

**Bogey Hills Plaza  
Community Improvement District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**For The Year Ended December 31, 2021**

# **Bogey Hills Plaza Community Improvement District**

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December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bogey Hills Plaza Community Improvement District  
St. Charles, Missouri

### Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Bogey Hills Plaza Community Improvement District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Bogey Hills Plaza Community Improvement District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of the Bogey Hills Plaza Community Improvement District, as of December 31, 2021, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bogey Hills Plaza Community Improvement District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter—Basis of Accounting

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

### Responsibilities of Management for the Financial Statements

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bogey Hills Plaza Community Improvement District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bogey Hills Plaza Community Improvement District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, on our consideration of the Bogey Hills Plaza Community Improvement District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Bogey Hills Plaza Community Improvement District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bogey Hills Plaza Community Improvement District's internal control over financial reporting and compliance.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

June 23, 2022  
Hannibal, Missouri

**Management's Discussion  
and Analysis**

# **Bogey Hills Plaza Community Improvement District**

## **Management's Discussion and Analysis For the Year Ended December 31, 2021 (Unaudited)**

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The discussion and analysis of Bogey Hills Plaza Community Improvement District's financial performance provides an overview and analysis of the District's financial statements for the year ended December 31, 2021. It should be read in conjunction with the accompanying basic financial statements.

### **Financial Highlights**

- The assets of Bogey Hills Plaza Community Improvement District exceeded its liabilities at the close of the year ended December 31, 2021 by \$134,148. Of this amount, \$134,148 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of Bogey Hills Plaza Community Improvement District exceeded its liabilities at the close of the year ended December 31, 2020 by \$436,662. Of this amount, \$436,662 (unrestricted net position) could be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position decreased \$302,514 for the year ended December 31, 2021. The primary reason for this is because the District received \$594,760 in total revenues, spent \$6,197,274 on total expenses, and received \$5,300,000 in other financing sources, net of financing uses.
- The District's total net position increased \$436,662 for the year ended December 31, 2020. The primary reason for this is because the District received \$444,098 in total revenues and spent \$7,436 on total expenses.
- The District took out a loan in the amount of \$5,300,000 for the year ending December 31, 2021.
- The District did not issue any debt for the year ending December 31, 2020.

### **Using This Special Purpose Framework**

The financial statements are presented on a basis of cash receipts and cash disbursements, an accounting basis 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 Bogey Hills Plaza Community Improvement District's basic financial statements. The District's financial statements are comprised of two components, combined government-wide and fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Combined Government-wide and Fund Financial Statements**

Government-wide and Fund financial statements are combined as allowed by the Governmental Accounting Standards Board for special purpose governments. As such, these combined statements show each major fund as well as the primary government as a whole.

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.

Bogey Hills Plaza Community Improvement District internally maintains two individual governmental funds, however, to conform with Governmental Accounting Standards, reporting is summarized into one major fund. Information is presented in the Governmental Funds Balance Sheet and Statement of Net Position – Cash Basis, for the General Fund, which is considered a major fund. The General Fund consists of: the Sales Tax Trust Fund and the Operating Fund.

## Bogey Hills Plaza Community Improvement District

Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(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.

### The District as a Whole – Government-Wide Financial Analysis

The District's combined net position was \$134,148 as of December 31, 2021.

**Table 1**  
**Summary of Net Position**  
**at December 31, 2021 and 2020**

	Governmental Activities	
	2021	2020
Current and other assets	\$ 134,148	\$ 436,662
Total Assets	\$ 134,148	\$ 436,662
Net position:		
Restricted	\$ -	\$ -
Unrestricted	134,148	436,662
Total Net Position	\$ 134,148	\$ 436,662

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2021	2020
General Revenues:		
Taxes	\$ 594,760	\$ 444,098
Loan proceeds	5,300,000	-
Total revenues	\$ 5,894,760	\$ 444,098
Expenses:		
General government	\$ 7,595	\$ 7,436
Project costs	5,575,106	-
Interest expense	117,568	-
Loan principal repayment	497,005	-
Total expenses	\$ 6,197,274	7,436
Increase (decrease) in net position	\$ (302,514)	\$ 436,662
Net Position at beginning of year	436,662	-
Net Position at end of year	\$ 134,148	\$ 436,662

### PROPERTY, PLANT AND EQUIPMENT AND DEBT

#### Property, Plant and Equipment

During the years ending December 31, 2021 and 2020, the District had capital additions of \$5,575,106 and \$0, respectively.



## **Bogey Hills Plaza Community Improvement District**

### **Management's Discussion and Analysis For the Year Ended December 31, 2021 (Unaudited)**

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#### **Debt**

During the year ending December 31, 2021, the District had a loan balance of \$4,802,995. In 2021, the District took out a loan of \$5,300,000, made interest payments of \$117,568 and principal payments of \$497,005.

During the year ending December 31, 2020, the District did not have any debt.

#### **General Fund Budgeting Highlights**

For the year ending December 31, 2021, actual expenditures on a budgetary basis were \$6,197,274 compared to the budget amount of \$6,157,735. The primary reason for the \$39,539 negative variance is the result of the District not budgeting enough for interest expense and loan principal repayment.

For the year ending December 31, 2021, actual revenues on a budgetary basis were \$594,760 compared to the budget amount of \$530,000. The reason for the \$64,760 positive variance is the result of the District not budgeting enough for CID sales tax revenues.

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

Local, national and international economic factors influence the District's revenues. Positive economic growth correlates with increased revenues from property taxes. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, and new construction and assessed valuation. The District has 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.

**Bogey Hills Plaza Community Improvement District**

Governmental Funds Balance Sheet and  
Statement of Net Position - Cash Basis  
December 31, 2021

	<u>General Fund</u>	<u>Total Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>				
Cash and equivalents	\$ 134,148	\$ 134,148	\$ -	\$ 134,148
<b>Total Assets</b>	<u>\$ 134,148</u>	<u>\$ 134,148</u>	<u>\$ -</u>	<u>\$ 134,148</u>
<b>Liabilities and Fund Balances / Net Position</b>				
Fund Balance:				
Restricted for:				
Debt Service	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	-	-
Unassigned	<u>134,148</u>	<u>134,148</u>	<u>(134,148)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 134,148</u>	<u>\$ 134,148</u>	<u>\$ (134,148)</u>	<u>\$ -</u>
<b>Net Position:</b>				
Restricted for:				
Debt Service			\$ -	\$ -
Capital Projects			-	-
Unrestricted			<u>134,148</u>	<u>134,148</u>
<b>Total Net Position</b>			<u>\$ 134,148</u>	<u>\$ 134,148</u>

**Bogey Hills Plaza Community Improvement District**  
 Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and  
 Statement of Activities - Cash Basis  
 For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Total Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>				
Bank fees	\$ 119	\$ 119	\$ -	\$ 119
Administrative expenses	6,000	6,000	-	6,000
Insurance expense	1,476	1,476	-	1,476
Project costs	5,575,106	5,575,106	-	5,575,106
Interest expense	117,568	117,568	-	117,568
Loan principal repayment	497,005	497,005	-	497,005
<b>Total Expenditures/Expenses</b>	<u>\$ 6,197,274</u>	<u>\$ 6,197,274</u>	<u>\$ -</u>	<u>\$ 6,197,274</u>
<b>General Revenues:</b>				
CID sales tax revenues	\$ 594,760	\$ 594,760	\$ -	\$ 594,760
<b>Total General Revenues</b>	<u>\$ 594,760</u>	<u>\$ 594,760</u>	<u>\$ -</u>	<u>\$ 594,760</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (5,602,514)</u>	<u>\$ (5,602,514)</u>	<u>\$ -</u>	<u>\$ (5,602,514)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Loan proceeds	5,300,000	5,300,000	-	5,300,000
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ -</u>	<u>\$ 5,300,000</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ (302,514)</u>	<u>\$ (302,514)</u>	<u>\$ 302,514</u>	<u>\$ -</u>
Change in net position			(302,514)	(302,514)
Fund balance/net position:				
Beginning of Year	436,662	436,662	-	436,662
End of Year	<u>\$ 134,148</u>	<u>\$ 134,148</u>	<u>\$ -</u>	<u>\$ 134,148</u>

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

# **Bogey Hills Plaza Community Improvement District**

## **Notes to Financial Statements For the Year Ended December 31, 2021**

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### **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

Pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), the Bogey Hills Plaza Community Improvement District (the "CID") was formed by Ordinance No. 19-173 (the "Ordinance") of the City of Saint Charles, Missouri (the "City") on September 3, 2019. The Ordinance provided that the CID be established in accordance with the CID Act for the purpose of undertaking various CID project improvements identified in the Ordinance (the "Project") and financing the Project by providing revenues to repay eligible Project costs.

On September 3, 2019, the District entered into a Development Agreement (the "Development Agreement") among the City of St. Charles, Missouri ("City"), Caplaco Fourteen, Inc. and Dierbergs Zumbahl, Inc. (together, the "Developer") to provide (i) the process by which the District will reimburse the Developer for Reimbursable Project Costs, (ii) the payment of Operating costs, (iii) the payment of debt service on the District Obligations, and (iv) assurances to the City regarding the implementation of the District Project. The City Council of the City finds and determines that the action to be taken pursuant to the Development Agreement is reasonably anticipated to remediate the blighting conditions within the District and will serve a public purpose, and the District Project is necessary and advisable and will be in the best interest of the City and of its inhabitants in order to promote the public interest.

On September 6, 2019, in accordance with the CID Act and the Petition, the Board of Directors of the District authorized the District to impose a one percent (1%) (the "CID Sales Tax") upon approval by the qualified voters of the District, on receipts from the sale at retail of all tangible personal property or taxable services at retail with the District, if such property and services are subject to taxation by the State of Missouri pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except such Sales Tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. The qualified voters of the District approved the CID Sales Tax at a mail-in election held on September 6, 2019, pursuant to Section 67.1545.1 of the CID Act.

On March 31, 2021, the District entered a loan agreement with First Bank in order to pay and finance reimbursable project costs of the District in a maximum amount not to exceed \$5,500,000 (the "Loan").

The location of the project is a tract of land in part of Lot 9, Block 2 of Evans Survey of the Commons of St. Charles, in Township 47 North, Range 4 East, City of St. Charles, Missouri. A general description of the project is as follows: construction, demolition, removal and replacement, clean-up and enhancement, installation, reconstruction, repair and maintenance of all improvements permitted by the CID Act, initially involving, but not restricted to demolition, earth work, erosion control, paving, drainage systems and retention, and improvements to storefronts and building facades, walls, parking lots, pedestrians walkways, awnings, canopies, columns, piers, pilasters, marquees, trelliswork, trash receptacles, planters, islands, landscaping, fences, barriers, retaining walls, drives, sidewalks, patios, signage and other fixtures, and associated or other traffic or parking improvements, crosswalks, utilities, lighting and landscaping, and pavement and sidewalk extensions and connections onto adjacent streets and/or public right-of-way.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure 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

# **Bogey Hills Plaza Community Improvement District**

## **Notes to Financial Statements For the Year Ended December 31, 2021**

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### **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 the Governmental Funds Balance Sheet and Statement of Net Position – Cash Basis and Governmental Fund Revenues, Expenditures and Changes in Fund Balances and Statement of Activities - 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

#### **Governmental Funds**

**General Fund** – The District maintains two funds that makes up the General Fund, as follows:

**Sales Tax Trust Fund** - The Sales Tax Trust Fund is the fund that the Missouri Department of Revenue deposits sales tax revenues into. Revenues are derived primarily from sales taxes.

**Operating Fund** – The Operating Fund shall be funded from District Sales Tax Revenues on deposit in the Trust Fund in an amount equal to the Annual Operating Fund Deposit, plus such additional amount as, from time to time, may be required and may be authorized by the District to pay extraordinary and/or non-recurring Operating Costs in excess of the Annual Operating Fund Deposit, including but not limited to litigation costs relating to the indemnities under Section 8.2 of the Development Agreement and other litigation costs, provided such additional amount shall be eligible for payment or reimbursement under the CID Act. Money in the Operating Fund shall be used to pay Operating Costs, to pay the principal of or interest on District Obligations or for any other lawful purpose of the District, as determined by the Board of Directors.

#### **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 special purpose framework. Under the cash basis, revenues are recognized when received rather when earned and expenditures are recognized when cash is disbursed rather when the obligation is incurred.

**Bogey Hills Plaza Community Improvement District**

Notes to Financial Statements  
For the Year Ended December 31, 2021

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 Board 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 2021 budget was approved at the regularly scheduled Board of Directors' meeting. Annual budgets are prepared and adopted by fund on a basis consistent with the cash basis of accounting for the individual governmental funds. All annual appropriations lapse at fiscal year end.

**D) CAPITAL ASSETS AND LONG-TERM LIABILITIES**

In accordance with the cash basis of accounting, the government-wide and fund financial statements report capital asset additions as expenditures when cash is expended and debt proceeds are shown as other financing sources when cash is received. Debt principal payments are shown as expenditures when payments are made. Capital assets and long term liabilities are not maintained on these financial statements but long term debt is disclosed later in these notes to the financial statements.

## Bogey Hills Plaza Community Improvement District

Notes to Financial Statements  
For the Year Ended December 31, 2021

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### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

#### E) FUND BALANCE AND NET POSITION

Net Position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by laws or regulations of the government. All other net position that does not meet the definition of "restricted" are reported as unrestricted net position. It is the District's policy to expend restricted resources first if the restrictions are met.

Fund balances are classified as follows:

**Nonspendable-** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable fund balance as of December 31, 2021.

**Restricted-** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted fund balance as of December 31, 2021.

**Committed-** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District had no committed resources as of December 31, 2021.

**Assigned-** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board through budgetary process. The District had no assigned resources as of December 31, 2021.

**Unassigned-** All amounts not included in other spendable classifications.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

### 2) CASH AND CASH EQUIVALENTS

The District complies with various regulations 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, 2021 is as follows:

## **Bogey Hills Plaza Community Improvement District**

### **Notes to Financial Statements For the Year Ended December 31, 2021**

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#### **2) CASH AND CASH EQUIVALENTS (CONCLUDED)**

##### **Deposits**

At December 31, 2021, the carrying amount of the District's deposits was \$134,148 and the bank balance was \$134,148. The bank balance in the Sales Tax Trust Fund and Operating (Collateral) Fund was \$134,148 at year end. Any balance maintained in this account would be covered by federal depository insurance up to \$250,000.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. State statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

##### **Investments**

There were no investments at December 31, 2021.

#### **3) COMMITMENTS**

On September 3, 2019, the District entered into a Development Agreement (the "Development Agreement") among the City of St. Charles, Missouri ("City"), Caplaco Fourteen, Inc. and Dierbergs Zumbel, Inc. (together, the "Developer") to provide (i) the process by which the District will reimburse the Developer for Reimbursable Project Costs, (ii) the payment of Operating costs, (iii) the payment of debt service on the District Obligations, and (iv) assurances to the City regarding the implementation of the District Project. The City Council of the City finds and determines that the action to be taken pursuant to the Development Agreement is reasonably anticipated to remediate the blighting conditions within the District and will serve a public purpose, and the District Project is necessary and advisable and will be in the best interest of the City and of its inhabitants in order to promote the public interest.

#### **4) LITIGATION**

At December 31, 2021 there were no claims or lawsuits pending against the District.

#### **5) TAXES**

On September 6, 2019, in accordance with the CID Act and the Petition, the Board of Directors of the District authorized the District to impose a one percent (1%) (the "CID Sales Tax") upon approval by the qualified voters of the District, on receipts from the sale at retail of all tangible personal property or taxable services at retail with the District, if such property and services are subject to taxation by the State of Missouri pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except such Sales Tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. The qualified voters of the District approved the CID Sales Tax at a mail-in election held on September 6, 2019, pursuant to Section 67.1545.1 of the CID Act.

#### **6) LONG-TERM DEBT**

On March 31, 2021, the District borrowed \$5,300,000 from First Bank amortized over a period of 240 months. The loan bears interest at a rate equal to 3.0% per annum and will mature on March 1, 2041. At the year ended December 31, 2021 the balance of loan was \$4,802,995.

In 2021, the District paid \$117,568 in interest expense and \$497,005 in principal payments.



**Bogey Hills Plaza Community Improvement District**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**6) LONG-TERM DEBT (CONCLUDED)**

Balance at January 1, 2021	\$	-
Loan issued		5,300,000
Loan repaid		(497,005)
Balance at December 31, 2021		4,802,995

The loan amortization schedule is as follows:

Year	Principal	Interest	Total
2022	\$ 214,070	\$ 141,162	\$ 355,232
2023	220,581	134,651	355,232
2024	227,290	127,942	355,232
2025	234,203	121,029	355,232
2026	241,327	113,905	355,232
2027-2031	1,321,305	454,854	1,776,159
2032-2036	1,534,850	241,309	1,776,159
2037-2039	809,369	30,019	839,388
	\$ 4,802,995	\$ 1,364,871	\$ 6,167,866

**7) PROJECT COSTS**

The District had \$5,575,106 in project costs during the year ending December 31, 2021.

**8) INTERFUND TRANSFERS**

During the fiscal year ended December 31, 2021, the District did not have any interfund transfers.

**9) SUBSEQUENT EVENTS**

These financial statements considered subsequent events through June 23, 2022, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The long-term impact of the COVID-19 pandemic on CID Sales Tax Revenues is difficult to determine at this point. The District cannot predict (a) the duration or extent of the COVID-19 pandemic; (b) the duration or expansion of related business closings, public health orders, regulations and legislation; (c) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; (d) whether recent job losses resulting from COVID-19-related business closures will be temporary or permanent and what effect such losses will have on consumer confidence; or (e) the impact the COVID-19 pandemic will have on CID Sales Tax Revenues available for appropriation by the District. Developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the CID Sales Tax Revenues in the future is highly uncertain and cannot be predicted.

## **Supplementary Information**

**Bogey Hills Plaza Community Improvement District**

Statement of Revenues Collected and Expenditures Paid -

General Fund - Budget and Actual - Cash Basis

For the Year Ended December 31, 2021

	Budgeted	Budgeted	Actual	Variance - Favorable (Unfavorable)
	Amount Original	Amount Final		
<b>Revenues:</b>				
CID sales tax revenues	\$ 431,000	\$ 530,000	\$ 594,760	\$ 64,760
<b>Total Revenues</b>	<u>\$ 431,000</u>	<u>\$ 530,000</u>	<u>\$ 594,760</u>	<u>\$ 64,760</u>
<b>Expenditures:</b>				
Bank fees	\$ -	\$ 140	\$ 119	\$ 21
Administrative expenses	6,000	6,000	6,000	-
Insurance expenses	1,350	1,476	1,476	-
Audit fees	4,000	-	-	-
Legal and professional fees	8,650	8,650	-	8,650
Project costs	-	5,575,106	5,575,106	-
Interest expense	160,592	101,363	117,568	(16,205)
Loan principal repayment	214,269	465,000	497,005	(32,005)
<b>Total Expenditures</b>	<u>\$ 394,861</u>	<u>\$ 6,157,735</u>	<u>\$ 6,197,274</u>	<u>\$ (39,539)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Loan proceeds	-	5,300,000	5,300,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	<u>\$ -</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>\$ 36,139</u>	<u>\$ (327,735)</u>	<u>\$ (302,514)</u>	<u>\$ 25,221</u>
<b>Fund Balances - at beginning of the year</b>		436,662	436,662	
<b>Fund Balances - at end of the year</b>		<u>\$ 108,927</u>	<u>\$ 134,148</u>	

## **Compliance Section**



100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

INDEPENDENT AUDITOR'S 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  
Bogey Hills Plaza Community Improvement District  
St. Charles, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Bogey Hills Plaza Community Improvement District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Bogey Hills Plaza Community Improvement District's basic financial statements, and have issued our report thereon dated June 23, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bogey Hills Plaza Community Improvement District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bogey Hills Plaza Community Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bogey Hills Plaza Community Improvement District's internal control.

A *deficiency in internal control* 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 and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bogey Hills Plaza Community Improvement District's financial statements are free from 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 financial statements. 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*.

INDEPENDENT AUDITOR'S 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 (CONCLUDED)

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

June 23, 2022  
Hannibal, Missouri