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1-1-2007

## Financial Statements, 2006

Mark Twain Mall Transportation Development District

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22-092-0001

**SUSAN MONTEE, CPA**  
**Missouri State Auditor**

September 10, 2007

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, 2006 ✓

Dear Linda:

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

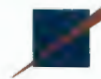
Thank you for your cooperation in sending this information.

Sincerely,

SUSAN MONTEE, CPA  
STATE AUDITOR

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

Judy Buerky  
Local Government Analyst



ARMSTRONG TEASDALE LLP

MISSOURI

KANSAS

CALIFORNIA

ILLINOIS

NEVADA

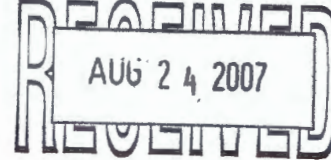
WASHINGTON, DC

SHANGHAI

ATTORNEYS AT LAW

August 21, 2007

STATE AUDITOR'S OFFICE



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 the audited financial statements of the District referenced above for the fiscal year ending December 31, 2006. If you have any questions, please call me at (314) 621-5070, extension 7464.

Sincerely,

Linda K. AuBuchon  
Governmental Affairs Assistant

LKA

Enclosure

cc: Stephanie Grise w/o Enclosure

**MARK TWAIN MALL  
TRANSPORTATION DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2006**



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

**MARK TWAIN MALL  
TRANSPORTATION DEVELOPMENT DISTRICT**

ST. CHARLES, MISSOURI

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## INDEPENDENT AUDITORS' REPORT



Board of Trustees

### ***MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT***

We have audited the accompanying financial statements of the governmental activities and each major fund, of Mark Twain Mall Transportation Development District as of and for the year ended December 31, 2006, 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 and each major fund, of Mark Twain Mall Transportation Development District as of December 31, 2006, 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 inquires 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*

June 13, 2007

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, 2006

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, 2006. 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 outstanding debt of the District was completely retired during 2006; however the District will continue to collect tax to pay for other transportation related projects.
- Net assets increased \$182,080 during 2006 as a result of the District paying off 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 \$153,366 as of December 31, 2006. The condensed statement of net assets as of December 31, 2006 is as follows:

	<b>Net Assets</b>		
	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease)</u>
Assets:			
Current and other assets	\$ 320,317	\$ 192,562	\$ 127,755
Liabilities:			
Current and other liabilities	166,951	76,276	90,675
Long-term liabilities	-	145,000	(145,000)
Total Liabilities	<u>166,951</u>	<u>221,276</u>	<u>( 54,325)</u>
Net assets:			
Unrestricted	<u>\$ 153,366</u>	<u>\$ ( 28,714)</u>	<u>\$ 182,080</u>

The District's net assets increased by \$182,080 during the current fiscal year. Since the District basically expends all of the sales tax it collects, amounts used to pay down loan balances result in an increase in net assets. This increase is the result of the District paying off the outstanding loan balance. The key elements of this increase are as follows:



### Changes In Net Assets

	2006	2005	Increase (Decrease)
General revenues:			
Sales taxes	\$ 598,517	\$ 575,822	\$ 22,695
Expenses:			
General government	416,437	318,964	97,473
Change in net assets	182,080	256,858	( 74,778)
Net assets, beginning of year	( 28,714)	(285,572)	256,858
Net assets, end of year	\$ 153,366	\$ ( 28,714)	\$ 182,080

Sales taxes increased due to an increase in sales at the anchor tenant in the District. Expenses increased because the District paid off the remaining debt of the District as well as additional costs incurred as a result of an amendment to the intergovernmental agreement between the City of St. Charles, Missouri and the District.

#### **DISTRICT'S FUND**

The District maintains one fund at December 31, 2006. The District's General Fund has an unreserved fund balance of \$153,366, which was an increase of \$35,796 from 2005. 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 no outstanding debt compared to \$145,000 at the end of the prior fiscal year. Outstanding debt was 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, 2006. 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 2006. On a budgetary basis, which can be found in the Required Supplementary Information, budgeted expenditures exceeded actual expenditures by \$92,938, mostly due to budgeted debt service payments exceeding actual debt service payments.

## **ECONOMIC OUTLOOK AND CONDITIONS**

The District's sales tax is expected to modestly increase in 2007 as new tenants fill the expanded center. The District will continue to collect taxes to pay for other transportation related projects.

## **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 McDermott  
City of St. Charles, Missouri  
200 North 2<sup>nd</sup> Street  
St. Charles, Missouri 63301

# MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

June 13, 2007

Botz, Deal and Company PC  
Two Westbury Drive  
St. Charles, MO 63301

We are providing this letter in connection with your audit of the financial statements of Mark Twain Mall Transportation Development District as of December 31, 2006 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mark Twain Mall Transportation Development District and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 13, 2007, the following representations made to you during your audit(s).

- 1) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We have made available to you all—
  - a) Financial records and related data [and all audit or relevant monitoring reports, if any, received from funding sources].
  - b) Minutes of the meetings of board of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 4) We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- 5) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 6) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 7) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 8) We have a process to track the status of audit findings and recommendations.
- 9) We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.

- 10) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 11) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 12) The following, if any, have been properly recorded or disclosed in the financial statements:
  - a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b) Guarantees, whether written or oral, under which the District is contingently liable.
  - c) All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
- 13) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 14) There are no—
  - a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
  - b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with *Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies*.
  - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
  - d) Reservations or designation of fund equity that were not properly authorized and approved.
- 15) As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 16) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 17) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 18) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 19) The financial statements properly classify all funds and activities.
- 20) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 21) Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- 22) Provisions for uncollectible receivables have been properly identified and recorded.
- 23) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 24) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 25) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 26) Deposits and investment securities are properly classified as to risk, and investments are properly valued.
- 27) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 28) Required supplementary information (RSI) is measured and presented within prescribed guidelines.

No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: Daniel J. Bernard

Signed: \_\_\_\_\_

Title: Treasurer

Title: \_\_\_\_\_

**MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT**  
**STATEMENT OF NET ASSETS AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2006**

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
<b>ASSETS</b>			
Cash	\$ 225,404	\$ -	\$ 225,404
Taxes receivable	94,913	-	94,913
<b>TOTAL ASSETS</b>	<u>\$ 320,317</u>	<u>-</u>	<u>320,317</u>
 <b>LIABILITIES</b>			
Accounts payable	<u>\$ 166,951</u>	<u>-</u>	<u>166,951</u>
 <b>FUND BALANCE/NET ASSETS</b>			
Fund balances:			
Unreserved	<u>153,366</u>	<u>-</u>	<u>-</u>
 <b>TOTAL LIABILITIES     AND FUND BALANCE</b>	<u>\$ 320,317</u>	<u>\$ -</u>	
 Net assets:			
Unrestricted			<u>153,366</u>
<b>TOTAL NET ASSETS</b>			<u>\$ 153,366</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, 2006**

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACTIVITIES
<b>EXPENDITURES/EXPENSES</b>			
TIF payments	\$ 299,258	\$ -	\$ 299,258
Collection fees	6,024	-	6,024
Audit fees	3,300	-	3,300
Legal fees	16,517	-	16,517
Insurance	5,965	-	5,965
Professional fees	1,561	-	1,561
Additional costs as a result of an amendment to intergovernmental agreement	81,710	-	81,710
Debt service - principal, interest and fiscal charges	148,386	(146,284)	2,102
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>562,721</b>	<b>(146,284)</b>	<b>416,437</b>
<b>GENERAL REVENUES</b>			
Sales taxes	598,517	-	598,517
<b>EXCESS OF REVENUES OVER EXPENDITURES/ CHANGE IN NET ASSETS</b>			
	35,796	146,284	182,080
<b>FUND BALANCE/NET ASSETS - BEGINNING OF YEAR</b>			
	117,570	(146,284)	(28,714)
<b>FUND BALANCE/NET ASSETS - END OF YEAR</b>			
	\$ 153,366	\$ -	\$ 153,366
<b>Reconciliation of Excess of Revenues over Expenditures to Change in Net Assets:</b>			
Excess of revenues over expenditures			\$ 35,796
Principal payments are an expenditure in the fund statements and a reduction of long-term liabilities in the government-wide statements.			145,000
Interest expense is recognized in the fund statements when paid rather than when incurred.			1,284
Change in net assets			\$ 182,080

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

**MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

**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, 2006 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, 2006. 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 81% of total revenues collected and accounts for 85% 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 2006.

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, 2006, the carrying amount of the District's bank deposits was \$225,404 and the bank balance was \$274,483. On December 31, 2006 the bank balances was insured as follows:

Bank balance	\$	274,483
Insured by the FDIC		(100,000)
Pledged collateral		(134,060)
Uninsured balance	\$	<u>40,423</u>

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.

5. **RELATED PARTIES - continued**

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, 2006, the District paid \$6,024 in collection fees to the City. Proceeds of the TDD sales tax shall be disbursed as follows:

- 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 district obligations issued to the City or otherwise to pay for costs, or reimburse the City for costs incurred by the City, in connection with City administrative costs, the Boone's Lick Corridor Transportation Project and the I-70 and 5<sup>th</sup> Street 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.

A summary of changes in general long-term debt for 2006 is as follows:

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

7. **CHANGE TO INTERGOVERNMENTAL AGREEMENT**

In November 2006 the City of St. Charles, Missouri and the District amended their intergovernmental agreement. The amended agreement allowed sales taxes collected in the District to be used to make loan payments on debt incurred by the tenants of the District and revised the allowable transportation projects. The additional debt was used to make improvements to the District that did not qualify under the original agreement.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUE</b>				
Sales taxes	\$ 655,010	\$ 655,010	\$ 598,517	\$ (56,493)
<b>EXPENDITURES</b>				
TIF payments	327,505	327,505	299,258	28,247
Collection fees	6,550	6,550	6,024	526
Engineering/Architectural fees	13,500	13,500	-	13,500
Professional fees	5,000	5,000	4,861	139
Legal fees	12,500	12,500	16,517	(4,017)
Insurance	9,000	9,000	5,965	3,035
Additional costs as a result of an amendment to intergovernmental agreement	-	-	81,710	(81,710)
Debt service - principal, interest and fiscal charges	281,604	281,604	148,386	133,218
<b>TOTAL EXPENDITURES</b>	<u>655,659</u>	<u>655,659</u>	<u>562,721</u>	<u>92,938</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(649)	(649)	35,796	<u>\$ 36,445</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>117,570</u>	<u>117,570</u>	<u>117,570</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 116,921</u>	<u>\$ 116,921</u>	<u>\$ 153,366</u>	