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Missouri State Auditor

**Ballwin Town Center
Transportation Development
District**



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CITIZENS SUMMARY

Findings in the audit of the Ballwin Town Center Transportation Development District

Comments

The Ballwin Town Center Transportation Development District (TDD) was organized in April 2001 and is located in the City of Ballwin. The TDD was formed for the purpose of constructing a connector road for Seven Trails Drive and Kehrs Mill, and the city accepted dedication of the project upon its completion in April 2003. Taxable transactions within the TDD are subject to a 1/4-cent sales tax, and the TDD pays the TDD-related debt services costs of the city's Tax Increment Financing bonds. For the areas audited, we identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures.

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

American Recovery and Reinvestment Act (Federal Stimulus)

Ballwin Town Center 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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THOMAS A. SCHWEICH

Missouri State Auditor

Mike Boone, Chairman
and
Board of Directors
Ballwin Town Center Transportation Development District
Ballwin, Missouri

We have audited certain operations of the Ballwin Town Center 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 substantiating working papers of the CPA firm for the year ended December 31, 2010. We reviewed only the substantiating working papers of the CPA firm for the year ended December 31, 2011, since the CPA firm's audit report was not complete at the time of our audit. 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 Ballwin Town Center Transportation Development District.



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:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Katie Twiehaus

Ballwin Town Center Transportation Development District Organization and Statistical Information

The Ballwin Town Center Transportation Development District (TDD) is located in the City of Ballwin. The TDD was organized in April 2001 by petition of the property owners within the proposed TDD. The Board of Directors and officers include property owners and representatives of property owners.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a sales tax, authorized under Section 238.235, RSMo, of 1/4-cent (0.25 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 1/4-cent (0.25 percent) for 21 years. The TDD has a fiscal year end of December 31.

The TDD was formed for the purpose of constructing a connector road for Seven Trails Drive and Kehrs Mill, with an initial estimated cost of \$1.3 million. The City of Ballwin is the public entity with jurisdiction over the project. Actual project costs totaled approximately \$1.3 million at completion in April 2003 and the city accepted dedication of the project upon completion.

The TDD is located within a Tax Increment Financing (TIF) area. The City of Ballwin issued TIF revenue bonds of \$20.1 million in 2002 to finance the TDD projects and other TIF projects. Prior to the issuance of the TIF bonds, the developer financed the cost of the TDD projects. When the TIF revenue bonds were issued, the developer was reimbursed for the costs incurred. Pursuant to a formal agreement with the city, the TDD agreed to pay the debt service costs on the portion of the TIF revenue bonds that was used for the transportation projects, with the TDD revenue limit set at 6.661 percent of the TIF debt service costs.

District Board

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

Mike Boone, Chairman
Chaunessy Wright, Secretary
Sue Wright, Treasurer
Dave Wright, Member
Pamela Hopper, Member

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Ballwin Town Center Transportation Development District did not receive any federal stimulus monies during the 2 years ended December 31, 2011.