

University of Missouri, St. Louis

IRL @ UMSL

UMSLCAB - UMSL's Political Science Millennial
Era Saint Louis Local Curated Area Budgets

Political Science Department

1-1-2006

Financial Statements, 2005

Mark Twain Mall Transportation Development District

Follow this and additional works at: <https://irl.umsl.edu/cab>

Recommended Citation

Mark Twain Mall Transportation Development District, "Financial Statements, 2005" (2006). *UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets*. 295.
<https://irl.umsl.edu/cab/295>

This Book is brought to you for free and open access by the Political Science Department at IRL @ UMSL. It has been accepted for inclusion in UMSLCAB - UMSL's Political Science Millennial Era Saint Louis Local Curated Area Budgets by an authorized administrator of IRL @ UMSL. For more information, please contact marvinh@umsl.edu.



CLAIRE C. McCASKILL
Missouri State Auditor

November 7, 2006

Linda K. AuBuchon
Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, MO 63102-2740

RE: Mark Twain Mall Transportation Development District of St. Charles County

Fiscal Period: One Year Ended December 31, 2005 ✓

Dear Ms. AuBuchon:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

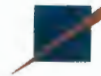
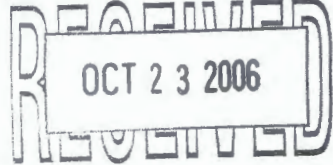
Thank you for your cooperation in sending this information.

Sincerely,

CLAIRE C. McCASKILL
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky
Local Government Analyst



MISSOURI

KANSAS

ILLINOIS

NEVADA

WASHINGTON, DC

SHANGHAI

ATTORNEYS AT LAW

October 18, 2006

VIA CERTIFIED/RETURN RECEIPT

Judy Buerky
State Auditor's Office
P O Box 869
Jefferson City, MO 65102

Re: Mark Twain Mall Transportation Development District (the "District")

Dear Judy:

Enclosed please find a copy of the audit of the District referenced above for the fiscal year ending December 31, 2005.

Sincerely,

A handwritten signature in blue ink that reads "Linda K. AuBuchon".

Linda K. AuBuchon
Governmental Affairs Assistant

LKA

Enclosure

cc: Sharon Sommer w/o Enclosure
Amelia Frankel w/o Enclosure

**MARK TWAIN MALL
TRANSPORTATION DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2005**



BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

**MARK TWAIN MALL
TRANSPORTATION DEVELOPMENT DISTRICT**

ST. CHARLES, MISSOURI

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2
BASIC FINANCIAL STATEMENTS:	
Statement Of Net Assets and Governmental Fund Balance Sheet	6
Statement of Activities and Governmental Fund Statement Of Revenues, Expenditures and Changes in Fund Balance	7
Notes To Financial Statements	8
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	12

INDEPENDENT AUDITORS' REPORT



Board of Trustees

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

We have audited the accompanying financial statements of the governmental activities, each major fund, of Mark Twain Mall Transportation Development District as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of Mark Twain Mall Transportation Development District as of December 31, 2005, and the respective changes in the financial position where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 5 and 12, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Botz, Deal & Company, P.C.

May 22, 2006

TWO WESTBURY DRIVE
ST. CHARLES, MO. 63301
(636) 946-2800
FAX (636) 946-2975
botzdeal@botzdeal.com

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005

This section of the Mark Twain Mall Transportation Development District's (the District) financial report presents discussion and analysis of the District's financial performance for the fiscal year ended December 31, 2005. It should be read in conjunction with the District's financial statements. The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

FINANCIAL HIGHLIGHTS

- The negative balance in unrestricted net assets is due to \$145,000 of debt, which is not offset on the statement of net assets by any governmental activities related to capital assets.
- Outstanding debt decreased 62% due to repayment of \$235,000 made during 2005.
- Net assets increased \$256,858 during 2005 as a result of the District paying down a portion of the outstanding loan balance.

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide Financial Statements - The government-wide financial statements are comprised of the *Statement of Net Assets* and the *Statement of Activities*. These statements present a government-wide view of the District's finances, using accounting methods similar to those used by private-sector businesses.

The *Statement of Net Assets* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of all of the assets of the District, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The *Statement of Activities* focuses on gross and net costs of the District's operations and the extent to which such operations rely upon general revenues. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected sales taxes).

Fund Financial Statements - Fund financial statements focus separately on the individual parts of the District, reporting the District's operations in more detail than the government-wide statements. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending. The District's only maintains a General Fund.

All of the District's services are included in the General Fund, which focus on (1) the inflow/outflow of cash and other financial assets that can readily be converted to cash, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's operations. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information in the reconciliation statement that explains the relationship (or differences) between them.

Because the District is a special purpose government engaged in a single governmental function, management has chosen to combine the government-wide financial statements with the fund financial statements using a columnar format that reconciles individual line items of fund financial data to the government-wide data on the face of the financial statements. Therefore, the *Statement of Net Assets* is shown with the *Governmental Funds Balance Sheet*, and the *Statement of Activities* is shown with the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance*.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis (MD&A). The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

THE DISTRICT AS A WHOLE

Financial Analysis. The District's net assets were a negative \$28,714 as of December 31, 2005. The District's negative net assets are due to the District's outstanding debt of \$145,000, which is not offset by any governmental activities related to capital assets. The condensed statement of net assets as of December 31, 2005 is as follows:

	Net Assets		
	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Assets:			
Current and other assets	\$ 192,562	\$ 243,274	\$ (50,712)
Liabilities:			
Current and other liabilities	76,276	148,846	(72,570)
Long-term liabilities	145,000	380,000	(235,000)
Total Liabilities	<u>221,276</u>	<u>528,846</u>	<u>(307,570)</u>
Net assets:			
Unrestricted	<u>\$ (28,714)</u>	<u>\$ (285,572)</u>	<u>\$ 256,858</u>

The District's net assets increased by \$256,858 during the current fiscal year. This increase is the result of the District paying down a portion of the outstanding loan balance. The key elements of this increase are as follows:

Changes In Net Assets

	2005	2004	Increase (Decrease)
General revenues:			
Sales taxes	\$ 575,822	\$ 545,069	\$ 30,753
Interest income	-	261	(261)
Total revenues	575,822	545,330	30,492
Expenses:			
General government	318,964	615,624	(296,660)
Change in net assets	256,858	(70,294)	327,152
Net assets, beginning of year	(285,572)	(215,278)	(70,294)
Net assets, end of year	\$ (28,714)	\$ (285,572)	\$ 256,858

Sales taxes increased due to the addition of four new businesses within the District throughout 2004. These new businesses contributed a full year of sales taxes receipts during 2005. Construction of the Transportation District's improvement were completed in 2004 resulting in a decrease in general governmental expenses.

DISTRICT'S FUND

The District maintains one fund at December 31, 2005. The District's General Fund has an unreserved fund balance of \$117,570, which was an increase of \$19,777 from 2004. The increase was the result of an increase in sales taxes collected over what was required to service the debt and pay for administrative functions of the District.

DEBT

At year-end, the District had \$145,000 in outstanding debt compared to \$380,000 at the end of the prior fiscal year, an decrease of \$235,000 or 62%. All outstanding debt is comprised of transportation revenue notes issued by a local bank to make infrastructure improvements. More detailed information on the District's long-term liabilities is presented in the note 6 to the financial statements.

CAPITAL ASSETS

The District has no capital assets as of December 31, 2005. Certain improvements, including roads, bridges, sidewalks, drainage systems and lighting systems have not been capitalized. These improvements are maintained by other entities and, therefore, are not an asset of the District.

BUDGETARY ANALYSIS

The District adopts an annual budget pursuant to Missouri State Statutes. No amendments were made to the original budget in 2005. On a budgetary basis, which can be found in the Required Supplementary Information, budgeted expenditures exceeded actual expenditures by \$38,455, mostly due to budgeted debt service payments exceeding actual debt service payments.

ECONOMIC OUTLOOK AND CONDITIONS

The District's sales tax is expected to grow in 2006 as new tenants fill the expanded center.

REQUESTS FOR INFORMATION

This financial report is designed to provide our taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Karen McDermontt
City of St. Charles, Missouri
200 North 2nd Street
St. Charles, Missouri 63301

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2005

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
ASSETS			
Cash	\$ 94,197	\$ -	\$ 94,197
Taxes receivable	98,365	-	98,365
TOTAL ASSETS	<u>\$ 192,562</u>	<u>-</u>	<u>192,562</u>
LIABILITIES			
Accounts payable	\$ 74,992	-	74,992
Accrued interest payable	-	1,284	1,284
Long-term liabilities:			
Due in one year	-	145,000	145,000
TOTAL LIABILITIES	<u>74,992</u>	<u>146,284</u>	<u>221,276</u>
FUND BALANCE/NET ASSETS			
Fund balances:			
Unreserved	<u>117,570</u>	<u>(146,284)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 192,562</u>	<u>\$ (146,284)</u>	
Net assets:			
Unrestricted			<u>(28,714)</u>
TOTAL NET ASSETS			<u>\$ (28,714)</u>

The accompanying notes are an integral part of these financial statements.

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
EXPENDITURES/EXPENSES			
TIF payments	\$ 287,911	\$ -	\$ 287,911
Collection fees	5,652	-	5,652
Audit fees	3,150	-	3,150
Legal fees	4,499	-	4,499
Insurance	6,059	-	6,059
Debt service - principal, interest and fiscal charges	<u>248,774</u>	<u>(237,081)</u>	<u>11,693</u>
TOTAL EXPENDITURES/EXPENSES	<u>556,045</u>	<u>(237,081)</u>	<u>318,964</u>
 GENERAL REVENUES			
Sales taxes	<u>575,822</u>	<u>-</u>	<u>575,822</u>
 EXCESS OF REVENUES OVER EXPENDITURES/ CHANGE IN NET ASSETS	 19,777	 237,081	 256,858
 FUND BALANCE/NET ASSETS - BEGINNING OF YEAR	 <u>97,793</u>	 <u>(383,365)</u>	 <u>(285,572)</u>
 FUND BALANCE/NET ASSETS - END OF YEAR	 <u>\$ 117,570</u>	 <u>\$ (146,284)</u>	 <u>\$ (28,714)</u>

The accompanying notes are an integral part of these financial statements.

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mark Twain Mall Transportation Development District (the District) is a political subdivision of the state of Missouri created on March 22, 2001 under the Missouri Transportation Development District Act, sections 238.200 through 238.275 of the Revised Statutes of Missouri. The District began collecting sales tax on August 10, 2001. The District was created to levy certain taxes, for the purpose of funding certain transportation related improvements in connection with the District including the Mark Twain Mall Transportation Project, Boone's Lick Corridor Transportation Project, and I-70 Right-of-Way Transportation Project. There are mechanisms established by state statute that allow for the abolishment of the District upon termination of all debt. The District is the basic level of government, which has financial accountability and control over the activities related to the funding of the improvements. The District has no component units included in the District's reporting entity, as defined by Governmental Accounting Standards Board Statement No. 14. The District is governed by a Board of Directors consisting of five members who are elected to serve a term of three years by the property owners within the District. Officers of the Board of Directors are elected annually and serve without compensation.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental activities. The Government Standards Accounting Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting and reporting policies established in GAAP and practiced by the District are discussed below.

A. REPORTING ENTITY

The District applies the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The District presently has no component units included within its reporting entity.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements should report net assets in three parts - invested in capital, net of related debt, restricted net assets, and unrestricted net assets. As of December 31, 2005 the District only had unrestricted net assets.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The District has only one fund:

The General Fund - Accounts for all the financial resources and the legally authorized activities of the District and is considered to be a major fund.

C. **CAPITAL ASSETS**

The District has no capital assets at December 31, 2005. Certain improvements are not an asset of the District.

D. **CONCENTRATION OF REVENUE AND CREDIT RISK**

Revenues collected by two retailers within the District represent 79% of total revenues collected and accounts for 88% of total receivables.

2. BUDGETS AND BUDGETARY ACCOUNTING

The District will follow these procedures in establishing the data reflected in the financial statements:

- a. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- b. The Board of Directors adopts a budget for the fiscal year beginning on the following January 1. The budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed the total of beginning available funds plus estimated revenues for the year. The budget is prepared on a basis which is consistent with generally accepted accounting principles.
- c. A public hearing is conducted to obtain taxpayers' comments. Prior to its approval by the board of directors, the budget document is available for public inspection.
- d. The budget is legally enacted by a vote of the Board of Directors.
- e. Subsequent to its final approval of the budget, the Board of Directors has the authority to make necessary adjustments to the budget by formal vote of the Board. There were no amendments made to the original budget in 2005.

3. TAXES

Qualified voters of the District approved a one percent sales tax on retail sales within the boundaries of the District. The tax will be imposed until the transportation costs incurred in connection with the transportation projects have been paid.

4. CASH

As of December 31, 2005, the carrying amount of the District's bank deposits was \$94,197 and the bank balance was \$55,233. All of the bank balance was covered by the Federal Deposit Insurance Corporation.

5. RELATED PARTIES

Representatives of the sole taxpayer within the District, Greater Missouri Builders, Inc., serve as voting members of the District's Board of Directors. No compensation was received by any of the Directors.

The District and the City of St. Charles have entered into an Intergovernmental Cooperation Agreement which governs the relationship between the District and the City. The agreement calls for the City to perform all functions incidental to the administration, collection, enforcement and operation of the Transportation Development District (TDD) sales tax. The City earns a collection fee of one percent (1%) of the total amount of TDD sales tax revenues collected monthly. During the year ending December 31, 2005, the District paid \$5,652 in collection fees to the City. Proceeds of the TDD sales tax shall be disbursed as follows:

5. **RELATED PARTIES** - continued

- 1) As required by and pursuant to the TIF Act, a transfer of 50% of the TDD Sales Tax collected each month to the TIF District.
- 2) Payment to the City of its collection fee.
- 3) Payment of (i) District administrative costs, (ii) City administrative costs, (iii) developer transportation project costs, and (iv) payment of principal and interest on any TDD obligations issued to the developer or a related third party.
- 4) The net TDD revenues will be disbursed to pay principal of and interest on any transportation development obligation issued to the City or otherwise to pay or reimburse the City for costs incurred by the City in connection with the Boone's Lick Corridor Transportation project.

6. **LONG-TERM DEBT**

On April 17, 2003, the District borrowed \$800,000 from a local bank to make infrastructure improvements. Debt service payments will be made with sales taxes collected within the District. Long-term debt as of December 31, 2005 is as follows:

Transportation Revenue Notes	<u>\$145,000</u>
Interest rate - 4.25%	
Matures - April 2008	
Payments - Interest only until maturity, excess funds to retire principal	

A summary of changes in general long-term debt for 2005 is as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE, END OF YEAR</u>
Transportation Revenue Notes	\$ <u>380,000</u>	\$ <u>-</u>	\$ <u>235,000</u>	\$ <u>145,000</u>

Future debt service payments are as follows:

<u>YEAR END</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$ <u>145,000</u>	\$ <u>3,385</u>	\$ <u>148,385</u>

REQUIRED SUPPLEMENTARY INFORMATION

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE				
Sales taxes	\$ 550,000	\$ 550,000	\$ 575,822	\$ 25,822
EXPENDITURES				
TIF payments	275,000	275,000	287,911	(12,911)
Collection fees	5,500	5,500	5,652	(152)
Engineering/Architectual fees	13,500	13,500	-	13,500
Professional fees	5,000	5,000	3,150	1,850
Legal fees	12,500	12,500	4,499	8,001
Insurance	9,000	9,000	6,059	2,941
Debt service - principal, interest and fiscal charges	274,000	274,000	248,774	25,226
TOTAL EXPENDITURES	<u>594,500</u>	<u>594,500</u>	<u>556,045</u>	<u>38,455</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,500)	(44,500)	19,777	<u>\$ 64,277</u>
FUND BALANCE - BEGINNING OF YEAR	<u>97,793</u>	<u>97,793</u>	<u>97,793</u>	
FUND BALANCE - END OF YEAR	<u>\$ 53,293</u>	<u>\$ 53,293</u>	<u>\$ 117,570</u>	