

**METROPOLITAN PARK AND RECREATION DISTRICT  
d/b/a THE GREAT RIVERS GREENWAY DISTRICT**

**FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION,  
ADDITIONAL INFORMATION,  
AND INDEPENDENT AUDITORS' REPORT  
WITH ACCOMPANYING SINGLE AUDIT AND  
OMB CIRCULAR A-133 REPORTS  
FOR THE  
YEAR ENDED DECEMBER 31, 2005**

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District

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Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2005

The discussion and analysis of Metropolitan Park and Recreation District d/b/a the Great Rivers Greenway District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2005 (FY05). The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements to enhance their understanding of the District's financial performance.

### **Financial Summary**

Notable financial facts for 2005 are as follows:

- The District's net assets of \$34.4 million increased by \$5.1 million or 17.5%.
- The net assets invested in capital assets, net of related debt, increased to \$24.1 million or an increase of \$13.6 million and 129.5%.
- As of the close of the current fiscal year, the District's Governmental Funds reported ending fund balances of \$10.2 million, a decrease of \$8.5 million in comparison with the prior year. The entire Governmental Fund balance is unreserved and available for spending at the District's discretion.

Financial statement reports included are:

- 1) Statement of Net Assets
- 2) Statement of Activities
- 3) Balance Sheet - Governmental Funds
- 4) Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
- 5) Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- 6) Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. The statements are prepared and organized so the reader can understand the financial information of the District as a whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the District's specific financial condition.

Metropolitan Park and Recreation District  
d/b/a the Great Rivers Greenway District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For The Year Ended December 31, 2005  
*(Continued)*

**Government –Wide Financial Statements**

The government-wide Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregated view of the District's finances and a longer-term view of those assets. Those two statements report the District's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as the condition of the District's capital assets also needs to be evaluated.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District has one category of funds, the governmental fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information in the governmental funds is presented by fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The District's only fund, the general fund, is considered to be a major fund.

The District adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Following the financial statements are Notes to the Financial Statements which provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information. Included is a comparison of the actual results of operations of the District's general fund to the general fund budget adopted by the District Board of Directors.

Metropolitan Park and Recreation District  
d/b/a the Great Rivers Greenway District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For The Year Ended December 31, 2005  
(Continued)

The Statement of Net Assets presents the District as a whole. Table 1 provides a summary of the District's net assets for 2005 compared to 2004.

**Table 1**  
**Comparative Statement of Net Assets**

	<u>2005</u>	<u>2004</u>	<b>Total % Change 2004-2005</b>
Current and Other Assets	\$12,447,159	\$19,286,981	( 35.5%)
Capital Assets	<u>28,907,177</u>	<u>15,485,032</u>	86.7%
Total Assets	<u>41,354,336</u>	<u>34,772,013</u>	18.9%
Total Liabilities	<u>6,907,012</u>	<u>5,448,750</u>	26.8%
Net Assets			
Invested in capital assets, net of related debt	24,066,639	10,485,032	129.5%
Unrestricted	<u>10,380,685</u>	<u>18,838,231</u>	( 44.9%)
Total Net Assets	<u>\$34,447,324</u>	<u>\$29,323,263</u>	17.5%

The increase is primarily the result of excess program revenues over expenses for governmental activities.

Current assets decreased 35.5% (\$6.8 million) from last year primarily because of an increase in capital assets as a result of expenditures expenses for capital projects increasing over prior years.

Capital assets increased primarily as a result of capital outlay for projects of \$13.4 million.

Overall, total assets increased 18.9% (\$6.6 million).

Overall, total liabilities increased 26.8% (\$1.5 million) due to increased capital projects ongoing at the end of the year.

Metropolitan Park and Recreation District  
d/b/a the Great Rivers Greenway District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For The Year Ended December 31, 2005  
(Continued)

Table 2 shows the changes in net assets for the year ended December 31, 2005 as compared to the year ended December 31, 2004.

**Table 2**  
**Changes in Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Total % Change 2004-2005</u>
Revenues			
Sales tax	\$10,555,815	\$10,221,169	3.3%
Investment income	407,415	469,267	( 13.2%)
Contributions and grants	780,652	228,125	242.2%
Miscellaneous income	<u>534,500</u>	<u>64,145</u>	733.3%
Total Revenue	<u>12,278,382</u>	<u>10,982,706</u>	11.8%
Expense			
MPRD projects	6,113,568	2,826,453	116.3%
Salary and fringe benefits	253,060	482,339	( 47.5%)
Contractual and professional services	187,159	433,352	( 56.8%)
Office and support	134,336	88,230	( 52.3%)
Space and occupancy	80,536	38,219	110.7%
Depreciation	84,555	10,810	682.2%
Interest	<u>301,107</u>	<u>-</u>	-
Total Expense	<u>7,154,321</u>	<u>3,879,403</u>	84.4%
Increase in Net Assets	<u>\$ 5,124,061</u>	<u>\$ 7,103,303</u>	( 27.9%)

The increase in net assets is a result of sales tax revenues being received uniformly throughout the year while the primary expense of the District, MPRD projects, are incurred as projects progress, often over several years.

The current year MPRD projects include; the Confluence Greenway, the Dardene Greenway, the Meramec Greenway, the River Des Peres Greenway, the Chouteau Greenway, the Shady Creek Greenway, the Gravois Creek Greenway, as well as other smaller projects and collaborative planning projects. These expenses include various grants to agencies that oversee the development projects as well as significant professional fees in the areas of acquisition costs, legal fees, architectural and design consultation, consulting fees, etc.

Contractual and professional services include accounting fees, legal fees, and various consulting fees

which were down significantly in 2005.

Metropolitan Park and Recreation District  
d/b/a the Great Rivers Greenway District  
MANAGEMENT DISCUSSION AND ANALYSIS  
For The Year Ended December 31, 2005  
(Continued)

**Budgetary Highlights**

The District adopts an annual operating budget for its general fund including capital outlay. Budgeted Sales tax revenues were \$10.5 million and actual sales tax revenues were \$10.5 million. Investment income was more than budgeted but less than prior year due to having a smaller base of cash and investments, somewhat offset by rising interest rates.

Actual expenditures of \$20.7 million were under budget by \$7.0 million. The difference is primarily the result of several MPRD projects included on the budget that were not started or progressed as much as expected in 2005. The expenditures for current operations were under budget by 33 percent, primarily in the area of contractual and professional services.

**Table 3  
Capital Assets**

	<b>2005</b>	<b>2004</b>
Land	\$21,890,716	\$14,411,867
Construction in progress	2,688,564	1,032,065
Improvements	4,333,147	1,338
Equipment and furniture	102,187	62,644
Subtotal	29,014,614	15,507,914
Less: accumulated depreciation	( 107,437)	( 22,882)
Total Property and Equipment	<b>\$28,907,177</b>	<b>\$15,485,032</b>

As of December 31, 2005, the District's investment in capital assets amounted to \$28.9 million, net of accumulated depreciation. Before depreciation, there was an increase during the year of \$13.5 million. The increase results primarily from the purchase of land and land improvements related to the MPRD projects.

Additional information on the District's capital assets can be found in Note D. beginning on page 13.





## Independent Auditors' Report

Board of Directors  
Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
St. Louis, Missouri

We have audited the accompanying financial statements of the governmental activities of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District (the "District") as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District as of December 31, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2006 on our consideration of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages *i – v* and the Budgetary Comparison Information on pages 17 and 18 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District basic financial statements. The accompanying schedule of combined expenses is presented for purposes of additional analysis and the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 5, 2006  
St. Louis, Missouri

## **FINANCIAL STATEMENTS**

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
STATEMENT OF NET ASSETS  
December 31, 2005

ASSETS

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$11,372,286
Sales tax receivable	889,966
Interest receivable	75,455
Other assets	109,452
Property and equipment, net of accumulated depreciation	<u>28,907,177</u>
 TOTAL ASSETS	 <u><u>\$41,354,336</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	\$ 1,921,132
Note payable - current	166,683
Accrued wages and payroll taxes	145,342
Note payable - non-current	<u>4,673,855</u>
 Total Liabilities	 <u>6,907,012</u>
NET ASSETS	
Invested in capital assets, net of related debt	24,066,639
Unrestricted	<u>10,380,685</u>
 Total Net Assets	 <u>34,447,324</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$41,354,336</u></u>

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2005

<u>Functions/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
Development	<u>\$7,154,321</u>	<u>\$534,500</u>	<u>\$780,652</u>	<u>\$10,555,815</u>	\$ 4,716,646
Other Revenues:					
Unrestricted investment earnings					<u>407,415</u>
Changes in Net Assets					5,124,061
Net Assets – Beginning					<u>29,323,263</u>
Net Assets – Ending					<u>\$34,447,324</u>

See accompanying notes to financial statements

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
BALANCE SHEET – GOVERNMENTAL FUNDS  
December 31, 2005

ASSETS

	<u>General</u>
ASSETS	
Cash and investments	\$11,372,286
Sales tax receivable	889,966
Interest receivable	75,455
Other assets	<u>102,635</u>
 TOTAL ASSETS	 <u><u>\$12,440,342</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts payable	\$ 1,921,132
Note payable	166,683
Accrued wages and payroll taxes	<u>145,342</u>
 Total Liabilities	 2,233,157
 FUND BALANCES	
Unreserved	<u>10,207,185</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$12,440,342</u></u>

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
For The Year Ended December 31, 2005

**Total Fund Balances—Governmental Funds** \$10,207,185

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$29,014,614 and the accumulated depreciation is \$107,437. 28,907,177

Prepaid expenses are not financial resources, and therefore are not included in the funds. 6,817

Long-term liabilities, reflecting the note payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. ( 4,673,855 )

**Total Net Assets—Governmental Activities** \$34,447,324

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2005

	<u>General</u>
REVENUES	
Sales tax	\$10,555,815
Investment income	407,415
Contributions and grants	780,652
Miscellaneous income	<u>534,500</u>
Total Revenues	<u>12,278,382</u>
EXPENDITURES	
Capital outlay - other	62,282
MPRD project expenses - capital	13,444,418
MPRD project expenses	6,113,568
Current Operations	
Salary and fringe benefits	253,060
Contractual and professional services	187,159
Office and support	137,163
Space and occupancy	80,536
Debt Service	
Principal	169,402
Interest	<u>301,107</u>
Total Expenditures	<u>20,748,695</u>
Deficiency of Revenues Over Expenditures	( 8,470,313)
FUND BALANCE, Beginning of year	<u>18,677,498</u>
FUND BALANCE, End of year	<u><u>\$10,207,185</u></u>



Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For The Year December 31, 2005

**Net Changes in Fund Balance—Total Governmental Funds** (\$ 8,470,313)

Amounts reported as governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the net amount in which capital outlays of \$13,506,700 exceed depreciation expense of \$84,555. 13,422,145

The proceeds from notes payable provide current financial resources to governmental funds. Repayment of debt principal is an expenditure in the governmental funds. This is the amount of long-term debt repayments. 169,402

Amounts paid for invoices applicable to a future period are not reported as expenditures in the governmental statement of activities. 2,827

**Change in Net Assets of Governmental Activities** \$ 5,124,061



Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District (the "District") was established in November 2000 by the successful passage of the Clean Water, Safe Parks and Community Trails Initiative ("Proposition C") in St. Louis City, St. Louis County, and St. Charles County, Missouri. The District is a body corporate and politic established by section 67.1700 et seq. RSMo. The primary purpose of the District is to develop, implement, manage, and administer a public system of interconnecting trails and parks throughout the counties comprising the District, section 67.1706 RSMo. The District shall supplement other public parks and recreation entities within the District for the development, operation, and maintenance of its public systems.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

The District is organized with a Board of Directors. The Board is in charge of the affairs of the District and employs an administrative staff to manage the District's activities. The administrative staff is responsible for incorporating the various Board actions and policies into the daily affairs of the District.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America applicable to governmental entities. The accounting and reporting framework and the more significant accounting principles and practices of the District are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanation, including required disclosures, of the District's financial activities for the fiscal year ending December 31, 2005.

**Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include:

(1) charges for services which report fees and other charges to users of the District's services;

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

(2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as other revenues.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Funds

The General 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.



Metropolitan Park and Recreation District  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Governmental Funds** (Continued)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. No special revenue funds were presented at December 31, 2005.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations, principal, interest, and related costs. No debt service funds were presented at December 31, 2005.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Sales Tax Revenue**

The District is funded by a one-tenth of one cent sales tax on all retail sales subject to taxation. The state of Missouri passed legislation in April 1999 to make the local district and funding possible. The tax revenue is collected and held by the St. Louis County Treasurer for credit to the District, pursuant to sections 144.010 to 144.525 RSMo.

**Financial Instruments**

The carrying amount of cash and investments, receivables, accounts payable and accrued expenses approximates fair value due to the short-term maturities of these instruments.

**Compensated Absences**

Employees earn vacation during the year which may accumulate to a maximum of 10 days. Accrued vacation is payable to employees upon termination. The recorded liability for earned but unused vacation was \$40,000 at December 31, 2005. Sick leave benefits for all employees do not vest and, accordingly, they are recorded as expenditures when paid.

**Contributed Services**

Contributed or donated services are recognized as contributions, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. At December 31, 2005, no contributed services were recorded.





Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Capital Assets and Depreciation**

The District’s property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Historically, donated assets are stated at fair value on the date donated. The District generally capitalizes assets with a cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Land	N/A
Site improvements	5 – 15 years
Buildings	40 years
Building improvements	20 years
Equipment and furniture	5 – 10 years

**Net Assets**

In the government-wide financial statements, net assets are classified as follows:

*Investment in Capital Assets* – the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted* – the component of net assets that reports the difference between assets and liabilities of certain programs that consists of assets with constraints placed on their use by external parties. There are no restricted net assets at December 31, 2005.

*Unrestricted* – the difference between the assets and liabilities that do not meet the definition of “restricted” or “invested in capital assets.”

In the fund financial statements, fund balances are classified as unreserved. This represents the amount of fund balance that is available for future appropriation.

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

**B. CASH AND INVESTMENTS**

For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Tax receipts are held in a pooled account with the St. Louis County Treasurer. The investment pool consists of U.S. Treasury Securities, U.S. Agency Securities, Collateralized Certificates of Deposits, Collateralized Repurchase Agreements, U.S. Government agency callable securities, Commercial Paper and Bankers Acceptances. At December 31, 2005, the reported amount of the District's deposits were as follows:

	Carrying Amount	Bank Balance
Treasurer's Pool	\$ 8,759,575	\$ 8,759,575
Cash	2,612,711	2,780,752
Total	\$11,372,286	\$11,540,327

Of the bank balance, \$11,540,327 was covered by federal depository insurance or by collateral securities held in the District's or St. Louis County Treasurer's name.

To protect the safety of District deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure District deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The District's deposits were fully collateralized or covered by FDIC insurance at December 31, 2005.

**C. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the District to credit risk include cash deposits and investments in excess of FDIC insured limits and taxes receivable from other governmental units.

**D. PROPERTY AND EQUIPMENT**

All purchased fixed assets are valued at cost when historical records are available. All normal expenditures of preparing the assets for use are capitalized when they meet or exceed the capitalization threshold.

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

**D. PROPERTY AND EQUIPMENT (Continued)**

The following summary of changes in capital assets by category for the period ended December 31, 2005:

	Balance 1/1/2005	Additions	Balance 12/31/2005
Land	\$14,411,867	\$ 7,478,849	\$21,890,716
Construction in process	1,032,065	1,656,499	2,688,564
Site and leasehold improvements	1,338	4,331,809	4,333,147
Equipment and furniture	<u>62,644</u>	<u>39,543</u>	<u>102,187</u>
<b>Total</b>	<b>15,507,914</b>	<b>13,506,700</b>	<b>29,014,614</b>
Less: accumulated depreciation	( <u>22,882</u> )	( <u>84,555</u> )	( <u>107,437</u> )
<b>Fixed Assets, net depreciation</b>	<b><u>\$15,485,032</u></b>	<b><u>\$13,422,145</u></b>	<b><u>\$28,907,177</u></b>

**E. NOTE PAYABLE**

*CHANGES IN NOTE PAYABLE*

The following is a summary of change in note payable for the year ended December 31, 2005:

<u>Description and Purpose</u>	Balance January 1, 2005	Issued	Retired	Balance December 31, 2005	Due Within One Year
<i>Governmental Activities</i>					
Note payable	<u>\$5,000,000</u>	\$ -	\$159,462	<u>\$4,840,538</u>	<u>\$166,683</u>

Note payable – bank, monthly installments of principal and interest of \$38,381 and a final estimated payment of \$4,537,701, interest at 6.08%, collateralized by real estate, due December 2007. At December 31, 2005, the District had a balance of \$4,840,538 due under this note.

Maturity on note payable is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 166,683	\$293,886
2007	<u>4,673,855</u>	<u>283,316</u>
	<u>\$4,840,538</u>	<u>\$577,202</u>

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
(Continued)

**F. CROP-SHARE AGREEMENT**

The District has entered into an agreement with a farmer allowing the farmer the use of District property to grow and sell crops. The agreement is renewed automatically each year unless written notice of termination is given in writing by either party before growing season. The district is paid a percentage of the gross receipts on the crops sold. Crop-share revenue in 2005 was \$34,065 and is included in miscellaneous income on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

**G. PENSION PLAN**

The District has a deferred compensation plan and matching contribution plan covering all regular employees. The deferred compensation plan allows for deferral of compensation into the plan on a pre-tax basis. The matching contribution plan allows the District to make matching contributions equal to a percentage of your pre-tax contributions made under the deferred compensation plan. The District has discretion whether to make matching contributions for a year, and to vary the percentage of matching contribution for years in which it decides to make matching contributions. Currently, matching contributions are equal to 100% of employee pre-tax contributions to the deferred compensation plan up to 5% of compensation. Pension expense for 2005 was \$23,516.

**H. LEASE COMMITMENTS**

The District leases its office space in St. Louis, Missouri. The noncancelable lease expires April 2007. The District also has a noncancelable operating lease for equipment that expires in May 2006. Rental expenses for these leases totaled \$86,672 for the year ended December 31, 2005. At December 31, 2005, future minimum lease payments under the lease terms are as follows:

<u>Year</u>	<u>Amount</u>
2006	\$37,353
2007	<u>11,860</u>
Total	<u>\$49,213</u>

**I. RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District has purchased commercial insurance policies and is covered for general liability claims and property damage. There have been no significant reductions in coverage for the year and there were no settlements in the current year.

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005  
*(Continued)*

**J. CONTINGENCIES/LITIGATION AND OTHER ACTIONS**

The District is not a party to any known legal proceedings. If any exist that the District is not aware of, in the opinion of District management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the District.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION-  
BUDGETARY COMPARISON  
INFORMATION**





Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
For the Year Ended December 31, 2005

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Sales tax	\$10,540,000	\$10,555,815	\$ 15,815
Investment income	320,000	407,415	87,415
Contributions and grants	-	780,652	780,652
Miscellaneous income	-	534,500	534,500
Total Revenues	10,860,000	12,278,382	1,418,382
<b>EXPENDITURES</b>			
Capital outlay – other	42,500	62,282	( 19,783)
MPRD project expenses - capital	13,023,500	13,444,418	( 420,918)
MPRD project expenses	13,666,300	6,113,568	7,552,732
<b>Current Operations</b>			
Contractual and professional services	545,500	253,060	292,440
Salary and fringe benefits	246,520	187,159	59,361
Office and support	114,000	137,163	( 23,162)
Space and occupancy	80,600	80,536	64
<b>Debt Service</b>			
Principal	-	169,402	( 169,402)
Interest	-	301,107	( 301,107)
Total Expenditures	27,718,920	20,748,695	6,970,225
(Deficiency) Excess of Revenues Over Expenditures	( 16,858,920)	( 8,470,313)	8,388,607
FUND BALANCE, Beginning of year	18,677,498	18,677,498	-
FUND BALANCE, End of year	\$ 1,818,578	\$10,207,185	\$8,388,607

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO BUDGETARY COMPARISON INFORMATION  
December 31, 2005

**BUDGETS AND BUDGETARY ACCOUNTING**

As set forth in the Bylaws of the Board of Directors, the District's Executive Director shall present an Annual Budget to the Board no later than the November Regular Meeting for the next fiscal year. The Annual Budget shall contain an operating budget outlining revenues and expenditures for current operations. The Annual Budget shall contain a capital budget outlining revenues and expenditures for the implementation of approved greenway, park, and trail projects as well as initiatives recommended in the Strategic Plan for the next fiscal year. The Board shall approve the Annual Budget with or without modification no later than the December Regular Meeting.

**ADDITIONAL  
INFORMATION**

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
SCHEDULE OF COMBINED EXPENDITURES  
For the Year Ended December 31, 2005

CONTRACTUAL AND PROFESSIONAL SERVICES	
Accounting and auditing fees	\$ 50,000
Contract services – other	3,333
Legal fees	14,567
Professional fees	73,330
Project costs	<u>45,929</u>
Total Contractual and Professional Services	<u>\$187,159</u>
SALARIES AND FRINGE BENEFITS	
Salaries	\$233,570
Payroll taxes	12,114
Fringe benefits	<u>7,376</u>
Total Salaries and Fringe Benefits	<u>\$253,060</u>
OFFICE AND SUPPORT	
Advertising	\$ 4,546
Auto expenses	10,495
Conferences and education	18,097
Dues and subscriptions	2,851
Equipment rental	10,102
Grants	5,355
Insurance other	16,537
Meeting expense	3,359
Miscellaneous	4,567
Parking fees	6,781
Postage and shipping	3,912
Printing	8,950
Supplies	32,255
Telephone	<u>9,356</u>
Total Office and Support	<u>\$137,163</u>
SPACE AND OCCUPANCY EXPENSES	
Rent	\$ 76,570
Utilities	<u>3,966</u>
Total Space and Occupancy Expenses	<u>\$ 80,536</u>

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
**SCHEDULE OF COMBINED EXPENDITURES**  
For the Year Ended December 31, 2005  
*(Continued)*

**PROJECT EXPENDITURES**

<u>Project</u>	<u>Expenditures</u>
Centennial Greenway	\$ 466,915
Confluence Greenway	2,481,015
Dardenne Greenway	704,293
Meramec Greenway	407,293
Missouri River Greenway	820,713
River Des Peres Greenway	4,088,019
Chouteau Greenway	601,384
Sunset Greenway	1,044,186
Gravois Creek Greenway	889,788
Collaborative Planning	7,624,860
Other	<u>429,620</u>
Total Project Expenditures	<u><u>\$19,557,986</u></u>

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grants	14.246	N/A	<u>\$594,549*</u>

\* Major Program

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2005

A. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.





**ADDITIONAL  
INDEPENDENT  
AUDITORS'  
REPORTS**



**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***

Board of Directors  
Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
St. Louis, Missouri

We have audited the financial statements of the governmental activities of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District as of and for the year ended December 31, 2005, which collectively comprise the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's basic financial statements, and have issued our report thereon dated May 5, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

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

This report is intended solely for the information of the Board of Directors, management, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

St. Louis, Missouri  
May 5, 2006

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Board of Directors  
Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
St. Louis, Missouri

**Compliance**

We have audited the compliance of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's management. Our responsibility is to express an opinion on Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those Standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's compliance with those requirements.

In our opinion Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

### **Internal Control Over Compliance**

The management of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

St. Louis, Missouri  
May 5, 2006

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2005

(1) Summary of Auditor's Results

- (1) The auditor's report expresses an **unqualified opinion** on the financial statements of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District.
  - (2) **No** reportable conditions to disclose during the audit of the financial statements. **No** conditions to report as material weaknesses.
  - (3) **No** instances of noncompliance material to the financial statements of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District, which would be required to be reported in accordance with Government Auditing Standards in the United States of America, were disclosed during the audit.
  - (4) **No** reportable conditions disclosed during the audit of internal control over major federal award programs. **No** conditions reported as material weaknesses.
  - (5) The auditor's report on compliance for the major federal award programs for Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District expresses an **unqualified opinion** on all major federal programs.
  - (6) There were **no** audit findings relative to the major federal award programs for Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District.
  - (7) The programs tested as a major program included:  
**U.S. Department of Housing and Urban Development Community Development Block Grant #14.246.**
  - (8) The threshold used for distinguishing between Type A and B programs was **\$300,000.**
  - (9) Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District **did not** qualify as a low-risk auditee.
- (2) There were **no** findings relating to the financial statements reported in accordance with Government Auditing Standards in the United States of America.
  - (3) There were **no** findings and questioned costs relating to federal awards.

Metropolitan Park and Recreation District  
d/b/a The Great Rivers Greenway District  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2005

**NONE**