



Thomas A. Schweich
Missouri State Auditor

Town and Country Village Transportation Development District



April 2014
Report No. 2014-029

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Town and Country Village Transportation Development District

Comments

The Town and Country Village Transportation Development District (TDD) was organized in October 2009 and is located in the City of Ozark. The TDD was formed for the purpose of constructing roads, parking facilities, and site lighting and utilities near Highway 14 on North 25th and North 22nd Streets, as well as constructing West Diane Street. The Missouri Department of Transportation and the City of Ozark are the public entities with jurisdiction over these ongoing projects. Taxable transactions within the TDD are subject to a 1-cent sales tax. 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**.*

*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 Hejna, Chairman
and
Board of Directors
Town and Country Village Transportation Development District
Ozark, Missouri

We have audited certain operations of the Town and Country Village Transportation Development District in fulfillment of our duties under Section 238.272, RSMo. The scope of our audit included, but was not necessarily limited to, the 4 years ended December 31, 2012. 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 Town and Country Village 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.

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:	Rex Murdock, M.S.Acct
Audit Staff:	Wayne Kauffman, MBA

Town and Country Village

Transportation Development District

Organization and Statistical Information

The Town and Country Village Transportation Development District (TDD) is located in the City of Ozark. The TDD was organized in October 2009 by petition of the owner of property within the proposed TDD. The Board of Directors and officers were elected by the property owner.

The qualified voters of the TDD, in this case the property owner, approved the imposition of a sales tax of up to 1-cent (1 percent) on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution in October 2009 that set the sales tax rate at 1-cent (1 percent), and the TDD started collecting sales tax in January 2012. The TDD expects the sales tax to remain in effect for 40 years, unless terminated sooner after all obligations have been paid.

The TDD was formed for the purpose of constructing roads, parking facilities, and site lighting and utilities near State Highway 14 on North 25th and North 22nd Street as well as constructing West Diane Street. The Missouri Department of Transportation and the City of Ozark are the public entities with jurisdiction over these projects. The projects have not been completed.

In April 2010, the developer sold a portion of property within the TDD to a movie theatre company. In October 2012, the developer sold the remaining land the developer owned within the TDD to a financial group. A property owners meeting has not been held since 2012 to elect a new Board of Directors. The attorney representing the TDD indicated a property owners meeting is expected to occur in the second quarter of 2014 and new Board members will be elected at that meeting.

The TDD has a fiscal year end of December 31, and did not have an independent audit performed of its financial statement during the year ended December 31, 2012.

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, 2012, were:

Mike Hejna, Chairman
Dean Burns, Member
Steve Stinnet, Member
Anne Klene, Member
Gordon Gundaker, Member



Town and Country Village
Transportation Development District
Organization and Statistical Information

Financial Activity

A summary of the district's financial activity for the year ended December 31, 2012, follows:

	Year Ended December 31, 2012*
RECEIPTS	
Sales taxes	\$ 24,704
Total Receipts	<u>24,704</u>
DISBURSEMENTS	
Administrative	4,616
Other	<u>20</u>
Total Disbursements	<u>4,636</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,068
BEGINNING CASH	<u>0</u>
ENDING CASH	<u>\$ 20,068</u>

* No financial activity occurred prior to January 1, 2012.