

# **Eureka Pointe Community Improvement District**

**Basic Financial Statements**

**And Management's Discussion and Analysis**

**For The Year Ended June 30, 2023**

# Eureka Pointe Community Improvement District

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Eureka Pointe Community Improvement District  
Eureka, Missouri

### Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Eureka Pointe Community Improvement District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Eureka Pointe 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 Eureka Pointe Community Improvement District, as of June 30, 2023, 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 Eureka Pointe 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 Eureka Pointe 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 Eureka Pointe 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 October 19, 2023, on our consideration of the Eureka Pointe 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 Eureka Pointe 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 Eureka Pointe Community Improvement District's internal control over financial reporting and compliance.



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

October 19, 2023  
Hannibal, Missouri

## **Management's Discussion and Analysis**

## **Eureka Pointe Community Improvement District**

### **Management's Discussion and Analysis**

**For the Year Ended June 30, 2023**

**(Unaudited)**

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The discussion and analysis of the Eureka Pointe Community Improvement District's financial performance provides an overview and analysis of the District's financial statements for the year ended June 30, 2023. It should be read in conjunction with the accompanying basic financial statements.

#### **Financial Highlights**

- The assets of Eureka Pointe Community Improvement District exceeded its liabilities at the close of the year ending June 30, 2023 by \$32,427. Of this amount, \$10,059 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The assets of Eureka Pointe Community Improvement District exceeded its liabilities at the close of the year ending June 30, 2022 by \$73,071. Of this amount, \$22,372 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position decreased by \$40,644 for the year ended June 30, 2023. The primary reason for this is because the District received \$45,493 in total revenues and spent \$86,137 in total expenses.
- The District's total net position increased by \$17,230 for the year ended June 30, 2022. The primary reason for this is because the District received \$44,689 in total revenues and spent \$27,459 in total expenses.
- The District did not issue any additional debt for the years ending June 30, 2023 or 2022.

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

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 the Eureka Pointe Community Improvement District's basic financial statements. The District's basic 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 information in addition to the basic financial statements themselves.

#### **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 Funds** - 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.

Eureka Pointe Community Improvement District internally maintains six individual governmental funds, however, to conform with Governmental Accounting Standards, reporting is summarized into three major funds. Information is presented in the Governmental Funds Balance Sheet and Statement of Net Position - Cash Basis, for the General Fund, the Debt Service Fund and the Project Fund, which are all considered major funds. The General Fund consists of: the Special Trust Fund, the Revenue Fund and the Operating Fund. The Debt Service Fund consists of: the Debt Service Fund and the Redemption Fund. The Project Funds consists of: the Project Fund.

## **Eureka Pointe Community Improvement District**

### **Management's Discussion and Analysis**

**For the Year Ended June 30, 2023**

**(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**

**Table 1**  
**Summary of Net Position**  
**at June 30, 2023 and 2022**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 32,427	\$ 73,071
Total Assets	\$ 32,427	\$ 73,071
Net Position:		
Restricted	\$ 22,368	\$ 50,699
Unrestricted	10,059	22,372
Total Net Position	\$ 32,427	\$ 73,071

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

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
General Revenues:		
Taxes	\$ 44,684	\$ 44,668
Interest income	809	21
Total Revenues	\$ 45,493	\$ 44,689
Expenses:		
General government	\$ 12,680	\$ 11,145
Interest expense	15,098	16,314
Revenue note principal repayment	58,359	-
Total Expenses	\$ 86,137	\$ 27,459
Increase (decrease) in Net Position	\$ (40,644)	\$ 17,230
Net Position at beginning of year	73,071	55,841
Net Position at end of year	\$ 32,427	\$ 73,071

#### **PROPERTY, PLANT AND EQUIPMENT AND DEBT**

##### **Property, Plant and Equipment**

During the years ending June 30, 2023 and 2022, the District did not have any additional capital additions.

##### **Debt**

As of the year ended June 30, 2023, the District had \$199,723 in revenue notes payable. The District made principal payments of \$58,359 and interest payments of \$15,098 during the year.

As of the year ended June 30, 2022, the District had \$258,082 in revenue notes payable. The District did not make any principal payments, but made interest payments of \$16,314 during the year.



**Eureka Pointe Community Improvement District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023  
(Unaudited)

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**General Fund Budgeting Highlights**

For the fiscal year ending June 30, 2023, actual expenditures on a budgetary basis were \$12,680 compared to the budgeted amount of \$13,850. The \$1,170 positive variance is mainly the result of the District budgeting too much for legal and professional fees.

For the fiscal year ending June 30, 2023, actual revenues on a budgetary basis were \$45,458 compared to the budgeted amount of \$48,670. The \$3,212 negative variance is mainly the result of the sales tax revenues being less than budgeted for by the District.

**Debt Service Fund Budgeting Highlights**

For the fiscal year ending June 30, 2023, actual expenditures on a budgetary basis were \$73,457 compared to the budgeted amount of \$73,457, resulting in a \$0 variance.

For the fiscal year ending June 30, 2023, actual revenues on a budgetary basis were \$35 compared to the budgeted amount of \$22. The \$13 positive variance is the result of the District not budgeting for interest income.

**Project Fund Budgeting Highlights**

For the fiscal year ending June 30, 2023, the District had no activity in this fund and did not budget any activity accordingly.

**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, 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.

# Eureka Pointe Community Improvement District

Governmental Funds Balance Sheet and  
Statement of Net Position - Cash Basis  
June 30, 2023

	General Fund	Debt Service Fund	Project Fund	Total Major Funds	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash and equivalents	\$ 10,059	\$ 22,368	\$ -	\$ 32,427	\$ -	\$ 32,427
<b>Total Assets</b>	<u>\$ 10,059</u>	<u>\$ 22,368</u>	<u>\$ -</u>	<u>\$ 32,427</u>	<u>\$ -</u>	<u>\$ 32,427</u>
<b>Liabilities and Fund Balances / Net Position</b>						
Fund Balance:						
Restricted for:						
Debt Service	\$ -	\$ 22,368	\$ -	\$ 22,368	\$ (22,368)	\$ -
Capital Projects	-	-	-	-	-	-
Unassigned	10,059	-	-	10,059	(10,059)	-
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,059</u>	<u>\$ 22,368</u>	<u>\$ -</u>	<u>\$ 32,427</u>	<u>\$ (32,427)</u>	<u>\$ -</u>
Net Position:						
Restricted for:						
Debt Service					\$ 22,368	\$ 22,368
Capital Projects					-	-
Unrestricted					10,059	10,059
<b>Total Net Position</b>					<u>\$ 32,427</u>	<u>\$ 32,427</u>

# **Eureka Pointe Community Improvement District**

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and  
Statement of Activities - Cash Basis  
For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Project Fund	Total Major Funds	Adjustments	Statement of Activities
<b>Expenditures/Expenses:</b>						
Trustee fees	\$ 2,650	\$ -	\$ -	\$ 2,650	\$ -	\$ 2,650
Bank fees	192	-	-	192	-	192
Administrative expenses	7,500	-	-	7,500	-	7,500
Legal and professional fees	2,338	-	-	2,338	-	2,338
Interest expense	-	15,098	-	15,098	-	15,098
Revenue note principal repayment	-	58,359	-	58,359	-	58,359
<b>Total Expenditures/Expenses</b>	<b>\$ 12,680</b>	<b>\$ 73,457</b>	<b>\$ -</b>	<b>\$ 86,137</b>	<b>\$ -</b>	<b>\$ 86,137</b>
<b>General Revenues:</b>						
CID sales tax revenues	\$ 44,684	\$ -	\$ -	\$ 44,684	\$ -	\$ 44,684
Interest income	774	35	-	809	-	809
<b>Total General Revenues</b>	<b>\$ 45,458</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ 45,493</b>	<b>\$ -</b>	<b>\$ 45,493</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 32,778</b>	<b>\$ (73,422)</b>	<b>\$ -</b>	<b>\$ (40,644)</b>	<b>\$ -</b>	<b>\$ (40,644)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ -	\$ 45,091	\$ -	\$ 45,091	\$ -	\$ 45,091
Transfers out	(45,091)	-	-	(45,091)	-	(45,091)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (45,091)</b>	<b>\$ 45,091</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>\$ (12,313)</b>	<b>\$ (28,331)</b>	<b>\$ -</b>	<b>\$ (40,644)</b>	<b>\$ 40,644</b>	<b>\$ -</b>
Change in net position					(40,644)	(40,644)
Fund balance/net position:						
Beginning of Year	22,372	50,699	-	73,071	-	73,071
End of Year	\$ 10,059	\$ 22,368	\$ -	\$ 32,427	\$ -	\$ 32,427

## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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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, inclusive, of the Revised Statutes of Missouri, as amended (the "CID Act") and Ordinance No. 1876 (the "Approving Ordinance"), the City of Eureka, Missouri (the "City") approved formation of the Eureka Pointe Community Improvement District (the "District") for the purpose of financing certain improvements referenced in the Approving Ordinance and further defined below (the "Project").

Pursuant to CID Resolution No. 06-006, the CID entered into a Ground Lease dated as of September 28, 2006 (the "Lease Agreement"), pursuant to which Holloway LLC, a Missouri limited liability company (the "Developer"), has agreed to construct and implement the Project and the CID has agreed to issue its obligations to finance a portion of such Project.

The Project is described as follows:

The design and development of a paved, asphalt parking lot and related improvements which are designed to enhance the safety of commuters in and around the District as well as facilitate more efficient traffic and parking patterns in, through and around the District.

On February 23, 2006, the Board of Directors of the CID approved Resolution No. 06-004 authorizing a 1/2% sales and use tax and a 3/8% sales and use tax (individually and collectively, the "CID Sales Tax"), for a period of 20 years from the date each CID Sales Tax becomes effective in the District, on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the CID, if such property and services are subject to taxation by the State of Missouri pursuant to the provisions of Sections 144.101 and 144.525 of the Revised Statutes of Missouri, as amended, except the sale or use of motor vehicles, trailers, boats or outboard motors, or to public utilities.

On May 16, 2006, the qualified voters of the CID approved the CID Sales Tax by election, which CID Sales Tax became effective on November 1, 2006, pursuant to Section 67.1545.3 of the CID Act.

The CID determined that it was in the best interests of the CID to issue its Taxable Community Improvement District Revenue Notes, Series 2006 (the "CID Notes") for the purpose of (a) financing certain costs associated with the Lease Agreement and (b) paying costs of issuance for the CID Notes.

On September 28, 2006, the CID approved a Certificate of Reimbursable CID Project Costs submitted by the Developer pursuant to the terms of the Lease Agreement. The Board of Directors of the CID adopted Resolution No. 06-009 (the "Note Resolution"), authorizing the issuance of the CID Notes pursuant to a Trust Indenture. Pursuant to the Note Resolution, the CID was authorized to execute and deliver the Indenture for the purpose of issuing and securing its CID Notes in an aggregate principal amount of \$600,000.

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.

## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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

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

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 the 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 internally maintains three separate funds that make up the General Fund, as follows:

**Special Trust Fund** - The Special Trust Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from sales taxes.

**Revenue Fund** – On or before the 20<sup>th</sup> calendar day of each month (or the next Business Day thereafter if such day is not a Business Day), while the CID Notes remain Outstanding, the District shall transfer (subject to annual appropriation by the District) all Net Revenues on deposit in the Special Trust Fund to the Trustee for deposit into the Revenue Fund. The foregoing provisions shall not be construed to impose any legal obligation on the District to appropriate moneys for the payment of the Notes. The Trustee shall notify the District and the Original Purchasers if the Trustee has not received such funds on or before the 22<sup>nd</sup> calendar day of each month (or the next Business Day thereafter if such day is not a Business Day).

Moneys in the Revenue Fund shall be disbursed at such times necessary by the Trustee for the purposes and in the amounts as follows:

*First*, to the United States of America, an amount sufficient to pay rebate, if any, owed under Section 148 of the Code, as directed in writing by the District pursuant to the Arbitrage Certificate;

*Second*, to the Trustee or any Paying Agent, an amount sufficient for payment of fees and expenses (not to exceed \$5,000 annually) which are due and owing to the Trustee or any Paying Agent, upon delivery to the District and the Trustee of an invoice for such amounts;

*Third*, to the Operating Fund, 50% of the Annual Operating Fund Deposit;

## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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

##### **A) BASIS OF PRESENTATION (CONTINUED)**

*Fourth*, to the Debt Service Account of the Debt Service Fund, when necessary, an amount sufficient to pay past-due interest, if any owing on the Notes; and

*Fifth*, to the Debt Service Fund, to be applied in accordance with Section 403 of the Trust Indenture.

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

**Operating Fund** – Moneys in the Operating Fund shall be disbursed by the Trustee without inquiry or investigation from time to time upon receipt of a written request of the Authorized District Representative to pay Administrative Costs, the principal of or interest on the Notes, or any other lawful purpose of the District. Any Administrative Costs in excess of the Annual Operating Fund Deposit shall be carried forward for payment from the next deposit of the Annual Operating Fund Deposit.

**Debt Service Fund** – Except as otherwise provided, 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 Notes as the same mature and become due or upon the redemption thereof.

The District authorizes and directs the Trustee to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the Notes 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 Notes.

The Trustee shall use any moneys remaining in the Debt Service Fund to redeem all or part of the Notes Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by Article III of the Trust Indenture, so long as said moneys are in excess of the amount required for payment of Notes theretofore matured or called for redemption.

After payment in full of the principal of and interest on the Notes (or provision has been made for the payment thereof as specified in the Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture, all amounts remaining in the Debt Service Fund shall be paid to the CID for deposit into the Special Trust Fund.

**Project Fund** – Upon the acceptance by the District of a Certificate of Reimbursable Project Costs and the issuance or endorsement of a Note pursuant to the Indenture, the Developer shall be deemed to have advanced funds necessary to purchase such Note and the District shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer or paid for in full such costs from the amounts deemed to be on deposit in the Project 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 special purpose framework. Under the 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.

## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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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 2023 budget was approved at the regularly scheduled Board of Directors' meetings. Annual budgets are prepared and adopted by fund on a basis consistent with the cash basis of accounting for the major 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.

##### **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

## Eureka Pointe Community Improvement District

### Notes to Financial Statements For the Year Ended June 30, 2023

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

##### E) FUND BALANCE AND NET POSITION (CONCLUDED)

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 June 30, 2023.

**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 had an ending balance of \$22,368 for restricted fund balances that consisted of the Debt Service Fund.

**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 June 30, 2023.

**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 June 30, 2023.

**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 June 30, 2023, is as follows:

##### **Deposits**

At June 30, 2023, the carrying amount of the District's deposits was \$32,427 and the bank balance was \$32,427. The balance in the Special Trust Fund was \$234 at year end; any balance maintained in this account would be covered by federal depository insurance up to \$250,000. All cash balances with the Trustee were invested in Fidelity U.S. Treasury Money Market accounts. Due to the short-term nature of investments, these 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.



## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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

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 June 30, 2023.

#### **3) COMMITMENTS**

Pursuant to CID Resolution No. 06-006, the CID has entered into a Ground Lease Agreement dated as of September 28, 2006 (the "Lease Agreement"), pursuant to which Holloway LLC, a Missouri limited liability company (the "Developer") has agreed to construct and implement the Project and the CID has agreed to issue its obligations to finance a portion of such Project.

In connection with the design, development and construction of the parking lot, the Developer has agreed to construct and implement a CID Project described as follows:

The design and development of a paved, asphalt parking lot and related improvements which are designed to enhance the safety of commuters in and around the District as well as facilitate more efficient traffic and parking patterns in, through and around the District.

#### **4) LITIGATION**

At June 30, 2023, there were no claims or lawsuits pending against the District.

#### **5) TAXES**

The District has imposed a 1/2% sales tax and a 3/8% sales tax on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the CID, 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 the sale or use of motor vehicles, trailers, boats or outboard motors, or to public utilities. The qualified voters of the CID approved the CID Sales Tax by election, which became effective on November 1, 2006, pursuant to Section 67.1545.3 of the CID Act.

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

Pursuant to Resolution No. 06-004, the CID determined it was in their best interests to issue its Taxable Community Improvement District Revenue Notes, Series 2006 in the aggregate principal amount of \$600,000 for the purpose of (a) financing certain costs associated with the Developer's construction and implementation of the CID Project and (b) paying costs of issuance on the CID Notes. The Revenue Note bears an interest rate of 9.50% and will mature on December 14, 2026.

As of June 30, 2023, the District had a CID Revenue Note payable in the amount of \$199,723. The District incurred no additional debt during the year. They made debt principal payments totaling \$58,359 and interest payments totaling \$15,098. Since the District only pays principal if there are funds available, no debt service requirements are presented in this report.

## **Eureka Pointe Community Improvement District**

### **Notes to Financial Statements For the Year Ended June 30, 2023**

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

Following is a summary of the Revenue Notes payable as of June 30, 2023:

Revenue notes payable, July 1, 2022	\$	258,082
Notes issued		-
Notes retired		(58,359)
Revenue notes payable, June 30, 2023	\$	<u>199,723</u>

#### **7) PROJECT COSTS**

No project costs were incurred for the year ending June 30, 2023.

#### **8) INTERFUND TRANSFERS**

During the fiscal year ended June 30, 2023, the District had the following interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ -	\$ (45,091)
Debt Service Fund	45,091	-
Project Fund	-	-
	<u>\$ 45,091</u>	<u>\$ (45,091)</u>

During the year ended June 30, 2023, the District transferred funds from the General Fund to the Debt Service Fund to make required debt payments.

#### **9) SUBSEQUENT EVENTS**

These financial statements considered subsequent events through October 19, 2023, the date the financial statements were available to be issued.

## **Other Information**

# **Eureka Pointe Community Improvement District**

Statement of Revenues Collected and Expenditures Paid -

General Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
CID sales tax revenues	\$ 40,500	\$ 48,000	\$ 44,684	\$ (3,316)
Interest income	-	670	774	104
<b>Total Revenues</b>	<b>\$ 40,500</b>	<b>\$ 48,670</b>	<b>\$ 45,458</b>	<b>\$ (3,212)</b>
<b>Expenditures:</b>				
Bank fees	\$ 200	\$ 200	\$ 192	\$ 8
Trustee fees	2,400	2,650	2,650	-
Administrative expenses	7,500	7,500	7,500	-
Legal and professional fees	3,500	3,500	2,338	1,162
<b>Total Expenditures</b>	<b>\$ 13,600</b>	<b>\$ 13,850</b>	<b>\$ 12,680</b>	<b>\$ 1,170</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(18,200)	(27,473)	(45,091)	(17,618)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (18,200)</b>	<b>\$ (27,473)</b>	<b>\$ (45,091)</b>	<b>\$ (17,618)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 8,700</b>	<b>\$ 7,347</b>	<b>\$ (12,313)</b>	<b>\$ (19,660)</b>
<b>Fund Balance - at beginning of the year</b>		<b>22,372</b>	<b>22,372</b>	
<b>Fund Balance - at end of the year</b>		<b>\$ 29,719</b>	<b>\$ 10,059</b>	

# **Eureka Pointe Community Improvement District**

Statement of Revenues Collected and Expenditures Paid -

Debt Service Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ 22	\$ 35	\$ 13
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 22</b>	<b>\$ 35</b>	<b>\$ 13</b>
<b>Expenditures:</b>				
Interest expense	\$ 13,285	\$ 15,098	\$ 15,098	\$ -
Revenue note principal repayment	7,500	58,359	58,359	-
<b>Total Expenditures</b>	<b>\$ 20,785</b>	<b>\$ 73,457</b>	<b>\$ 73,457</b>	<b>\$ -</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 18,200	\$ 27,473	\$ 45,091	\$ 17,618
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 18,200</b>	<b>\$ 27,473</b>	<b>\$ 45,091</b>	<b>\$ 17,618</b>
<b>Net Change In Fund Balance</b>	<b>\$ (2,585)</b>	<b>\$ (45,962)</b>	<b>\$ (28,331)</b>	<b>\$ 17,631</b>
<b>Fund Balance - at beginning of the year</b>		50,699	50,699	
<b>Fund Balance - at end of the year</b>		<b>\$ 4,737</b>	<b>\$ 22,368</b>	

# Eureka Pointe Community Improvement District

Statement of Revenues Collected and Expenditures Paid -

Project Fund - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Project costs	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ -
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	\$ -	\$ -	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -
<b>Net Change in Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance - at beginning of the year</b>				
<b>Fund Balance - at end of the year</b>	\$ -	\$ -	\$ -	\$ -

# **Eureka Pointe Community Improvement District**

Statement of Revenues Collected and Expenditures Paid -

All Funds - Budget and Actual - Cash Basis

For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>				
CID sales tax revenues	\$ 40,500	\$ 48,000	\$ 44,684	\$ (3,316)
Interest income	-	692	809	117
<b>Total Revenues</b>	<b>\$ 40,500</b>	<b>\$ 48,692</b>	<b>\$ 45,493</b>	<b>\$ (3,199)</b>
<b>Expenditures:</b>				
Trustee fees	\$ 2,400	\$ 2,650	\$ 2,650	\$ -
Bank fees	200	200	192	8
Administrative expenses	7,500	7,500	7,500	-
Legal and professional fees	3,500	3,500	2,338	1,162
Interest expense	13,285	15,098	15,098	-
Revenue note principal repayment	7,500	58,359	58,359	-
<b>Total Expenditures</b>	<b>\$ 34,385</b>	<b>\$ 87,307</b>	<b>\$ 86,137</b>	<b>\$ 1,170</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 18,200	\$ 27,473	\$ 45,091	\$ 17,618
Transfers out	(18,200)	(27,473)	(45,091)	(17,618)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>\$ 6,115</b>	<b>\$ (38,615)</b>	<b>\$ (40,644)</b>	<b>\$ (2,029)</b>
<b>Fund Balances - at beginning of the year</b>		73,071	73,071	
<b>Fund Balances - at end of the year</b>		<b>\$ 34,456</b>	<b>\$ 32,427</b>	

## **Compliance Section**





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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  
Eureka Pointe Community Improvement District  
Eureka, 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 Eureka Pointe Community Improvement District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Eureka Pointe Community Improvement District's basic financial statements, and have issued our report thereon dated October 19, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Eureka Pointe 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 Eureka Pointe Community Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Eureka Pointe 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 Eureka Pointe 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*

October 19, 2023  
Hannibal, Missouri