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1-1-2007

## Basic Financial Statements, 2003-2004-2005-2006

Crestwood Point Transportation Development District

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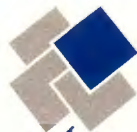
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**Crestwood Point Transportation  
Development District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**Years Ended December 31, 2006, 2005, 2004 and 2003**



**Wade Stables P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

**Crestwood Point Transportation  
Development District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**Years Ended December 31, 2006, 2005, 2004 and 2003**

**Crestwood Point Transportation Development District**

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December 31, 2006

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## Independent Auditors' Report

To the Board of Directors  
Crestwood Point Transportation Development District  
Crestwood, Missouri

We have audited the accompanying financial statements of the governmental activities of Crestwood Point Transportation Development District as of and for the years ended December 31, 2006, 2005, 2004 and 2003, 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's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits 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 audits provide 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 Transportation Development District as of December 31, 2006, 2005, 2004 and 2003 and the respective changes in financial position - cash basis, for the years 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 July 5, 2007, on our consideration of the Big Bend Crossing Transportation Development 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

July 5, 2007  
Hannibal, Missouri

**Management's Discussion and Analysis**

**Crestwood Point Transportation Development District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006, 2005, 2004 and 2003  
(Unaudited)

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The discussion and analysis of the Crestwood Point Transportation Development District's financial performance provides an overview and analysis of the District's financial statements for the years ended December 31, 2006, 2005, 2004 and 2003. It should be read in conjunction with the accompanying basic financial statements.

**Financial Highlights**

- The assets of Crestwood Point Transportation Development District exceeded its liabilities at the close of the year ending December 31, 2006 by \$282,944. Of this amount, \$282,944 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- For year ending December 31, 2005, the District's assets exceeded the liabilities by \$331,687. Of this amount, \$331,687 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of the District exceeded the liabilities for year ending December 31, 2004 by \$175,327. Of this amount, \$175,327 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- For year ending December 31, 2003, the District's assets exceeded the liabilities by \$18,010. Of this amount, \$18,010 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$48,743 for the year ended December 31, 2006. Pursuant to an Intergovernmental Cooperation Agreement, the City of Crestwood, Missouri is to perform all functions incidental to the administration, collection, enforcement and operation of the TDD Sales Tax. The City is to collect, receive and deposit all TDD Sales Tax in the Special Trust Fund. The City may deduct from the TDD Sales Tax on deposit in the Special Trust Fund the cost of collection of the TDD Sales Tax in an amount not to exceed 1% of the total amount collected. The TDD is to direct the City, after deduction of the City's cost of collection of 1% of the total amount deposited into the Special Trust Fund, to allocate for deposit into the Special Allocation Fund the portion of the TDD Sales Tax that constitutes TIF Revenues ((50% of TDD Sales Tax Revenues (hereinafter referred to EATS) after deducting the 1% collection fee)) and to apply the remaining moneys solely to pay the TDD administrative costs and Transportation Project costs. This procedure is supposed to be implemented on a monthly basis; however, the 1% collection fees and EATS payments for years ending December 31, 2005, 2004 and 2003 were not made. These expenses were paid during 2006 along with the collection fees and EATS payments for the year 2006.
- The District's total net assets increased by \$156,360 and \$157,317, for the years ended December 31, 2005 and 2004, respectively. The increases in net assets for 2005 and 2004 can be attributed to the same explanation for the decrease in net assets for 2006. The District had no expenditures during these years; only TDD Sales Tax revenues were deposited into the Special Trust Fund.
- For the year ending December 31, 2003, the District's total net assets increased by \$18,010. The reason for this is because the TDD Sales Tax became effective November 1, 2003; therefore, the monthly TDD Sales Tax revenues for November were received in December 2003. There were no expenditures because the collection fees and EATS payments would not have been calculated until January 2004.

**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.

**Crestwood Point Transportation Development District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006, 2005, 2004 and 2003  
(Unaudited)

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**Overview of the Financial Statements**

The discussion and analysis serves as an introduction to Crestwood Point Transportation Development 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.

The Crestwood Point Transportation Development District maintains two individual governmental funds. Information is presented in the Statement of Net Assets - Cash Basis, for the Sales Tax Trust Fund and the Revenue/Debt Service Fund, which are considered major funds.

**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.

**Special Trust Fund Budgeting Highlights**

For the year ending December 31, 2006, actual expenditures on a budgetary basis were \$226,372, compared to the budget amount of \$226,097. The \$275 negative variance is mainly the result of spending less than budgeted on EATS payments.

For the year ending December 31, 2005, actual expenditures on a budgetary basis were \$7, compared to the budget amount of \$7. The District's budget for year ending December 31, 2005 was approved on December 19, 2006. As a result, the budgeted figures agreed with the actual figures.

The actual expenditures on a budgetary basis for year ending December 31, 2004 were \$5,065, compared to the budget amount of \$161,823. The \$161,758 positive variance was mainly the result of the District budgeting \$50,000 for administrative expenses and \$109,598 for EATS payments and no payments were made for either during calendar year 2004.

The actual expenditures on a budgetary basis for year ending December 31, 2003 were \$0, compared to the budget amount of \$0. The TDD Sales Tax did not become effective until November 1, 2003, thus meaning no revenues were received until the following month, December 2003. The 1% collection fee and EATS payments are calculated on each month's deposits into the Special Trust Fund after receiving the bank statements. Therefore, the December 2003 bank statement would have been received in January 2004 and this would have been the first available bank statement to calculate the collection fees and EATS payments; therefore, these expenses were not budgeted.

For the year ending December 31, 2006, actual revenues on a budgetary basis were \$177,629, compared to the budget amount of \$171,813. The \$5,816 positive variance was due to sales tax revenues being more than budgeted for the year.



**Crestwood Point Transportation Development District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006, 2005, 2004 and 2003  
(Unaudited)

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The actual revenues on a budgetary basis for year ending December 31, 2005, were \$156,367 compared to the budgeted amount of \$156,367. The District's budget for year ending December 31, 2005 was approved on December 19, 2006. As a result, the budgeted figures agreed with the actual figures.

The District's actual revenues on a budgetary basis for year ending December 31, 2004 were \$162,382, compared to the budgeted amount of \$203,400. The negative variance of \$41,018 was the result of sales tax revenues being less than budgeted.

For the year ending December 31, 2003, the actual revenues on a budgetary basis were \$18,010 compared to the budgeted amount of \$18,010. The District's budget for year ending December 31, 2003 was approved on August 9, 2004. As a result, the actual revenues were known and therefore the budgeted revenues agreed with the actual revenues.

Local, national and international economic factors influence the District's revenues. Positive economic growth correlates with increased revenues from sales 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 Transportation Development District**

Statement of Net Assets and Governmental

Funds Balance Sheet - Cash Basis

December 31, 2006

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	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash and equivalents	\$ 282,944	\$ -	\$ 282,944
<b>Total Assets</b>	<u>\$ 282,944</u>	<u>\$ -</u>	<u>\$ 282,944</u>
<b>Liabilities and Fund Balance / Net Assets</b>			
Fund Balance: Unreserved	\$ 282,944	\$ (282,944)	\$ -
<b>Total Liabilities and Fund Balance</b>	<u>\$ 282,944</u>	<u>\$ (282,944)</u>	<u>\$ -</u>
Net Assets: Unrestricted		\$ 282,944	\$ 282,944
<b>Total Net Assets</b>		<u>\$ 282,944</u>	<u>\$ 282,944</u>

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

**Crestwood Point Transportation Development District**

Statement of Net Assets and Governmental

Funds Balance Sheet - Cash Basis

December 31, 2005

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	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash and equivalents	\$ 331,687	\$ -	\$ 331,687
<b>Total Assets</b>	<u>\$ 331,687</u>	<u>\$ -</u>	<u>\$ 331,687</u>
<b>Liabilities and Fund Balance / Net Assets</b>			
Fund Balance: Unreserved	\$ 331,687	\$ (331,687)	\$ -
<b>Total Liabilities and Fund Balance</b>	<u>\$ 331,687</u>	<u>\$ (331,687)</u>	<u>\$ -</u>
Net Assets: Unrestricted		\$ 331,687	\$ 331,687
<b>Total Net Assets</b>		<u>\$ 331,687</u>	<u>\$ 331,687</u>

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

**Crestwood Point Transportation Development District**

Statement of Net Assets and Governmental

Funds Balance Sheet - Cash Basis

December 31, 2004

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	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash and equivalents	\$ 175,327	\$ -	\$ 175,327
<b>Total Assets</b>	<u>\$ 175,327</u>	<u>\$ -</u>	<u>\$ 175,327</u>
<b>Liabilities and Fund Balance / Net Assets</b>			
Fund Balance: Unreserved	\$ 175,327	\$ (175,327)	\$ -
<b>Total Liabilities and Fund Balance</b>	<u>\$ 175,327</u>	<u>\$ (175,327)</u>	<u>\$ -</u>
Net Assets: Unrestricted		\$ 175,327	\$ 175,327
<b>Total Net Assets</b>		<u>\$ 175,327</u>	<u>\$ 175,327</u>

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

**Crestwood Point Transportation Development District**

Statement of Net Assets and Governmental

Funds Balance Sheet - Cash Basis

December 31, 2003

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	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash and equivalents	\$ 18,010	\$ -	\$ 18,010
<b>Total Assets</b>	<u>\$ 18,010</u>	<u>\$ -</u>	<u>\$ 18,010</u>
<b>Liabilities and Fund Balance / Net Assets</b>			
Fund Balance: Unreserved	\$ 18,010	\$ (18,010)	\$ -
<b>Total Liabilities and Fund Balance</b>	<u>\$ 18,010</u>	<u>\$ (18,010)</u>	<u>\$ -</u>
Net Assets: Unrestricted		\$ 18,010	\$ 18,010
<b>Total Net Assets</b>		<u>\$ 18,010</u>	<u>\$ 18,010</u>

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

**Crestwood Point Transportation Development District**  
Statement of Activities and Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2006

	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
1% Collection Fee	\$ 4,483	\$ -	\$ 4,483
EATS payments	221,889	-	221,889
<b>Total expenditures/expenses</b>	<u>\$ 226,372</u>	<u>\$ -</u>	<u>\$ 226,372</u>
<b>General Revenues:</b>			
TDD Sales Tax Revenues	\$ 177,629	\$ -	\$ 177,629
<b>Total general revenues</b>	<u>\$ 177,629</u>	<u>\$ -</u>	<u>\$ 177,629</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (48,743)	\$ 48,743	\$ -
Change in net assets	-	(48,743)	(48,743)
<b>Fund balance/net assets:</b>			
Beginning of Year	<u>331,687</u>	<u>-</u>	<u>331,687</u>
End of Year	<u>\$ 282,944</u>	<u>\$ -</u>	<u>\$ 282,944</u>

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

**Crestwood Point Transportation Development District**  
Statement of Activities and Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2005

	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
Bank service charge	\$ 7	\$ -	\$ 7
Total expenditures/expenses	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 7</u>
<b>General Revenues:</b>			
TDD Sales Tax Revenues	\$ 156,367	\$ -	\$ 156,367
Revenue note borrowings	-	-	-
Interest income	-	-	-
Total general revenues	<u>\$ 156,367</u>	<u>\$ -</u>	<u>\$ 156,367</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 156,360	\$ (156,360)	\$ -
Change in net assets	-	156,360	156,360
Fund balance/net assets:			
Beginning of Year	<u>175,327</u>	<u>-</u>	<u>175,327</u>
End of Year	<u><u>\$ 331,687</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 331,687</u></u>

**Crestwood Point Transportation Development District**  
Statement of Activities and Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2004

	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
Bank service charge	\$ 65	\$ -	\$ 65
Professional fees	5,000	-	5,000
Total expenditures/expenses	<u>\$ 5,065</u>	<u>\$ -</u>	<u>\$ 5,065</u>
<b>General Revenues:</b>			
TDD Sales Tax Revenues	<u>\$ 162,382</u>	<u>\$ -</u>	<u>\$ 162,382</u>
Total general revenues	<u>\$ 162,382</u>	<u>\$ -</u>	<u>\$ 162,382</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 157,317</u>	<u>\$ (157,317)</u>	<u>\$ -</u>
Change in net assets	-	157,317	157,317
Fund balance/net assets:			
Beginning of Year	<u>18,010</u>	<u>-</u>	<u>18,010</u>
End of Year	<u><u>\$ 175,327</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 175,327</u></u>

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



**Crestwood Point Transportation Development District**  
Statement of Activities and Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances - Cash Basis  
For the Year Ended December 31, 2003

	<u>Special Trust Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>General Revenues:</b>			
TDD Sales Tax Revenues	\$ 18,010	\$ -	\$ 18,010
Total general revenues	<u>\$ 18,010</u>	<u>\$ -</u>	<u>\$ 18,010</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 18,010</b>	<b>\$ (18,010)</b>	<b>\$ -</b>
Change in net assets	-	18,010	18,010
Fund balance/net assets:			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ 18,010</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,010</u></u>

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

## **Crestwood Point Transportation Development District**

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

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### **1) Summary of Significant Accounting Policies**

#### **Reporting Entity**

Pursuant to a redevelopment agreement entered into as of November 18, 2002, (the "*Redevelopment Agreement*"), by and between the City of Crestwood, Missouri (the "City") and THF Crestwood Point Development, L.L.C., a Missouri limited liability company (the "*Developer*"), to provide for the development of an area known as the Sappington/Watson Redevelopment Area, the City and the Developer agreed to create a transportation development district pursuant to the Missouri Transportation Development District Act, Sections 238.200 to 238.275 of the Revised Statutes of Missouri, as amended (the "*TDD Act*"), for the purpose of undertaking certain transportation-related improvements contemplated by the Redevelopment Agreement.

On May 15, 2003, the Circuit Court of the County of St. Louis (the "Court") entered a Judgment and Order Organizing a Transportation Development District (the "Order") which established the Crestwood Point Transportation Development District (the "District") as a political subdivision of the state of Missouri created under the Missouri Transportation Development District Act, sections 238.200 through 238.275 of the Revised Statutes of Missouri, as amended (the "TDD Act"). The Order provided that the District be formed for the sole purpose of financing the Transportation Project. A general description of the Transportation Project is as follows:

- (a) demolition and reconstruction of an existing parking lot on property owned by the City;
- (b) improvements to Sappington Road, including a dual left-hand turn lane from southbound Sappington to eastbound Watson;
- (c) construction of cross access between Watson Plaza and a commercial development to be constructed within the District;
- (d) relocation of a curb cut on Watson Road serving as the entrance to the commercial development to be constructed within the District; and
- (e) accompanying grading, drainage, pavement, curb, gutter, sidewalk, storm water facilities, structures (including any architectural treatments related thereto), signing, lighting, traffic signals or similar or related infrastructure or improvement in connection with items (a) through (d) above.

Pursuant to a Reimbursement Agreement dated as of August 9, 2004 (the "*Reimbursement Agreement*") among the District, the Crestwood Point Community Improvement District (the "CID") and the Developer, the District agreed to reimburse the Developer for certain costs associated with acquisition of real property in connection with the City Parking Lot Project.

The District has imposed a sales tax pursuant to the TDD Act at a rate of one percent (the "*TDD Sales Tax*"), effective on the first day of the month following the adoption of the TDD Sales Tax by the qualified voters of the District at an election held in accordance with Section 238.216 of the TDD Act, on all retail sales made in the District which are subject to the taxation pursuant to the provision of Sections 144.010 to 144.525, RSMo, with certain exceptions listed in the TDD Act. These exceptions include sale or use of motor vehicles, trailers, boats or outboard motors, sale of electricity or electrical current, water and gas, natural or artificial, and sales of service to telephone subscribers, whether local or long distance. The sales tax became effective November 1, 2003.

On November 25, 2003, the District entered into an Intergovernmental Cooperation Agreement with the City of Crestwood, Missouri (the "*Cooperation Agreement*") whereby the District agrees to finance the Developer's construction of the Transportation Project in accordance with the Developer's obligations to the City under the Redevelopment Agreement in exchange for the City's agreement to collect and remit the TDD Sales Tax as reimbursement for the actual costs incurred by the Developer in the construction and implementation of the Transportation Project.

On August 9, 2004, the District entered into a Reimbursement Agreement with Crestwood Point Community Improvement District (the "CID"), a political subdivision of the State of Missouri, and THF Crestwood Point Development, L.L.C. (the "*Developer*"), a Missouri limited liability company. Pursuant to this Agreement, 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 that portion of the Obligations issued by the CID that relate to the TDD Project.

## Crestwood Point Transportation Development District

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

### 1) Significant Accounting Policies (Continued):

#### Reporting Entity (Continued)

In accordance with the Reimbursement Agreement, the Redevelopment Agreement and the TDD Cooperation Agreement, (a) the Developer shall acquire property, construct and implement, or cause to be acquired, constructed and implemented, the TDD project, including the Cross-Access Road, and (b) the City shall construct and implement, or cause to be constructed and implemented, the City Parking Lot. The Developer shall acquire property, construct and implement the TDD Project in accordance with the requirements of the Redevelopment Agreement. The Developer has agreed to advance all costs related to the TDD Project, excluding those costs associated with the City Parking Lot. The costs associated with the City Parking Lot shall be paid out of that portion of the proceeds of the Obligations that are on deposit in the City Project Account of the Project Fund established in accordance with the Trust Indenture and Section 5.3 of the Reimbursement Agreement. The Developer shall be reimbursed for all Reimbursable Project Costs related to the TDD Project (excluding the City Parking Lot) from the proceeds of the Obligations issued by the CID. Upon execution of the Reimbursement Agreement, the TDD shall, subject to annual appropriation, make all TDD Revenues available to pay debt service on that portion of the Obligations related to the TDD Project. Subject to the terms herein, the maximum amount of Developer's Reimbursable Project Costs attributed to the TDD Project (excluding the City Parking Lot) shall not exceed \$2,430,000, as more fully described as follows:

(1) TDD Administrative Costs	\$ 50,000
(2) Traffic Engineer	100,000
(3) Watson/Sappington Intersection	525,000
(4) Glenwood/Watson Intersection	300,000
(5) Landscaping within Right-of-Way	80,000
(6) Swim Club Parking Lot Acquisition	800,000
(7) Cross-Access Road	500,000
(8) Curbs/Gutters/Sidewalks - road related	<u>75,000</u>
Reimbursable Project Costs for TDD	<u>\$ 2,430,000</u>

The Reimbursable Project Costs also include expenses incurred by the CID. These expenses are as follows:

(1) CID Administrative Expenses	\$ 25,000
(2) Water Lines	105,500
(3) Sanitary & Storm Sewer	115,000
(4) Miscellaneous	<u>194,500</u>
Reimbursable Project Costs for Non-TDD	<u>\$ 440,000</u>
Total Reimbursable Project Costs	<u>\$ 2,870,000</u>

Subject to the provisions of the Reimbursement Agreement, the CID shall issue or cause to be issued the Obligations in a principal amount not to exceed \$3,501,719 plus the amount of accrued interest on each Certificate of Reimbursable Costs plus Issuance Costs. The Obligations shall have a stated maturity that is not later than 20 years from the date of issuance. Such Obligations shall be issued in accordance with the Trust Indenture in such denomination, bear interest at such rate or rates, be in such form, be payable in such place or places, be subject to redemption as the CID Board of Directors may provide and such Obligations may be sold at either public or private sale at such prices as the CID Board of Directors shall determine, subject to Section 67.1491 of the CID Act.

## **Crestwood Point Transportation Development District**

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

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### **1) Significant Accounting Policies (Concluded):**

#### **Reporting Entity (Concluded)**

The Proceeds of the Obligations shall be applied in the following order: (a) to payment of Issuance Costs of the Obligations; (b) to establishment of a Project Fund with (i) a Developer Project Account in an amount not to exceed \$2,870,000 plus the amount of accrued interest on each Certificate of Reimbursable Project Costs approved and (ii) a City Project Account in an amount equal to \$631,719. Funds on deposit in the Developer Project Account may be used to reimburse the Developer for Reimbursable Project Costs incurred by the Developer and approved in accordance with this Agreement, provided the CID shall retain \$500,000 in the Developer Account of the Project Fund until such time as the TDD has approved a Certificate of Substantial Completion related to that portion of the Cross-Access Road that is outside the TDD boundaries, the City has accepted dedication of the Cross-Access

Road and the City and the Developer have executed the Maintenance Agreement. Funds on deposit in the City Project Account shall be used to pay for costs incurred by the City in association with the City Parking Lot.

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.

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 4 for Statement of Net Assets and Governmental funds Balance Sheet - Cash Basis and page 5 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.

## **Crestwood Point Transportation Development District**

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

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### **A) Basis of Presentation (Concluded)**

#### **Governmental Funds**

Special Trust Fund - The 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 sales taxes.

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.

### **B) 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;
  - 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 2006, 2005, 2004 and 2003 budgets were approved at the regular scheduled Board of Directors meetings.

## **Crestwood Point Transportation Development District**

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

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### **2) Cash and Investments**

Cash deposits consist of demand deposits with a financial institution and are carried at cost.

At year-end December 31, 2006, the carrying amount of the District's deposits was \$282,944 and the bank balance was \$282,944. Of the bank balance, \$100,000 was covered by federal depository insurance and \$182,944 was covered by pledge securities.

The carrying amount of the District's deposits as of December 31, 2005 was \$331,687 and the bank balance was \$331,687. Of the bank balance, \$100,000 was covered by federal depository insurance and \$221,687 was covered by pledged securities.

For year ending December 31, 2004, the carrying amount of the District's deposits was \$175,327 and the bank balance was \$175,327. Of the bank balance, \$100,000 was covered by federal depository insurance and \$75,327 was covered by pledged securities.

At year-end December 31, 2003, the carrying amount of the District's deposits was \$18,010 and the bank balance was \$18,010. Of the bank balance, \$18,010 was covered by federal depository insurance.

There were no investments at years ending December 31, 2006, 2005, 2004 and 2003.

### **3) Commitments**

Effective November 23, 2003, the District has entered into an Intergovernmental Cooperation Agreement with the City of Crestwood, Missouri (the "Cooperation Agreement") pursuant to which the City agrees to perform all functions incident to the administration, collection, enforcement and operation of the TDD Sales Tax or to provide for the performance of such functions. The City, having collected or received the TDD Sales Tax, shall deposit all TDD Revenues into the Special Trust Fund. The City may deduct from the TDD Revenues on deposit in the Special Trust Fund the cost of collection of the TDD Sales Tax in an amount not to exceed one percent (1%) of the total amount collected. Monies on deposit in the Special Trust Fund after deduction of the City's collection costs shall not be deemed to be City funds and shall not be commingled with any funds of the City. Except for a reasonable review and comparison of each TDD Sales Tax Return to the corresponding Department of Revenue Form 53-1 to determine whether the amount of TDD Sales Tax remitted to the TDD was calculated correctly, the City shall have no affirmative obligation to discover, investigate or ascertain the accuracy of such TDD Sales Tax Return.

Per the Intergovernmental Cooperation Agreement, beginning in the first month following the effective date of the TDD Sales Tax and continuing each month thereafter until the expiration or repeal of the TDD Sales Tax, the City shall, not later than the tenth day of each month, distribute all moneys deposited in the Special Trust Fund during the preceding month in the manner directed by the Board of Directors. The TDD shall direct the City, after deduction of the City's cost of collection of one percent (1%) of the total amount deposited in the Special Trust Fund, to allocate for deposit in the Special Allocation Fund (as defined in the Redevelopment Agreement) the portion of the TDD Sales Tax that constitutes TIF Revenues (as defined in the Redevelopment Agreement), and to apply the remaining moneys solely to pay TDD Administrative Costs and Transportation Project Costs, including debt service on any Obligations issued in connection with the Transportation Project. Prior to the issuance of Obligations and on or before February 1 of each subsequent year during which the Obligations are outstanding, the Board of Directors shall adopt an annual budget directing that TDD Revenues on deposit in the Special Trust Fund be appropriated to payment of debt service on the Obligations in accordance with the Note Resolution. In the event the TDD fails, in any fiscal year, the TDD shall be deemed to have adopted a budget that provides for application of the TDD Revenues collected in such fiscal year in accordance with the budget for the prior fiscal year.

On August 9, 2004, the District entered into a Reimbursement Agreement with Crestwood Point Community Improvement District (the "CID"), a political subdivision of the State of Missouri, and THF Crestwood Point Development, L.L.C. (the "Developer"), a Missouri limited liability company. Please refer to Note 1 "Significant Accounting Policies" for complete details of this agreement.

## **Crestwood Point Transportation Development District**

Notes to Financial Statements  
December 31, 2006, 2005, 2004 and 2003

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### **4) Litigation**

At December 31, 2006, 2005, 2004 and 2003, there were no claims or lawsuits pending against the District.

### **5) Taxes**

The District has imposed a sales tax pursuant to the TDD Act at a rate of one percent (1%), effective November 1, 2003, (the "TDD Sales Tax") on all retail sales made in the District which are subject to the taxation pursuant to the provision of Sections 144.010 to 144.525, RSMo, with certain exceptions listed in the TDD Act. These exceptions include sale or use of motor vehicles, trailers, boats or outboard motors, sale of electricity or electrical current, water and gas, natural or artificial, and sales of service to telephone subscribers, whether local or long distance.

### **6) Subsequent Events**

On March 28, 2007, the Crestwood Point Transportation Development District (the "District") approved Resolution No. 07-004 approving Certificate of Reimbursable Project Costs Number 1 in the amount of \$1,925,600.93. Also, on March 28, 2007, Resolution 07-005 was approved certifying Crestwood Point Transportation Development District's official intent to issue Transportation Sales Tax Revenue bonds in an aggregate principal amount not to exceed \$3,000,000.

**Required Supplementary Information**



**Crestwood Point Transportation Development District**Statement of Revenues Collected and Expenditures Paid -  
Special Trust Fund - Budget and Actual - Cash Basis  
For the Year Ended December 31, 2006

	Budgeted Amount		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
TDD sales tax income	\$ 171,813	\$ 171,813	\$ 177,629	\$ 5,816
<b>Total Revenues</b>	<u>\$ 171,813</u>	<u>\$ 171,813</u>	<u>\$ 177,629</u>	<u>\$ 5,816</u>
<b>Expenditures:</b>				
1% collection fee	\$ 4,477	\$ 4,477	\$ 4,483	\$ (6)
EATS payments	221,620	221,620	221,889	(269)
<b>Total Expenditures</b>	<u>\$ 226,097</u>	<u>\$ 226,097</u>	<u>\$ 226,372</u>	<u>\$ (275)</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$ (54,284)</u>	<u>\$ (54,284)</u>	<u>\$ (48,743)</u>	<u>\$ 5,541</u>
<b>Net Assets - at beginning of the year</b>			<u>331,687</u>	
<b>Net Assets - at end of the year</b>			<u>\$ 282,944</u>	

**Crestwood Point Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -  
Special Trust Fund - Budget and Actual - Cash Basis  
For the Year Ended December 31, 2005

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
TDD sales tax income	\$ 156,367	\$ 156,367	\$ 156,367	\$ -
<b>Total Revenues</b>	<u>\$ 156,367</u>	<u>\$ 156,367</u>	<u>\$ 156,367</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Bank service charges	\$ 7	\$ 7	\$ 7	\$ -
<b>Total Expenditures</b>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ -</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$ 156,360</u>	<u>\$ 156,360</u>	<u>\$ 156,360</u>	<u>\$ -</u>
<b>Net Assets - at beginning of the year</b>			<u>175,327</u>	
<b>Net Assets - at end of the year</b>			<u>\$ 331,687</u>	

**Crestwood Point Transportation Development District**Statement of Revenues Collected and Expenditures Paid -  
Special Trust Fund - Budget and Actual - Cash Basis  
For the Year Ended December 31, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
TDD sales tax income	\$ 203,400	\$ 203,400	\$ 162,382	\$ (41,018)
<b>Total Revenues</b>	<u>\$ 203,400</u>	<u>\$ 203,400</u>	<u>\$ 162,382</u>	<u>\$ (41,018)</u>
<b>Expenditures:</b>				
1% collection fee	\$ 2,214	\$ 2,214	\$ -	\$ 2,214
Bank service charges	11	11	65	(54)
Professional fees	-	-	5,000	(5,000)
Administrative expenses	50,000	50,000	-	50,000
EATS payments	109,598	109,598	-	109,598
<b>Total Expenditures</b>	<u>\$ 161,823</u>	<u>\$ 161,823</u>	<u>\$ 5,065</u>	<u>\$ 156,758</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$ 41,577</u>	<u>\$ 41,577</u>	<u>\$ 157,317</u>	<u>\$ 115,740</u>
<b>Net Assets - at beginning of the year</b>			<u>18,010</u>	
<b>Net Assets - at end of the year</b>			<u>\$ 175,327</u>	

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

**Crestwood Point Transportation Development District**

Statement of Revenues Collected and Expenditures Paid -

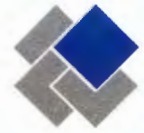
Special Trust Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2003

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	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
TDD sales tax income	\$ 18,010	\$ 18,010	\$ 18,010	\$ -
<b>Total Revenues</b>	<u>\$ 18,010</u>	<u>\$ 18,010</u>	<u>\$ 18,010</u>	<u>\$ -</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$ 18,010</u>	<u>\$ 18,010</u>	<u>\$ 18,010</u>	<u>\$ -</u>
<b>Net Assets - at beginning of the year</b>			<u>-</u>	
<b>Net Assets - at end of the year</b>			<u>\$ 18,010</u>	

**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

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

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

To the Board of Directors  
Crestwood Point Transportation Development District  
Crestwood, Missouri

We have audited the financial statements of the governmental activities and each major fund of Crestwood Point Transportation Development District, as of and for the years ended December 31, 2006, 2005, 2004 and 2003, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 5, 2007. As described in our report on the financial statements, the Crestwood Point Transportation Development 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 Transportation Development 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 Transportation Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Crestwood Point Transportation Development 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 Transportation Development 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 Transportation Development District's financial statements that is more than inconsequential will not be prevented or detected by the Crestwood Point Transportation Development 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 Transportation Development 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 Crossing Transportation Development 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

July 5, 2007  
Hannibal, Missouri