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Basic Financial Statements and Management's Discussion and Analysis, 2007

Gravois Bluffs Transportation Development District

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**Gravois Bluffs Transportation
Development District**

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2007



Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

**Gravois Bluffs Transportation
Development District**

Basic Financial Statements

And Management's Discussion and Analysis

Year Ended December 31, 2007

Gravois Bluffs Transportation Development District

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Financial Section



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Independent Auditor's Report

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To the Board of Directors
Gravois Bluffs Transportation Development District
Fenton, Missouri 63026

We have audited the accompanying financial statements of the governmental activities of Gravois Bluffs Transportation Development 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'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 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 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 Gravois Bluffs Transportation Development 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 November 20, 2008, on our consideration of Gravois Bluffs 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.

Wade Stables P.C.
Certified Public Accountants

November 20, 2008
Hannibal, Missouri

Management's Discussion and Analysis

Gravois Bluffs Transportation Development District

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

The discussion and analysis of Gravois Bluffs Transportation Development 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 Gravois Bluffs Transportation Development District exceeded its liabilities at the close of the year ending December 31, 2007 by \$9,061,854 (net assets). Of this amount, \$950,709 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$8,674,005 for the year ended December 31, 2007. The District spent \$12,267,883 in project costs in 2007. The District issued \$23,492,114 in additional debt to fund the project costs.
- The overall revenues for the District increased by \$23,889,051 from the prior year. The increase can be attributed to the District issuing \$23,492,114 in debt for the year ending December 31, 2007.
- The District's total net assets increased by \$96,393 for the year ended December 31, 2006. The main reason for the overall increase in net assets was due to the District receiving more in sales tax revenues than was disbursed.

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 Gravois Bluffs 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 Gravois Bluffs Transportation Development District maintains six individual governmental funds. Information is presented in the Statement of Net Assets - Cash Basis, for the Sales Tax Trust Fund, Revenue Fund, Debt Service Fund, Debt Service Reserve Fund, Project Fund and Operating Fund, which are considered major funds.

Gravois Bluffs Transportation Development District

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

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

During the year ending December 31, 2007, the District invested \$12,267,883 in the construction of the project.

Debt

For the year ending December 31, 2007, the District had \$20,195,000 in revenue bonds payable. The District made bond principal payments in the amount of \$290,000 and note principal payments in the amount of \$3,007,114 in 2007. The District paid interest of \$413,895 in 2007.

Sales Tax Trust Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$4,779,668, compared to the budget amount of \$4,869,541. The \$89,873 positive variance is mainly the result of Economic Activity Taxes ("EATS") payments being less than budgeted.

For the year ending December 31, 2006, actual expenditures on a budgetary basis were \$3,031,400, compared to the budget amount of \$2,811,038. The \$220,362 negative variance was mainly the result of the District not budgeting for any distributions to the City of Fenton for debt service.

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$6,366,235, compared to the budget amount of \$6,546,395. The \$180,160 negative variance was due to sales tax revenues being less than the amount budgeted for the year.

The District's actual revenues on a budgetary basis for year ending December 31, 2006 were \$3,127,793, compared to the budgeted amount of \$2,929,000. The positive variance of \$198,793 was mainly the result of sales tax revenues being more than budgeted for the year.

Revenue Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$2,250, compared to the budget amount of \$2,200. The \$50 negative variance is the result trustee fees being less than budgeted for the year and the District not budgeting for sweep fees.

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$3,642, compared to the budget amount of \$3,625. The \$17 positive variance was due to interest income being more than the amount budgeted for the year.

The Revenue Fund was established during the year ended December 31, 2007.

Debt Service Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$662,241, compared to the budget amount of \$664,950. The \$2,709 positive variance is mainly the result of the District budgeting for trustee fees in the amount of \$3,150 in the Debt Service Fund and actually being paid out of the Sales Tax Trust Fund.

Gravois Bluffs Transportation Development District

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

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$379,607, compared to the budget amount of \$5,869,550. The \$5,489,943 negative variance was due to the District budgeting for bond proceeds in the Debt Service Fund and disbursing the funds mainly into the Project Fund and the Debt Service Reserve Fund.

The Debt Service Fund was established during the year ended December 31, 2007.

Debt Service Reserve Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$2,572, compared to the budget amount of \$0. The \$2,572 negative variance is the result of paying \$2,572 in sweep fees to the bank and the District not budgeting expenses for the Debt Service Reserve Fund.

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$2,090,825, compared to the budget amount of \$0. The \$2,090,825 positive variance was the result of receiving bond proceeds of \$2,048,500 and interest income of \$42,325 and the District not budgeting income for the Debt Service Reserve Fund.

The Debt Service Reserve Fund was established during the year ended December 31, 2007.

Project Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$12,850,829, compared to the budget amount of \$9,667,020. The \$3,183,809 negative variance is mainly the result of paying \$3,007,114 in loan principal payments not budgeted by the District.

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$18,109,643, compared to the budget amount of \$15,497,683. The \$2,611,960 positive variance was the result of the District budgeting for bond proceeds by \$2,599,858 less than actual in the Project fund and \$5,074,523 more than actual in the Debt Service Fund.

The Project Fund was established during the year ended December 31, 2007.

Operating Fund Budgeting Highlights

For the year ending December 31, 2007, actual expenditures on a budgetary basis were \$45,279 compared to the budget amount of \$45,500. The \$221 positive variance is mainly the result of paying \$182 less in legal fees than budgeted.

For the year ending December 31, 2007, actual revenues on a budgetary basis were \$66,892, compared to the budget amount of \$422,450. The \$355,558 negative variance was the result of receiving \$348,435 less in bond proceeds than the amount budgeted by the District.

The Operating Fund was established during the year ended December 31, 2007

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 sales taxes. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation. The District has prepared its budget for the next fiscal year considering the economic factors discussed above.

Gravois Bluffs Transportation Development District

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

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.

Basic Financial Statements

Gravois Bluffs Transportation Development District

Statement of Net Assets and Governmental
Funds Balance Sheet - Cash Basis
December 31, 2007

	<u>Sales Tax Trust Fund</u>	<u>Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Debt Service Reserve Fund</u>	<u>Project Fund</u>	<u>Operating Fund</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets									
Cash and equivalents	\$ 410,432	\$ 518,664	\$ 9,304	\$ 2,068,404	\$ 6,033,437	\$ 21,613	\$ 9,061,854	\$ -	\$ 9,061,854
Total Assets	<u>\$ 410,432</u>	<u>\$ 518,664</u>	<u>\$ 9,304</u>	<u>\$ 2,068,404</u>	<u>\$ 6,033,437</u>	<u>\$ 21,613</u>	<u>\$ 9,061,854</u>	<u>\$ -</u>	<u>\$ 9,061,854</u>
Liabilities and Fund Balance / Net Assets									
Fund Balance:									
Reserved for debt service and project costs	\$ -	\$ -	\$ 9,304	\$ 2,068,404	\$ 6,033,437	\$ -	\$ 8,111,145	\$ (8,111,145)	\$ -
Unreserved	410,432	518,664	-	-	-	21,613	950,709	(950,709)	-
Total liabilities and fund balance	<u>\$ 410,432</u>	<u>\$ 518,664</u>	<u>\$ 9,304</u>	<u>\$ 2,068,404</u>	<u>\$ 6,033,437</u>	<u>\$ 21,613</u>	<u>\$ 9,061,854</u>	<u>\$ (9,061,854)</u>	<u>\$ -</u>
Net Assets:									
Restricted for debt service								\$ 8,111,145	\$ 8,111,145
Unrestricted								950,709	950,709
Total Net Assets								<u>\$ 9,061,854</u>	<u>\$ 9,061,854</u>

Gravois Bluffs Transportation Development District
Statement of Activities and Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances - Cash Basis
For the Year Ended December 31, 2007

	Sales Tax Trust Fund	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Project Fund	Operating Fund	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/Expenses:									
1% Collection Fee	\$ 32,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,283	\$ -	\$ 32,283
Sweep fees	-	259	464	2,572	12,332	65	15,692	-	15,692
Administrative expenses	11,000	-	-	-	5,692	12,429	29,121	-	29,121
EATS payments	1,598,027	-	-	-	-	-	1,598,027	-	1,598,027
Bond principal payments	-	-	290,000	-	-	-	290,000	-	290,000
Loan principal payments	-	-	-	-	3,007,114	-	3,007,114	-	3,007,114
Interest expense	23,168	-	371,777	-	18,950	-	413,895	-	413,895
Legal fees	97,709	-	-	-	-	31,818	129,527	-	129,527
Insurance expense	1,533	-	-	-	-	-	1,533	-	1,533
Loan origination fees	35,000	-	-	-	-	-	35,000	-	35,000
Bond issuance costs	-	-	-	-	515,755	-	515,755	-	515,755
Accounting fees	4,000	-	-	-	-	967	4,967	-	4,967
Trustee fees	-	1,991	-	-	-	-	1,991	-	1,991
Bank fees	51	-	-	-	-	-	51	-	51
Project costs	2,976,897	-	-	-	9,290,986	-	12,267,883	-	12,267,883
Total expenditures/expenses	\$ 4,779,668	\$ 2,250	\$ 662,241	\$ 2,572	\$ 12,850,829	\$ 45,279	\$ 18,342,839	\$ -	\$ 18,342,839
General Revenues:									
TDD Sales Tax Revenues	\$ 3,250,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,250,940	\$ -	\$ 3,250,940
Loan Proceeds	3,007,114	-	-	-	-	-	3,007,114	-	3,007,114
Bond Proceeds	100,000	-	371,777	2,048,500	17,898,958	65,765	20,485,000	-	20,485,000
Interest income	8,181	3,642	7,830	42,325	210,685	1,127	273,790	-	273,790
Total general revenues	\$ 6,366,235	\$ 3,642	\$ 379,607	\$ 2,090,825	\$ 18,109,643	\$ 66,892	\$ 27,016,844	\$ -	\$ 27,016,844
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,586,567	\$ 1,392	\$ (282,634)	\$ 2,088,253	\$ 5,258,814	\$ 21,613	\$ 8,674,005	\$ -	\$ 8,674,005
Other Financing Sources (Uses)									
Transfers in	-	809,211	291,938	-	774,623	-	1,875,772	-	1,875,772
Transfers out	(1,563,984)	(291,939)	-	(19,849)	-	-	(1,875,772)	-	(1,875,772)
Total Other Financing Sources (Uses)	\$ (1,563,984)	\$ 517,272	\$ 291,938	\$ (19,849)	\$ 774,623	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 22,583	\$ 518,664	\$ 9,304	\$ 2,068,404	\$ 6,033,437	\$ 21,613	\$ 8,674,005	\$ (8,674,005)	\$ -
Change in net assets	-	-	-	-	-	-	-	8,674,005	8,674,005
Fund balance/net assets:									
Beginning of Year	387,849	-	-	-	-	-	387,849	-	387,849
End of Year	<u>\$ 410,432</u>	<u>\$ 518,664</u>	<u>\$ 9,304</u>	<u>\$ 2,068,404</u>	<u>\$ 6,033,437</u>	<u>\$ 21,613</u>	<u>\$ 9,061,854</u>	<u>\$ -</u>	<u>\$ 9,061,854</u>

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

Notes to Financial Statements

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

1) Significant Accounting Policies

On December 7, 1999, the Circuit Court of the County of St. Louis (the "Circuit Court") entered a Judgment and Order Organizing a Transportation Development District (the "Order") which established the Gravois Bluffs 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 District operates under a Board of Directors for the purpose to fund, promote, plan, design, construct, improve, maintain, and operate certain transportation improvements, or to assist in any such activity.

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.

In accordance with the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800 to 99.865 of the Revised Statutes of Missouri, as amended, (the "TIF Act"), the City has adopted the Gravois Bluffs Redevelopment Plan and Project (the "Redevelopment Plan") within an area of the City (the "Redevelopment Area"), which Redevelopment Area includes all of the real property located within the boundaries of the District; and pursuant to Section 99.845 of the TIF Act, fifty percent of the TDD Sales Tax revenues generated within the Redevelopment Area are deemed to be economic activities taxes subject to allocation by the District to the City in accordance with the TIF Act until such time as the redevelopment project identified in the City's Redevelopment Plan is completed and the obligations issued by the City to finance the redevelopment project costs have been retired.

The District entered into an Intergovernmental Cooperation Agreement with the City of Fenton, 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 Development Contract 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.

A general description of the Project is as follows: Construction of a road that will extend Summit Road from its intersection with Missouri State Highway 30 to and connecting to the western terminus of Gravois Bluffs Boulevard, including acquisition of property for right-of-way purposes and related improvements and infrastructure.

The Board of Directors of the District approved Resolution No. 06-028 on November 16, 2006, authorizing the District to fund an Additional Transportation Project. A general description of the Additional Transportation Project is as follows: Construction of a right-in/right-out intersection on Missouri State Highway 141 at Target and any related improvements or infrastructure.

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.

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

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 6 for Statement of Net Assets and Governmental funds Balance Sheet - Cash Basis and page 7 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

Sales Tax Trust Fund

The Sales Tax 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.

Revenue Fund

(a) On the Fortieth (40th) day (or next Business Day thereafter if such a day is not a Business Day), except as otherwise provided below, prior to each Payment Date, the moneys in the Revenue Fund shall be applied by the Trustee to the extent necessary for the purposes and in the amounts as follows:

First, for transfer to the Rebate Fund when necessary, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the District in accordance with the Tax Compliance Agreement;

Second, beginning in calendar year 2008 and during each calendar year thereafter, for transfer to the Operating Fund, fifty percent (50%) of the Annual Operating Fund Deposit;

Third, for transfer to the Bond Payment Account in the Debt Service Fund an amount sufficient (taking into account moneys available in the Capitalized Interest Account of the Debt Service Fund) to pay the interest on the Bonds on the next succeeding Payment Date;

Fourth, pay to the Trustee or any Paying Agent, an amount sufficient for payment of reasonable fees and expenses which are due and owing to the Trustee or any Paying Agent, upon delivery to the District of an invoice for such amounts (provided, however, that payments to the Trustee may not exceed \$4,500 in any calendar year);

Fifth, for transfer to the Debt Service Reserve Fund such an amount as may be required to restore and deficiency in the Debt Service Reserve Fund if the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement;

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

Sixth, for each of the five calendar years 2008 through 2012, inclusive, for transfer into the Operating Fund, the amount specified in writing to the Trustee by the District equal to the District's administrative expenses in excess of the Annual Operating Fund Deposit, but not to exceed a total of \$45,000 in any calendar year;

Seventh, for transfer to the Districts for deposit into its Maintenance Fund, the sum of \$50,000 in each calendar year beginning with calendar year 2008, increased each year by the increase in CPI for the preceding calendar year, if any;

Eighth, for each of the four (4) calendar years 2008 through 2011, inclusive, for transfer to the District Subaccount of the Future Projects Account of the Project Fund the amount specified in writing to the Trustee by the District, but not to exceed a total of \$125,000 in any calendar year; and

Ninth, transfer to the Redemption Account of the Debt Service Fund all moneys then remaining in the Revenue Fund, which shall be applied to the payment of principal on all Bonds that are subject to redemption on the next succeeding Payment Date.

- (b) Upon the payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in the Trust Indenture) and the fees, charges and expenses of the Trustee and any Paying Agent, and any other amounts required to be paid under the Trust Indenture, all amounts remaining on deposit in the Revenue Fund shall be paid to the District for deposit into the Sales Tax Trust Fund.

Debt Service Fund

- (a) Except as otherwise provided herein, all amounts paid and credited to the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same mature and become due or upon the redemption thereof.
- (b) The District authorizes and directs the Trustee to withdraw sufficient moneys from the Capitalized Interest Account of the Debt Service Fund, prior to withdrawing any other moneys from the Debt Service Fund or the Revenue Fund, to pay the interest on the Bonds as the same becomes due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said interest on the Bonds.
- (c) The District hereby authorizes and directs the Trustee to withdraw (to the extent available) sufficient moneys from the Debt Service Fund to pay the principal of and interest on the Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on the Bonds.
- (d) The Trustee shall use any moneys remaining in the Debt Service Fund to redeem all or part of the Outstanding Bonds and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted in the Trust Indenture, so long as said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption. The Trustee, upon the written instructions from the District, signed by the Authorized District Representative, shall use moneys in the Redemption Account of the Debt Service Fund on a best efforts basis for the purchase of Bonds in the open market to the extent practical for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase.
- (e) After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in the Trust Indenture) and the fees, charges and expenses of the Trustee and Paying Agents and any other amounts required to be paid under the Trust Indenture, all amounts remaining in the Debt Service Fund shall be paid to the District for deposit into the Sales Tax Trust Fund.

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

Project Fund

- (a) The money in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt of a written request of the Authorized District Representative. Any money remaining on deposit in the Project Account of the Project Fund when the portion of the Project financed with the proceeds of the Bonds is completed, shall be deposited into the Redemption Account of the Debt Service Fund and shall be used to redeem Bonds on the earliest possible date.
- (b) Moneys in the Cost of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee, upon receipt of a written request of the District signed by the Authorized District Representative for the sole purpose of paying costs of issuance of the Bonds. Any moneys remaining in the Cost of Issuance Account of the Project Fund on the date that is six months from the date of initial issuance shall be deposited, without further authorization, into the Redemption Account of the Debt Service Fund and used to redeem Bonds on the earliest possible date.
- (c) The money in the Future Projects Account of the Project Fund may be used to pay any of the following: (i) costs of the Project, (ii) costs of the Additional Project, and (iii) costs of optional redemption of the Bonds under Section 302(a)(2) of the Trust Indenture. The money in the Future Projects Account shall be disbursed by the Trustee from time to time, upon receipt of a written request of the Authorized District Representative, which contains the statements, representations and certifications set forth in the form attached to the Trust Indenture. Each such disbursement shall be paid first from moneys in the Bond Proceeds Subaccount and second from the District Subaccount.
- (d) Moneys in the Cost of Issuance Account of the Project Fund shall be disbursed by the Trustee from time to time upon written request of the District signed by the Authorized District Representative containing the statements, representations and certifications set forth in the form attached to the Trust Indenture. Any moneys remaining in the Cost of Issuance Account of the Project Fund for six (6) months from the date of issuance of the Bonds shall be deposited, without further authorization, into the Revenue Fund.

Debt Service Reserve Fund

- (a) Except as otherwise provided in the Trust Indenture, moneys in the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Bonds if moneys otherwise available for such purpose are insufficient to pay the same as they become due and payable. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid. The amount on deposit in the Debt Service Reserve Fund shall be valued by the Trustee forty five days prior to each Payment Date. The Trustee shall give immediate written notice to the District if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be valued at their fair market value on the date of valuation. Moneys in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement shall be deposited by the Trustee without further authorization in the Revenue Fund.
- (b) After payment in full of the principal of, redemption premium, if any, and interest on the Bonds, and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Trust Indenture, all amounts remaining in the Debt Service Reserve Fund shall be paid to the District for transfer into the Sales Tax Trust Fund.

Gravois Bluffs Transportation Development District

Notes to Financial Statements
December 31, 2007

Operating Fund

Moneys in the Operating Fund shall be disbursed by the Trustee from time to time upon receipt of a written request of the Authorized District Representative to pay TDD Administrative Costs, costs of maintaining the Transportation Project, or any other lawful purpose of the District. Any TDD Administrative Costs or costs maintaining the Transportation Project in excess of the Annual Operating Fund Deposit that remain unpaid from the Operating Fund or other available moneys of the District shall be carried forward for payment from the next deposit of moneys into the Operating Fund.

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;
 - 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

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

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 the regular scheduled Board of Directors meetings.

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.

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.

2) Cash and Investments

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.

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

Deposits

At the year ending December 31, 2007, the carrying amounts of the District's deposits was \$9,061,854. The bank balance was \$9,063,263. The following is a summary of the deposits held at December 31, 2007:

Type	Deposit Value
Deposits	
Demand deposits	\$ 309,710
Investments	
Money market account	102,134
Trustee accounts	8,650,010
Total Deposits and Investments	<u>\$ 9,061,854</u>

As of December 31, 2007, the balances in the demand deposit account and the money market account were \$309,710, and \$102,134 respectively. Any balance maintained in these accounts would be covered by federal depository insurance up to \$100,000. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. As of December 31, 2007, the District had a deposit balance of \$211,844 that was uncollateralized and exposed to custodial credit risk. All cash balances with the Trustee were invested in

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

Fidelity U.S. Treasury Money Market accounts. Due to the short-term nature of investments, cash balances are classified as cash equivalents in the District's basic financial statements. The Fidelity U.S. Treasury Money Market Fund is not insured by federal depository insurance coverage. The Fund, however, invests only in direct obligations of the United States and repurchase agreements for direct obligations of the United States.

3) Commitments

The District has entered into a Sales Tax Collection Agreement with the City of Fenton, Missouri (the "Collection 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 Sales Tax Revenues into the TDD Sales Tax Trust Fund. The City may deduct from the TDD Sales Tax Revenues on deposit in the Sales Tax 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 Sales Tax 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. The District's Board of Directors may, in its sole discretion, direct the City to invest any or all of the monies deposited into the Sales Tax Trust Fund in accordance with applicable laws relating to investment of District funds. All interest earned upon the balance in the Sales Tax Trust Fund shall be deposited to the credit of the Sales Tax Trust Fund.

Per the Sales Tax Collection Agreement, upon imposition of the TDD Sales Tax and continuing until the earlier of repeal of the TDD Sales Tax or completion of the redevelopment project identified in the Redevelopment Plan and retirement of all TIF Obligations issued by or on behalf of the City to finance redevelopment project costs in connection with the Redevelopment Plan, the City shall allocate that portion of the TDD Sales Tax revenues that constitute economic activity taxes generated within the Redevelopment Area for use by the City in accordance with Section 99.845 of the TIF Act. The City shall make such allocation from time to time but not more than monthly. Within five days of each allocation, the City shall provide written notice to the District of the amount of TDD Sales Tax revenues being allocated and the method of calculating such amount.

Per the Sales Tax Collection Agreement, upon imposition of the TDD Sales tax and continuing until the expiration or repeal of the TDD Sales Tax, the City shall distribute part or all of the monies on deposit in the Sales Tax Trust Fund as directed by the Board of Directors from time to time, but not more than monthly. The District may expend such monies on deposit in the Sales Tax Trust Fund for any and all purposes authorized by the Act.

4) Litigation

At December 31, 2007, the District was involved in a lawsuit. The outcome as of the report date is unknown.

5) Taxes

The District has imposed a sales tax pursuant to the TDD Act at a rate of one percent (1%), effective October 1, 2000, (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) Long Term Debt

Gravois Bluffs Transportation Development District (the "District") approved Bond Resolution No. 07-010 (the "Bond Resolution") authorizing the issuance of the Transportation Sales Tax Revenue Bonds, Series 2007 (Gravois Bluffs Project) in the aggregate principal amount of \$20,485,000 (the "Bonds") on June 1, 2007.

Under Bond Resolution No. 07-010, the District determined that it is in the best interest of the District to sell the Bonds at a private sale, without advertisement, to the original purchasers thereof at a price equal to 99% of their face value.

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

The Bonds shall become due on May 1 in the years and in the respective principal amounts (subject to redemption and payment prior to maturity as provided in Article III of the Trust Indenture) and shall bear interest at the rate specified below (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Payment Date to which interest has been paid or duly provided for, payable semiannually on May 1 and November 1 in each year, beginning on November 1, 2007.

Maturity May 1	Principal Amount	Interest Rate
2018	\$ 1,355,000	4.00%
2032	19,130,000	4.75%

UMB Bank, N.A. is designated as the Paying Agent for the payment of the principal of and interest on the Bonds.

The Bonds and interest thereon shall be special, limited obligations of the District payable solely from the Available Revenues and other moneys designated thereto and held by the Paying Agent as provided. The Bonds and interest thereon do not constitute a debt of the District, the City, the Missouri Highways and Transportation Commission, the State or any political subdivision thereof, and do not constitute indebtedness, within the meaning of any constitutional or statutory debt limitation or restriction.

As of December 31, 2007, the District had a balance of \$20,195,000 in revenue bonds payable. During 2007, the District made principal and interest payments on the Series 2007 Bonds in the amount of \$290,000 and \$394,945, respectively.

The following is a summary of revenue bonds payable as of December 31, 2007:

Revenue bonds payable, January 1, 2007	\$ -
Bonds issued	20,485,000
Bonds retired	(290,000)
Revenue bonds payable, December 31, 2007	<u>\$ 20,195,000</u>

Debt service requirements are as follows for the Bonds:

Year	Principal and Interest
2008	\$ 962,875
2009	962,875
2010	962,875
2011	962,875
2012	962,875
2013 - 2017	5,769,275
2018 - 2022	5,127,250
Thereafter	21,945,726
	<u>\$ 37,656,626</u>

The bonds are special, limited obligations of the District, payable solely from the taxes specified in Note 5 to the basic financial statements. The above maturity schedule is based on the assumption that the subject taxes will be available. Amounts listed equal the principal and interest amount of the Debt Service Requirement. The Debt Service Requirements for the Series 2007 Bonds in each year is equal to the principal amount plus interest to accrue in each year, based on the interest rate borne by the Series 2007 Bonds and assuming the Series 2007 Bonds are redeemed in the amounts shown above.

Gravois Bluffs Transportation Development District

Notes to Financial Statements

December 31, 2007

On December 27, 2006, the Board of Directors of the District approved Resolution No. 06-039 authorizing the issuance of the District's Transportation Sales Tax Revenue Note, Series 2007, in an aggregate principal amount not to exceed \$7,000,000 (the "Series 2007 Note") to finance the costs of the Additional Transportation Project and to pay costs related to the issuance of the Series 2007 Note. The Series 2007 Note bears an interest at five percent annum (5%) and shall be calculated on the basis of a 365-day year and actual days elapsed. The District approved Resolution No. 07-001 on January 12, 2007, approving the Draw Request of the Series 2007 Note in the amount of \$1,006,282. On February 15, 2007 the District approved Resolution No. 07-005, approving the Draw Request of the Series 2007 Note in the amount of \$906,675. Resolution No. 07-006 was approved by the District on April 16, 2007 approving the Draw Request of the Series 2007 Note in the amount of \$1,094,157.

The following is a summary of notes payable as of December 31, 2007:

Revenue notes payable, January 1, 2007	\$	-
Notes issued		3,007,114
Notes retired		<u>(3,007,114)</u>
Revenue notes payable, December 31, 2007	\$	<u>-</u>

7) Road Improvements and Projects

The District has spent a total of \$12,267,883 on improvements and projects within the District during the year ended December 31, 2007. Upon completion and submission for dedication of the Transportation Project, the Developer shall furnish to the District a Certificate of Substantial Completion. The submission of the Certificate of Substantial Completion shall serve to certify the completion of the Transportation Project pursuant to the Transportation Development Agreement as amended.

8) Related Parties

The District entered into a Sales Tax Collection Agreement with the City of Fenton, Missouri (the "Collection Agreement") pursuant to which the City will collect, enforce and administer the TDD Sales Tax. The City will deposit the TDD Sales Tax Revenues in a segregated trust fund (the "Sales Tax Trust Fund"). The Collection Agreement provides that the City may retain a collection fee equal to 1% of the TDD Sales Tax Revenues collected by the City.

Required Supplementary Information

Gravois Bluffs Transportation Development District

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

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
TDD Sales Tax Revenues	\$ 2,987,580	\$ 3,439,281	\$ 3,250,940	\$ (188,341)
Loan Proceeds	-	3,007,114	3,007,114	-
Bond Proceeds	-	100,000	100,000	-
Interest income	-	-	8,181	8,181
Total Revenues	<u>\$ 2,987,580</u>	<u>\$ 6,546,395</u>	<u>\$ 6,366,235</u>	<u>\$ (180,160)</u>
Expenditures:				
1% Collection Fee	\$ 29,437	\$ 34,393	\$ 32,283	\$ 2,110
Administrative expenses	23,340	11,000	11,000	-
EATS payments	1,457,121	1,685,248	1,598,027	87,221
Interest expense	-	23,200	23,168	32
Legal fees	75,000	98,000	97,709	291
Insurance expense	4,000	1,600	1,533	67
Loan origination fees	1,300	35,000	35,000	-
Accounting fees	5,500	4,000	4,000	-
Trustee fees	3,500	-	-	-
Bank fees	100	100	51	49
Miscellaneous	100	-	-	-
Project costs	225,000	2,977,000	2,976,897	103
Total Expenditures	<u>\$ 1,824,398</u>	<u>\$ 4,869,541</u>	<u>\$ 4,779,668</u>	<u>\$ 89,873</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(1,119,281)	(1,564,000)	(1,563,984)	16
Total Other Financing Sources (Uses)	<u>\$ (1,119,281)</u>	<u>\$ (1,564,000)</u>	<u>\$ (1,563,984)</u>	<u>\$ 16</u>
Increase (Decrease) in Net Assets	<u>\$ 43,901</u>	<u>\$ 112,854</u>	\$ 22,583	<u>\$ (90,271)</u>
Net Assets - at beginning of the year			<u>387,849</u>	
Net Assets - at end of the year			<u>\$ 410,432</u>	

Gravois Bluffs Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Revenue Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2007

	Budgeted Amount <u>Original</u>	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Interest income	\$ -	\$ 3,625	\$ 3,642	\$ 17
Total Revenues	<u>\$ -</u>	<u>\$ 3,625</u>	<u>\$ 3,642</u>	<u>\$ 17</u>
Expenditures:				
Sweep fees	\$ -	\$ -	\$ 259	\$ (259)
Trustee fees	-	2,200	1,991	209
Total Expenditures	<u>\$ -</u>	<u>\$ 2,200</u>	<u>\$ 2,250</u>	<u>\$ (50)</u>
				<u>\$ 9,304</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 789,400	\$ 809,211	\$ 19,811
Transfers out	-	(292,000)	(291,939)	61
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 497,400</u>	<u>\$ 517,272</u>	<u>\$ 19,872</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ 498,825</u>	<u>\$ 518,664</u>	<u>\$ 19,839</u>
Net Assets - at beginning of the year			<u>-</u>	
Net Assets - at end of the year			<u>\$ 518,664</u>	

Gravois Bluffs Transportation Development 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 <u>Original</u>	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Bond Proceeds	\$ -	\$ 5,446,300	\$ 371,777	\$ (5,074,523)
Interest income	-	423,250	7,830	(415,420)
Total Revenues	<u>\$ -</u>	<u>\$ 5,869,550</u>	<u>\$ 379,607</u>	<u>\$ (5,489,943)</u>
Expenditures:				
Sweep fees	\$ -	\$ -	\$ 464	\$ (464)
Bond principal payments	1,119,281	290,000	290,000	-
Interest expense	-	371,800	371,777	23
Trustee fees	-	3,150	-	3,150
Total Expenditures	<u>\$ 1,119,281</u>	<u>\$ 664,950</u>	<u>\$ 662,241</u>	<u>\$ 2,709</u>
				\$ -
Other Financing Sources (Uses)				
Transfers in	\$ 1,119,281	\$ 292,000	\$ 291,938	\$ (62)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 1,119,281</u>	<u>\$ 292,000</u>	<u>\$ 291,938</u>	<u>\$ (62)</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ 5,496,600</u>	<u>\$ 9,304</u>	<u>\$ (5,487,296)</u>
Net Assets - at beginning of the year			-	
Net Assets - at end of the year			<u>\$ 9,304</u>	

Gravois Bluffs Transportation Development District

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

	Budgeted Amount <u>Original</u>	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Bond Proceeds	\$ -	\$ -	\$ 2,048,500	\$ 2,048,500
Interest income	-	-	42,325	42,325
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,090,825</u>	<u>\$ 2,090,825</u>
Expenditures:				
Sweep fees	\$ -	\$ -	\$ 2,572	\$ (2,572)
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,572</u>	<u>\$ (2,572)</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(19,849)	(19,849)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,849)</u>	<u>\$ (19,849)</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,068,404</u>	<u>\$ 2,068,404</u>
Net Assets - at beginning of the year			<u>-</u>	
Net Assets - at end of the year			<u>\$ 2,068,404</u>	

Gravois Bluffs Transportation Development District

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

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Bond Proceeds	\$ 13,065,615	\$ 15,299,083	\$ 17,898,958	\$ 2,599,875
Interest income	-	198,600	210,685	12,085
Total Revenues	<u>\$ 13,065,615</u>	<u>\$ 15,497,683</u>	<u>\$ 18,109,643</u>	<u>\$ 2,611,960</u>
Expenditures:				
Sweep fees	\$ -	\$ -	\$ 12,332	\$ (12,332)
Administrative expenses	-	-	5,692	(5,692)
Loan principal payments	-	-	3,007,114	(3,007,114)
Interest expense	-	-	18,950	(18,950)
Bond issuance costs	400,000	401,520	515,755	(114,235)
Trustee fees	-	10,500	-	10,500
Project costs	12,665,615	9,255,000	9,290,986	(35,986)
Total Expenditures	<u>\$ 13,065,615</u>	<u>\$ 9,667,020</u>	<u>\$ 12,850,829</u>	<u>\$ (3,183,809)</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 774,600	\$ 774,623	\$ 23
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 774,600</u>	<u>\$ 774,623</u>	<u>\$ 23</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ 6,605,263</u>	<u>\$ 6,033,437</u>	<u>\$ (571,826)</u>
Net Assets - at beginning of the year			<u>-</u>	
Net Assets - at end of the year			<u>\$ 6,033,437</u>	

Gravois Bluffs Transportation Development District

Statement of Revenues Collected and Expenditures Paid -

Operating Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2007

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Bond Proceeds	\$ -	\$ 414,200	\$ 65,765	\$ (348,435)
Interest income	-	8,250	1,127	(7,123)
Total Revenues	<u>\$ -</u>	<u>\$ 422,450</u>	<u>\$ 66,892</u>	<u>\$ (355,558)</u>
Expenditures:				
Sweep fees	\$ -	\$ -	\$ 65	\$ (65)
Administrative expenses	-	12,450	12,429	21
Legal fees	-	32,000	31,818	182
Accounting fees	-	1,000	967	33
Trustee fees	-	50	-	50
Total Expenditures	<u>\$ -</u>	<u>\$ 45,500</u>	<u>\$ 45,279</u>	<u>\$ 221</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Increase (Decrease) in Net Assets	<u>\$ -</u>	<u>\$ 376,950</u>	<u>\$ 21,613</u>	<u>\$ (355,337)</u>
Net Assets - at beginning of the year			-	
Net Assets - at end of the year			<u>\$ 21,613</u>	

Other Supplementary Information

Gravois Bluffs Transportation Development District

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

	<u>Budgeted Amount Original</u>	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
TDD Sales Tax Revenues	\$ 2,987,580	\$ 3,439,281	\$ 3,250,940	\$ (188,341)
Loan Proceeds	-	3,007,114	3,007,114	-
Bond Proceeds	13,065,615	21,259,583	20,485,000	(774,583)
Interest income	-	633,725	273,790	(359,935)
Total Revenues	<u>\$ 16,053,195</u>	<u>\$ 28,339,703</u>	<u>\$ 27,016,844</u>	<u>\$ (1,134,518)</u>
Expenditures:				
1% Collection Fee	\$ 29,437	\$ 34,393	\$ 32,283	\$ 2,110
Sweep fees	-	-	15,692	(15,692)
Administrative expenses	23,340	23,450	29,121	(5,671)
EATS payments	1,457,121	1,685,248	1,598,027	87,221
Bond principal payments	1,119,281	290,000	290,000	-
Loan principal payments	-	-	3,007,114	(3,007,114)
Interest expense	-	395,000	413,895	(18,895)
Legal fees	75,000	130,000	129,527	473
Insurance expense	4,000	1,600	1,533	67
Loan origination fees	1,300	35,000	35,000	-
Bond issuance costs	400,000	401,520	515,755	(114,235)
Accounting fees	5,500	5,000	4,967	33
Trustee fees	-	15,900	1,991	13,909
Bank fees	100	100	51	49
Project costs	12,890,615	12,232,000	12,267,883	(35,883)
Total Expenditures	<u>\$ 16,005,694</u>	<u>\$ 15,249,211</u>	<u>\$ 18,342,839</u>	<u>\$ (3,093,628)</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,119,281	\$ 1,856,000	\$ 1,875,772	\$ 19,772
Transfers out	(1,119,281)	(1,856,000)	(1,875,772)	(19,772)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Increase (Decrease) in Net Assets	<u>\$ 47,501</u>	<u>\$ 13,090,492</u>	<u>\$ 8,674,005</u>	<u>\$ (4,228,146)</u>
Net Assets - at beginning of the year			<u>387,849</u>	
Net Assets - at end of the year			<u>\$ 9,061,854</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
M.D. Knight, 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

To the Board of Directors
Gravois Bluffs Transportation Development District
Fenton, Missouri 63026

We have audited the financial statements of the governmental activities and each major fund of Gravois Bluffs Transportation Development 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 November 20, 2008. As described in our report on the financial statements, the Gravois Bluffs 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 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gravois Bluffs Transportation Development District's internal control over financial reporting for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gravois Bluffs Transportation Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gravois Bluffs 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 Gravois Bluffs 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 misstatement of Gravois Bluffs Transportation Development District's financial statements that is more than inconsequential will not be prevented or detected by Gravois Bluffs 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 Gravois Bluffs 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 Gravois Bluffs 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.

Wade Stables P.C.
Certified Public Accountants

November 20, 2008
Hannibal, Missouri