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***OLIVE BOULEVARD TRANSPORTATION  
DEVELOPMENT DISTRICT***

***FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
AND SUPPLEMENTARY INFORMATION***

***JUNE 30, 2019***

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the  
Olive Boulevard Transportation Development District

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Olive Boulevard Transportation Development District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

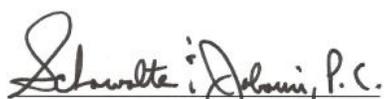
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis and supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
December 30, 2019

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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As management of the Olive Boulevard Transportation Development District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's financial statements (attached).

#### Financial Highlights

The liabilities of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$766,623. The change from last year of \$470,692 is primarily a result of the outstanding bonds being paid off.

As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of \$547,682. This amount represents a \$41,762 increase from the prior year, primarily due to an increase in sales tax revenues partially offset by an increase in debt service payments in the current fiscal year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplemental information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements.* The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position - modified cash basis presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities - modified cash basis presents information showing how the District's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by sales tax and special assessments. The governmental activities of the District include the collection of sales tax and special assessments, and the maintenance, administration, and payment of debt.

*Fund Financial Statements.* A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District only maintains governmental funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### *Management's Discussion and Analysis (continued)*

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet - modified cash basis and the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five governmental funds. Information is presented separately in the governmental funds balance sheet - modified cash basis and in the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, Excess Special Assessment Fund, Capital Projects Fund, Bond Payment Fund, and Bond Redemption Fund, which are all considered to be major funds.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budget.

*Notes to Financial Statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Supplemental Information.* This management's discussion and analysis and the budgetary comparison schedules represent additional financial information. Such information provides users of this report with data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

### **Government-Wide Financial Statements**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets and deferred outflows of resources by \$766,623 at the close of the most recent fiscal year.

By far the largest portion of the District's net position reflect its debt. The District does not record capital assets because they do not own the assets the debt was issued to build.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

*Management's Discussion and Analysis (continued)*

*Governmental Activities.* Condensed versions of the statement of net position - modified cash basis and the statement of activities – modified cash basis are as follows:

	June 30,		2019 Change	
	2019	2018	Amount	Percent
<b>ASSETS</b>				
Cash and investments	\$ 547,682	\$ 505,920	\$ 41,762	8.3%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	10,695	11,765	(1,070)	-9.1%
<b>LIABILITIES</b>				
Due within one year	270,000	205,000	65,000	31.7%
Due in more than one year	1,055,000	1,550,000	(495,000)	-31.9%
<b>Total Liabilities</b>	<b>1,325,000</b>	<b>1,755,000</b>	<b>(430,000)</b>	<b>-24.5%</b>
<b>NET POSITION</b>				
Restricted	547,682	505,920	41,762	8.3%
Unrestricted	(1,314,305)	(1,743,235)	428,930	24.6%
<b>Total Net Position</b>	<b>\$ (766,623)</b>	<b>\$ (1,237,315)</b>	<b>\$ 470,692</b>	<b>38.0%</b>
	For the Years Ended June 30,		2019 Change	
	2019	2018	Amount	Percent
<b>REVENUES</b>				
General revenues:				
Sales tax	\$ 552,824	\$ 469,969	\$ 82,855	17.6%
Project reimbursements	-	35,647	(35,647)	-100.0%
Investment income	9,321	4,447	4,874	109.6%
<b>Total Revenues</b>	<b>562,145</b>	<b>510,063</b>	<b>52,082</b>	<b>10.2%</b>
<b>EXPENSES</b>				
Administrative	40,808	30,707	10,101	32.9%
Transportation development	-	74,550	(74,550)	-100.0%
Interest on long-term debt	50,645	61,970	(11,325)	-18.3%
<b>Total Expenses</b>	<b>91,453</b>	<b>167,227</b>	<b>(75,774)</b>	<b>-45.3%</b>
<b>CHANGE IN NET POSITION</b>	<b>470,692</b>	<b>342,836</b>	<b>127,856</b>	<b>37.3%</b>
<b>NET POSITION, JULY 1</b>	<b>(1,237,315)</b>	<b>(1,580,151)</b>	<b>342,836</b>	<b>21.7%</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ (766,623)</b>	<b>\$ (1,237,315)</b>	<b>\$ 470,692</b>	<b>38.0%</b>

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### Management's Discussion and Analysis (continued)

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#### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$547,682, an increase of \$41,762 from the prior year.

#### General Fund Budgetary Highlights

Revenues were \$12,053 below the final budgeted amount of \$566,921. Expenditures were \$98 above the final budgeted amount of \$40,710, and other financing uses were the same as the final budgeted amount of \$477,652. This resulted in a change in fund balance \$12,151 lower than the final budgeted amount.

#### Long-Term Debt

At the end of the current fiscal year, the District had net debt outstanding of \$1,325,000. This amount consists of the 2015 refunding transportation sales tax and special assessment revenue bonds.

Additional information can be found in Note 3 in the notes to financial statements.

#### Economic Factors and Next Year's Budget

Sales tax and special assessments are the main source of revenue for the District at approximately 98.3% of total revenues. Interest revenue is expected to make up the remainder of revenues. Capital outlay and debt service will require the greatest usage of resources. These factors were considered in preparing the District's 2020 budget.

#### Requests for Information

This financial report is designed to provide taxpayers and the general public with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Robert Klahr at 314-621-5070.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2019**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 547,682
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	10,695
<b>LIABILITIES</b>	
Noncurrent liabilities:	
Due within one year	270,000
Due in more than one year	1,055,000
<b>Total Liabilities</b>	<u>1,325,000</u>
<b>NET POSITION</b>	
Restricted for:	
Capital projects	118,796
Debt service	3,995
Transportation development	424,891
Unrestricted	<u>(1,314,305)</u>
<b>Total Net Position</b>	<u>\$ (766,623)</u>

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Program Revenues</b>		<b>Net Revenues (Expenses) And Changes In Net Position</b>
	<b>Expenses</b>	<b>Operating Grants And Contributions</b>	
<b>FUNCTIONS/PROGRAMS</b>			
<b>Governmental Activities</b>			
Administrative	\$ 40,808	\$ -	\$ (40,808)
Interest on long-term debt	50,645	-	(50,645)
<b>Total Governmental Activities</b>	<b>\$ 91,453</b>	<b>\$ -</b>	<b>(91,453)</b>
<b>General Revenues</b>			
Sales tax			552,824
Investment income			9,321
<b>Total General Revenues</b>			<b>562,145</b>
<b>CHANGE IN NET POSITION</b>			<b>470,692</b>
<b>NET POSITION, JULY 1, 2018</b>			<b>(1,237,315)</b>
<b>NET POSITION, JUNE 30, 2019</b>			<b>\$ (766,623)</b>

See notes to financial statements

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>General Fund</b>	<b>Excess Special Assessment Fund</b>	<b>Capital Projects Fund</b>	<b>Bond Payment Fund</b>	<b>Bond Redemption Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and investments	\$ 197,836	\$ 227,055	\$ 118,796	\$ 53	\$ 3,942	\$ 547,682
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances</b>						
Restricted for:						
Capital projects	-	-	118,796	-	-	118,796
Debt service	-	-	-	53	3,942	3,995
Transportation development	197,836	227,055	-	-	-	424,891
<b>Total Fund Balances</b>	<b>197,836</b>	<b>227,055</b>	<b>118,796</b>	<b>53</b>	<b>3,942</b>	<b>547,682</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 197,836</b>	<b>\$ 227,055</b>	<b>\$ 118,796</b>	<b>\$ 53</b>	<b>\$ 3,942</b>	<b>\$ 547,682</b>

See notes to financial statements

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION -  
MODIFIED CASH BASIS  
JUNE 30, 2019**

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**TOTAL FUND BALANCES-GOVERNMENTAL FUNDS** \$ 547,682

Amounts reported for governmental activities in the statement of net position are different because:

Certain long-term liabilities are not due and payable in the current period and, therefore are not reported as liabilities in the governmental funds. Discounts, premiums, and deferred amounts on refunding costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements. Balances at year-end consist of:

Refunding revenue bonds	(1,325,000)
Unamortized deferred charge on refunding	<u>10,695</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ (766,623)

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Excess Special Assessment Fund</b>	<b>Capital Projects Fund</b>	<b>Bond Payment Fund</b>	<b>Bond Redemption Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Sales tax	\$ 552,824	\$ -	\$ -	\$ -	\$ -	\$ 552,824
Special assessments	-	-	-	-	-	-
Investment income	2,044	4,468	1,879	87	843	9,321
<b>Total Revenues</b>	<b>554,868</b>	<b>4,468</b>	<b>1,879</b>	<b>87</b>	<b>843</b>	<b>562,145</b>
<b>EXPENDITURES</b>						
Administrative	40,808	-	-	-	-	40,808
Debt service:						
Principal	-	-	-	-	430,000	430,000
Interest	-	-	-	49,575	-	49,575
<b>Total Expenditures</b>	<b>40,808</b>	<b>-</b>	<b>-</b>	<b>49,575</b>	<b>430,000</b>	<b>520,383</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>514,060</b>	<b>4,468</b>	<b>1,879</b>	<b>(49,488)</b>	<b>(429,157)</b>	<b>41,762</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	49,511	428,141	477,652
Transfers out	(477,652)	-	-	-	-	(477,652)
<b>Total Other Financing Sources (Uses)</b>	<b>(477,652)</b>	<b>-</b>	<b>-</b>	<b>49,511</b>	<b>428,141</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>36,408</b>	<b>4,468</b>	<b>1,879</b>	<b>23</b>	<b>(1,016)</b>	<b>41,762</b>
<b>FUND BALANCES, JULY 1, 2018</b>	<b>161,428</b>	<b>222,587</b>	<b>116,917</b>	<b>30</b>	<b>4,958</b>	<b>505,920</b>
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 197,836</b>	<b>\$ 227,055</b>	<b>\$ 118,796</b>	<b>\$ 53</b>	<b>\$ 3,942</b>	<b>\$ 547,682</b>

See notes to financial statements

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS** \$ 41,762

Amounts reported for governmental activities in the statement of activities  
are different because:

Under the modified cash basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the modified cash basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:

Deferred charges on refunding - amortization (1,070)

financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds; however, it has no effect on net position. The gain on the debt extinguishment recorded in the statement of activities does not affect current financial resources and therefore has no impact on the governmental funds. The following is the effect of these differences in the treatment of long-term debt:

Bond principal payments 430,000

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 470,692

## OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Olive Boulevard Transportation Development District (the "District"), organized September 2004, is a political subdivision duly organized under the laws of the State of Missouri. The District operates under the direction of a Board of Directors. The District was formed for the purpose of construction of certain transportation projects to serve various retail and office development projects in the City of Creve Coeur, Missouri (the "City"). Generally, the District is authorized to impose a sales tax of 1/2% and a special assessment within its boundaries and issue revenue bonds payable from this sales tax and a special assessment.

The more significant accounting policies consistently applied by the District in the preparation of the accompanying financial statements are summarized below:

#### Reporting Entity

The financial statements of the District include the financial activities of the District and any component units, entities which are financially accountable to the District. The District does not currently have any component units.

#### Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the District:

#### *Governmental Funds*

Governmental Funds are those through which all functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. Governmental Funds focus on the sources, uses and balances of current financial resources.

The District reports the following major governmental funds:

**General Fund** – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Excess Special Assessment Fund** – This fund is used to account for any special assessments. This fund will be liquidated when all projects have been completed.

**Capital Projects Fund** – This fund is to be used for the acquisition, construction, or maintenance of transportation improvements.

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### *Notes to Basic Financial Statements (continued)*

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**Bond Payment Fund** – This fund is used to account for the payment of debt interest and related costs.

**Bond Redemption Fund** – This fund is used to account for the payment of debt principal.

#### Basis of Presentation

##### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of net position - modified cash basis presents the financial condition of the governmental activities of the District at year end.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

##### *Fund Financial Statements*

The emphasis of fund financial statements is on *major* individual governmental funds which are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, all governmental funds utilize a “current financial resources” measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets.

## OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT

### *Notes to Basic Financial Statements (continued)*

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Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles ("GAAP"). This basis of accounting involves modifications to the cash basis of accounting to report in the government-wide or fund financial statements cash transaction or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, long term debt, and deferred charges.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

#### Fund Balance Policies

The District's policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

**Nonspendable** – This consists of the governmental fund balances that are not in a spendable form or are legally or contractually required to be maintained intact. The District has no nonspendable fund balance at June 30, 2019.

**Restricted** – This consists of the governmental fund balances that are subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation. The District's restricted funds consist of bond proceeds and taxes restricted for capital projects, debt service, and transportation development.

**Committed** – This consists of the governmental fund balances with constraints or limitations by formal action (resolution) of the Board of Directors, the highest level of decision-making authority. The District has no committed fund balance at June 30, 2019.

**Assigned** – This consists of the governmental fund balances that the District intends to use for a specific purpose as determined by the applicable District officials to which the Board of Directors has designated authority. The District has no assigned fund balance at June 30, 2019.

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### *Notes to Basic Financial Statements (continued)*

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**Unassigned** – This consists of the governmental funds that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the District will spend the most restricted amounts before the least restricted.

The District's objective is to maintain a minimal fund balance as a result of monies pledged to debt service payments within the District.

#### Investments

Investments are stated at fair value.

#### Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### Amortization, Discounts/Premiums, and Costs of Issuance

In the government-wide financial statements, bond discounts and premiums, if any, are recorded as a reduction or increase of the debt obligation and are amortized over the term of the related bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, if any, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures. Repayment of debt principal from refunding proceeds is reported as other financing sources, whereas repayment of debt principal from excess fund reserves is reported as other debt service expenditures.

#### Concentrations

The District relies solely on sales tax from retailers and special assessments revenues from certain nonretail commercial property within the District.

#### Risk Management

The District carries commercial insurance for its risks of loss, including liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

### *Notes to Basic Financial Statements (continued)*

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#### Use of Estimates

The preparation of basic financial statements requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

## **2. CASH AND INVESTMENTS**

#### Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy with regard to custodial credit risk that the value of District securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2019, the District's bank balances of \$227,055 were entirely secured or collateralized by FDIC.

#### Investments

State statutes and debt covenants authorize the District to invest in obligations of the U.S. Treasury, U.S. agencies, various state and local governments, commercial paper, repurchase agreements, and various other investment types.

As of June 30, 2019, the District had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>		<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	
Money market mutual funds	\$ 320,627	\$ 320,627	\$ -	N/A

#### Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District does not have a written investment policy covering interest rate risk.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a written investment policy covering concentration of credit risk.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

*Notes to Basic Financial Statements (continued)*

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**3. LONG-TERM DEBT**

Long-term debt consisted of the following:

	<b>June 30, 2019</b>
2015 transportation sales tax and special assessment refunding revenue bonds of \$2,690,000, interest rate of 3.0%, interest payable semi-annually April 1 and October 1, final maturity October 1, 2029.	<u>\$ 1,325,000</u>
<b>Total Long-term Debt</b>	<u><u>\$ 1,325,000</u></u>

The refunding revenue bonds, which are limited obligations of the District, are payable solely from certain bond proceeds, sales tax revenues, special assessment revenues, and other certain revenues as provided in the indenture. The bonds do not constitute a general obligation of the District, the state or any political subdivision of the State of Missouri, the City of Creve Coeur, or the Missouri Highways and Transportation Commission.

Under the terms of the bond issuance, the 2015 bonds are subject to redemption as follows:

(a) Optional Redemption

- (1) The bonds are subject to optional redemption by the District on or after October 1, 2015 in whole or in part at any time, at the redemption price equal to 100% of the principal amount of the bonds being redeemed plus accrued interest to the redemption date.
- (2) The bonds are subject to redemption in part on any date, at the option of the District, at the redemption price equal to 100% of the principal amount of bonds being redeemed plus accrued interest to the redemption date, using any balance remaining in the project account which is transferred to the bond redemption account of the debt service fund upon completion of the transportation project.

(b) Special Mandatory Redemption

- (1) The bonds are subject to special mandatory redemption by the District on any payment date on or after October 1, 2015, at the redemption price of 100% of the principal amount of bonds being redeemed plus accrued interest to the redemption date, in an amount equal to the amount which is on deposit in the bond redemption account of the debt service fund 40 days prior to each payment date (or if such date is not a business day, the immediately preceding business day.)
- (2) The bonds are subject to special mandatory redemption by the District, in whole but not in part, at any time moneys in the TDD sales tax trust fund, the TDD sales tax account of the revenue fund, the bond payment account of the debt service fund, and the bond redemption account of the debt service fund are sufficient to redeem 100% of the bonds outstanding, together with accrued interest thereon to the date fixed for redemption.

Based upon the above, principal amounts paid as of the date of issuance of this report are reported as current as of June 30, 2019.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

*Notes to Basic Financial Statements (continued)*

The following is a summary of the changes in the District's long-term debt:

	For The Year Ended June 30, 2019			Balance June 30, 2019	Amounts Due Within One Year
	Balance June 30, 2018	Additions	Reductions		
Refunding revenue bonds	\$ 1,755,000	\$ -	\$ 430,000	\$ 1,325,000	\$ 270,000

**4. TAX REVENUES PLEDGED**

The District has pledged, subject to annual appropriation, future sales tax and special assessment revenues to repay revenue bonds issued to finance certain improvements in the District. The bonds are payable solely from the taxes generated by sales in the District and special assessments on certain nonretail commercial property within the District. These revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds per Note 3 is payable solely from pledged revenue. For the current year, principal and interest paid on the bonds and total sales tax and special assessment revenues received were \$479,575 and \$552,824, respectively.

**5. INTERFUND TRANSFERS**

Individual interfund transactions consist of the following:

Transfers Out	Transfers In	For The Year Ended June 30, 2019
General Fund	Bond Payment Fund	49,511
General Fund	Bond Redemption Fund	428,141
		<u>\$ 477,652</u>

Interfund transfers may be used to: 1) move revenues from the fund that resolution or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

**6. RESTRICTED NET POSITION**

The government-wide statement of net position reports \$547,682 of restricted net position of which \$543,687 is restricted by enabling legislation. The balance of \$3,995 is restricted by indentures of the long-term debt.

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**Supplementary Information**

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**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales tax	\$ 465,000	\$ 565,271	\$ 552,824	\$ (12,447)
Investment income	430	1,650	2,044	394
<b>Total Revenues</b>	<u>465,430</u>	<u>566,921</u>	<u>554,868</u>	<u>(12,053)</u>
<b>EXPENDITURES</b>				
Administrative	<u>38,650</u>	<u>40,710</u>	<u>40,808</u>	<u>(98)</u>
<b>Total Expenditures</b>	<u>38,650</u>	<u>40,710</u>	<u>40,808</u>	<u>(98)</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>426,780</u>	<u>526,211</u>	<u>514,060</u>	<u>(12,151)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,650	29,965	-	(29,965)
Transfers out	<u>(403,949)</u>	<u>(507,617)</u>	<u>(477,652)</u>	<u>29,965</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(375,299)</u>	<u>(477,652)</u>	<u>(477,652)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 51,481</u>	<u>\$ 48,559</u>	<u>36,408</u>	<u>\$ (12,151)</u>
<b>FUND BALANCE, JULY 1, 2018</b>			<u>161,428</u>	
<b>FUND BALANCE, JUNE 30, 2019</b>			<u>\$ 197,836</u>	

See accompanying independent auditors' report.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS - EXCESS SPECIAL ASSESSMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment income	\$ 900	\$ 4,375	\$ 4,468	\$ 93
<b>EXPENDITURES</b>				
Transportation development	<u>223,483</u>	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (222,583)</u>	<u>\$ 4,375</u>	4,468	<u>\$ 93</u>
<b>FUND BALANCE, JULY 1, 2018</b>			<u>222,587</u>	
<b>FUND BALANCE, JUNE 30, 2019</b>			<u>\$ 227,055</u>	

See accompanying independent auditors' report.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 175	\$ 1,725	\$ 1,879	\$ 154
<b>EXPENDITURES</b>				
Transportation development	116,996	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (116,821)</u>	<u>\$ 1,725</u>	<u>1,879</u>	<u>\$ 154</u>
<b>FUND BALANCE, JULY 1, 2018</b>			<u>116,917</u>	
<b>FUND BALANCE, JUNE 30, 2019</b>			<u>\$ 118,796</u>	

See accompanying independent auditors' report.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS - BOND PAYMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment income	\$ 10	\$ 95	\$ 87	\$ (8)
<b>EXPENDITURES</b>				
Debt service - interest	50,325	49,575	49,575	-
<b>REVENUES UNDER EXPENDITURES</b>	(50,315)	(49,480)	(49,488)	(8)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	50,266	49,512	49,511	(1)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (49)</u>	<u>\$ 32</u>	23	<u>\$ (9)</u>
<b>FUND BALANCE, JULY 1, 2018</b>			<u>30</u>	
<b>FUND BALANCE, JUNE 30, 2019</b>			<u>\$ 53</u>	

See accompanying independent auditors' report.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MODIFIED CASH BASIS - BOND REDEMPTION FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 20	\$ 850	\$ 843	\$ (7)
<b>EXPENDITURES</b>				
Debt service - principal	330,000	430,000	430,000	-
<b>REVENUES UNDER EXPENDITURES</b>	(329,980)	(429,150)	(429,157)	(7)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	325,033	428,140	428,141	1
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,947)</u>	<u>\$ (1,010)</u>	(1,016)	<u>\$ (6)</u>
<b>FUND BALANCE, JULY 1, 2018</b>			<u>4,958</u>	
<b>FUND BALANCE, JUNE 30, 2019</b>			<u>\$ 3,942</u>	

See accompanying independent auditors' report.

**OLIVE BOULEVARD TRANSPORTATION DEVELOPMENT DISTRICT**

**NOTES TO BUDGETARY COMPARISON INFORMATION  
JUNE 30, 2019**

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Budgets and Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The proposed budget is submitted to the Board of Directors. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any fund balance at the end of such year. Budgets are adopted for all funds.
- b. The budget must be adopted by the Board of Directors prior to the beginning of the fiscal year.
- c. Budget amendments must be approved by the Board of Directors.
- d. All annual appropriations lapse at fiscal year-end.

Actual expenditures exceeded those budgeted in the General Fund.

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***OLIVE BOULEVARD TRANSPORTATION  
DEVELOPMENT DISTRICT***

***REPORT TO THE BOARD OF DIRECTORS***

***JUNE 30, 2019***

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To the Board of Directors of the  
Olive Boulevard Transportation Development District

We have audited the financial statements of the governmental activities and each major fund of the Olive Boulevard Transportation Development District (the "District") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statements are prepared on the modified cash basis of accounting; therefore, there are no significant accounting estimates used by the District.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We assisted the District in preparing the government-wide journal entries and the financial statements and related notes. All adjusting journal entries prepared by us have been reviewed and approved by management.

## Significant Audit Findings (continued)

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter December 30, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Other Matters

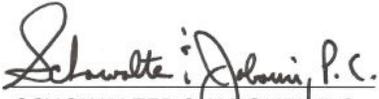
We were engaged to report on 1) Management's Discussion and Analysis, 2) Budget and Actual Schedules – Modified Cash Basis, and 3) Notes to Budgetary Comparison Information, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Olive Boulevard Transportation Development District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
December 30, 2019