

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

December 31, 2007

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

CONTENTS

	Page
Independent Auditors' Report	3 - 4
Management's Discussion and Analysis	5 - 10
Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the Statement of Activities	16
Notes to Financial Statements	17 - 30
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	32
Notes to Required Supplementary Information	33
Additional Supplementary Information	
Schedule of Expenditures – All Funds	35 - 36



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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 and each major fund 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, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 respective financial position of the governmental activities and each major fund of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District as of December 31, 2007, 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 July 24, 2008 on our consideration of the 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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 5 through 10 and the budgetary comparison information on page 32 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 inquires of management regarding the methods of measurement and presentation of the required supplementary information (management's discussion and analysis and budgetary comparison information). However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's basic financial statements. The accompanying additional supplementary information on pages 35 through 36 are presented for the purposes of additional analysis and is not a required part of the basic 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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
July 24, 2008

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

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, 2007 (FY07). The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the financial statements to enhance their understanding of the District's financial performance.

Financial Summary

Notable financial facts for 2007 are as follows:

- The District's net assets of \$51.1 million increased by \$8.4 million or 19.7%.
- The net assets invested in capital assets, net of related debt, decreased to \$18.2 million or a decrease of \$15.8 million or 46.5%. The decrease is a result of the 2007 bond issuance with the related bond debt reflected in this fund.
- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of \$33.0 million, an increase of \$29.0million in comparison with the prior year. The unreserved fund balance is \$28.2 million 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 with the Statement of Net Assets
- 5) Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- 6) Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with 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. 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'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

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 funds.

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 general fund, debt service fund and capital projects fund are considered to be major funds.

The District adopts an annual budget for all funds. A budgetary comparison statement has been provided to demonstrate performance compared 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

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 funds to the budget adopted by the District Board of Directors.

The Statement of Net Assets presents the District as a whole. Table 1 provides a summary of the District's net assets for 2007 compared to 2006.

Table 1
Condensed Statement of Net Assets
December 31,

	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 36,060,337	\$ 10,107,764
Capital assets	<u>48,027,265</u>	<u>38,647,226</u>
 Total assets	 <u>\$ 84,087,602</u>	 <u>\$ 48,754,990</u>
 Current and other liabilities	 \$ 2,822,350	 \$ 6,121,528
Noncurrent liabilities	<u>30,212,899</u>	<u>-</u>
 Total liabilities	 33,035,249	 6,121,528
 Net assets		
Invested in capital assets, net of related debt	18,205,124	33,971,185
Restricted	4,642,244	-
Unrestricted	<u>28,204,985</u>	<u>8,662,277</u>
Total net assets	<u>51,052,353</u>	<u>42,633,462</u>
 Total liabilities and net assets	 <u>\$ 84,087,602</u>	 <u>\$ 48,754,990</u>

The increase in total net assets is primarily the result of excess revenues over expenses for governmental activities.

Current assets increased \$26.0 million from last year primarily because of the proceeds received from the bond issuance in 2007.

Capital assets increased primarily as a result of net capital outlay for MPRD projects of \$9.4 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

Overall, total assets increased \$35.3 million.

Overall, total liabilities increased \$26.9 million due to the net effect of new debt with the 2007 bond issuance and payoff of the note payable.

Table 2 shows the changes in net assets for the year ended December 31, 2007 as compared to the year ended December 31, 2006.

Table 2			
Changes in Net Assets			
December 31,			
	2007	2006	Percentage change
Revenues			
Program revenues			
Charges for services	\$ 541,173	\$ 513,171	5.5%
Capital grants and contributions	1,514,156	1,226,081	23.5%
General revenues			
Sales taxes	10,968,766	10,690,705	2.6%
Investment earnings	1,135,399	448,651	153.1%
Gain on sale of land	674,217	-	n/a
Total revenues	14,833,711	12,878,608	15.2%
Expenses			
Project planning and development			
Operations			
Salary and fringe benefits	293,641	266,336	10.3%
Contractual and professional services	375,234	240,441	56.1%
Office and support	251,191	139,724	79.8%
Space and occupancy	75,045	65,225	15.1%
Depreciation	788,116	353,029	123.2%
Project expenses	3,665,248	4,084,457	-10.3%
Interest and fiscal charges	966,345	295,426	227.1%
Total expenses	6,414,820	5,444,638	17.8%
Increase in net assets	\$ 8,418,891	\$ 7,433,970	13.2%

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

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. Also, the increase in net assets can be attributed to increase in investment earnings due to investing of the 2007 bond issuance proceeds and a gain related to the sale of a parcel of land during 2007.

The current year MPRD projects include; Confluence Greenway, Dardenne Greenway, Meramec Greenway, River Des Peres Greenway, Chouteau Greenway, Shady Creek Greenway, Gravois Greenway, Centennial Greenway, Missouri River Greenway, Sunset Greenway, Busch Greenway, Mississippi Greenway, St. Vincent Greenway and Boschert Greenway as well as 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 increased in 2007 due to additional consulting fees related to projects.

Salaries comprise 82.6 % of salary and fringe benefits.

Several capital projects were completed during 2007 with the related construction in progress costs reclassified to land improvements and depreciation expense started at the time the improvements were placed into service.

Interest expense increased due to interest related to the 2007 bond issuance.

Budgetary Highlights

The District adopts an annual operating budget including capital outlay. Budgeted sales tax revenues were \$10.5 million and actual sales tax revenues were \$11.0 million. Investment income was more than budgeted due to additional funds invested related to the 2007 bond proceeds.

Actual expenditures of \$6.1 million were under budget by \$13.8 million. The difference is primarily due to project expenses being budgeted by MPRD on a cash basis to account for both capitalized costs as well as costs to expense. Also, several MPRD projects included on the budget did not start or progress as much as expected in 2007. The expenditures for current operations were over budget by 16.8 percent, primarily in the area of contractual and professional services.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
Year ended December 31, 2007

Capital Assets

	Capital Assets	
	December 31,	
	<u>2007</u>	<u>2006</u>
Land	\$ 21,068,294	\$ 22,181,479
Construction in process	12,042,915	7,978,001
Improvements	14,880,717	8,437,912
Equipment and furniture	<u>35,339</u>	<u>49,834</u>
	<u><u>\$ 48,027,265</u></u>	<u><u>\$ 38,647,226</u></u>

As of December 31, 2007, the District's investment in capital assets amounted to \$48.0 million, net of accumulated depreciation. After depreciation, there was an increase during the year of \$9.4 million. The increase results primarily from construction in progress and land improvements related to the MPRD projects.

Additional information on the District's capital assets can be found in Note C to the notes to financial statements.

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

**STATEMENT OF NET ASSETS
December 31, 2007**

	<u>Governmental activities</u>
ASSETS	
Cash and temporary investments	\$ 18,509,130
Receivables	
Sales tax	1,684,607
Interest	52,156
Other	327,760
Prepaid expenses	12,304
Unamortized bond issuance costs	390,758
Restricted cash and temporary investments	15,083,622
Capital assets, net of accumulated depreciation	
Land	21,068,294
Construction in process	12,042,915
Site and leasehold improvements	14,880,717
Equipment and furniture	35,339
	<hr/>
TOTAL ASSETS	<u><u>\$ 84,087,602</u></u>
LIABILITIES	
Accounts payable	\$ 2,683,675
Accrued expenses	33,316
Accrued interest	105,359
Noncurrent liabilities:	
Due within one year	990,000
Due in more than one year	29,222,899
	<hr/>
Total liabilities	<u><u>33,035,249</u></u>
NET ASSETS	
Investment in capital assets, net of related debt	18,205,124
Restricted for:	
Debt service	2,823,823
Capital projects	1,818,421
Unrestricted	28,204,985
	<hr/>
Total net assets	<u><u>51,052,353</u></u>
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 84,087,602</u></u>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF ACTIVITIES

Year ended December 31, 2007

Function/Program	Program revenues			Net (expense) revenue and changes in net assets	
	Expenses	Charges for services	Operating grants and contributions		Capital grants and contributions
Governmental activities					
Project planning and development - operations, project expenses, and depreciation	\$ 5,448,475	\$ 541,173	\$ -	\$ 1,514,156	\$ (3,393,146)
Interest and fiscal charges	966,345	-	-	-	(966,345)
Total governmental activities	<u>\$ 6,414,820</u>	<u>\$ 541,173</u>	<u>\$ -</u>	<u>\$ 1,514,156</u>	<u>(4,359,491)</u>
General revenues					
Sales taxes					10,968,766
Investment earnings					1,135,399
Gain on sale of land					674,217
Total general revenues					<u>12,778,382</u>
Change in net assets					8,418,891
Net assets at January 1, 2007 (as restated)					42,633,462
Net assets at December 31, 2007					<u>\$ 51,052,353</u>

The accompanying notes are an integral part of this statement.

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

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2007

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and temporary investments	\$ 18,509,130	\$ -	\$ -	\$ 18,509,130
Receivables				
Sales tax	1,684,607	-	-	1,684,607
Interest	-	9,995	42,161	52,156
Other	327,760	-	-	327,760
Due from other funds	10,388,175	-	-	10,388,175
Prepaid expenditures	12,304	-	-	12,304
Restricted cash and temporary investments	-	2,919,187	12,164,435	15,083,622
Total assets	\$ 30,921,976	\$ 2,929,182	\$ 12,206,596	\$ 46,057,754
LIABILITIES				
Accounts payable	\$ 2,683,675	\$ -	\$ -	\$ 2,683,675
Accrued expenses	33,316	-	-	33,316
Due to other funds	-	-	10,388,175	10,388,175
Total liabilities	2,716,991	-	10,388,175	13,105,166
FUND BALANCES				
Reserved for:				
Prepaid expenditures	12,304	-	-	12,304
Debt service	-	2,929,182	-	2,929,182
Capital projects	-	-	1,818,421	1,818,421
Unreserved	28,192,681	-	-	28,192,681
Total fund balances	28,204,985	2,929,182	1,818,421	32,952,588
Total liabilities and fund balances	\$ 30,921,976	\$ 2,929,182	\$ 12,206,596	\$ 46,057,754

The accompanying notes are an integral part of this statement.

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE STATEMENT OF NET ASSETS
December 31, 2007**

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

Total fund balance - governmental funds		\$ 32,952,588
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	49,275,847	
Accumulated depreciation is	<u>(1,248,582)</u>	48,027,265
Issuance costs and premiums related to bond issuance are recorded as expenditures and other financing sources, respectively, in the governmental funds but are recorded as assets or liabilities and amortized over the life of the bond in the statement of net assets:		
Unamortized bond issuance costs	390,758	
Unamortized bond premium	<u>(212,899)</u>	177,859
Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		(30,000,000)
Interest accrued on bonds has not been reported in the governmental funds but is reported in the statement of net assets.		<u>(105,359)</u>
		<u>\$ 51,052,353</u>
Total net assets - governmental activities		

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2007**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Sales tax	\$ 10,968,766	\$ -	\$ -	\$ 10,968,766
Investment income	750,802	71,143	313,454	1,135,399
Contributions and grants	1,514,156	-	-	1,514,156
Miscellaneous income	541,173	-	-	541,173
Total revenues	<u>13,774,897</u>	<u>71,143</u>	<u>313,454</u>	<u>14,159,494</u>
Expenditures				
Current				
Salaries and fringe benefits	293,641	-	-	293,641
Contractual and professional services	374,071	-	1,163	375,234
Office and support	251,191	-	-	251,191
Space and occupancy	75,045	-	-	75,045
Project expenses	1,474,112	-	2,191,136	3,665,248
Capital outlay				
Project	3,382,524	-	8,197,039	11,579,563
Other	10,862	-	-	10,862
Debt service				
Interest and fiscal charges	238,927	614,596	407,160	1,260,683
Total expenditures	<u>6,100,373</u>	<u>614,596</u>	<u>10,796,498</u>	<u>17,511,467</u>
Excess of revenues over (under) expenditures	7,674,524	(543,453)	(10,483,044)	(3,351,973)
Other financing sources (uses)				
Transfers	14,447,736	3,472,635	(17,920,371)	-
Bond issue proceeds	-	-	30,221,836	30,221,836
Proceeds from the sale of land	2,096,488	-	-	2,096,488
Total other financing sources (uses)	<u>16,544,224</u>	<u>3,472,635</u>	<u>12,301,465</u>	<u>32,318,324</u>
NET CHANGE IN FUND BALANCE	24,218,748	2,929,182	1,818,421	28,966,351
Fund balance at January 1, 2007 (as restated)	<u>3,986,237</u>	<u>-</u>	<u>-</u>	<u>3,986,237</u>
Fund balance at December 31, 2007	<u><u>\$ 28,204,985</u></u>	<u><u>\$ 2,929,182</u></u>	<u><u>\$ 1,818,421</u></u>	<u><u>\$ 32,952,588</u></u>

The accompanying notes are an integral part of this statement.

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE STATEMENT OF ACTIVITIES**

Year ended December 31, 2007

Total net change in fund balances - governmental funds **\$ 28,966,351**

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlay exceeds depreciation in the period.

Depreciation expense	(788,116)	
Capital outlay	<u>11,590,426</u>	10,802,310

The proceeds from the sale of land increases financial resources in the governmental funds, whereas the statement of activities reports the gain on sale.

Thus, the change in net assets differs from the change in fund balances by the cost of the land disposed. (1,422,272)

The governmental funds report debt (e.g. bond) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of debt and related items are as follows:

Bond proceeds	(30,000,000)	
Bond premium	(221,836)	
Bond issuance costs	407,160	
Amortization of bond premium	8,939	
Amortization of bond issuance costs	<u>(16,402)</u>	(29,822,139)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities; however, interest expense is recognized as the interest accrues, regardless of when it is due.

(105,359)

Change in net assets of governmental activities

\$ 8,418,891

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 in St. Louis City, St. Louis County and St. Charles County, Missouri. The District is a corporate and political subdivision 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 District is governed by 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.

In accordance with section 67.1754 RSMo, the District's administrative expenses are limited to fifteen percent of the sales tax revenue collected.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

1. Reporting Entity

Generally accepted accounting principles require that the financial reporting entity to include (1) the primary government, (2) organizations for which the primary government is financially accountable and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in GASB Statement No. 14, as amended by No. 39, have been considered and there are no other agencies or entities which should be presented with the District.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - Continued

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting unit as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The District has no business-type activities.

The Statement of Net Assets presents the financial condition of the governmental activities at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program of the District's governmental activities. Direct expenses are those associated and clearly identifiable to a particular function. Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as other revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the other revenues of the District.

Fund Financial Statements

The fund financial statements are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. The District segregates transactions related to certain functions or activities into separate funds in order to aid in financial management and to demonstrate legal compliance. The focus is on major funds. Each major fund is presented in a separate column while non-major funds are aggregated and presented in a single column. All of the District's funds are considered to be major funds.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - Continued

The major funds of the District are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the periodic payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of major capital assets.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net assets, financial position, and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

The fund financial statements are prepared using the current financial resources measurement focus. Only current financial assets and liabilities are generally included in the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – Continued

3. Measurement Focus and Basis of Accounting - Continued

Basis of Accounting

Basis of accounting refers to when revenues and expenditures 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.

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end, except for expenditure-driven grants for which the availability period is one year. Sales taxes, interest and certain grants are susceptible to accrual. Miscellaneous revenue items, which are not susceptible to accrual, are recognized as revenues only as they are received in cash. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are reported when due.

4. Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of unexpended bond proceeds and amounts restricted for the future repayment of bond principal and interest.

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2007**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – Continued

5. 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. Sick leave benefits for all employees do not vest and, accordingly, they are recorded as expenditures when paid.

6. 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, 2007, no contributed services were recorded.

7. Capital Assets and Depreciation

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Site and leasehold improvements	5 - 15 years
Buildings	40 years
Building improvements	15 years
Equipment and furniture	3 - 10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – Continued

8. Project Expenses

The District incurs certain costs for surveying, architectural, and legal services in determining the constructability of proposed trail and park projects. These costs are expensed in the governmental fund financial statements and government-wide financial statements until the Board of Directors adopts a resolution to appropriate funding for the construction of such projects. Upon adoption of a resolution, any further incurrence of such costs are capitalized in government-wide financial statements.

Project expenses also include certain salaries, benefits and office and supporting expenses identifiable with the development of a specific project. Salaries, benefits and office and supporting expenses charged to project expense totaled \$677,976.

9. Long-term Liabilities

All long-term obligations to be repaid from governmental activities are reported as liabilities in the government-wide financial statements. Long-term obligations consists of sales tax appropriation bonds.

Long-term liabilities are not due and are not payable in the current period and therefore are not reported as liabilities in the governmental fund financial statements

10. Net Assets

In the government-wide financial statements, net assets are reported in three components – invested in capital assets net of related debt, restricted and unrestricted. Invested in capital assets net of related debt consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds or notes issued to acquire, construct or improve those assets. Net assets are 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 creditors, grantors or laws or regulations of other governments. Unrestricted net assets are net assets that do not meet the definition of either of the first two categories of net assets. The District first utilizes restricted resources to finance qualifying activities.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balances are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – Continued

11. Revenues

The District is funded by a one-tenth of one cent sales tax on all retail sales subject to taxation. 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. Sales taxes received by the District in January and February which represent tax on retail sales for November and December have been accrued and reported as sales tax receivable.

Grants are recognized as revenue in the fiscal year in which all eligibility requirements have been satisfied. Grants received before the eligibility requirements are met are reported as deferred revenue.

12. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Interfund receivables and payables within the governmental activities are eliminated in the Statement of Net Assets.

13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2007**

NOTE B - CASH AND TEMPORARY INVESTMENTS

The cash deposits and investments are summarized and presented in the financial statements as follows as of December 31, 2007:

Carrying amount of deposits	\$ 2,968,409
Investments	<u>30,624,343</u>
	<u>\$ 33,592,752</u>
Cash and temporary investments	\$ 18,509,130
Restricted cash and temporary investments	<u>15,083,622</u>
	<u>\$ 33,592,752</u>

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2007, the carrying amount of the deposits under District control was \$2,968,409 and the bank balance was \$3,225,000. All District deposits were covered by federal depository insurance or collateralized with securities held by the District or by its agent in the name of the District.

Investments

All investment decisions of the District are recommended by the District's Investment Officers and made in accordance with the Investment Policy adopted July 24, 2007. The primary objectives of the Investment Policy, in priority order, are safety, liquidity and yield. In addition to collateralized deposits, the District is authorized to invest in U.S. Treasury and agency securities, repurchase agreements, bankers' acceptances, and commercial paper. The investment policy requires that securities underlying repurchase agreements be limited to U.S. Treasury and agency securities.

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2007**

NOTE B – CASH AND TEMPORARY INVESTMENTS - Continued

The District had the following investments and maturities at December 31, 2007:

Type	Fair Value	Investment Maturities	
		0 to 1 year	1 to 3 years
U.S. Government and agency securities	\$ 5,111,766	\$ -	\$ 5,111,766
Money market mutual funds	15,083,622	15,083,622	-
Bankers' acceptances	2,945,769	2,945,769	-
Commercial paper	1,660,463	1,660,463	-
Repurchase agreements	5,822,723	5,822,723	-
	<u>\$ 30,624,343</u>	<u>\$ 25,512,577</u>	<u>\$ 5,111,766</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in bankers' acceptances and commercial paper are limited to those that mature within one hundred eighty days from the date of purchase. All other investments must mature within five years from the date of purchase. Also, the District's investment policy requires that the weighted average maturity of all investments not exceed three years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy requires that investments in bankers' acceptances and commercial paper possess the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. The District's investments in U.S. government agency securities, bankers' acceptances, and commercial paper were rated Aaa (long-term) or P-1 (short term) by Moody's Investors Service. The District's investment in money market mutual funds were unrated.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE B – CASH AND TEMPORARY INVESTMENTS - Continued

Concentration of Credit Risk

As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer, or specific class of securities. At a minimum, diversification standards by security type and issuer are established as follows: (a) U.S. treasuries and securities guaranteed by the U.S. government - 100%; (b) collateralized time and demand deposits - 100%; (c) U.S. Government agencies, and government sponsored enterprises, with no more than 40% of total agency holdings to be in the securities of any one issuer - 75%; (d) collateralized repurchase agreements - 50%; (e) U.S. Government agency callable securities - 30%; (f) bankers' acceptances, with no more than 5% of the total market value of the portfolio invested in bankers' acceptances issued by any one commercial bank - 20%; (g) commercial paper - 5%.

Investments in any one issuer representing 5% or more of the total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage</u>
Federal Home Loan Bank	U.S. agency security	7%
Federal Home Loan Mortgage Corporation	U.S. agency security	7%
General Electric Capital Corporation	Commercial paper	5%
Bank of America, NA	Bankers acceptances	10%
Commerce Bank	Repurchase agreement	19%

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires that all securities are perfected in the name or for the account of the District and held by a third party custodian as evidenced by safekeeping receipts. At December 31, 2007, the District's investments in U.S. Treasury and agency securities, bankers' acceptances, commercial paper, and the securities underlying the repurchase agreements were held by the investment's counterparty.

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE C – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2007:

	Balance at January 1, 2007	Additions and Transfers	Deletions and Transfers	Balance at December 31, 2007
Governmental activities				
Capital assets that are not depreciated				
Land	\$ 22,181,479	\$ 309,087	\$(1,422,272)	\$21,068,294
Construction in progress	7,978,001	11,277,445	(7,212,531)	12,042,915
Capital assets that are depreciated				
Site and leasehold improvements	8,839,362	7,212,531	-	16,051,893
Equipment and furniture	108,850	3,895	-	112,745
Totals at historical cost	39,107,692	18,802,958	(8,634,803)	49,275,847
Less accumulated depreciation				
Site and leasehold improvements	(401,450)	(769,726)	-	(1,171,176)
Equipment and furniture	(59,016)	(18,390)	-	(77,406)
Total accumulated depreciation	(460,466)	(788,116)	-	(1,248,582)
Capital assets, net	\$ 38,647,226	\$ 18,014,842	\$(8,634,803)	\$48,027,265

NOTE D - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

	Balance at January 1, 2007	Additions	Reductions	Balance at December 31, 2007	Amounts due within one year
Note payable	\$ 4,676,041	\$ -	\$ 4,676,041	\$ -	\$ -
Sales tax appropriation bonds	-	30,000,000	-	30,000,000	990,000
Deferred amounts on issuance premium	-	221,836	8,937	212,899	-
	\$ 4,676,041	\$ 30,221,836	\$ 4,684,978	\$30,212,899	\$990,000

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2007**

NOTE D - LONG-TERM DEBT - Continued

On June 1, 2007, the District issued \$30,000,000 in sales tax appropriation bonds due in varying installments through 2027 with interest rates ranging from 3.5% to 5.0%. The bonds were issued to finance certain capital improvement projects of the District. Principal and interest on the sales tax appropriation bonds will be paid from future sales tax revenues by the Debt Service Fund.

The annual requirements to amortize the sales tax appropriation bonds as of December 31, 2007, including interest payments, are as follows:

Year ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 990,000	\$ 1,244,513	\$ 2,234,513
2009	1,030,000	1,204,113	2,234,113
2010	1,070,000	1,162,113	2,232,113
2011	1,115,000	1,118,413	2,233,413
2012	1,155,000	1,075,900	2,230,900
2013-2017	6,540,000	4,646,740	11,186,740
2018-2022	8,090,000	3,091,995	11,181,995
2023-2027	10,010,000	1,097,775	11,107,775
	<u>\$ 30,000,000</u>	<u>\$ 14,641,562</u>	<u>\$ 44,641,562</u>

NOTE E – RETIREMENT 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 the employees' 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 2007 was \$24,588.

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 2007**

NOTE F – LEASE COMMITMENTS

The District leases its office space under a noncancelable operating lease that expires in April 2010. At December 31, 2007, future minimum rental payments under the lease are as follows:

Year ending December 31,	
2008	\$ 68,868
2009	72,973
2010	<u>24,558</u>
Total future minimum lease payments	<u>\$ 166,399</u>

Rent expense was \$72,362 for the year ended December 31, 2007.

NOTE G – TRANSFERS

The District transferred \$1,226,698 from the General Fund to the Debt Service Fund for the payment of principal and interest on the sales tax appropriation bonds. The District transferred bond proceeds totaling \$15,674,434 from the Capital Projects Fund to the General Fund to reimburse the General fund for eligible expenditures incurred prior to the bond issuance. The District also transferred bond proceeds totaling \$2,245,937 from the Capital Projects Fund to the Debt Service Fund to establish a debt service reserve account to be used for the future payment of principal and interest on the bonds.

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

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE H – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. To mitigate these risks, 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.

NOTE I - COMMITMENTS AND CONTINGENCIES

Litigation

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, the potential loss on all claims and lawsuits will not be significant to the District's financial statements taken as a whole.

Construction

The District currently has construction contracts for the development of interconnecting trails and parks throughout the counties comprising the District. The remaining commitment to complete those contracts was approximately \$10,796,980 at December 31, 2007.

Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2007.

NOTE J – PRIOR PERIOD ADJUSTMENT

The beginning net assets in the Statement of Activities and the beginning fund balance in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds has been restated to reflect additional sales tax receivable in the amount of \$790,332 that were omitted from the prior year statements. This amount represents taxes on retail sales in the month of December 2006 that were collected by the county and remitted to the District in February 2007.

REQUIRED SUPPLEMENTARY INFORMATION

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

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL -
GENERAL FUND**

Year ended December 31, 2007

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Sales tax	\$ 10,470,000	\$ 10,470,000	\$ 10,968,766	\$ -	\$ 498,766
Investment income	410,000	410,000	750,802	-	340,802
Contributions and grants	600,000	600,000	1,514,156	-	914,156
Miscellaneous income	481,000	481,000	541,173	-	60,173
Total revenues	11,961,000	11,961,000	13,774,897	-	1,813,897
Expenditures					
Current					
Salary and fringe benefits	256,770	256,770	293,641	-	(36,871)
Contractual and professional services	296,200	296,200	374,071	-	(77,871)
Office and support	217,700	217,700	251,191	-	(33,491)
Space and occupancy	80,400	80,400	75,045	-	5,355
Project expenses	19,079,405	19,079,405	4,856,636	-	14,222,769
Other	-	-	10,862	-	(10,862)
Debt service					
Interest and fiscal charges	-	-	238,927	-	(238,927)
Total expenditures	19,930,475	19,930,475	6,100,373	-	13,830,102
Excess of revenues over (under) expenditures	(7,969,475)	(7,969,475)	7,674,524	-	15,643,999
Other financing sources					
Transfers	-	-	14,447,736	-	14,447,736
Proceeds from the sale of property	-	-	2,096,488	-	2,096,488
Total other financing sources	-	-	16,544,224	-	16,544,224
NET CHANGE IN FUND BALANCE	\$ (7,969,475)	\$ (7,969,475)	24,218,748	\$ -	\$ 32,188,223
Fund balance at January 1, 2007 as restated			3,986,237		
Fund balance at December 31, 2007			<u>\$ 28,204,985</u>		

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended December 31, 2007**

NOTE A - 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 15 for the next fiscal year. The Annual Budget shall contain an operating and capital budget outlining revenues and expenditures for current operations and for approved capital projects. The Board shall approve the annual budget with our without modification no later than the December 15.

ADDITIONAL SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF OPERATING EXPENDITURES - ALL FUNDS
Year ended December 31, 2007**

Operations

Salaries and fringe benefits

Salaries	\$ 242,591
Payroll taxes	16,331
Fringe benefits	34,719

Total salaries and fringe benefits \$ 293,641

Contractual and professional services

Accounting and auditing fees	\$ 58,922
Legal fees	32,402
Professional fees	283,910

Total contractual and professional services \$ 375,234

Office and support

Advertising	\$ 5,050
Auto expenses	7,062
Conferences and education	1,684
Dues and subscriptions	3,664
Equipment rental	12,884
Insurance	100,800
Meeting expense	16,438
Miscellaneous	1,367
Parking fees	7,456
Postage and shipping	4,777
Printing	1,850
Supplies	20,019
Maintenance	38,372
Telephone	12,796
Travel	16,972

Total office and support \$ 251,191

Space and occupancy

Rent	\$ 72,362
Utilities	2,683

Total space and occupancy \$ 75,045

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

**SCHEDULE OF EXPENDITURES - ALL FUNDS - Continued
Year ended December 31, 2007**

Project	
Centennial Greenway	\$ 462,056
Confluence Greenway	7,176,638
Dardenne Greenway	1,588,896
Gravois Creek Greenway	449,667
Missouri River Greenway	1,959,127
River Des Peres Greenway	185,677
Sunset Greenway	111,728
Busch Greenway	737,093
Meramec Greenway	218,861
Mississippi Greenway	341,917
St. Vincent Greenway	809,875
Collaborative Planning	1,027,281
Other	<u>175,995</u>
Total project expenditures	<u><u>\$ 15,244,811</u></u>

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

**INTERNAL CONTROL DEFICIENCIES
AND OTHER ADVISORY COMMENTS**

December 31, 2007



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

In planning and performing our audit of the financial statements of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District (the "District") as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Definitions Related to Internal Control Deficiencies

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our Responsibilities

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, during our audit

we became aware of other matters that are opportunities for strengthening internal controls and operating efficiency.

The following matters are control deficiencies we consider to be of a lesser magnitude than a significant deficiency, as well as other suggestions we believe to be of potential benefit to the District.

Develop an Accounting Procedures Manual

The District has begun the process of documenting its accounting policies and procedures. We recommend that the policies and procedures be consolidated and maintained in the form of a comprehensive accounting procedures manual that is reviewed and updated on a regular basis and made available to all affected persons.

Approve New Bank Accounts

A new bank account was opened during the year. Board approval of the new account was not documented in the meeting minutes and the account was not included on the District's general ledger. Although the balance and transactions of the account were insignificant, we recommend that all new bank accounts be formally approved by Board of Directors and such approval be documented in the meeting minutes.

Budgeting and Accounting

As a result of the issuance of the sales tax appropriation bonds, two new funds were created. A debt service fund was created to account for the accumulation of financial resources for principal and interest payments on the bonds. A capital projects fund was created to account for financial resources to be used for the acquisition and construction of major capital facilities financed through the proceeds of the bond issuance. During our audit, we proposed adjustments to reclassify transactions to the appropriate fund and to record certain year-end accruals. We recommend the District establish procedures to ensure financial transactions are budgeted and accounted for in the appropriate fund and all year-end accruals are recorded.

Capitalization Policy

Under generally accepted accounting principles, all ancillary charges necessary to place an asset into its intended location and condition for use should be capitalized, including professional fees. The District's operations are unique in that costs may be incurred for legal, surveying and architectural services associated with the development of potential projects that may never become constructible and therefore have no future economic value. It is the District's practice to expense these costs until which time the project is deemed to be constructible. We recommend the District document its capitalization policy regarding the District's practice of expensing certain professional fees and clearly define the criteria for determining when a project is deemed constructible.

Adopt a Records Retention and Whistleblowers Policy

The Sarbanes-Oxley Act added a provision to the U.S. Criminal Code imposing civil and criminal penalties for the knowing destruction, mutilation, concealment, or cover up of any record or document "with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the U.S." Additionally, it is illegal to punish whistleblowers or retaliate against any employee who reports suspected cases of fraud or abuse. Although the Sarbanes-Oxley Act primarily applies to public companies, these two provisions are not limited to such companies. Thus, we believe it is important for the Organization to adopt a record retention policy and whistleblower policy and periodically review the policies to make sure they comply with current federal and state laws and regulations and update them if necessary. We understand this recommendation is in the process of implementation.

Use of This Report

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Kenner, Eck & Brackel LLP

St. Louis, Missouri
July 24, 2008

**INFORMATION REQUIRED FOR FEDERAL REPORTING
AND
INDEPENDENT AUDITORS' REPORTS**

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

December 31, 2007

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

CONTENTS

	Page
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3 - 4
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards	5 - 7
Schedule of Expenditures of Federal Awards	8
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10 - 11



Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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St. Louis, MO 63102-2439
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fax 314.231.0079
www.kebcpa.com

**Independent Auditors' 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 and each major fund 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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 24, 2008. 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 the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Cape Girardeau, MO • Milwaukee, WI

Our consideration of internal control over financial reporting was made for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to District management in a separate report dated July 24, 2008.

This report is intended solely for the information and use of management, the Board of Directors, and 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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
July 24, 2008



Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.231.0079
www.kebcpa.com

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance In Accordance With OMB Circular A-133 and on the
Schedule of Expenditures of Federal Awards**

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 the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District (the "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, 2007. The District's major federal program is 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 its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Cape Girardeau, MO • Milwaukee, WI

Internal Control over Compliance

The management of the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Metropolitan Park and Recreation District, d/b/a The Great Rivers Greenway District as of and for the year ended December 31, 2007, and have issued our report thereon dated July 24, 2008. Our audit was performed with the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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.

This report is intended solely for the information and use of management, the Board of Directors, and 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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
July 24, 2008

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2007

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass- Through Identification Number	Expenditures
U.S. Department of Housing and Urban Development			
Direct			
Community Development Block Grant	14.246	B-04-SP-MO-0415	\$ 27,514
U.S. Department of Transportation			
Passed-through Missouri Department of Transportation			
Highway Planning and Construction	20.205	STP - 5602(605)	<u>890,246</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 917,760</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2007**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual, i.e., both measureable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liabilities are incurred. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2007**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued on financial statements: Unqualified opinion.

Internal control over financial reporting

- Material weaknesses identified? No
- Significant deficiencies identified that were not considered to be material weaknesses? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that were not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major programs: Unqualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

The programs tested as major programs are:

Highway Planning and Construction CFDA# 20.205

The dollar threshold for distinguishing between type A and B programs: \$300,000.

The District qualifies as a low risk auditee? No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2007**

B. FINANCIAL STATEMENT FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

D. SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings to comment on.

FORM **SF-SAC**
(5-2004)

U.S. DEPT. OF COMM.— Econ. and Stat. Admin.— U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO

**Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132**

PART I

GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)

1. Fiscal period ending date for this submission

Month Day Year
12 / 31 / 2007

Fiscal Period End Dates Must Be In 2004, 2005, or 2006

2. Type of Circular A-133 audit

1 Single audit 2 Program-specific audit

3. Audit period covered

1 Annual 2 Biennial 3 Other - Months

4. **FEDERAL GOVERNMENT USE ONLY**

Date received by Federal clearinghouse

5. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN)

4 3 - 1 9 2 4 0 7 3

b. Are multiple EINs covered in this report? 1 Yes 2 No

c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.

d. Data Universal Numbering System (DUNS) Number

- -

e. Are multiple DUNS covered in this report? 1 Yes 2 No

f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.

6. AUDITEE INFORMATION

a. Auditee name **METROPOLITAN PARK & RECREATION-DIST.D/B/A THE GREAT RIVERS DIST.**

b. Auditee address (Number and street)

1000 UNION STATION, SUITE 102

City

ST. LOUIS

State

ZIP + 4 Code

MO

6 3 1 0 3 -

c. Auditee contact

Name

DAVID FISHER

Title

EXECUTIVE DIRECTOR

d. Auditee contact telephone

(314) 436 - 7009

e. Auditee contact FAX

(314) 436 - 8004

f. Auditee contact E-mail

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name

KERBER, ECK & BRAECKEL LLP

b. Auditor address (Number and street)

ONE S. MEMORIAL DRIVE, SUITE 950

City

ST. LOUIS

State

ZIP + 4 Code

MO

6 3 1 0 2 -

c. Auditor contact

Name

RICHARD R. GRATZA

Title

PARTNER

d. Auditor contact telephone

(314) 231 - 6232

e. Auditor contact FAX

(314) 231 - 0079

f. Auditor contact E-mail

9. **AUDITEE CERTIFICATION STATEMENT** - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official Date Month Day Year

Printed Name of certifying official

Printed Title of certifying official

9. **AUDITOR STATEMENT** - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and **is not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor Date Month Day Year

Kerber, Eck & Braeckel LLP 07/24/2008

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report

Mark either: 1 Unqualified opinion **OR**
any combination of: 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1 Yes 2 No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 300,000

3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 Yes 2 No

4. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1 Yes 2 No - SKIP to Item 6

5. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1 Yes 2 No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 Yes 2 No

7. Were Prior Audit Findings related to **direct** funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1 Yes 2 No

8. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. (Mark (X) all that apply or None)

- | | | | |
|--|--|---|--|
| 98 <input type="checkbox"/> U.S. Agency for International Development | 83 <input type="checkbox"/> Federal Emergency Management Agency | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> U.S. Department of State |
| 23 <input type="checkbox"/> Appalachian Regional Commission | 93 <input type="checkbox"/> Health and Human Services | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 11 <input type="checkbox"/> Commerce | 97 <input type="checkbox"/> Homeland Security | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute of Museum and Library Services | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 84 <input type="checkbox"/> Education | 15 <input type="checkbox"/> Interior | 59 <input type="checkbox"/> Small Business Administration | 00 <input checked="" type="checkbox"/> None |
| 81 <input type="checkbox"/> Energy | 16 <input type="checkbox"/> Justice | | <input type="checkbox"/> Other - Specify: |
| 66 <input type="checkbox"/> Environmental Protection Agency | 17 <input type="checkbox"/> Labor | | <input type="text"/> |
| | 09 <input type="checkbox"/> Legal Services Corporation | | <input type="text"/> |

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives
- and, if not marked above, the Federal cognizant agency

Count total number of boxes marked above and submit this number of reporting packages 1

PART III

FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)		Major program (g)		Major program (h) If yes, type of audit report 3	10. AUDIT FINDINGS	
Federal Agency Prefix 1 (a)	Extension 2 (b)				1 Yes 2 No	1 Yes 2 No	1 Yes 2 No	1 Yes 2 No		Type(s) of compliance requirement(s) 4 (a)	Audit finding reference number(s) 5 (b)
1	4 .246	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY DEVELOPMENT BLOCK GRANTS	\$ 27,514 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2	0 .205	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIGHWAY PLANNING AND CONSTRUCTION	\$ 890,246 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U		O	N/A
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
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		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No				
TOTAL FEDERAL AWARDS EXPENDED				\$ 917,760 .00					IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS		

1 See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
 2 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
 3 If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
 4 Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.
 5 N/A for NONE

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

