



Thomas A. Schweich
Missouri State Auditor

Poplar Bluff Conference Center Transportation Development District



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CITIZENS SUMMARY

Findings in the audit of the Poplar Bluff Conference Center Transportation Development District

Background	The Poplar Bluff Conference Center Transportation Development District (TDD) was created in 2004 and is located in the City of Poplar Bluff. The qualified voters of the TDD, in this case the property owner, approved a 1-cent sales tax on all taxable transactions within the TDD. The TDD was formed for the purpose of constructing a parking lot adjacent to the new hotel and conference center, along with necessary landscaping, irrigation, and lighting for the proposed project. The project was completed in November 2004, and the city accepted dedication of the project in December 2004. The Poplar Bluff Regional TDD is in the process of absorbing the Poplar Bluff Conference Center TDD. On October 23, 2012, the TDD Board of Directors approved resolutions formalizing its intent to dissolve the TDD and notified the State Auditor's office in June 2013.
Statutory Requirement	Section 238.275, RSMo, requires the State Auditor to determine the financial status of a TDD before it may be abolished. The law prohibits the abolition of a TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets or while the TDD is insolvent, in receivership or under the jurisdiction of a bankruptcy court.
Financial Status	The cash balance of the Poplar Bluff Conference Center TDD at September 30, 2013, was \$146, which it subsequently remitted to the Poplar Bluff Regional TDD, and there were no other costs or obligations due from the Poplar Bluff Conference Center TDD. Based upon our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

Because of the limited objective of this audit, no overall rating is provided.

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THOMAS A. SCHWEICH

Missouri State Auditor

Ken McVey, Chairman
and
Board of Directors
Poplar Bluff Conference Center Transportation Development District
Poplar Bluff, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On October 23, 2012, the Board of Directors of the Poplar Bluff Conference Center Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012, and the period from January 1 through September 30, 2013. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, 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 audit determined the district's Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Poplar Bluff Conference Center Transportation Development District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

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:	Todd M. Schuler, CPA
In-Charge Auditor:	Wayne Kauffman, MBA

Poplar Bluff Conference Center Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Poplar Bluff Conference Center Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished.

The Poplar Bluff Conference Center TDD is located in the City of Poplar Bluff. The district was organized in April 2004 by petition of the property owner within the proposed TDD. The members of the Board of Directors are representatives of the property owner. The district has a fiscal year end of December 31 and did not obtain independent audits.

In May 2004, the qualified voters of the Poplar Bluff Conference Center TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing that sales tax rate to be effective June 1, 2004, for 40 years unless terminated sooner. The retail establishments within the district collected and remitted the sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR distributed the sales tax monies to the district.

The Poplar Bluff Conference Center TDD was formed for the purpose of constructing a parking lot adjacent to the new hotel and conference center, along with necessary landscaping, irrigation, and lighting for the proposed project. The City of Poplar Bluff is the public entity with jurisdiction over the project and serves as the Local Transportation Authority. The project was completed in November 2004 and the city accepted dedication of the project in December 2004.

The Poplar Bluff Conference Center TDD entered into a promissory note for approximately \$800,000 in June 2005 to reimburse the developer for the project costs. The developer was listed as a guarantor on the note. In May 2012, the Cripple Creek TDD and the City of Poplar Bluff jointly filed a petition to create the Poplar Bluff Regional TDD, which includes the entire area encompassed by the Poplar Bluff Conference Center TDD. The Poplar Bluff Regional TDD was formed for the purpose of paying the cost of financing or refinancing certain transportation-related improvements, including the refinancing of the outstanding debt obligations of the Poplar Bluff Conference Center TDD and Cripple Creek TDD. In December 2012, the Poplar Bluff Regional TDD issued revenue bonds and is in the process of absorbing the Poplar Bluff Conference Center TDD.

The creation of the Poplar Bluff Regional TDD served to effectively consolidate the activities and the debt of the Poplar Bluff Conference Center TDD and the Cripple Creek TDD, as well as add other projects.

On October 23, 2012, the Poplar Bluff Conference Center TDD Board approved resolutions formalizing its intent to dissolve the district and repealing its sales tax effective upon the satisfaction of the district's loan and



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the implementation of the Poplar Bluff Regional TDD sales tax. The Poplar Bluff Regional TDD began collecting its sales tax in January 2013. In June 2013, the Poplar Bluff Conference Center TDD's legal counsel advised the State Auditor's office (SAO) of the Board's intent to dissolve and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Poplar Bluff Conference Center TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets, or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the Poplar Bluff Conference Center TDD for the year ended December 31, 2012, and the period from January 1 through September 30, 2013.

	Period	
	January 1, 2013 to September 30, 2013	Year Ended December 31, 2012
RECEIPTS		
Sales taxes	\$ 2,327	29,304
Contributions from property owner	0	18,916
Total Receipts	2,327	48,220
DISBURSEMENTS		
Debt service	2,321	53,361
Bank fees	54	48
Total Disbursements	2,375	53,409
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(48)	(5,189)
BEGINNING CASH	194	5,383
ENDING CASH	\$ 146	194

Based on our audit, the cash balance of the Poplar Bluff Conference Center TDD at September 30, 2013, is \$146. The district's legal counsel has indicated legal costs associated with abolishing the district are being paid by the Poplar Bluff Regional TDD and no other costs or obligations are due from the Poplar Bluff Conference Center TDD. The Poplar Bluff Conference Center TDD closed its checking account on October 22, 2013, and remitted the \$146 to the Poplar Bluff Regional TDD.

Based on our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.