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Basic Financial Statements, 2007

Crestwood Point Community Improvement District

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**Crestwood Point
Community Improvement District**

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2007



**Crestwood Point
Community Improvement District**

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2007

Crestwood Point Community Improvement District

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1950

1. The first part of the report
deals with the general
situation of the country
and the progress of the
work during the year.

2. The second part of the report
deals with the results of the
work done during the year.
It is divided into two sections,
one dealing with the work
done in the field and the
other dealing with the work
done in the laboratory.

3. The third part of the report
deals with the conclusions
drawn from the work done
during the year.

4. The fourth part of the report
deals with the suggestions
for further work.

5. The fifth part of the report
deals with the summary of the
work done during the year.

6. The sixth part of the report
deals with the list of references.

7. The seventh part of the report
deals with the list of names of
the persons who have helped
in the work.

8. The eighth part of the report
deals with the list of names of
the persons who have helped
in the work.

Wade Stables P.C.

CERTIFIED PUBLIC ACCOUNTANTS



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Independent Auditors' Report

To the Board of Directors
Crestwood Point Community Improvement District
Crestwood, Missouri

We have audited the accompanying financial statement of the governmental activities of Crestwood Point Community Improvement District as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities of Crestwood Point Community Improvement District as of December 31, 2007, and the respective changes in financial position - cash basis, for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2008, on our consideration of the Crestwood Point Community Improvement District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Wade Stables P.C.
Certified Public Accountants

August 15, 2008
O'Fallon, Missouri

Management's Discussion and Analysis

Crestwood Point Community Improvement District

Management's Discussion and Analysis For the Year Ended December 31, 2007 (Unaudited)

The discussion and analysis of the Crestwood Point Community Improvement District's financial performance provides an overview and analysis of the District's financial statements for the year ended December 31, 2007. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of Crestwood Point Community Improvement District exceeded its liabilities at the close of the year ending December 31, 2007 by \$26,059. All of this amount (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- At December 31, 2006 the assets of Crestwood Point Community Improvement District exceeded its liabilities by \$27,679.
- For the year ending December 31, 2007, the District's net assets decreased by \$1,620. The primary reason for the decrease was the District incurred \$23,284 in legal fees, \$5,000 in administrative fees, and \$1,295 in insurance expenses while collecting \$27,701 in property tax revenues.
- For the year ending December 31, 2006, the District's net assets increased by \$27,679. The primary reason for the increase was the District collected \$27,690 in property tax revenues and only had \$151 in bank fees for expenses in 2006.
- The District imposed a tax upon the real property within the CID boundaries at a rate of \$3.00 per \$100 assessed valuation for a period of 20 years which became effective on December 31, 2004, after a vote of the qualified voters of the District. As a result of the tax becoming effective on December 31, 2004, the tax of \$3.00 per \$100 assessed valuation was levied on the assessed valuation of property for the year 2005. This tax became payable and due by December 31, 2005; therefore, the first property tax revenues the District would have received was January 2006. The District received CID property tax revenues totaling \$27,701 and \$27,690 during the years ended December 31, 2007 and 2006, respectively.

USING THIS OTHER COMPREHENSIVE BASIS OF ACCOUNTING REPORT (OCBOA)

The financial statements are presented on a basis of cash receipts and cash disbursements, a basis of accounting other than Generally Accepted Accounting Principles (GAAP). These statements include all assets and liabilities arising from cash transactions; a basis of accounting takes into consideration all of the current year's revenues collected and expenditures paid, but does not include capital assets, amounts due in the future from others, or liabilities payable from future revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to Crestwood Point Community Improvement District's basic financial statements. The District's financial statements are comprised of two components, combined government-wide and fund financial statements and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Combined Government-wide and Fund Financial Statements

The fund financial statements provide detailed information about the major funds.

Governmental fund - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balance left at year-end that is available for spending. The funds are reported using the cash basis of accounting. This measurement focus reports on revenues received and expenditures paid during the period. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Crestwood Point Community Improvement District
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

The Crestwood Point Community Improvement District maintains one individual governmental fund - the CID Special Trust Fund. Information is presented in the Statement of Net Assets and Governmental Funds Balance Sheet - Cash Basis and the CID Special Trust Fund is considered a major fund.

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. The notes to financial statements can be found immediately following the basic financial statements.

PROPERTY, PLANT AND EQUIPMENT AND DEBT

Property, Plant and Equipment

The financial statements are prepared using the cash basis method of accounting. Under the cash basis, purchases of assets are expensed as project costs and recognized when cash is disbursed rather than when the obligation is incurred. For the years ending December 31, 2007 and 2006, the District had not invested any moneys for property and improvements.

Debt

At fiscal years ending December 31, 2007 and 2006, the District had no debt outstanding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the District's fiscal year on December 31, 2007, the governmental fund of the District reported a fund balance of \$26,059. The net assets decreased by \$1,620 as a result of the District receiving CID property tax revenues in the amount of \$27,701 and interest income totaling \$258 while incurring legal fees totaling \$23,284, administrative fees totaling \$5,000, and insurance expenses totaling \$1,295. The CID's property tax revenues received are deposited into the Crestwood Point CID Special Trust Fund.

At December 31, 2006, the governmental fund of the District reported a fund balance of \$27,679. The net assets increased by \$27,679 as a result of the District receiving CID property tax revenues in the amount of \$27,690 and interest revenue totaling \$140 and only incurring bank services charges totaling \$151.

For the year ended December 31, 2007, the District's general revenues consisted of \$27,701 in CID property tax revenues and \$258 in interest income. The District incurred \$23,284 in legal fees, \$5,000 in administrative fees and \$1,295 in insurance expenses during the year.

During 2006, the District's general revenues consisted of \$27,690 in CID property tax revenues and \$140 in interest income while the District incurred only bank services charges totaling \$151.

CID SPECIAL TRUST FUND BUDGETING HIGHLIGHTS

For the fiscal year ending December 31, 2007, actual expenditures on a budgetary basis were \$29,579 compared to the final budget amount of \$43,300, resulting in an overall positive variance of \$13,721. The primary reason for this difference is that \$30,000 was budgeted for legal fees while only \$23,284 in legal expenses were incurred, resulting in a positive variance of \$6,716. Additionally, \$2,000 was allocated for insurance expenses but only \$1,295 of this amount was disbursed resulting in a positive variance of \$705. Furthermore, \$4,500 was budgeted for audit fees and \$1,800 was budgeted for executive director expense while no expenses were actually incurred for these items.

Crestwood Point Community Improvement District

Management's Discussion and Analysis For the Year Ended December 31, 2007 (Unaudited)

For the fiscal year ending December 31, 2006, actual expenditures on a budgetary basis were \$151 compared to the final budget of \$151.

As of December 31, 2007, actual revenues on a budgetary basis were \$27,959 compared to the final budget amount of \$27,865 resulting in a positive variance of \$94. The primary reason for the variance was the District received more interest income than what was budgeted.

As of December 31, 2006, actual revenues on a budgetary basis were \$27,830 compared to the final budget amount of \$27,828 resulting in a positive variance of \$2. The primary reason for the variance was the District received more interest income than what was budgeted.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local, national and international economic factors influence the District's revenues. Positive economic growth correlates with increased revenues from property taxes. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, and new construction and assessed valuation. The District has enjoyed steady growth in recent years and hopes to continue the trend in the next fiscal year. The District has prepared its budget for the next fiscal year considering the economic factors discussed above.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District.

Crestwood Point Community Improvement DistrictStatement of Net Assets and Governmental
Funds Balance Sheet - Cash Basis
December 31, 2007

	<u>CID Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and equivalents	\$ 26,059	\$ -	\$ 26,059
Total Assets	<u>\$ 26,059</u>	<u>\$ -</u>	<u>\$ 26,059</u>
Liabilities and Fund Balance / Net Assets			
Fund Balance: Unreserved	\$ 26,059	\$ (26,059)	\$ -
Total Liabilities and Fund Balance	<u>\$ 26,059</u>	<u>\$ (26,059)</u>	<u>\$ -</u>
Net Assets: Unrestricted		\$ 26,059	\$ 26,059
Total Net Assets		<u>\$ 26,059</u>	<u>\$ 26,059</u>

The accompanying notes to financial statements are an integral part of this statement.

Crestwood Point Community Improvement DistrictStatement of Activities and Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances - Cash Basis
For the Year Ended December 31, 2007

	<u>CID Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses:			
Administrative fees	\$ 5,000	\$ -	\$ 5,000
Insurance expense	1,295	-	1,295
Legal fees	23,284	-	23,284
Total Expenditures/Expenses	\$ 29,579	\$ -	\$ 29,579
General Revenues:			
CID property tax revenues	\$ 27,701	\$ -	\$ 27,701
Interest income	258	-	258
Total General Revenues	\$ 27,959	\$ -	\$ 27,959
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,620)	\$ 1,620	\$ -
Change in net assets	-	(1,620)	(1,620)
Fund balance/net assets:			
Beginning of the Year	27,679	-	27,679
End of the Year	\$ 26,059	\$ -	\$ 26,059

The accompanying notes to financial statements are an integral part of this statement.

Crestwood Point Community Improvement District

Notes to Financial Statements
For the Year Ended December 31, 2007

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571, inclusive, of the Revised Statutes of Missouri, as amended (the "CID Act") and Ordinance No. 3802 (the "Approving Ordinance"), the City of Crestwood, Missouri (the "City") approved formation of the Crestwood Point Community Improvement District (the "District") for the purpose of financing certain improvements referenced in the Approving Ordinance and further defined below (the "Project").

Pursuant to CID Resolution No. 04-003, the CID entered into a Reimbursement Agreement dated August 9, 2004 (the "Reimbursement Agreement"), pursuant to which Crestwood Point Development, L.L.C., a Missouri limited liability company (the "Developer"), has agreed to construct and implement the Project and the CID has agreed to issue its obligations to finance a portion of such Project.

The Project is described as follows:

The development of an area known as the Sappington/Watson Redevelopment Area. The TDD project portion consists of: demolition and reconstruction of an existing parking lot on property owned by the city; improvements to Sappington Road, including a dual left hand turn lane from Southbound Sappington to Eastbound Watson; construction of cross access between Watson Plaza and a commercial development to be constructed within the District; relocation of a curb cut on Watson Road serving as the entrance to the commercial development to be constructed within the District; and accompanying grading, drainage, pavement, curb, gutter, sidewalk, storm water facilities, structures, signing, lighting, traffic signals or other similar or related infrastructure or improvement in connection with in the above items. The CID project generally includes the entire TDD Project and other landscaping, utilities, drainage, water, storm and sewer systems and other site improvements that are part of the Redevelopment Project.

On August 9, 2004, the Board of Directors of the CID approved Resolution No. 04-001 authorizing the imposition of a tax upon the real property within the CID boundaries at a rate of \$3.00 per \$100 assessed valuation for a period of 20 years from the date on which such tax is first imposed for the purpose of providing improvements as authorized by Section 67.1461 of the CID act.

On December 21, 2004, the qualified voters of the CID approved the CID Property Tax by election, which CID Property Tax became effective on December 21, 2004 and levied in 2005.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

Crestwood Point Community Improvement District

Notes to Financial Statements
For the Year Ended December 31, 2007

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

A) BASIS OF PRESENTATION

Special-purpose governments engaged in a single governmental program and having no component units may present financial statements as combining fund financial statements with government-wide statements. This is illustrated on page 5 for Statement of Net Assets and Governmental Funds Balance Sheet - Cash Basis and page 6 for Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances - Cash Basis.

In the fund financial statements, financial transactions and accounts of the District are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund statements are also presented on a cash basis of accounting.

The following is a brief description of the specific funds used by the District.

Governmental Funds

CID Special Trust Fund - The CID Special Trust 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. Revenues are derived primarily from property taxes.

B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements and Fund Financial Statements are prepared using the cash basis of accounting, a basis of accounting other than Generally Accepted Accounting Principles (GAAP). Under cash basis, revenues are recognized when received rather than when earned and expenditures are recognized when cash is disbursed rather than when the obligation is incurred.

C) BUDGETS AND BUDGETARY ACCOUNTING

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

- 1) In accordance with Section 67 of the Missouri Revised Statutes, the budget officer, as designated by the District, prepares and adopts an annual budget which represents the complete financial plan for the ensuing budget year. The budget includes at least the following information:
 - a) A budget message describing the important features of the budget and major changes from the preceding year;
 - b) Estimated revenues to be collected from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, activity and object;
 - c) The amount required for the payment of interest, amortization, and redemption charges on the debt of the District;

Crestwood Point Community Improvement District

Notes to Financial Statements
For the Year Ended December 31, 2007

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

C) BUDGETS AND BUDGETARY ACCOUNTING (CONCLUDED)

- d) A general budget summary.
- 2) In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 3) The District may revise, alter, increase or decrease the items in the proposed budget, subject to such limitations as may be provided by law provided, that in no event, shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.
- 4) The District shall, before the beginning of the fiscal year, approve the budget and approve or adopt such orders, motions, resolutions or ordinances as may be required to authorize the budgeted expenditures and produce the revenues in the budget.
- 5) After the District has approved the budget and approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the District shall not increase the total amount authorized for expenditure from any fund, unless the District Council adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion resolution or ordinance to authorize the expenditures.

The 2007 budget was approved at a regular scheduled Board of Directors meeting in 2006.

D) FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) should be accounted for in the General Fixed Asset Account Group, rather than in governmental funds. The District has not maintained records of its fixed assets and therefore, the General Fixed Asset Account Group required by generally accepted accounting principles as applicable to governments is not included in these financial statements.

2) CASH AND CASH EQUIVALENTS

The District complies with various restrictions on deposits and investments, which are imposed by the state statutes as follows:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Investments - The District may invest in bonds of the State of Missouri or any wholly owned corporation of the United States; or in other short-term obligations of the United States.

Crestwood Point Community Improvement District

Notes to Financial Statements For the Year Ended December 31, 2007

Cash of the District at December 31, 2007 and 2006 is as follows:

Deposits

At year ending December 31, 2007, the carrying amount of the District's deposits was \$26,059 and the bank balance was \$26,059. Of the bank balance, \$26,059 was covered by federal depository insurance.

At year ending December 31, 2006, the carrying amount of the District's deposits was \$27,679 and the bank balance was \$27,679. Of the bank balance, \$27,679 was covered by federal depository insurance.

Investments

There were no investments at years ending December 31, 2007.

3) COMMITMENTS

Pursuant to CID Resolution No. 04-003, the CID has entered into a Reimbursement Agreement dated August 9, 2004 (the "Reimbursement Agreement"), between the Crestwood Point Community Improvement District, Crestwood Point Transportation Development District and Crestwood Point, L.L.C. (the "Company").

Pursuant to a Development Agreement between the City of Crestwood, Missouri (the "City") and Crestwood Point, L.L.C. (the "Company"), the Company agreed to provide for the development of an area known as the Sappington/Watson Redevelopment Area.

The TDD Project will be financed in part by a transportation development district created by the Company pursuant to the Missouri Transportation Development District Act.

Pursuant to the Agreement, the Company agrees to advance the costs of the CID Project and the TDD Project (collectively referred to as the "Project") to be constructed by the Company in accordance with the Development Agreement with the City of Crestwood, Missouri and the Reimbursement Agreement. The CID intends to issue notes, bonds or other obligations to reimburse the Developer for the costs incurred in designing, acquiring and construction of the CID project (including the TDD project) in accordance with the Redevelopment Agreement and to provide funds for the City to acquire and construct that portion of the Transportation Project related to demolition and reconstruction of an existing parking lot on property owned by the City. The TDD agrees to contribute to the CID certain revenues from the TDD Sales Tax to assist in the reimbursement of the Developer for the TDD Project, including, without limitation, payment of debt service on the portion of the Obligations issued by the CID that relate to the TDD Project.

Pursuant to CID Resolution No. 07-006, the CID has approved and authorized the issuance of a revenue note, series 2007, in the aggregate principal amount of \$484,483.67 to finance costs of the CID project, pay accrued interest and pay costs related to the issuance of the note. As of December 31, 2007 the notes have not been issued.

4) LITIGATION

At December 31, 2007 there were no claims or lawsuits pending against the District.

5) TAXES

The District has imposed a tax upon the real property within the CID boundaries at a rate of \$3.00 per \$100 assessed valuation for a period of 20 years from the date on which such tax is first imposed for the purpose of providing improvements as authorized by Section 67.1461 of the CID act. The qualified voters of the CID approved the CID Sales Tax by election, which became effective on December 31, 2004, pursuant to Section 67.1545.3 of the CID Act.

Crestwood Point Community Improvement District

Notes to Financial Statements
For the Year Ended December 31, 2007

5) TAXES (CONCLUDED)

As a result of the tax becoming effective on December 31, 2004, the tax of \$3.00 per \$100 assessed valuation was levied on the assessed valuation of property for the year 2005. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or about September 1 and are due and payable at that time. All unpaid taxes become delinquent January 1 of the following year and a lien attaches to all property on January 1 for which taxes are unpaid. Therefore, the taxes were due by December 31, 2005 and as a result, the first property tax revenues the District received was January 2006.

Required Supplementary Information

Crestwood Point Community Improvement DistrictStatement of Revenues Collected and Expenditures Paid -
CID Special Trust Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2007

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
CID property tax income	\$ 27,690	\$ 27,700	\$ 27,701	\$ 1
Interest income	-	165	258	93
Total Revenues	<u>\$ 27,690</u>	<u>\$ 27,865</u>	<u>\$ 27,959</u>	<u>\$ 94</u>
Expenditures:				
Administrative fees	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Insurance expense	2,000	2,000	1,295	705
Legal fees	6,700	30,000	23,284	6,716
Audit fees	4,500	4,500	-	4,500
Executive director expenses	1,800	1,800	-	1,800
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 43,300</u>	<u>\$ 29,579</u>	<u>\$ 13,721</u>
Other Financing Sources (Uses)				
Transfers in	\$ 20,000	\$ -	\$ -	\$ -
Transfers out	(55,367)	(12,142)	-	12,142
Total Other Financing Sources (Uses)	<u>\$ (35,367)</u>	<u>\$ (12,142)</u>	<u>\$ -</u>	<u>\$ 12,142</u>
Increase (Decrease) in Net Assets	<u>\$ (27,677)</u>	<u>\$ (27,577)</u>	<u>\$ (1,620)</u>	<u>\$ 25,957</u>
Net Assets - Beginning of the Year			<u>27,679</u>	
Net Assets - End of the Year			<u>\$ 26,059</u>	

The accompanying notes to financial statements are an integral part of this statement.

Crestwood Point Community Improvement DistrictStatement of Revenues Collected and Expenditures Paid -
Revenue Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2007

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
CID property tax income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Trustee fees	\$ -	\$ 2,000	\$ -	\$ 2,000
Total Expenditures	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 12,142	\$ -	\$ (12,142)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 12,142</u>	<u>\$ -</u>	<u>\$ (12,142)</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ 10,142</u>	<u>\$ -</u>	<u>\$ (10,142)</u>
Net Assets - Beginning of the Year			<u>-</u>	
Net Assets - End of the Year			<u>\$ -</u>	

The accompanying notes to financial statements are an integral part of this statement.

Crestwood Point Community Improvement District

Statement of Revenues Collected and Expenditures Paid -
Debt Service Fund - Budget and Actual - Cash Basis
For the Year Ended December 31, 2007

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Trustee fees	\$ 2,000	\$ -	\$ -	\$ -
Principal / interest payments	\$ 33,367			
Total Expenditures	<u>\$ 35,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources (Uses)				
Transfers in	\$ 35,367	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 35,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Assets - Beginning of the Year			<u>-</u>	
Net Assets - End of the Year			<u>\$ -</u>	

Other Supplementary Information

Crestwood Point Community Improvement District

Statement of Revenues Collected and Expenditures Paid -
All Funds - Budget and Actual - Cash Basis
For the Year Ended December 31, 2007

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
CID property tax income	\$ 27,690	\$ 27,700	\$ 27,701	\$ 1
Interest income	-	165	258	93
Property tax revenue note proceeds	515,000	484,984	-	(484,984)
Total Revenues	\$ 542,690	\$ 512,849	\$ 27,959	\$ (484,890)
Expenditures:				
Administrative fees	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Insurance expense	2,000	2,000	1,295	705
Legal fees	6,700	30,000	23,284	6,716
Audit fees	4,500	4,500	-	4,500
Executive director expenses	1,800	1,800	-	1,800
Capital fund	515,000	484,984	-	484,984
Trustee fees	2,000	2,000	-	2,000
Principal / interest payments	33,367	-	-	-
Total Expenditures	\$ 570,367	\$ 530,284	\$ 29,579	\$ 500,705
Other Financing Sources (Uses)				
Transfers in	\$ 55,367	\$ 12,142	\$ -	\$ (12,142)
Transfers out	\$ (55,367)	\$ (12,142)	-	12,142
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Increase (Decrease) in Net Assets	\$ (27,677)	\$ (17,435)	\$ (1,620)	\$ 15,815
Net Assets - Beginning of the Year			27,679	
Net Assets - End of the Year			\$ 26,059	

The accompanying notes to financial statements are an integral part of this statement.

Compliance Section



Members:
American Institute of CPAs
PCPS Alliance for CPA Firms
Missouri Society of CPAs
Illinois CPA Society

J.D. Valbracht, CPA
M.J. Mudd, CPA
P.L. Richards, CPA
S.S. Straub, CPA

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

L.L. Kennett, CPA
B.J. Schmid, CPA
A.C. Failor, CPA
S.T. Brune, CPA
R.A. Deien, CPA

To the Board of Directors
Crestwood Point Community Improvement District
Crestwood, Missouri

We have audited the financial statements of the governmental activities and each major fund of Crestwood Point Community Improvement District, as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 15, 2008. As described in our report on the financial statements, the Crestwood Point Community Improvement District prepares its financial statements on the basis of cash receipts and disbursements. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with the U.S. generally accepted accounting principles and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crestwood Point Community Improvement District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Crestwood Point Community Improvement District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Crestwood Point Community Improvement District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Crestwood Point Community Improvement District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a material misstatement of the Crestwood Point Community Improvement District's financial statements that is more than inconsequential will not be prevented or detected by the Crestwood Point Community Improvement District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Crestwood Point Community Improvement District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crestwood Point Community Improvement District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than this specified party.



Wade Stables P.C.
Certified Public Accountants

August 15, 2008
O'Fallon, Missouri