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Financial Statements, 2002

Mark Twain Mall Transportation Development District

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**MARK TWAIN MALL TRANSPORTATION
DEVELOPMENT DISTRICT**

FINANCIAL STATEMENTS

FOR THE PERIOD BEGINNING MARCH 22, 2001
(DATE OF INCEPTION) AND ENDED
DECEMBER 31, 2002

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Independent Auditors' Report

Board of Directors
Mark Twain Mall Transportation
Development District

We have audited the general purpose financial statements of Mark Twain Mall Transportation Development District as of December 31, 2002 and for the period beginning March 22, 2001 (date of inception) and ended December 31, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of Mark Twain Mall Transportation Development District at December 31, 2002 and the results of its operations for the period beginning March 22, 2001 (date of inception) and ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Rubin, Brown, Gornstein & Co. LLP

June 4, 2003

**MARK TWAIN MALL TRANSPORTATION
DEVELOPMENT DISTRICT**

**BALANCE SHEET
ALL FUND TYPES
December 31, 2002**

	<u>General Fund</u>
Assets	
Cash	\$ 180,159
Sales taxes receivable	<u>83,941</u>
Total Assets	<u><u>\$ 264,100</u></u>
Liabilities	
Accounts payable	\$ 105,532
Fund Equity	
Fund balance	<u>158,568</u>
Total Liabilities And Fund Equity	<u><u>\$ 264,100</u></u>

**MARK TWAIN MALL TRANSPORTATION
DEVELOPMENT DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND**

**For The Period Beginning March 22, 2001 (Date Of Inception)
And Ended December 31, 2002**

	<u>General Fund</u>
Revenues	
Sales taxes	\$ 698,655
Other	375
Total Revenues	<u>699,030</u>
Expenditures	
TIF payments	349,515
Collection fee	6,248
Engineering fees	18,444
Architectural fees	45,290
Legal fees	118,594
Insurance	2,322
Other	49
Total Expenditures	<u>540,462</u>
Excess Of Revenues Over Expenditures	158,568
Fund Balance - March 22, 2001	<u>—</u>
Fund Balance - December 31, 2002	<u><u>\$ 158,568</u></u>

**MARK TWAIN MALL TRANSPORTATION
DEVELOPMENT DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL
For The Period Beginning March 22, 2001 (Date Of Inception)
And Ended December 31, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Sales taxes	\$ 890,180	\$ 698,655	\$ (191,525)
Other	—	375	375
Total Revenues	890,180	699,030	(191,150)
Expenditures			
TIF payments	445,090	349,515	95,575
Collection fee	4,451	6,248	(1,797)
Developer transportation project costs	385,639	63,734	321,905
Administrative fees	55,000	120,965	(65,965)
Total Expenditures	890,180	540,462	349,718
Excess Of Revenues Over Expenditures	—	158,568	158,568
Fund Balance - March 22, 2001	—	—	—
Fund Balance - December 31, 2002	\$ —	\$ 158,568	\$ 158,568

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS December 31, 2002

1. Summary Of Significant Accounting Policies

Financial Reporting Entity

The Mark Twain Mall Transportation Development (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. 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.

Basis Of Presentation

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups used by the District are described below.

Governmental Fund Types

Governmental Funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

Notes To General Purpose Financial Statements (*Continued*)

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis Of Accounting

The District uses the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

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 proposed budget for the fiscal year beginning on the following January 1. The proposed 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 taxpayer's comments. Prior to its approval by the Board of Directors, the budget document is available for public inspection.
- d. Prior to January 1, 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. Adjustments made during the year are reflected in the budget information included in the financial statements.

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

Notes To General Purpose Financial Statements (*Continued*)

2. 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 Project have been paid.

3. Cash

The District's bank balance at December 31, 2002 was \$180,159. Of the bank balance, \$100,000 was covered by federal depository insurance and \$80,159 was uncollateralized.

4. Related Parties

The principals 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 shall earn a collection fee of one percent (1%) of the total amount of TDD Sales Tax revenues collected monthly.

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 and (iii) developer transportation project costs, (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 TDD 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.

MARK TWAIN MALL TRANSPORTATION DEVELOPMENT DISTRICT

Notes To General Purpose Financial Statements (*Continued*)

- 4) The net TDD Revenues will be disbursed to pay principal of and interest on any TDD 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.

5. New Accounting Pronouncements

GASB Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments*, issued June 1999, as amended by GASB Statement No. 37 will impose new standards for financial reporting. GASB Statement No. 38, *Certain Financial Statements Note Disclosures* modified existing, and imposes new, disclosure requirements. These statements will be effective for the District for the year ending December 31, 2004. Management of the District has not yet completed its assessment of the statements and at this time is unable to determine the effect, if any, of these pronouncements.



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