



**Thomas A. Schweich**  
Missouri State Auditor

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# Glenwood-Watson Transportation Development District



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July 2012

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<http://auditor.mo.gov>



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# CITIZENS SUMMARY

## Findings in the audit of the Glenwood-Watson Transportation Development District

### Comments

The Glenwood-Watson Transportation Development District (TDD) was created in 2005 and is located in the City of Crestwood. The qualified voters of the TDD, in this case the property owners, approved a 1-cent sales tax on all taxable transactions within the TDD. The TDD was formed for the purpose of constructing a new driving lane from Watson Road to serve as the western entrance to commercial development. The project was completed in October 2006. The TDD is located within a Tax Increment Financing (TIF) area. The TDD agreed to pay debt service costs on the portion of bonds issued by the TIF used to pay for the transportation project.

In the areas audited, the overall performance of this entity was **Excellent**.\*

### American Recovery and Reinvestment Act (Federal Stimulus)

The Glenwood-Watson Transportation Development District did not receive any federal stimulus monies during the audited time period.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Glenwood-Watson Transportation Development District

## Table of Contents

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State Auditor's Report	2
------------------------	---

---

Organization and Statistical Information	4
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# THOMAS A. SCHWEICH

## Missouri State Auditor

Gary J. Grewe, Chairman  
and  
Board of Directors  
Glenwood-Watson Transportation Development District  
Crestwood, Missouri

We have audited certain operations of the Glenwood-Watson Transportation Development District in fulfillment of our duties under Section 238.272, RSMo. The district engaged Diel & Ferguson, L.L.C. Certified Public Accountants (CPA), to audit the district's financial statements for the years ended December 31, 2011 and 2010. To minimize duplication of effort, we reviewed the report and working papers of the CPA firm for the year ended December 31, 2010, and the substantiating working papers for the year ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Glenwood-Watson Transportation Development District.

A handwritten signature in black ink that reads "Thomas A. Schweich". The signature is written in a cursive style with a large, sweeping initial 'T'.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CIA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Katie Twiehaus

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# Glenwood-Watson Transportation Development District Organization and Statistical Information

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The Glenwood-Watson Transportation Development District (TDD) is located in the City of Crestwood. The TDD was organized in July 2005 by petition of the property owners within the proposed TDD.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a sales tax of 1-cent (1 percent) on all transactions which are taxable within the boundaries of the district. The Board of Directors subsequently passed a resolution that set the sales tax rate at 1-cent (1 percent) for 23 years. The TDD has a fiscal year end of December 31.

The TDD was formed for the purpose of constructing a new driving lane from Watson Road to serve as the western entrance to commercial development. The City of Crestwood is the public entity with jurisdiction over the project. The project was completed in October 2006 and the city accepted dedication of the project upon completion.

The TDD is located within a Tax Increment Financing (TIF) area. The City of Crestwood issued TIF bonds of \$2.35 million in 2005 to finance the TDD project and other TIF projects. The TDD agreed to pay the debt service costs on the portion of the TIF bonds used for the transportation project, with the TDD's revenue limit set at 14.8936 percent of the TIF debt service costs.

## District Board

An elected board acts as the policy-making body for the TDD's operations. The board's five members serve 3-year terms without compensation. Members of the board at December 31, 2011, were

Gary J. Grewe, Chairman & Executive Director  
 Jeff Schlink, Vice Chairmann  
 William Appelbaum, Secretary & Treasurer  
 Tina Flowers, Member  
 Jim Eckrich, Member

## Selected Information on the District

TDD Portion of Estimated Project Costs	\$350,000
Estimated TDD Duration	23 years
Total Estimated Sales Tax Revenues	\$1.95 million
Sales Tax Rate	1 percent
TDD is within a TIF District?	Yes



Glenwood-Watson Transportation Development District  
Organization and Statistical Information

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American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Glenwood-Watson Transportation Development District did not receive any federal stimulus monies during the 2 years ended December 31, 2011.