

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

Nicole Galloway, CPA

Missouri State Auditor

**Salt Lick Road
Transportation Development District**

Report No. 2020-110

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auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Salt Lick Road Transportation Development District

Financial Status

The audit of the Salt Lick Road Transportation Development 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

Salt Lick Road Transportation Development District

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Mr. Brent Beumer, Chairman & Executive Director
and
Board of Directors
Salt Lick Road Transportation Development District

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 September 8, 2020, the Board of Directors of the Salt Lick Road Transportation Development District formalized its intent to dissolve the district and requested an audit as required by statute. The State Auditor was subsequently notified of this request.

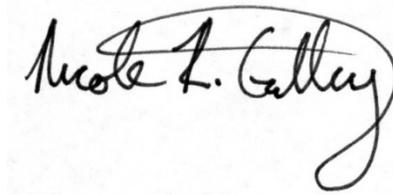
The district engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2019. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the fiscal year ended December 31, 2019 and the period from January 1 through August 31, 2020. 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 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 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 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 Salt Lick Road Transportation Development District.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
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Salt Lick Road Transportation Development District

Introduction

Background

The Salt Lick Road Transportation Development District is located in St. Charles County, in the City of St. Peters. The district was organized in May of 2003 by petition of the property owner and filed with the Circuit Court of St. Charles County. The members of the Board of Directors consist of representatives of owners of real property within the district. The district has a fiscal year end of December 31 and obtained independent audits annually.

On July 2, 2003, the Board of Directors passed a resolution formally approving a 1 percent sales tax on all taxable transactions within the boundaries of the district for 40 years unless terminated sooner, subject to approval by the qualified voter. On July 23, 2003, the qualified voter¹ of the district approved the sales tax. On October 12, 2004, the Board imposed the sales tax. The retail establishments within the district collected and remitted the sales tax to the City of St. Peters until 2010. Starting 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 subsequently terminated on March 31, 2020.

The district was formed for the purpose of improving Salt Lick Road and Veterans Memorial Parkway with the construction of a new intersection and other road improvements in the city. A portion of the district project was intended to be merged into the state highways and transportation system. The Missouri Highways and Transportation Commission has jurisdiction over this state transportation project and served as the Transportation Authority. In addition, a portion of the district project is not part of the state highway and transportation system. The City of St. Peters has jurisdiction over this portion of the project and served as the Local Transportation Authority. The project was completed in 2004.

In September 2020, the district Board formalized its intent to dissolve the district. A district official subsequently 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 voter in the district was the developer/property owner, Summit Pointe L.C.

Salt Lick Road Transportation Development District Management Advisory Report State Auditor's Findings

Financial Status

The district satisfied its note debt in October 2019. As of August 31, 2020, the cash balance of the district was \$181,760 (see below). As of August 31, 2020, the district was indebted \$4,467 for legal services performed. As of September 29, 2020, the additional fees for legal services to be provided to abolish the district are estimated at \$2,775. 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.

Based on our audit of the Salt Lick Road Transportation Development District, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

	Period Ended January 1, 2020 through August 31, 2020	Year Ended December 31, 2003 through 2019
RECEIPTS		
Sales Tax	\$ 125,421	3,192,387
Miscellaneous Income	0	3,000
Investment Income	84	3,872
Total Receipts	125,505	3,199,259
DISBURSEMENTS		
Administrative fees	9,147	161,351
Utility & Maintenance	7,225	196,018
Transportation Project	0	1,938,617
Interest on Long Term Debt	0	830,646
Total Disbursements	16,372	3,126,632
RECEIPTS OVER (UNDER) DISBURSEMENTS	109,133	72,627
BEGINNING BALANCE	72,627	0
ENDING BALANCE	\$ 181,760	72,627

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