Securities. The coupon rate floats off one index and resets at least quarterly.
 - vi. U.S. Govt. Mortgage Backed Securities. Restricted to securities with average life of five (5) years or less at time of purchase. Collateralized Mortgage Obligations must pass the Federal Financial Institutions Examination Council (FFIEC) test at the time of purchase.
 - c. Repurchase Agreements. MoDOT may invest in contractual agreements between MoDOT and commercial banks or primary government securities dealers for periods of ninety (90) days or less. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices. This includes the purchase of reverse repurchase agreements for not longer than ninety (90) days.
 - d. Collateralized Public Deposits (certificates of deposit). MoDOT may invest in instruments issued by financial institutions, which state that specified sums have been deposited for specified periods of time, and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute.
 - e. Bankers' Acceptances. Definition - Bills of exchange or time drafts on and accepted by a commercial bank, otherwise known as bankers' acceptances. MoDOT may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by at least two nationally recognized statistical rating organizations (NRSRO's).
- 2. Investment Restrictions and Prohibited Transactions.** To provide for the safety and liquidity of MoDOT's funds, the investment portfolio will be subject to the following restrictions:

- a. Borrowing for investment purposes (“Leverage”) is prohibited.
 - b. Instruments known as Structured Notes having internal leverage (e.g., inverse floaters, leveraged floaters and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a “derivative” instrument (e.g., options, futures, swaps, caps, floors, and collars), is prohibited.
 - c. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.
 - d. No more than five (5) percent of the total market value of the portfolio may be invested in bankers’ acceptances issued by any one commercial bank.
 - e. The portfolio shall not invest, directly or indirectly, in cryptocurrencies, digital tokens, or any other blockchain-based digital assets, including but not limited to Bitcoin, Ethereum, stablecoins, non-fungible tokens (NFTs), or any derivative or pooled investment vehicle (e.g., ETFs, trusts, or funds) whose underlying assets are primarily composed of such instruments.
3. **Collateralization.** Collateralization will be required on the following types of investments: demand deposit accounts, certificates of deposit and repurchase agreements. The market value (including accrued interest) of the collateral should be at least 100 percent. For certificates of deposit, the market value of collateral must be at least 100 percent or greater of the amount of certificates of deposits plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Union Administration. All securities, which serve as collateral against the deposits of a depository institution, must be safekept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts by the next business day from the settlement date. MoDOT shall have a *pledgee agreement* with each safekeeping bank. This will ensure that MoDOT’s security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.
4. **Repurchase Agreements.** The securities for which repurchase agreements will be transacted will be limited to U.S. Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fedwire book entry system. Securities will be delivered to MoDOT’s designated Custodial Agent. Funds and securities will be transferred on a delivery vs. payment basis.

VI. Investment Parameters

1. **Diversification.** The aggregate investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and

periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

- a. U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government $\leq 100\%$
 - b. Collateralized time and demand deposits $\leq 100\%$
 - c. U.S. Government agencies, and government sponsored enterprises (with no more than 50% of the portfolio in any one Government-sponsored enterprise) $\leq 100\%$
 - d. Collateralized repurchase agreements $\leq 100\%$
 - e. U.S. Government agency callable securities $\leq 50\%$
 - f. Bankers' Acceptances $\leq 20\%$
2. **Maximum Maturities.** To the extent possible, MoDOT shall attempt to match its investments with anticipated cash flow requirements. MoDOT shall adopt weighted average life limitations for the individual portfolios as defined below:
- a. Self Insurance Plan – the weighted average life should not exceed two (2) years and is consistent with the investment objectives.
 - b. Medical & Life Insurance Plan – the weighted average life should not exceed three (3) years and is consistent with the investment objectives.
 - c. Missouri Transportation Finance Corporation – the weighted average life for the Transportation and Highway account investments should not exceed three (3) years and is consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio shall be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

VII. Reporting

1. **Methods.** MoDOT personnel shall maintain monthly investment and market value reports tracking investment performance and verifying the market value of the investment portfolio has been reviewed by the State Treasurer's Office. MoDOT personnel shall also prepare a management summary investment report at least quarterly that provides an analysis of the status of the current investment portfolio. Timing of the management summary investment report will be as of month-end January, April, July and October. This management summary will be prepared in a manner that will allow MoDOT to ascertain whether investment activities during the

reporting period have conformed to the Investment Policy. The management summary investment report will include the following:

- A portfolio summary by investment type of the securities held at the end of the reporting period.
- Market value of cash and investments of the portfolio.
- Realized and unrealized gains or losses resulting from appreciation or depreciation of the market value of securities held during the reporting period.
- Average weighted yield to maturity of the portfolio as compared to applicable benchmarks.
- Average weighted life of the portfolio.

The report shall be provided to the Director, Chief Financial Officer, Financial Services Director, and his or her delegate(s). MoDOT, at their discretion, will meet with the Investment Advisor to review and discuss investment activities as needed.

2. **Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this Investment Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

Commercial paper and bankers' acceptances must be reviewed monthly to determine if the rating level has changed. The commercial paper and bankers' acceptances should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

VIII. Policy Considerations

1. **Exemption.** Any investment currently held that does not meet the guidelines of this Investment Policy shall be exempted from the requirements of this Investment Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Investment Policy.

IX. List of Documents

The following documents are associated with this Investment Policy and should be in-place, reviewed and updated on a regular basis:

- Commercial Banking, Investment Management and Security Safekeeping Services Contract Agreement, including any safekeeping agreements, wire transfer agreements, and BusinessLink agreements
- Listing of authorized personnel as identified in the Delegation of Investment Authority memorandum,
- Relevant investment statutes and ordinances,
- Repurchase agreements,
- Credit ratings for securities purchased,

- Pledgee Agreement Form with the Federal Reserve Bank of Boston, and
- Portfolio stress testing if necessary

Effective Date: May 6, 2026

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: May 6, 2026

Related Commission Minutes: May 6, 2026.



4

FISCAL YEAR 2027 AUDIT SERVICES CONTRACT

-- Presented by Doug Hood, Treasurer, 573-526-3955.

ISSUE: In accordance with the Transportation Equity Act for the 21st Century Cooperative Agreement between the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, all agencies of the United States Department of Transportation, the Missouri Highways and Transportation Commission, and the Missouri Transportation Finance Corporation (MTFC), the MTFC receives an annual independent financial and compliance audit. On January 25, 2023, the Board approved a contract with Williams-Keepers LLC to perform an independent financial audit of the MTFC for fiscal years 2023, 2024, and 2025. The contract also has the option for two one-year renewals.

RECOMMEND the MTFC Board Members:

- Approve the execution of a one-year renewal option with Williams-Keepers LLC for the fiscal year 2027 audit.
- Authorize the Executive Director or Treasurer to negotiate renewal price and execute the related documents.

STAFF VIEW:

- Staff was pleased with the work performed by Williams-Keepers LLC for the fiscal years 2023-2026 audits.

OTHER VIEWS:

- None.

MHTC POLICY:

- Not applicable.

OTHER PERTINENT INFORMATION:

- The fee for the fiscal year 2023 audit was \$12,500. The fee for the fiscal year 2024 audit was \$13,000. The fee for the fiscal year 2025 audit was \$13,500. The fee for the fiscal year 2026 audit was \$13,850.
- The fee for the second one-year renewal for the fiscal year 2027 audit is limited to a maximum increase of five percent.
- In the fall of 2027, the MTFC will issue a Request for Proposal (RFP) for audit services.

SOURCE OF FUNDING: Fiscal year 2028 MTFC budget.



5

CITY OF ST. CHARLES MTFC LOAN REQUEST

-- Presented by Doug Hood, Treasurer, 573-526-3955.

ISSUE: The city of St. Charles (the “City”) submitted a \$3,200,000 MTFC loan application to finance a city project. The project constructs road and pedestrian improvements on North Main Street from Clark Street to Montgomery Street. The project is located in the St. Louis District.

RECOMMEND the MTFC Board Members:

- Approve the direct loan to the City based upon:
 - An amount not to exceed \$3,200,000;
 - Term of the loan is ten years;
 - The City making principal and interest payments on March 1 of each year, beginning March 1, 2028 through March 1, 2037;
 - A fixed interest rate of 3.54 percent;
 - The City’s pledge to repay its loan from revenues generated by its one-half cent capital improvement sales tax (no sunset). In addition, the City also pledges its gaming admissions tax (no sunset) to augment any unexpected shortfalls from the one-half cent capital improvements sales tax; and
 - The City’s pledge to do all things lawfully within its power to budget and appropriate debt service annually from all available revenues to make all loan payments when due.
- Authorize the Executive Director or Treasurer to execute related loan documents.

STAFF VIEW:

- The staff is in support of this loan given the proposed loan conditions.

OTHER VIEWS:

- The City has agreed to the loan conditions recommended above.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

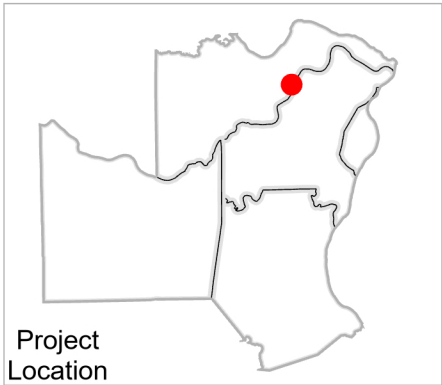
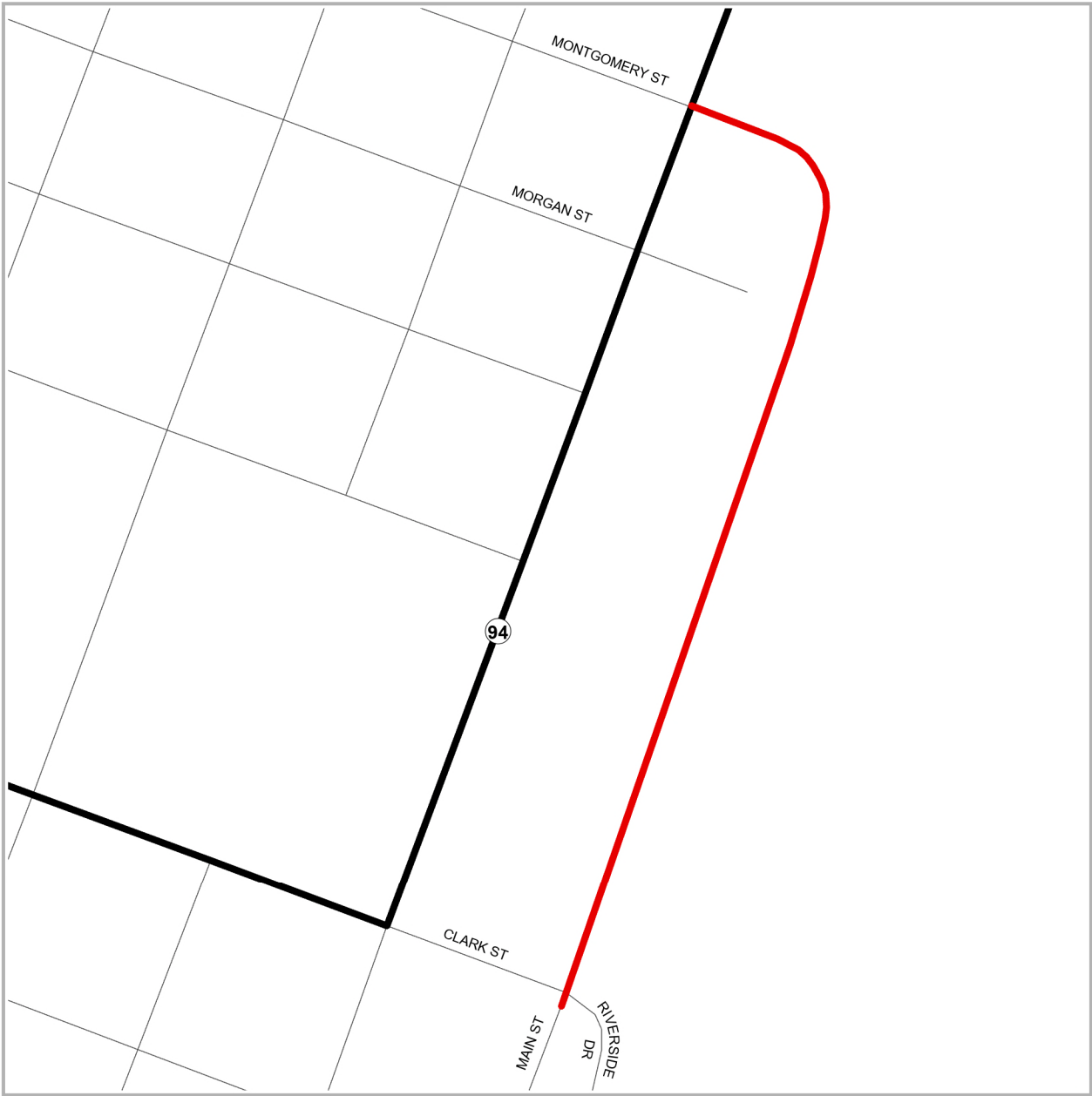
OTHER PERTINENT INFORMATION:

- Attachment 1 is a map of the project location.
- The project provides sidewalks on North Main Street from Clark Street to Montgomery Street. Additionally, the project will include a full depth pavement replacement with new curbs and gutters, storm sewers, lighting, a 2’-wide paver/green space buffer, and 5’-wide sidewalks on both sides. The improvements will serve future developments and improve travel for the community.
- North Main Street is a federal aid route owned and maintained by the City. It is not part of the state highway system.
- The estimated project costs totaling \$15,032,923 will be funded by the following sources: \$2,500,000 in federal Transportation Alternative Program (TAP) funds, \$4,647,092 in St.

Charles County Transportation Improvement Program funds, \$2,500,000 in St. Charles County funds, \$1,570,958 in city funds for water main upgrades, \$500,000 in city funds for sanitary sewer upgrades, and \$3,314,873 in city funds for the roadway project (\$3,200,000 MTFC loan request).

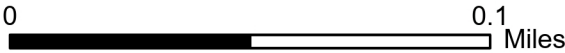
- The loan disbursement is planned in March 2027 for construction.
- The project construction is estimated to begin in Fall 2026.
- The one-half cent capital improvement sales tax has generated an average of \$7.6 million annually for the last three years and the gaming admissions tax has generated an average of \$10.2 million annually for the last three years. Analysis of current commitments to be funded from these funding sources indicate sufficient revenues are available to pay the debt service of the loan.
- In the event of default, the direct loan agreement provides for the ability to collect any federal or state funds due to the City that pass through or are administered by the Commission or MoDOT to be applied to the City's indebtedness until the default is cured.
- The City currently has six outstanding MTFC loans, \$1,250,000 for Boschertown Road, \$500,000 for Little Hills Expressway and Mel Wetter Parkway Roundabout, \$550,000 for Route 94/364 and Muegge Road Interchange (Design), \$7,752,705 for Route 94/364 and Muegge Road Interchange (Construction), \$2,304,000 for First Capitol Drive Pedestrian Improvements, and \$3,200,000 for North 2nd Street Pedestrian Improvements. All loan repayments are current and will be fully repaid by June 30, 2035.
- Moody's rated the City's bonds as "AA" on August 29, 2025.
- The interest rate of 3.54 percent for this loan is in compliance with the loan policy and federal regulations. The rating is based upon the yield for a ten-year maturity, Moody's "AA" rated municipal bond as of August 18, 2026.
- Loan will be disbursed from the Transportation Account.

SOURCE OF FUNDING: The MTFC's fund balance is sufficient to cover this loan.



 **Project Location**

CITY OF ST. CHARLES
NORTH MAIN STREET EXTENSION
ST. CHARLES COUNTY





6

EXECUTIVE DIRECTOR'S REPORT

-- Presented by Brenda Morris, Executive Director, 573-522-5688.

ISSUE: To present the Executive Director's Report on the MTFC's activities and status since the May 6, 2026 Board Meeting.

RECOMMEND the MTFC Board Members:

- No action required. This report is informational.

STAFF VIEW:

- See Attachment 1 for the Executive Director's Report.
- See Attachment 2 for the Outstanding Loans and Approved Loans Pending Disbursement Report.
- See Attachment 3 for the Cashflow Projections as of August 31, 2026.

OTHER VIEWS:

- None.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

OTHER PERTINENT INFORMATION:

- The anticipated low cash balance is \$77.0 million (February 2027).

SOURCE OF FUNDING: Not applicable.



Executive Director's Report

1. Cash flow projection and historical data

- MTFC statistics
 - \$47.2 million loans receivable at August 31, 2026 (**Attachment 2**)
 - \$6.5 million of approved loans pending disbursement (**Attachment 2**)
 - Gains over capitalization (original capitalization of \$59.7 million)
 - \$67.5 million cumulative gain through interest and fees since initial capitalization
- Projected cash flow (**Attachment 3**)
 - \$77.0 million is the lowest projected cash balance in February 2027
 - \$6.5 million is scheduled to be disbursed (for previously approved loans)
 - \$3.6 million in fiscal year 2027
 - \$2.9 million in fiscal year 2028

2. Potential loans

- a. The following entities have inquired about obtaining a MTFC loan.

<u>Applicant</u>	<u>Loan Request</u>	<u>Loan Description</u>
City of Jonesburg	\$1,548,398	Route Y Widening
City of Sikeston	\$2,500,000	Route 60/Ingram Road Project
Total	<u>\$4,048,398</u>	

3. The projected low cash balance is \$77.0 million (February 2027), which is an increase of \$10.0 million from the projected low cash balance of \$67.0 million (April 2026) reported at the May 6, 2026 meeting. The increase is attributable to loan repayments and interest income.
4. The next MTFC meeting will be in February 2027.

Outstanding Loans and Approved Loans Pending Disbursement

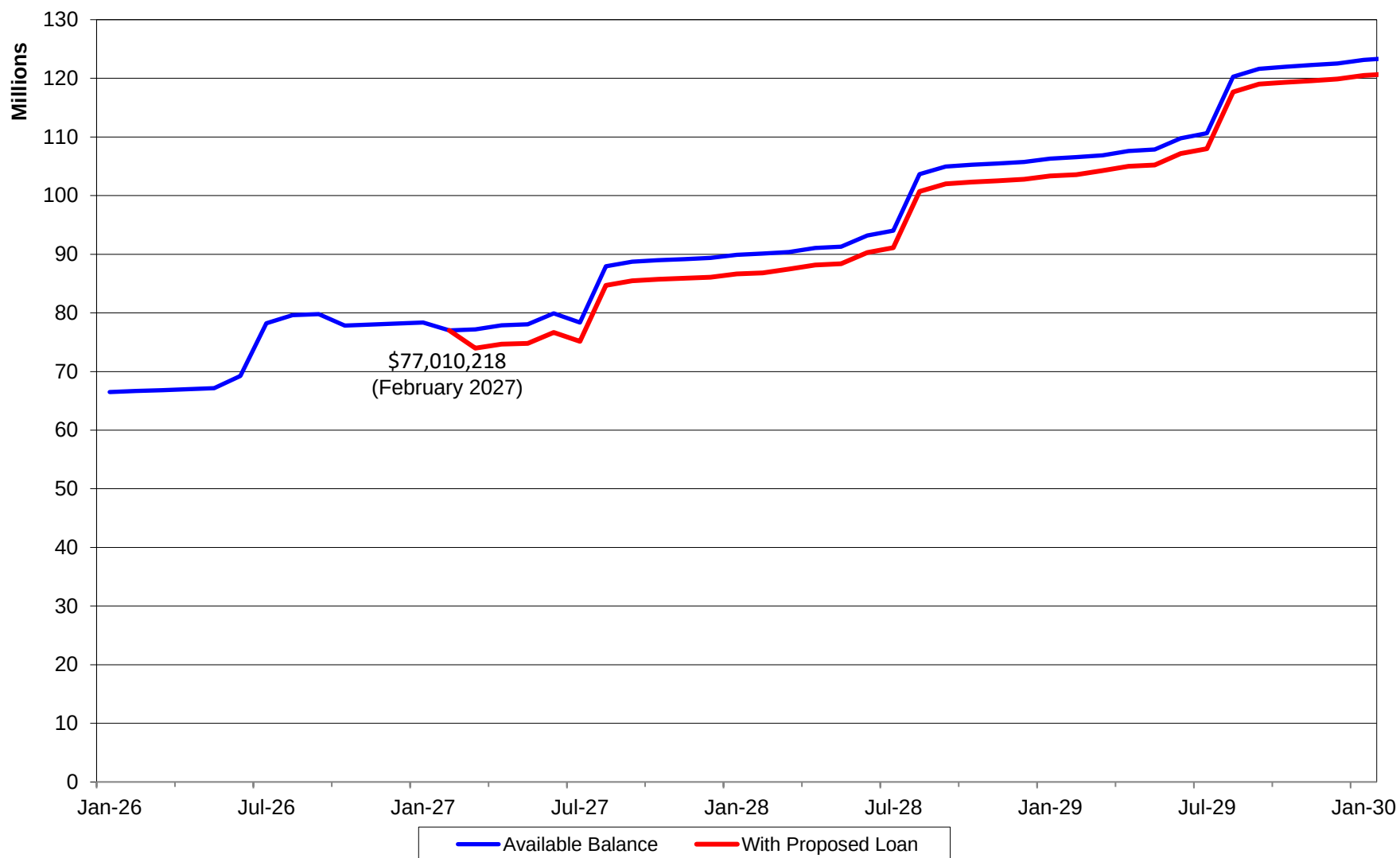
Outstanding Loans	Approval Date	Project Cost	Loan Amount	Loans Receivable (as of 8/31/2026)	Interest Rate	Loan Term (in years)	Payment Frequency	Final Maturity Date
City of Sunrise Beach, Widen Route 5	Jan-15	1,770,540	225,759	97,175	2.55%	15	Annually	08/31/30
City of Warsaw, Route 7 and Commerical Street Improvements	Oct-18	729,000	280,500	61,573	2.64%	10	Annually	07/31/28
City of Warrenton, Construct Sidewalk on Route 47	May-19	2,802,000	1,176,000	373,693	2.93%	10	Annually	07/15/29
City of St. Charles, Boschertown Road Improvements	Oct-19	3,250,000	1,250,000	382,390	1.40%	10	Annually	06/30/29
City of St. Charles, Little Hills Expressway and Mel Wetter Parkway Roundabout	Oct-19	2,000,000	500,000	154,384	1.40%	10	Annually	06/30/29
City of St. Charles, Route 94/364 and Muegge Road Interchange Improvements (Design)	Oct-19	15,658,540	550,000	171,868	1.40%	10	Annually	06/30/29
City of Ashland, Route M and Henry Clay Blvd Roundabout	Oct-18	2,167,000	1,100,000	346,766	2.64%	10	Annually	07/15/29
City of Poplar Bluff, Construct Four Lane Route 67 from Route 160 South to County Road 338	May-20	16,482,000	8,781,000	4,880,707	2.09%	15	Annually	09/01/35
City of St. Charles, Route 94/364 and Muegge Road Interchange Improvements (Construction)	Aug-21	19,131,975	7,752,705	3,965,634	1.05%	10	Annually	06/30/31
County of Saline, Relocate the Median Crossing of Route 65 and County Road 226/237	Aug-20	2,722,184	1,406,067	723,487	1.45%	10	Annually	08/15/31
City of Poplar Bluff, Construct Four Lane Route 67 from County Road 338 to County Road 352	Oct-21	16,403,475	9,535,262	3,956,434	1.45%	14	Annually	09/01/35
City of Republic, Widen Route MM to Four Lanes Plus a Center Turn Lane from Route 360 (James River Freeway) to Interstate 44	Feb-22	10,375,000	4,200,000	994,443	1.40%	10	Annually	04/15/32
MHTC, I-70 Rocheport Bridge Replacement and Mineola Hill Climbing Lanes	Oct-19	255,800,000	62,500,000	27,116,510	1.06%	7	Annually	08/01/29
City of Sweet Springs, Lower Vertical Curve on Route 127 and Add Right Turn Lanes onto and off Route 127 and I-70	Feb-24	1,279,998	639,999	502,762	2.50%	10	Annually	04/30/34
City of St. Charles, Road and Pedestrian Improvements on First Capitol Street	Feb-25	8,800,000	2,304,000	0	3.11%	10	Annually	06/30/35
City of St. Charles, Road and Pedestrian Improvements on North Second Street	Feb-25	8,960,000	3,200,000	2,900,065	3.11%	10	Annually	06/30/35
City of Farmington, Route 67 Ramp Terminal Improvements	Feb-26	5,901,760	2,950,880	544,000	2.87%	5	Biannually	07/31/31
Totals		\$374,233,472	\$108,352,172	\$47,171,891				

Outstanding Loans and Approved Loans Pending Disbursement

Approved Loans Pending Disbursement	Approval Date	Project Cost	Loan Amount	Pending Disbursement (as of 8/31/2026)	Interest Rate	Loan Term (in years)	Payment Frequency	Projected Disbursement Date
City of Republic, Widen Route MM to Four Lanes Plus a Center Turn Lane from Route 360 (James River Freeway) to Interstate 44	Feb-22	10,375,000	4,200,000	1,506,775	1.40%	10	Annually	02/01/27
City of St. Charles, Road and Pedestrian Improvements on First Capitol Street.	Feb-25	8,800,000	2,304,000	2,076,000	3.11%	10	Annually	10/01/26
City of Farmington, Route 67 Ramp Terminal Improvements	Feb-26	5,901,760	2,950,880	46,250	2.87%	5	Biannually	10/1/2026
				2,360,630				7/1/2027
City of Battlefield, Weaver Road Improvements	Feb-26	3,034,030	530,000	29,000	2.58%	5	Biannually	10/1/2026
				501,000				9/1/2027
Totals		\$28,110,790	\$9,984,880	\$6,519,655				



Cashflow Projections as of August 31, 2026





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MTFC FINANCIAL REPORT – FISCAL YEAR 2027

-- Presented by Doug Hood, Treasurer, 573-526-3955.

ISSUE: Attached is a copy of the Financial Report for the fiscal year-to-date ended August 31, 2026 with budget and prior year comparisons (Attachment 1).

RECOMMEND the MTFC Board Members:

- No action is required.

STAFF VIEW:

- Total assets increased \$3.1 million compared to last year primarily because of an increase in cash and investments. Net loans receivable decreased \$9.0 million compared to August 31, 2025, and cash and investments increased \$12.1 million compared to last year. This is due to a decrease in outstanding loans and an increase in investments.
- Restricted net position available for lending purposes consist of the initial capitalization of the MTFC received from the Federal Highway Administration, the related state match, and interest earned on investments. Unrestricted net position is interest earned on loans and program fees, which may be utilized for loans or administrative expenses.
- For the two months ended August 31, 2026, interest income on loans was down \$7,314 compared to last year, which is the result of a decrease in outstanding loans. Program fees increased by \$4,800 due to an increase in loan request amounts. Program fees are based on loan request amounts.
- Operating expenses for the two months ended August 31, 2026 decreased \$5,948 compared to last year primarily due to Administrative Fees which include staff time.
- Total non-operating revenue for the two months ended August 31, 2026 is \$49,444 less than the same period last year. The variance is due to a decrease in interest income on deposits.

OTHER VIEWS:

- None.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

OTHER PERTINENT INFORMATION:

- The Transportation and Highway account balances are \$61.8 million and \$17.8 million, respectively.

SOURCE OF FUNDING: Not applicable.



Statements of Net Position

August 31, 2026 and 2025

	<u>August 31, 2026</u>	<u>August 31, 2025</u>
Assets		
Cash and cash equivalents	\$ 13,240,263	\$ 16,244,193
Investments	66,389,590	51,324,517
Interest receivable - loans	61,124	261,771
Interest receivable - investments	299,587	77,307
Loans receivable, net	<u>47,171,892</u>	<u>56,148,067</u>
Total Assets	<u>127,162,456</u>	<u>124,055,855</u>
Liabilities		
Accounts payable	<u>6,000</u>	<u>16,000</u>
Total Liabilities	<u>6,000</u>	<u>16,000</u>
Net Position		
Restricted for lending purposes	91,226,361	88,826,906
Unrestricted net position	<u>35,930,095</u>	<u>35,212,949</u>
Total Net Position	<u>\$ 127,156,456</u>	<u>\$ 124,039,855</u>



Statements of Revenues, Expenses and Changes in Net Position

Two Months Ended August 31, 2026 and 2025

	Budget 2027	Fiscal Year-to-date 2027	Fiscal Year-to-date 2026
Operating Revenues			
Interest income on loans	\$ 732,781	\$ 122,785	\$ 130,099
Program fees	19,950	4,800	---
Total Operating Revenues	<u>752,731</u>	<u>127,585</u>	<u>130,099</u>
Operating Expenses			
Administrative fees	106,700	10,031	16,000
Professional fees	13,850	---	---
Travel and training	500	---	---
Other	1,100	21	---
Total Operating Expenses	<u>122,150</u>	<u>10,052</u>	<u>16,000</u>
Operating Income	<u>630,581</u>	<u>117,533</u>	<u>114,099</u>
Nonoperating Revenue (Expenses)			
Interest income on deposits	352,900	85,177	95,644
Investment earnings	791,700	204,753	60,222
Fair value of investments adjustment	1,408,600	122,202	303,172
Investment fees	(70,400)	(10,995)	(8,457)
Total Nonoperating Revenue (Expenses)	<u>2,482,800</u>	<u>401,137</u>	<u>450,581</u>
Changes in net position	<u>\$3,113,381</u>	518,670	564,680
Net Position, beginning of year		<u>126,637,786</u>	<u>123,475,175</u>
Net Position, August 31		<u>\$ 127,156,456</u>	<u>\$ 124,039,855</u>



Supplemental Information

August 31, 2026 and 2025

Loans Receivable

Loans are made to provide financing for highway and transportation projects. Future revenues primarily secure public entity loans and irrevocable letters of credit secure loans to private entities. The receivable balance as of August 31, 2026 and August 31, 2025 consists of the following:

(amounts in thousands)

Customer and Project Description	Loan Date	Maturity Date	Interest Rate	Fiscal Year 2027	Fiscal Year 2026
Principal and Interest Paid Annually					
City of Cottleville Finance the city's cost apportionment project to widen Route N to three lanes with a center turn lane, add shoulders and a shared-use path.	07/01/16	07/30/26	2.57%	\$ ---	\$ 94
City of Warsaw Finance the city's cost apportionment project to provide intersection improvements at Route 7 and Commercial Street.	11/28/18	07/31/28	2.64	62	91
City of Warrenton Finance the city's portion of a Cost Share project to install sidewalks along Route 47.	06/17/19	07/15/29	2.93	374	493
City of Sunrise Beach Finance the city's portion of the Cost Share project to widen Route 5 to three lanes from Route F to the city of Laurie.	07/01/15	08/31/30	2.55	97	120
City of St. Charles Finance part of the city's portion of a Cost Share project to provide improvements to the Route 94/364 and Muegge Road interchange.	12/16/19	06/30/29	1.40	172	228
City of St. Charles Finance the city's project to reconstruct and relocate Boschertown Road from Hecker Street to Route B.	12/16/19	06/30/29	1.40	382	506
City of St. Charles Finance the city's project to construct a roundabout at Little Hills Expressway and Mel Wetter Parkway.	12/16/19	06/30/29	1.40	154	204
City of Ashland Finance the city's portion of a Cost Share project to construct a roundabout at Route M and Henry Clay Boulevard.	02/21/20	07/15/29	2.64	347	457



Supplemental Information (continued)

Loans Receivable (continued)

(amounts in thousands)

Customer and Project Description	Loan Date	Maturity Date	Interest Rate	Fiscal Year 2027	Fiscal Year 2026
Principal and Interest Paid Annually					
City of Poplar Bluff Finance the city's portion of a Cost Share project to reconstruct Route 67 to a divided, multi-lane interstate highway facility from Route 160 south to County Road 338.	07/01/21	09/01/35	2.09%	\$ 4,881	\$ 5,843
City of St. Charles Finance part of the city's portion of Phase II of a Cost Share project to provide improvements to the Route 94/364 and Muegge Road interchange.	10/01/21	06/30/31	1.05	3,966	4,734
Saline County Finance the county's portion of a Cost Share project to relocate a median crossing at Route 65 and County Road 226/237.	02/01/22	08/15/31	1.45	723	862
City of Poplar Bluff Finance the city's portion of a Cost Share project to reconstruct Route 67 to a divided, multi-lane interstate highway facility from County Road 338 to County Road 352.	04/01/22	09/01/35	1.45	3,956	4,758
City of Republic Finance the city's portion of a Cost Share project to widen Route MM to four lanes plus a center turn lane from Route 360 (James River Freeway) to Interstate 44.	06/01/22	04/15/32	1.40	994	1,409
Missouri Highways & Transportation Commission Finance the Infrastructure for Rebuilding America (INFRA) grant project that replaces the Rocheport Bridge and constructs climbing lanes at Mineola Hill.	08/01/22	08/01/29	1.06	27,117	35,967
City of Sweet Springs Finance the city's portion of a Cost Share project to lower vertical curve on Route 127 and add right turn lanes onto and off Route 127 and I-70.	12/01/24	04/30/34	2.50	503	118



Supplemental Information (continued)

Loans Receivable (continued)

(amounts in thousands)

Customer and Project Description	Loan Date	Maturity Date	Interest Rate	Fiscal Year 2027	Fiscal Year 2026
Principal and Interest Paid Annually					
City of St. Charles Finance the city's project to construct road and pedestrian improvements on First Capitol Drive.	07/01/25	06/30/35	3.11%	\$ ---	\$ 36
City of St. Charles Finance the city's project to construct road and pedestrian improvements on North Second Street.	07/01/25	06/30/35	3.11	2,900	228
Principal and Interest Paid Semi-Annually					
City of Farmington Finance the city's portion of a Cost Share project to construct a turbo roundabout at Bray Road and Woodlawn Drive/Route 67 Southbound ramps, and add additional turn lanes and installation of a traffic signal at the intersection of Maple Street and Route 67 Northbound ramps.	08/01/26	07/31/31	2.87	544	---
Total				<u>\$ 47,172</u>	<u>\$ 56,148</u>



Supplemental Information (continued)

Loans Receivable (continued)

Annual loans receivable to maturity are indicated in the following schedule:
(amounts in thousands)

<u>Year</u>	<u>Principal</u>
2027	\$ 1,769
2028	12,611
2029	11,976
2030	11,670
2031	2,330
2032-2037	6,816
Total principal	<u>\$ 47,172</u>

Restricted and Unrestricted Net Position

Restricted net assets available for lending purposes is composed of the initial capitalization of the MTFC received from the Federal Highway Administration, the related state match and interest earned on investments. The remaining balance of net position is interest earned on loans, which may be utilized for loans or administrative expenses, and is unrestricted.

(amounts in thousands)

	<u>2027</u>	<u>2026</u>
Federal Grant	\$ 49,410	\$ 49,410
State Grant	10,250	10,250
Net Nonoperating Revenues (Expenses)	<u>31,566</u>	<u>29,167</u>
Total restricted net position available for lending purposes	<u>\$ 91,226</u>	<u>\$ 88,827</u>



Supplemental Information (continued)

Loan Commitments and Loans Approved

On August 31, 2026, the MTFC had four loan commitments totaling \$6.5 million that were approved and executed but not disbursed.

(amounts in thousands)

<u>Customer and Project Description</u>	<u>Approved Date</u>	<u>Projected Disbursement Date</u>	<u>Interest Rate</u>	<u>Loan Length</u>	<u>Amount</u>
Principal and Interest Paid Annually					
City of Republic Finance the city's portion of a Cost Share project to widen Route MM to four lanes plus a center turn lane from Route 360 (James River Freeway) to Interstate 44.	02/28/22	02/01/27	1.40%	10 years	\$ 1,507
City of St. Charles Finance the city's project to construct road and pedestrian improvements on First Capitol Drive.	02/04/25	10/01/26	3.11	10 years	2,076
Principal and Interest Paid Semi-Annually					
City of Farmington Finance the city's portion of a Cost Share project to construct a turbo roundabout at Bray Road and Woodlawn Drive/Route 67 Southbound ramps, and add additional turn lanes and installation of a traffic signal at the intersection of Maple Street and Route 67 Northbound ramps.	02/26/26	10/01/26 07/01/27	2.87	5 years	46 <u>2,361</u> 2,407
City of Battlefield Finance the city's portion of a Cost Share project to construct a turbo roundabout at Bray Road and Woodlawn Drive/Route 67 Southbound ramps, and add additional turn lanes and installation of a traffic signal at the intersection of Maple Street and Route 67 Northbound ramps.	02/26/26	10/01/26 09/01/27	2.58	5 years	29 <u>501</u> 530
Total loan commitments*					<u>\$ 6,520</u>



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LOAN PORTFOLIO REPORT

-- Presented by Doug Hood, Treasurer, 573-526-3955.

ISSUE: Attached is a copy of the Loan Portfolio of approved and executed loans since the inception of the MTFC in 1997.

RECOMMEND the MTFC Board Members:

- No action is required.

STAFF VIEW:

- None.

OTHER VIEWS:

- None.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

OTHER PERTINENT INFORMATION:

- Since the inception of the MTFC, the Board has approved 99 loans. Fifteen entities have chosen not to use an approved loan, leaving 84 loans. The MTFC has disbursed \$376.5 million for 83 loans. Future disbursements of \$6.5 million are pending, as shown in Attachment 1.
- Loan statistics are provided in Attachment 2 for the 84 loans executed or pending disbursement. The loan statistics include the average term, average interest rate, average loan amount, and the various projects the loans are funding.

SOURCE OF FUNDING: Not applicable.



Executed or Pending Loans Since 1997

	Project Name	Total Project Cost	Loan Date	Projected Loan Date	Term in Years	Interest Rate	Loan Amount	Pending Disbursement	Loans Receivable as of 8/31/2026	Date of Final Payment
1	MHTC, Construct Cape Girardeau Bridge	\$96,000,000	September-97		6	State Road Fund Earnings Rate	28,000,000		-	
2	City of St. Louis, Construct Gateway Multimodal Transportation Center	\$25,900,000	June-98		5	Non-Interest Bearing Loan	8,400,000		-	
3	City of St. Robert, Improve I-44 Interchange	\$1,461,473	December-98		2	2.33%	867,000		-	
4	City of Festus, Replace Bridge at I-55 and Route A	\$6,342,000	April-99		1.5	4.82%	6,342,000		-	
5	City of Springfield - Construct Various Highway Projects	\$33,680,000	August-99		6	State Road Fund Earnings Rate	2,870,000		-	
6	City of Springfield, Improve Springfield/Branson Regional Airport Access	\$10,630,000	January-00		3	6.28%	2,100,000		-	
7	City of Fulton, Construct Overpass at Route 54 and Route HH Interchange	\$7,700,000	May-00		1.5	2.55%	1,000,000		-	
8	City of Springfield, Acquire Right of Way for Route 60 and Route 65 Interchange	\$7,000,000	May-02		4	2.50%	4,000,000		-	
9	Highway 179 Transportation Corporation, Acquire Right of Way and Construct Route 179 Extension	\$40,200,000	November-02		6	3.38%	5,999,970		-	
10	City of Hollister, Improve Route 65 ¹	\$19,000,000	April-04		10	3.59%	500,000		-	
11	City of Farmington, Construct Overpass at Route 67 and Maple Street Interchange	\$4,778,931	November-04		1	3.53%	696,931		-	
12	City of Jackson, Provide Safety Lighting	\$200,000	September-05		2	1.71%	200,000		-	
13	City of Washington, Widen Route 100 to Five Lanes in City Limits ^{1,2}	\$55,396,866	April-07		2	3.69%	7,364,451		-	
14	MHTC, Construct Four Lane Route 63 from Macon to Kirksville	\$37,384,000	April-03		6	3.23%	24,256,000		-	
15	Bi-State Development Agency, Acquire Metro Buses	\$27,611,942	July-00		10	5.49%	5,267,589		-	
16	Bi-State Development Agency, Acquire Metro Buses	\$30,798,058	June-01		10	4.64%	5,875,411		-	
17	City of Joplin, Improve Route FF and Prigmore Avenue Intersection	\$6,210,700	July-09		5	3.50%	3,000,000		-	
18	American Energy Producers, Inc., Construct Right and Left Turn Lanes on Route 65 ¹	\$420,500	July-08		2	4.20%	183,750		-	
19	County of St. Louis, Provide Access to and from I-64 Spirit Boulevard ¹	\$2,785,316	March-09		1.5	3.91%	1,392,658		-	
20	City of Grandview, Construct Route 71 and Route 150 Interchange	\$450,000	September-08		5	3.29%	387,500		-	
21	City of Warrenton, Improve Route 47 and Warrior Avenue Intersection ¹	\$600,000	February-08		3	3.91%	481,500		-	
22	City of Belton, Improve Route 71 and Route Y Interchange	\$16,120,187	December-08		10	4.86%	2,602,362		-	
23	City of Waynesville, Relocate GW Lane Outer Road ¹	\$2,034,880	September-09		2	1.02%	1,017,440		-	
24	County of St. Louis, Rebuild I-270 and Dorsett Road Interchange ^{1,2}	\$31,204,000	March-09		4	3.53%	5,100,000		-	
25	City of Trenton, Improve Route 65 and Construct Turn Lanes ¹	\$916,000	October-09		3	1.18%	382,000		-	
26	City of Lexington, Rehabilitate South 24th Street between Route 24 and Route 224	\$100,000	November-05		7	3.76%	100,000		-	
27	City of Poplar Bluff, Construct Shelby Road	\$5,212,500	March-09		12	4.86%	5,212,500		-	
28	Kansas City Power and Light, Improve Route 45 Bridges ¹	\$6,201,060	May-09		9.25	5.15%	6,201,060		-	
29	City of Lexington, Rehabilitate South and Franklin Streets	\$60,000	August-06		7	3.80%	60,000		-	
30	St. Francois County Special Road District #2, Replace Commerce Street Bridge	\$367,000	June-09		8	4.03%	367,000		-	



Executed or Pending Loans Since 1997

	Project Name	Total Project Cost	Loan Date	Projected Loan Date	Term in Years	Interest Rate	Loan Amount	Pending Disbursement	Loans Receivable as of 8/31/2026	Date of Final Payment
31	County of St. Charles, Construct Phase II of Route 364 (Page Avenue) ¹	\$42,548,000	June-10		3	1.33%	10,000,000		-	
32	Neosho TDD, Improve Route 60 ¹	\$4,852,000	July-12		2	0.27%	1,721,261		-	
33	City of Liberty, I-35 and Route 291 Interchange Improvements ¹	\$16,550,000	September-12		1	0.72%	5,000,000		-	
34	County of Madison, Relocate Route 72 Bypassing Fredericktown and Junction City	\$8,201,947	September-07		11.5	4.20%	4,839,000		-	
35	Bi-State Development Agency, Debt Service Reserve Fund	\$28,000,000	October-11		5	1.83%	5,000,000		-	
36	City of Rogersville, Improve Route 60 and Route VV/B Intersection ¹	\$846,280	July-09		10	4.47%	726,000		-	
37	County of St. Charles, Rebuild I-70 and Mid Rivers Mall Drive Interchange ¹	\$12,764,000	December-12		2	0.69%	3,334,406		-	
38	Highway 71/291 Partners In Progress TDD, Route 71 and 291 Interchange Improvements ¹	\$19,655,803	May-12		3	0.55%	6,505,904		-	
39	City of Pacific, Relocate I-44 Eastbound On-ramp	\$1,400,000	March-09		6.5	4.18%	1,200,000		-	
40	City of Republic, Route 60 and Oakwood Avenue Intersection Improvements	\$949,138	March-12		5	2.96%	221,019		-	
41	U.S. Highway 36 TDD, Construct Four Lane Route 36 from Macon to Hannibal	\$103,573,000	December-09		10	3.99%	34,299,340		-	
42	City of Kansas City, kcICON, Construct Single Point Urban Interchange	\$25,000,000	December-07		10	4.20%	10,000,000		-	
43	City of Kirksville, Improve Access and Pedestrian Facilities Along Route 63 ¹	\$739,550	December-11		10	2.92%	557,250		-	
44	City of St. Louis, Construct Gateway Multimodal Transportation Center	\$28,900,000	October-07		10	4.20%	4,500,000		-	
45	City of Cape Girardeau, South Spring Street Bridge Replacement	\$4,425,100	December-15		10	3.26%	3,965,100		-	
46	Port Authority of Kansas City, Railroad Improvements	\$4,345,200	October-15		7	2.68%	150,000		-	
47	City of St. Clair, Relocate I-44 North Outer Road	\$5,377,281	October-11		10	2.93%	1,651,400		-	*
48	City of Columbia, Widen and Improve Route 740 (Stadium Boulevard)	\$19,894,853	March-12		10	3.92%	8,200,000		-	*
49	City of Poplar Bluff, Route 67 and Oak Grove Road Interchange Improvements and Business Route 67 and Oak Grove Road Intersection Improvements ^{1,2}	\$13,399,308	March-12		10	4.15%	8,492,232		-	*
50	County of Barton, Improve Route 71 at 30th Road and 1st Street	\$3,087,160	August-12		10	2.17%	1,543,580		-	*
51	City of O'Fallon, Crusher Street Extension	\$1,320,000	November-12		10	2.69%	1,320,000		-	*
52	City of O'Fallon, Elaine Drive Improvements	\$1,755,000	November-12		10	2.69%	1,755,000		-	*
53	Village of Innsbrook, Construct Shoulders on Route F	\$283,479	October-13		10	2.29%	200,000		-	*
54	County of Christian, Construct Diverging Diamond Interchange at Route 65 and Route CC	\$8,914,089	October-13		10	3.64%	1,657,044		-	*
55	City of Owensville, Widen and Improve Route 28	\$1,051,054	March-14		10	1.61%	525,527		-	*
56	City of Waynesville, Widen and Improve Route 17	\$2,040,840	October-14		10	2.28%	794,614		-	*
57	City of Sunrise Beach, Widen Route 5	\$1,770,540	July-15		15	2.55%	225,759		97,175	08/31/30 *
58	City of Park Hills, East Main Resurfacing	\$582,635	June-16		9	3.26%	529,668		-	*
59	City of Park Hills, Fairgrounds Road Extension	\$1,479,903	June-16		9	3.26%	844,944		-	*
60	City of Holts Summit, Roadway Improvements on Halifax Road	\$519,000	April-16		10	2.26%	519,000		-	*
61	City of Cottleville, Widen Route N	\$4,964,018	July-16		10	2.57%	843,018		-	*



Executed or Pending Loans Since 1997

	Project Name	Total Project Cost	Loan Date	Projected Loan Date	Term in Years	Interest Rate	Loan Amount	Pending Disbursement	Loans Receivable as of 8/31/2026	Date of Final Payment
62	City of Wentzville, Construct New I-70 Interchange West of Wentzville Parkway	\$23,724,047	January-20		5	1.00%	5,000,000		-	*
63	City of Warrenton, Construct New I-70 Interchange and Route MM Extension	\$15,400,000	December-16		20	2.64%	15,400,000		-	*
64	City of Clinton, Relocation of the Gaines Drive and Route 13 Intersection	\$3,630,938	April-19		15	3.00%	500,000		-	*
65	City of Republic, Roadway Improvements on East Hines Street	\$2,647,403	August-17		10	3.01%	660,779		-	*
66	City of Warsaw, Route 7 and Commercial Street Improvements	\$729,000	November-18		10	2.64%	280,500		61,573	07/31/28 *
67	City of Ashland, Route M and Henry Clay Blvd Roundabout	\$2,167,000	February-20		10	2.64%	1,100,000		346,766	07/15/29 *
68	City of Warrenton, Construct Sidewalk on Route 47	\$2,802,000	June-19		10	2.93%	1,176,000		373,693	07/15/29
69	City of St. Charles, Boschertown Road Improvements	\$3,250,000	December-19		10	1.40%	1,250,000		382,390	06/30/29
70	City of St. Charles, Little Hills Expressway and Mel Wetter Parkway Roundabout	\$2,000,000	December-19		10	1.40%	500,000		154,384	06/30/29
71	City of St. Charles, Route 94/364 and Muegge Road Interchange Improvements (Design)	\$1,615,540	December-19		10	1.40%	550,000		171,868	06/30/29
72	MHTC, I-70 Rocheport Bridge Replacement and Mineola Hill Climbing Lanes	\$255,800,000	August-22		7	1.06%	62,500,000		27,116,510	08/01/29
73	City of Poplar Bluff, Construct Four Lane Route 67 from Route 160 South to County Road 338	\$16,482,000	July-21		15	2.09%	8,781,000		4,880,707	09/01/35
74	County of Saline, Relocate the Median Crossing of Route 65 and County Road 226/237	\$2,722,184	February-22		10	1.45%	1,406,067		723,487	08/15/31
75	County of Lincoln, Remove Two At-Grade Crossings on Route 61 and Construct New Route 61 Outer Road	\$4,100,480	July-21		10	1.09%	220,500		-	
76	City of St. Charles, Route 94/364 and Muegge Road Interchange Improvements (Construction)	\$14,043,000	October-21		10	1.05%	7,752,705		3,965,634	06/30/31
77	City of Poplar Bluff, Construct Four Lane Route 67 from County Road 338 to County Road 352	\$16,403,475	April-22		14	1.45%	9,535,262		3,956,434	09/01/35
78	City of Republic, Widen Route MM to Four Lanes Plus a Center Turn Lane From Route 360 (James River Freeway) to Interstate 44	\$10,375,000	June-22		10	1.40%	4,200,000	1,506,775	994,443	04/15/32
79	City of St. Peters, Construct Additional Ramps to Convert Existing Partial Interchange at Route 370 and Salt River Road to a Full Interchange	\$14,998,619	August-22		10	2.22%	1,195,000		-	
80	City of Sweet Springs, Lower vertical curve on Route 127 and add right turn lanes onto and off Route 127 and I-70	\$1,279,998	May-24		10	2.50%	639,999		502,762	04/30/34
81	City of St. Charles, Road and pedestrian improvements on First Capitol Street.	\$8,800,000	July-25		10	3.11%	2,304,000	2,076,000	-	06/30/35
82	City of St. Charles, Road and pedestrian improvements on North Second Street.	\$8,960,000	July-25		10	3.11%	3,200,000		2,900,065	06/30/35
83	City of Farmington, Route 67 Ramp Terminal Improvements	\$5,901,760	August-26		5	2.87%	2,950,880	2,406,880	544,000	07/31/31
84	City of Battlefield, Weaver Road Improvements	\$3,034,030	October-26		5	2.58%	530,000	530,000	-	03/31/31
Totals		\$1,266,821,065					\$382,980,880	\$6,519,655	47,171,891	

1) Acceleration of a Cost Share / Economic Development Project
2) Involves Economic Development Activity



Loan Statistics

<u>Loan Statistics</u>	<u>Number of Loans</u>
Approved	99
Withdrawn	15
Disbursed (or at least a portion)	83
Pending	1

<u>Types of Loans Disbursed or Pending</u>	<u>Number of Loans</u>	<u>Total Loan Amount</u>	<u>Percentage of Loan Type</u>
Road Improvements	45	\$147,948,128	38.6%
Interchange Improvements	21	\$81,584,622	21.3%
Construct or Replace Bridges	6	\$107,375,160	28.0%
Construct Transportation Facilities	7	\$24,730,000	6.5%
Acquire Right of Way	2	\$9,999,970	2.6%
Purchase Buses	2	\$11,143,000	2.9%
Safety Lighting	1	\$200,000	0.1%
Total	84	\$382,980,880	

<u>Disbursed or Pending Loan Statistics</u>	<u>Highest</u>	<u>Lowest</u>	<u>Average</u>
Term in Years	20	1	8
Interest Rate	6.28%	0.27% *	2.86%
Loan Amount	\$62,500,000	\$60,000	\$4,559,296

*One non-interest bearing loan to the City of St. Louis for the construction of the Gateway Multimodal Transportation Center.



3

CENTRAL BANK INVESTMENT REPORTS

-- Presented by Doug Hood, Treasurer, 573-526-3955.

ISSUE: Attached are four charts from Central Bank reporting on the MTFC's investments as of August 31, 2026.

RECOMMEND the MTFC Board Members:

- No action is required.

STAFF VIEW:

- Attachment 1 indicates the Total Market Value of Securities at \$66.4 million and provides a breakdown of the portfolio by security type and length of maturity.
- Attachment 2 indicates the monthly Total Market Value of Securities from August 31, 2024 through August 31, 2026. The Total Market Value of Securities as of August 31, 2026 is \$66.4 million.
- Attachment 3 indicates the monthly Weighted Average Yield from August 31, 2024 through August 31, 2026. The Weighted Average Yield as of August 31, 2026 is 3.76 percent.
- Attachment 4 indicates the monthly Weighted Average Life from August 31, 2024 through August 31, 2026. The Weighted Average Life as of August 31, 2026 is 9.0 months.

OTHER VIEWS:

- None.

MHTC POLICY:

- Financial – Project Funding and Financing Alternatives – Missouri Transportation Finance Corporation (MTFC) Loan.

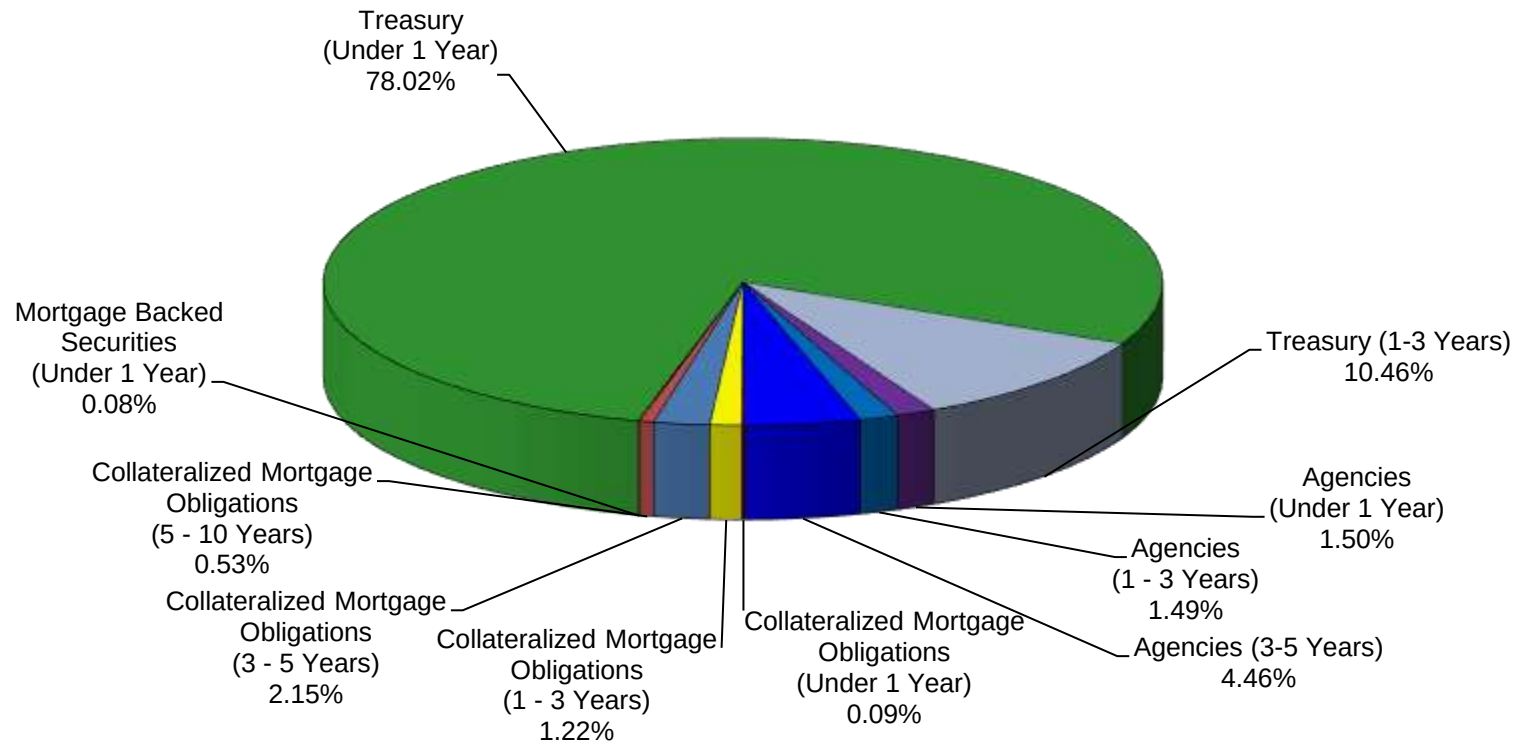
OTHER PERTINENT INFORMATION:

- None.

SOURCE OF FUNDING: Not applicable.

MTFC

Portfolio Composition by Market Value as of August 31, 2026 Total Market Value of Securities = \$66,389,640.09

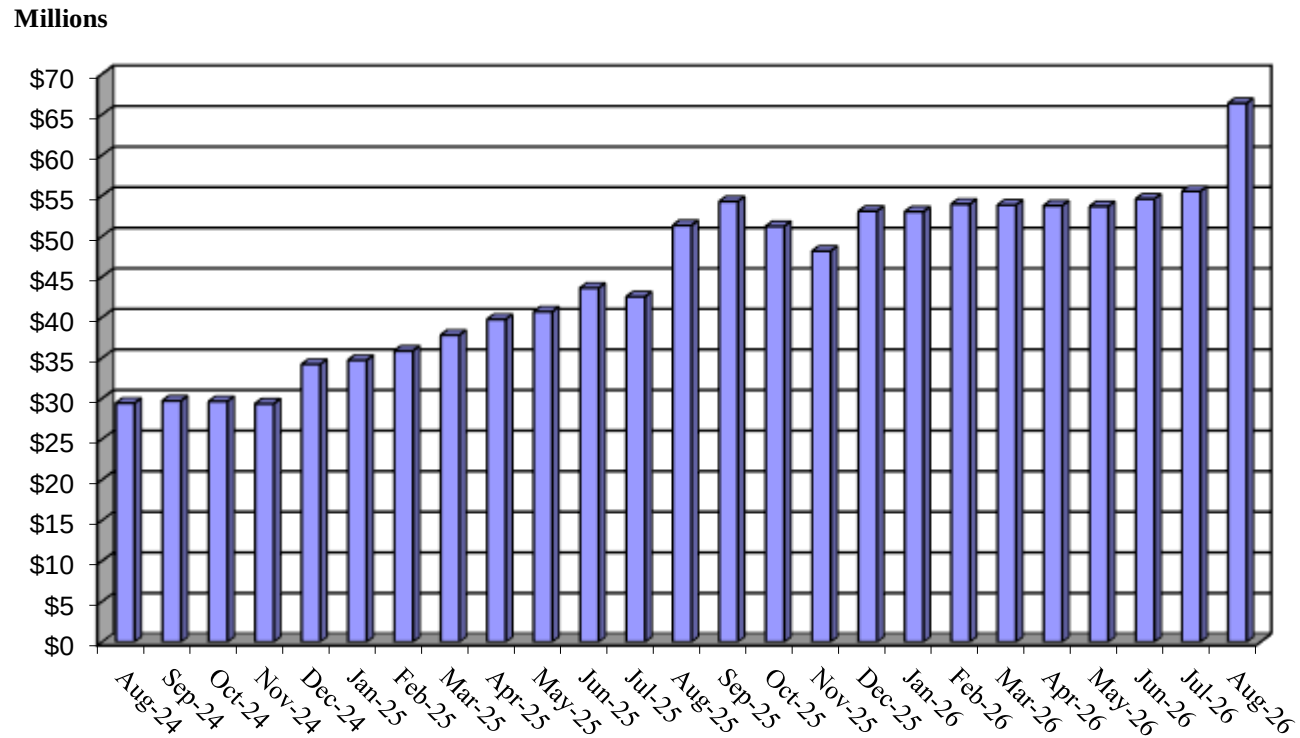


"Agencies" include debt instruments issued by federal government sponsored agencies such as the Federal Home Loan Bank and the Federal Farm Credit Bank.

"Mortgage Backed Securities" include debt instruments issued by and backed by a pool of mortgage loans through the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae) or the Government National Mortgage Association (Ginnie Mae).

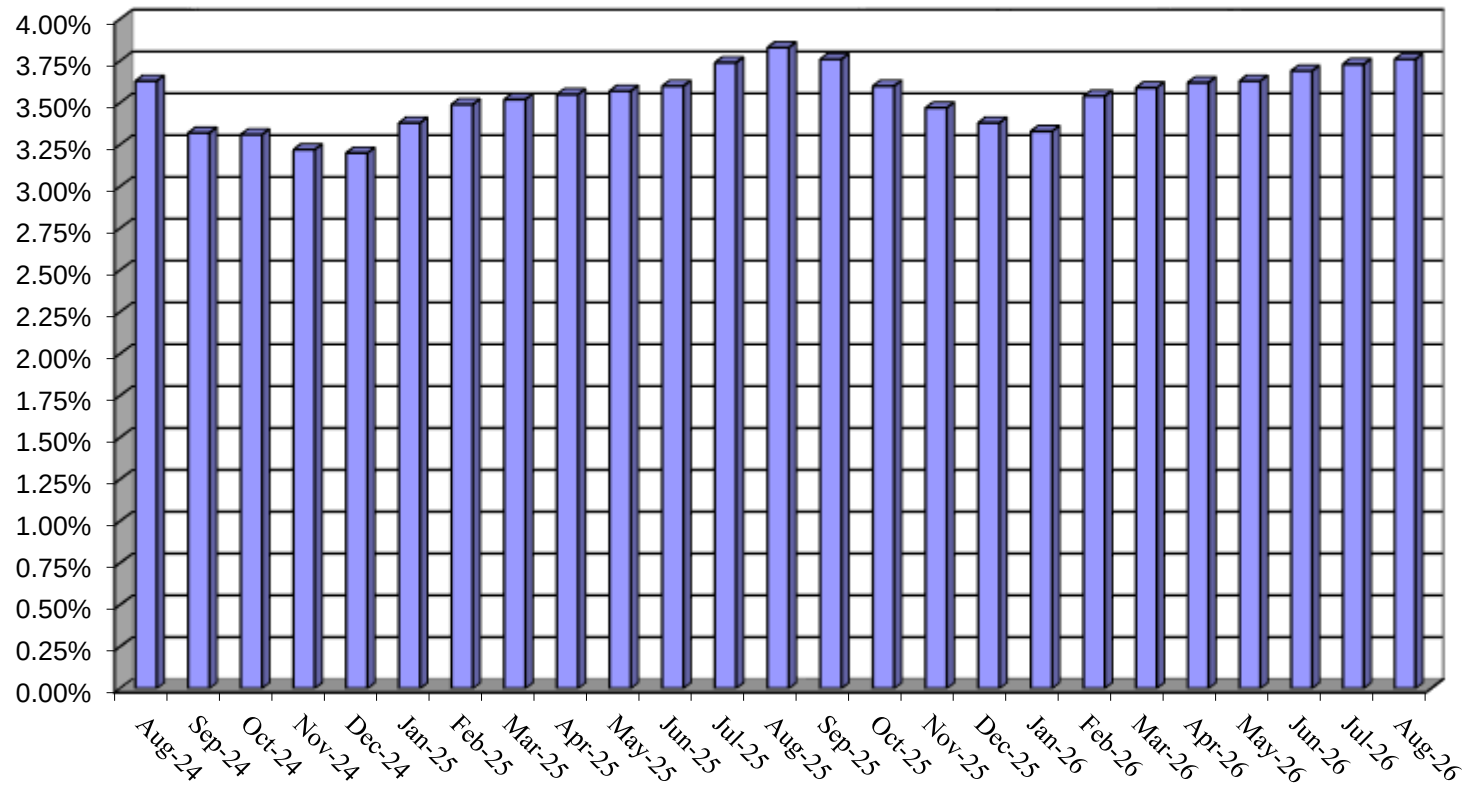
MTFC

Portfolio by Market Value
Current Market Value of Securities = \$66,389,640
August 31, 2024 through August 31, 2026



MTFC

Portfolio Weighted Average Yield
Current Weighted Average Yield = 3.76%
August 31, 2024 through August 31, 2026



MTFC

Portfolio Weighted Average Life
Current Weighted Average Life = 9 Months
August 31, 2024 through August 31, 2026

