



Nicole Galloway, CPA

Missouri State Auditor

**Big Bend Crossing
Transportation Development District**

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CITIZENS SUMMARY

Findings in the audit of Big Bend Crossing Transportation Development District

Financial Status

The audit of the Big Bend Crossing Transportation Development District (district) indicates the financial condition of the district is such that it may be abolished.

Due to the nature of this report, no rating is provided.

Big Bend Crossing Transportation Development District

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Missouri State Auditor

Mr. Grant Mabie, Chairman
and
Board of Directors
Big Bend Crossing Transportation Development District
City of Crestwood, 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 April 27, 2020, the Board of Directors of the Big Bend Crossing Transportation Development District formalized its intent to dissolve the district and requested an audit as required by statute. The State Auditor was notified of this request.

The district engaged Wade Stables, P.C., Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2019. To minimize duplication of effort, we reviewed the report of the CPA firm. The objectives of our audit were to:

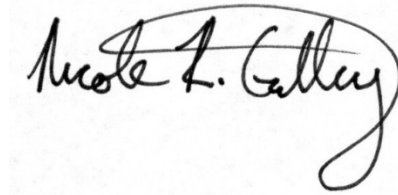
1. Evaluate the financial status of the district and determine whether it may be abolished pursuant to law.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing a district official, as well as certain external parties; and testing selected transactions. We 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 applicable 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 Background section and financial information is presented for informational purposes. This information was obtained from the district's management and audited financial reports and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we (1) determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo, (2) identified no significant noncompliance with legal provisions, and (3) identified no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Big Bend Crossing Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Tori Riley, MBA, CFE

Big Bend Crossing Transportation Development District

Introduction

Background

The Big Bend Crossing Transportation Development District is located in St. Louis County, in the City of Crestwood. The district was organized in June 2001 by petition of the property owners and the city filed with the Circuit Court of St. Louis County. The members of the Board of Directors consist of three city representatives and two representatives of the property owner. The district has a fiscal year end of December 31 and obtained independent audits annually.

In October 2001, the qualified voters¹ of the district approved a 1/4 of 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 November 1, 2001, for 40 years unless terminated sooner. The retail establishments within the district remitted sales tax collections directly to the district until 2010. In 2010, due to a state law change, those establishments began remitting the tax collections to the Missouri Department of Revenue and the department disbursed them to the district. The sales tax was terminated on March 31, 2020.

The district was formed for the purpose of improving Big Bend Boulevard with the construction of new traffic signals, new lanes, and other road improvements in the city. The city and the county are the public entities with jurisdiction over the project and served as the Local Transportation Authorities. The project was completed in July 2002 and the city and county accepted dedication of the project that month.

In 2002, the district issued a revenue bond for \$1,555,000 to fund the project. The bond debt was satisfied in January 2020. Over its lifetime, the district received \$2,894,540 in sales tax revenue² and made disbursements of \$2,831,264. See the Appendix for district financial activity from 2002 through April 2020.

In April 2020, the district Board formalized its intent to dissolve the district. A district official advised the State Auditor's Office (SAO) of this resolution and requested the SAO proceed with all necessary actions as required pursuant to 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.

¹ The only qualified voters in the district were Novus-Crestwood, L.L.C. and Lauber-Crestwood, L.L.C.

² This amount includes the sales tax revenues and the prior period adjustment reported in the Appendix.

Big Bend Crossing Transportation Development District

Management Advisory Report

State Auditor's Findings

Financial Status

Our audit of the Big Bend Crossing Transportation Development District indicates the financial condition of the district is such that it may be abolished.

The district satisfied its bond debt in January 2020. As of April 30, 2020, the cash balance of the district was \$73,247 (see the Appendix). As of June 24, 2020, the fees for legal services to be provided to abolish the district are estimated at \$35,000. There are no pending, threatened, or unasserted claims or assessments against the district according to district legal counsel. District officials confirmed the district is not insolvent, in receivership or under the jurisdiction of the bankruptcy court. Therefore, the district meets the abolishment criteria established in Section 238.275.3, RSMo.

The Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



Appendix
Big Bend Crossing Transportation Development District
Statement of Receipts, Disbursements, and Ending Cash Balance

	Period Ended January 1 through April 30, 2020	Year Ended December 31, 2002 through 2019
RECEIPTS		
Sales taxes	\$ 58,406	2,733,615
Interest	81	9,890
Total Receipts	58,487	2,743,505
DISBURSEMENTS		
Trustee	873	24,298
Bank	143	7,281
Administration	10,000	141,098
Miscellaneous	0	133
Legal and Professional	0	97,470
Collection	0	13,136
Debt Service	61,575	2,475,257
Total Disbursements	72,591	2,758,673
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,104)	(15,168)
BEGINNING CASH	87,351	0
PRIOR PERIOD ADJUSTMENT (1)	0	102,519
ENDING CASH	\$ 73,247	87,351

(1) The prior period adjustment is the result of not including revenues collected and held with the trustee in prior years.

Source: Compiled by the SAO using the district's bank statements and CPA audited financial statements.