

**METROPOLITAN PARK AND RECREATION DISTRICT
D/B/A THE GREAT RIVERS GREENWAY DISTRICT
FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION,
ADDITIONAL INFORMATION, AND
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2020

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

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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 32-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

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 Schedule of Expenditures – General Fund on pages 34-35 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures – General Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures – General Fund is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Schmersahl Treloar & Co.

St. Louis, Missouri
June 8, 2021

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020

The management 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, 2020 (2020). 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 facts for 2020 are as follows:

- The District's net position of \$76.5 million increased by \$1.8 million or 2.4%.
- The net investment in capital assets, decreased to \$27.3 million, a decrease of \$2.1 million or 7.3%. The decrease is an approximate net result of a decrease in the District wide capital assets of \$8.2 million and a decrease in long term debt of \$6.1 million.
- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of \$49.4 million, an increase of \$4.3 million in comparison with the prior year. The increase reflects accumulation of funds for project design and construction in 2021. The unassigned fund balance is \$23.7 million and is available for spending at the District's discretion.

Financial statement reports included are:

1. Statement of Net Position
2. Statement of Activities
3. Balance Sheet – Governmental Funds
4. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
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 - 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 financial statements. The statements are prepared and organized in accordance with industry standards (GASB) so the readers 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 DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020
(Continued)

Government-Wide Financial Statements

The government-wide Statement of Net Position 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. Each statement distinguishes between the primary government and its discretely aggregate component unit. Those two statements report the District's net position and the changes in net position. This change in net position is important because it tells the reader whether, for the District or the component unit as a whole, the financial position 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.

The District's financial statements also include the activity of the Great Rivers Greenway Foundation, a separate not-for-profit corporation. The Foundation is accounted for as a discretely presented component unit. Accordingly, balances and transactions of the Foundation are presented in a separate column in the government-wide financial statements.

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 a 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 and debt service fund are considered to be major funds.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020
(Continued)

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.

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 budget adopted by the District's Board of Directors.

The Statement of Net Position presents the District as a whole. Table 1 provides a summary of the District's net position for 2020 compared to 2019.

Table 1
Condensed Statement of Net Position
December 31,

	2020	2019
Current and other assets	\$ 51,293,584	\$ 48,988,534
Capital assets	<u>98,693,190</u>	<u>106,903,917</u>
Total Assets	<u>\$149,986,774</u>	<u>\$155,892,451</u>
Current and other liabilities	\$ 6,508,035	\$ 9,020,190
Noncurrent liabilities	<u>66,930,236</u>	<u>72,154,216</u>
Total Liabilities	<u>73,438,271</u>	<u>81,174,406</u>
Net Position		
Net investment in capital assets	27,262,954	29,409,701
Restricted	19,504,431	19,938,339
Board Designated	6,066,733	7,013,808
Unrestricted	<u>23,714,385</u>	<u>18,356,197</u>
Total Net Position	<u>76,548,503</u>	<u>74,718,045</u>
Total Liabilities and Net Position	<u>\$149,986,774</u>	<u>\$155,892,451</u>

The increase in total net position is primarily the result of an increase of cash and investments to be used to fund ongoing projects. Early in 2020 the District lowered their budgeted 2020 tax revenue expectations anticipating significant negative economic impacts to retail sales caused by COVID-19. To offset the lower anticipated sales tax revenue, some capital project expenditures scheduled for 2020 were deferred to 2021. Retail sales tax revenues ended higher than the lowered budgeted expectations contributing to the increase in total net position.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020
(Continued)

Current and other assets increased \$2.3 million from last year due to lower than anticipated project expenditures.

Capital assets decreased primarily as a result of depreciation expense and contributions of construction projects not owned by the District, net of capital outlay for District projects.

Overall, total assets decreased nearly \$5.9 million.

Overall, total liabilities decreased \$7.7 million as a result of scheduled current year bond payments and lower year-end accounts payable for construction projects.

Table 2 shows the changes in net position for the year ended December 31, 2020 as compared to the year ended December 31, 2019.

Table 2
Changes in Net Position
Year Ended December 31,

	2020	2019	Percentage Change
Revenues			
Program revenues			
Charges for services	\$1,218,800	\$ 996,448	22.3%
Capital grants and contributions	1,639,560	5,439,843	(69.9%)
General revenues			
Sales taxes	29,693,298	33,124,143	(10.4%)
Investment return	<u>301,113</u>	<u>800,449</u>	(62.4%)
Total Revenues	<u>32,852,771</u>	<u>40,360,883</u>	(18.6%)
Expenses			
Project planning and development			
Operations			
Salary and fringe benefits	2,895,977	2,935,292	(1.3%)
Contractual and professional services	570,169	427,694	33.3%
Office and support	256,425	324,181	(20.9%)
Space and occupancy	232,329	198,506	17.0%
Depreciation and disposals	6,400,363	6,425,368	(0.4%)
Project expenses	3,916,074	3,605,749	8.6%
Contributions – Other Governmental Agencies	14,056,303	3,321,941	323.1%
Interest and fiscal charges	<u>2,694,673</u>	<u>2,768,859</u>	(2.7%)
Total Expenses	<u>31,022,313</u>	<u>20,007,590</u>	55.1%
Increase in Net Position	<u>\$1,830,458</u>	<u>\$20,353,293</u>	(91.0%)

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020
(Continued)

The increase in total net position is primarily the result of accumulation of cash and investments to be used for future project costs.

The current year District projects include: CAR 3/16th Greenway, Gravois Greenway, Mississippi Greenway, Brickline Greenway, St. Vincent Greenway, Meramec Greenway, Centennial Greenway, Deer Creek Greenway, Maline Greenway, as well as collaborative planning projects. Project 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.

District staff full-time equivalents decreased from twenty-seven in 2019 to twenty-five in 2020, therefore Salaries and Fringe Benefits have decreased at a similar rate. Salaries comprise 81.9% of Salary and Fringe Benefits.

Contractual and professional services include legal fees, public relations, graphic design, accounting and various consulting fees which continued in 2020. Fees were higher in 2020 than 2019 due to legal fees related to the new lease negotiations and an analysis of our operation and maintenance agreements.

Project expenses in 2020 were greater than 2019 due to additional Arch ground plantings and east slope flood remediation.

The Contributions – Other Governmental Agencies were significantly higher in 2020 than 2019 due to contributions for construction projects not owned by the District.

Budgetary Highlights

The District adopts an annual budget to include cost of administration, capital outlay, and promotion and sustaining programs. Budgeted sales tax revenues were lowered in early 2020 to \$25.0 million in anticipation of negatively impacted retail sales due to COVID-19. Actual sales tax revenues were \$29.7 million as retail sales were higher than projected. Investment returns were in line with budgeted amounts. Contributions and grants of over \$1.9 million were received during the year. This revenue was budgeted as \$4.2 million, but was lower than budget due to project delays. Remaining budgeted contribution and grant revenues will be received as the delayed projects continue in 2021.

Actual project and capital expenditures of \$13.1 million were less than the budgeted amount of \$21.2 million. Actual expenditures were less than budget due to project delays.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2020
(Continued)

Capital Assets

Table 3
Capital Assets
December 31,

	2020	2019
Land	\$27,306,893	\$ 27,241,759
Construction in process	37,631,161	40,060,140
Site and leasehold improvements (net of a/d)	33,242,124	39,374,277
Equipment and furniture (net of a/d)	496,688	194,862
Automobiles (net of a/d)	16,324	32,879
	<u>\$98,693,190</u>	<u>\$106,903,917</u>

As of December 31, 2020, the District’s capital assets amounted to \$98.7 million, net of accumulated depreciation. Before depreciation, there was a net decrease during the year of \$1.8 million. The net decrease, before depreciation, results primarily from contributions of construction projects not owned by the District being greater than new construction in process and land improvements related to the District’s projects.

Additional information on the District’s capital assets can be found in Note C in the Notes to Financial Statements.

Requests for Additional Financial Information

This financial report will provide a general overview for everyone with a concerned interest in the District’s finances. Please address questions concerning any of the information provided in this report or requests for additional information to the Deputy of Administration, Great Rivers Greenway District, 3745 Foundry Way, Suite 253, St. Louis, MO 63110

FINANCIAL STATEMENTS

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government	Component Unit
	Governmental Activities	Great Rivers Greenway Foundation
ASSETS		
Cash and temporary investments	\$ 27,226,390	\$ 6,492,328
Receivables		
Sales taxes	4,412,431	-
Interest	43,791	-
Grants and other	24,853	526,820
Prepaid expenses	120,020	-
Restricted cash and temporary investments	19,466,099	-
Capital assets, net of accumulated depreciation		
Land	27,306,893	-
Construction in progress	37,631,161	-
Site and leasehold improvements	33,242,124	-
Equipment and furniture	496,688	-
Automobiles	16,324	-
Total Assets	149,986,774	7,019,148
LIABILITIES		
Accounts payable	1,780,691	-
Accrued expenses	200,967	-
Accrued interest	26,377	-
Long term debt:		
Due within one year	4,500,000	-
Due in more than one year	66,930,236	-
Total Liabilities	73,438,271	-
NET POSITION		
Net investment in capital assets	27,262,954	-
Restricted for:		
Debt service	2,202,526	-
Program	17,301,905	6,612,438
Board Designated	6,066,733	-
Unrestricted	23,714,385	406,710
Total Net Position	\$ 76,548,503	\$ 7,019,148

See accompanying notes to financial statements

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

<u>Functions/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Total Governmental Activities</u>	<u>Great Rivers Greenway Foundation</u>
Governmental Activities:						
Project planning and development - operations, project expenses, and depreciation	\$ 14,271,337	\$ 1,218,800	\$ -	\$ 1,639,560	(\$ 11,412,977)	\$ -
Contributions - Other Governmental Agencies	14,056,303	-	-	-	(14,056,303)	-
Interest and fiscal charges	<u>2,694,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,694,673)</u>	<u>-</u>
Total Governmental Activities	<u>\$ 31,022,313</u>	<u>\$ 1,218,800</u>	<u>\$ -</u>	<u>\$ 1,639,560</u>	<u>(28,163,953)</u>	<u>-</u>
Component Unit						
Great Rivers Greenway Foundation	<u>\$ 1,336,035</u>	<u>\$ -</u>	<u>\$ 1,586,201</u>	<u>\$ -</u>	<u>-</u>	<u>250,166</u>
General Revenues:						
Sales taxes					29,693,298	-
Investment return					<u>301,113</u>	<u>36,597</u>
Total General Revenues					<u>29,994,411</u>	<u>36,597</u>
Changes in Net Position					1,830,458	286,763
Net Position - Beginning					<u>74,718,045</u>	<u>6,732,385</u>
Net Position - Ending					<u>\$ 76,548,503</u>	<u>\$ 7,019,148</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	ASSETS		
	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and temporary investments	\$ 27,226,390	\$ -	\$ 27,226,390
Receivables			
Sales taxes	4,412,431	-	4,412,431
Interest	39,036	104	39,140
Grants and other	13,006	-	13,006
Prepaid expenditures	120,020	-	120,020
Restricted cash and temporary investments	17,236,770	2,229,329	19,466,099
 Total Assets	\$ 49,047,653	\$ 2,229,433	\$ 51,277,086
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,780,161	\$ 530	\$ 1,780,691
Accrued expenses	97,380	-	97,380
 Total Liabilities	1,877,541	530	1,878,071
 FUND BALANCES			
Nonspendable			
Prepaid expenditures	120,020	-	120,020
Restricted			
Debt service	-	2,228,903	2,228,903
Program	17,301,905	-	17,301,905
Committed	5,624,022		5,624,022
Assigned	442,711	-	442,711
Unassigned	23,681,454	-	23,681,454
 Total Fund Balances	47,170,112	2,228,903	49,399,015
 Total Liabilities and Fund Balances	\$ 49,047,653	\$ 2,229,433	\$ 51,277,086

See accompanying notes to financial statements

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 POSITION**
For the Year Ended December 31, 2020

Total Fund Balances - Governmental Funds \$ 49,399,015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some grants receivables will be collected this year, but they are not available soon enough to pay for the current period expenditures, therefore are deferred in the fund statements. 11,847

Some interest receivable will be collected this year, but it is not available soon enough to pay for the current period's expenditures, therefore is deferred in the fund statements. 4,651

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 \$159,394,749 and the accumulated depreciation is \$60,701,559. 98,693,190

Compensated absences are not due and payable in the current period, therefore are not reported as a liability in the governmental funds. (103,587)

Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (70,185,000)

Interest accrued on bonds has not been reported in the governmental funds but is reported in the Statement of Net Position. (26,377)

Premiums related to bond issuance are recorded as other financing sources in the governmental funds but are recorded as liabilities and amortized over the life of the bonds in the Statement of Net Position. (1,245,236)

Total Net Position - Governmental Activities \$ 76,548,503

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Sales taxes	\$ 29,693,298	\$ -	\$ 29,693,298
Investment return	322,444	8,267	330,711
Contributions and grants	1,947,560	-	1,947,560
Miscellaneous income	<u>1,218,798</u>	<u>-</u>	<u>1,218,798</u>
Total Revenues	<u>33,182,100</u>	<u>8,267</u>	<u>33,190,367</u>
EXPENDITURES			
Current			
Salaries and fringe benefits	2,878,990	-	2,878,990
Contractual and professional services	559,987	10,182	570,169
Office and support	256,425	-	256,425
Space and occupancy	232,329	-	232,329
Capital Outlay			
Project expenses - non-capitalized	3,916,074	-	3,916,074
Project expenses - capitalized	9,217,502	-	9,217,502
Project expenses - other governmental agencies	3,028,437	-	3,028,437
Debt Service			
Principal retirements	-	26,665,000	26,665,000
Interest and fiscal charges	<u>-</u>	<u>2,797,859</u>	<u>2,797,859</u>
Total Expenditures	<u>20,089,744</u>	<u>29,473,041</u>	<u>49,562,785</u>
Excess (Deficit) of Revenue Over (Under) Expenditures	13,092,356	(29,464,774)	(16,372,418)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(7,972,496)	7,972,496	-
Bonds issued proceeds	<u>-</u>	<u>20,695,000</u>	<u>20,695,000</u>
Net Change in Fund Balance	5,119,860	(797,278)	4,322,582
FUND BALANCE, Beginning of year	<u>42,050,252</u>	<u>3,026,181</u>	<u>45,076,433</u>
FUND BALANCE, End of year	<u>\$ 47,170,112</u>	<u>\$ 2,228,903</u>	<u>\$ 49,399,015</u>

See accompanying notes to financial statements

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 -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 4,322,582

Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts attributed to the following factors:

Change in revenues received after the 60-day accrual period (308,000)

Capital outlays 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 Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the difference between depreciation and disposal expense of \$17,428,229 and expenditures for capital outlay of \$9,217,501 for 2020. (8,210,728)

Some interest income will not be collected for several months after the District's fiscal year end, thereafter it is not considered as available resources in the governmental funds when earned, but rather when received. The income is recorded in the Statement of Activities when earned. (29,596)

In the Statement of Activities compensated absences are measured by the amounts earned during the year. In governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). (16,986)

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. 9,206

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 premiums when debt is first issued, whereas this amount is deferred and amortized in the Statement of Activities. The net effect of these differences in treatment of debt and related items is as follows:

Bonds issued proceeds	(20,695,000)	
Repayment of bonds	26,665,000	
Net amortization of bond premium	93,980	
		6,063,980

Change in Net Position of Governmental Activities **\$ 1,830,458**

See accompanying notes to financial statements

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

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 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 is in compliance with this State statute.

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. Significant accounting policies established in GAAP and used by the District are discussed below.

Reporting Entity

Generally accepted accounting principles require 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 the relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units maybe presented as blended or discreetly presented in the financial statements. Blended component units, although legally separate entities, are in substance, part of the primary government’s operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The Great Rivers Greenway Foundation (the “Foundation”) is a separate not-for-profit organization formed for the purpose of accepting contributions from the community to fund certain programs for the exclusive benefit of the District. Separate financial statements are issued for the Foundation.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

Government-Wide Financial Statements

The Statement of Net Position 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 are financed through taxes, intergovernmental revenues, and other non-exchange 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 Position 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. District expenses are those associated and clearly identifiable to a particular function. Amounts reported as program revenues include charges paid by the recipients 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 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.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District’s Debt Service Fund was created through enabling legislation when it was authorized to issue the sales tax appropriation bonds. Restricted fund balances are in the Debt Service Fund and General Fund.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. At December 31, 2020 the District had \$2,043,744 designated for operating reserves and \$3,580,278 designated for capital repair reserves.

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating their responsibility to the Executive Director through the budgetary process. At December 31, 2020 the District had \$442,711 designated for the North Riverfront.

Unassigned – This classification includes residual fund balance for the General Fund as well as negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

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.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

Restricted Cash and Temporary Investments

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

Compensated Absences

Employees earn vacation during the year. No more than ten days may be carried forward to the subsequent year without approval. Accrued vacation is payable to employees upon termination. A liability for accrued vacation is recorded in the government-wide statements. Sick leave benefits for all employees do not vest and, accordingly, 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, 2020, the Foundation received from the District contributed services and resources in the amount of \$314,239.

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
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.

Expenses

Expenses include certain office and supporting expenses identifiable with the development of specific projects. Expenses also include amounts incurred for marketing, community engagement, legal and maintenance of the District's greenways.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

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 consist 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.

Net Position

In the government-wide financial statements, net position is reported in four components – net investment in capital assets, restricted, board designated, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balance of any bonds or notes issued to acquire, construct, or improve those assets. Net position is reported as restricted when there are limitations imposed on their use either by the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At December 31, 2020 amounts restricted for debt service total \$2,202,526 and amounts restricted for programs total \$17,301,905. At December 31, 2020 board designated amounts consisted of \$442,711 designated for the North Riverfront, \$2,043,744 designated for operating reserves and \$3,580,278 designated for capital repair reserves. Net position amounts reported as unrestricted 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.

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.

On April 2, 2013, voters in the City of Saint Louis, Missouri and Saint Louis County, Missouri passed Proposition P, which is a regional 3/16th of a cent sales tax increase for the Safe and Accessible Arch and Public Parks Initiative. In 2013, the District entered an agreement with the National Park Service to make ongoing payments to support the CityArchRiver 2015 project. These expenditures are included in Contributions – Other Governmental Agencies.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

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

Revenues (Continued)

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.

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 Position.

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 amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through June 8, 2021, the date the financial statements were available to be issued.

B. **CASH AND TEMPORARY INVESTMENTS**

The cash deposits and temporary investments are summarized and presented in the financial statements as follows as of December 31, 2020:

Carrying amount of deposits	\$ 4,587,522
Investments	<u>48,597,295</u>
	<u>\$53,184,817</u>
Cash and temporary investments - District	\$27,226,390
Cash and temporary investments - Foundation	6,492,328
Restricted cash and temporary investments	<u>19,466,099</u>
	<u>\$53,184,817</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

B. CASH AND TEMPORARY INVESTMENTS (Continued)

Deposits

Missouri statutes require that all deposits held by the District with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2020, the carrying amount of the deposits under District's control was \$4,231,921 and the bank balance was \$4,393,190. 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.

The Foundation's deposits are not subject to the District's collateralization requirements. At December 31, 2020, the carrying amount of the Foundation's deposits was \$355,601 and the bank balance was \$359,507. At December 31, 2020, all deposits of the Foundation were covered by federal depository insurance.

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.

The District had the following investments and maturities at December 31, 2020:

	Fair Value	Investment Maturities		
		0 to 1 Year	1 to 4 years	4+ years
Certificates of deposit	\$ 15,117,407	\$ 15,117,407	\$ -	\$ -
Agency securities	8,186,642	8,186,642	-	-
United States Treasuries	25,293,246	25,293,246	-	-
	<u>\$ 48,597,295</u>	<u>\$ 48,597,295</u>	<u>\$ -</u>	<u>\$ -</u>

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 majority of the District's investments are United States Treasuries which are rated AAA by Moody's, AA+ by Standard & Poor's and AAA by Fitch. Agency securities are Federal Home Loan Bank Discount Notes which are rated P-1 by Moody's and A-1+ by Standard & Poor's. Certificates of deposit are limited to \$250,000 per financial institution and are fully covered by federal depository insurance.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

B. CASH AND TEMPORARY INVESTMENTS (Continued)

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. All investments must mature and become payable within five years from the date of purchase. Also, the District's investment policy requires that the weighted average maturity of all investments shall not exceed three years.

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 a 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%; and (g) commercial paper – 5%.

During 2020, none of the District's investments in any one issuer represent 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).

Fair Value Measurement

The District applies the provisions of GASB Statement No. 72 for the fair value measurements of financial assets and financial liabilities and for the fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

B. CASH AND TEMPORARY INVESTMENTS (Continued)

Fair Value Measurement (Continued)

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at measurement date.

Level 2—Inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3—Inputs are significant unobservable inputs for the asset. The District had no Level 3 investments as of December 31, 2020.

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$15,117,407	\$ -	\$15,117,407	\$ -
Agency securities	8,186,642	-	8,186,642	-
United States Treasuries	25,293,246	25,293,246	-	-
	\$48,597,295	\$25,293,246	\$23,304,049	\$ -

The following is a summary of the carrying value of the District's cash and investments at December 31, 2020:

	Fair Value	Rating	Percent of Total Investments
United States Treasuries	\$25,293,246	*	47.6
Agency securities	8,186,642	P-1/A-1+	15.4
Certificates of deposit	15,117,407	n/a	28.4
Petty cash	100	n/a	-
Cash in bank	4,587,422	n/a	8.6
Total Cash and Temporary Investments	\$53,184,817		100%

* The credit rating for the United States stands at AAA by Moody's, AA+ by Standard & Poor's and AAA by Fitch. The District's investments in United States Treasuries are explicitly guaranteed by the United States government.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

C. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance, January 1, 2020	Additions	Transfers and Deductions	Balance, December 31, 2020
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 27,241,759	\$ 65,134	\$ -	\$ 27,306,893
Construction in progress	<u>40,060,140</u>	<u>8,598,887</u>	<u>(11,027,866)</u>	<u>37,631,161</u>
Total Capital Assets Not Being Depreciated	<u>67,301,899</u>	<u>8,664,021</u>	<u>(11,027,866)</u>	<u>64,938,054</u>
Capital Assets Being Depreciated:				
Site and leasehold improvements	93,145,089	165,772	-	93,310,861
Automobiles	82,773	-	-	82,773
Equipment and furniture	<u>675,352</u>	<u>387,709</u>	<u>-</u>	<u>1,063,061</u>
Total Capital Assets Being Depreciated	<u>93,903,214</u>	<u>553,481</u>	<u>-</u>	<u>94,456,695</u>
Less accumulated depreciation for:				
Site and leasehold improvements	(53,770,812)	(6,297,925)	-	(60,068,737)
Automobiles	(49,894)	(16,555)	-	(66,449)
Equipment and furniture	<u>(480,490)</u>	<u>(85,883)</u>	<u>-</u>	<u>(566,373)</u>
Total Accumulated Depreciation	<u>(54,301,196)</u>	<u>(6,400,363)</u>	<u>-</u>	<u>(60,701,559)</u>
Capital Assets, Net	<u>\$106,903,917</u>	<u>\$2,817,139</u>	<u>(\$ 11,027,866)</u>	<u>\$98,693,190</u>

D. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

Description and Purpose	Balance January 1,		Balance December 31,		Due Within One Year
	2020	Issued	Retired	2020	
Sales tax appropriation bonds 2013	\$12,755,000	\$ -	\$ 12,755,000	\$ -	\$ -
Sales tax appropriation bonds 2014	50,590,000	-	560,000	50,030,000	575,000
Sales tax appropriation bonds 2017	12,810,000	-	12,810,000	-	-
Sales tax appropriation bonds 2020	-	10,240,000	540,000	9,700,000	3,205,000
Sales tax appropriation bonds 2020	-	10,455,000	-	10,455,000	720,000
Bond premium – 2014	<u>1,339,216</u>	<u>-</u>	<u>93,980</u>	<u>1,245,236</u>	<u>-</u>
	<u>\$77,494,216</u>	<u>\$20,695,000</u>	<u>\$ 26,758,980</u>	<u>\$71,430,236</u>	<u>\$4,500,000</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

D. LONG-TERM DEBT (Continued)

On December 31, 2013, the District issued \$30,000,000 in sales tax appropriation bonds. These serial bonds carried an interest rate of 2.1% and were due in varying installments through 2023. The bonds were issued to finance certain capital improvement projects of the District. Principal and interest on the sales tax appropriation bonds were paid from the annual appropriation of sales tax revenues by the Debt Service Fund. On November 6, 2020, the District used the proceeds from the 2020 sales tax appropriation bonds to retire the 2013 sales tax appropriation bonds.

On March 1, 2014, the District issued \$54,070,000 in sales tax appropriation bonds. The serial bonds carry interest rates between 2.0% and 5.0% and are due in varying installments through 2033. 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 the annual appropriation of sales tax revenues by the Debt Service Fund.

The annual requirements to amortize the 2014 sales tax appropriation bonds as of December 31, 2020, including interest payments, are as follows:

<u>Years Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 575,000	\$ 2,128,688	\$ 2,703,688
2022	595,000	2,111,438	2,706,438
2023	610,000	2,093,588	2,703,588
2024	3,985,000	2,075,288	6,060,288
2025	4,105,000	1,955,738	6,060,738
2026 – 2030	23,430,000	6,876,856	30,306,856
2031 – 2033	<u>16,730,000</u>	<u>1,447,031</u>	<u>18,177,031</u>
Total	<u>\$50,030,000</u>	<u>\$18,688,627</u>	<u>\$68,718,627</u>

On June 1, 2017, the District issued \$16,055,000 in sales tax appropriation bonds. The serial bonds carried an interest rate of 2.74% and were due in varying installments through 2026. The bonds were issued to finance certain capital improvements projects of the District. Principal and interest on the sales tax appropriation bonds were paid from the annual appropriation of sales tax revenues by the Debt Service Fund. On November 6, 2020, the District used the proceeds from the 2020 sales tax appropriation bonds to retire the 2017 sales tax appropriation bonds.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

D. LONG-TERM DEBT (Continued)

On November 6, 2020, the District issued \$10,240,000 in sales tax appropriation bonds. The serial bonds carry an interest rate of 0.96% and are due in varying installments through 2023. 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 the annual appropriation of sales tax revenues by the Debt Service Fund.

The annual requirements to amortize the 2020 sales tax appropriation bonds as of December 31, 2020, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$3,205,000	\$ 93,120	\$ 3,298,120
2022	3,230,000	62,352	3,292,352
2023	<u>3,265,000</u>	<u>31,344</u>	<u>3,296,344</u>
Total	<u>\$9,700,000</u>	<u>\$186,816</u>	<u>\$9,886,816</u>

On November 6, 2020, the District issued \$10,455,000 in sales tax appropriation bonds. The serial bonds carry an interest rate of 1.19% and are due in varying installments through 2026. 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 the annual appropriation of sales tax revenues by the Debt Service Fund.

The annual requirements to amortize the 2020 sales tax appropriation bonds as of December 31, 2020, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 720,000	\$128,770	\$ 848,770
2022	1,910,000	104,482	2,014,482
2023	1,935,000	81,604	2,016,604
2024	1,955,000	58,459	2,013,459
2025	1,955,000	35,194	1,990,194
2026	<u>1,980,000</u>	<u>11,781</u>	<u>1,991,781</u>
Total	<u>\$10,455,000</u>	<u>\$420,290</u>	<u>\$10,875,290</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

D. LONG-TERM DEBT (Continued)

The District has pledged its sales tax revenue to repay the sales tax appropriation bonds payable through 2033. Proceeds from the bonds were used to finance capital projects. The bonds are payable solely from sales tax revenue. The remaining principal and interest to be paid on the bonds total \$89,480,733. During the current year, sales tax revenue was \$29,693,298 compared to approximate annual debt service requirements of \$6,883,133.

E. RETIREMENT PLAN

The District has a defined contribution plan and a matching contribution plan covering all regular employees. The defined contribution 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 the employee pre-tax contributions to the deferred compensation plan up to 5% of compensation. The defined contribution expense was \$112,505 for the year ended December 31, 2020.

F. LEASE COMMITMENTS

The District leases its office space under a non-cancelable operating lease that expires in April 2030. At December 31, 2020, the cumulative future minimum rental payments under these leases are as follows:

Years Ended <u>December 31,</u>	
2021	\$ 249,295
2022	258,212
2023	262,670
2024	272,122
2025	260,224
Thereafter	<u>1,172,013</u>
	<u>\$2,474,536</u>

Rent expense was \$204,921 for the year ended December 31, 2020.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

G. LEASE REVENUE

The District leases various real property to third parties under non-cancelable operating leases that expire between 2025 and 2031. At December 31, 2020, the future lease revenue to be received under these leases is as follows:

Years Ended <u>December 31,</u>	
2021	\$1,232,166
2022	1,232,166
2023	1,232,166
2024	1,232,166
2025	305,666
Thereafter	<u>30,000</u>
	<u>\$5,264,330</u>

Lease revenue received was \$1,170,708 for the year ended December 31, 2020, and is reported as charges for services in program revenues in the Statement of Activities.

H. TRANSFERS

The District transferred \$7,972,496 from the General Fund to the Debt Service Fund for payments associated with outstanding debt.

I. IN-KIND CONTRIBUTIONS

The value of donated services included in-kind contributions for the Foundation in the financial statements and the corresponding expenses for the year ended December 31, 2020 are as follows:

Salaries and benefits	\$284,783
Professional fees	2,393
Office expenses	<u>27,063</u>
	<u>\$314,239</u>

J. RISK MANAGEMENT

The District is exposed to various risks 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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020
(Continued)

K. COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in litigation through their insurer and believes the insurance coverage is adequate to protect the District. An estimate of possible damages, if any, cannot be made at this time. If any other claims 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 balance to complete those contracts was \$11,657,722 at December 31, 2020. Of this remaining balance, the District expects \$11,847 to be reimbursed through federal grant funding.

Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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 claim will not have a material adverse effect on the overall financial position of the District at December 31, 2020.

L. ECONOMIC UNCERTAINTY

As the spread of the COVID-19 coronavirus continues worldwide, economic uncertainties have arisen that are likely to impact the District's financial results. While management expects this impact to be temporary, the severity and duration of the impact is uncertain at this time.

**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 - UNAUDITED
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Sales taxes	\$ 31,566,214	\$ 25,005,288	\$ 29,693,298	\$ 6,560,926	\$ 4,688,010
Investment return	263,687	326,295	322,444	(62,608)	(3,851)
Contributions and grants	5,928,707	4,224,223	1,947,560	1,704,484	(2,276,663)
Miscellaneous income	979,000	1,184,000	1,218,798	(205,000)	34,798
Total Revenues	<u>38,737,608</u>	<u>30,739,806</u>	<u>33,182,100</u>	<u>7,997,802</u>	<u>2,442,294</u>
EXPENDITURES					
Current					
Salaries and fringe benefits	3,580,600	3,099,453	2,878,990	481,147	220,463
Contractual and professional services	789,500	814,500	559,987	(25,000)	254,513
Office and support	629,397	494,397	256,425	135,000	237,972
Space and occupancy	295,120	295,120	232,329	-	62,791
	5,294,617	4,703,470	3,927,731	591,147	775,739
Capital expenditures	510,000	780,000	604,073	(270,000)	175,927
Project expenditures	34,231,331	20,393,026	12,529,503	13,838,305	7,863,523
Contributions - Other Governmental Agencies	3,566,152	4,905,804	3,028,437	(1,339,652)	1,877,367
Total Expenditures	<u>43,602,100</u>	<u>30,782,300</u>	<u>20,089,744</u>	<u>12,819,800</u>	<u>10,692,556</u>
Excess of Revenues Over Expenditures	(4,864,492)	(42,494)	13,092,356	4,821,998	13,134,850
OTHER FINANCING (USES)					
Transfers in (out)	(8,081,059)	(8,081,059)	(7,972,496)	-	108,563
Net Change in Fund Balance	<u>(\$ 12,945,551)</u>	<u>(\$ 8,123,553)</u>	5,119,860	<u>\$ 4,821,998</u>	<u>\$ 13,243,413</u>
FUND BALANCE, Beginning of year			<u>42,050,252</u>		
FUND BALANCE, End of year			<u>\$ 47,170,112</u>		

See accompanying notes to financial statements

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2020

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 November 15th 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 or without modification no later than December 15th.

**ADDITIONAL
INFORMATION**

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
SCHEDULE OF EXPENDITURES - GENERAL FUND
For the Year Ended December 31, 2020

OPERATIONS

Salaries and Fringe Benefits	
Salaries	\$ 2,358,248
Fringe benefits	332,069
Payroll taxes	<u>188,673</u>
Total Salaries and Fringe Benefits	<u><u>\$ 2,878,990</u></u>

Contractual and Professional Services	
Professional fees	\$ 107,583
Legal fees	414,181
Accounting and auditing fees	<u>38,223</u>
Total Contractual and Professional Services	<u><u>\$ 559,987</u></u>

Office and Support	
Supplies	\$ 13,102
Software maintenance	58,914
Miscellaneous	28,439
Insurance	56,435
Telephone	31,494
Conferences	3,945
Advertising	6,546
Equipment rental	9,772
Meeting expense	1,532
Dues and subscriptions	13,332
Printing	21,852
Postage and shipping	5,671
Travel and parking fees	5,374
Taxes and licenses	<u>17</u>
Total Office and Support	<u><u>\$ 256,425</u></u>

Space and Occupancy	
Rent	\$ 204,921
Maintenance and cleaning	<u>27,408</u>
Total Space and Occupancy	<u><u>\$ 232,329</u></u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
SCHEDULE OF EXPENDITURES - GENERAL FUND
For the Year Ended December 31, 2020
(Continued)

OPERATIONS	
Capital Expenditures	<u>\$ 604,073</u>
Project Expenditures	
CAR 3/16th Greenway	3,309,937
Gravois Greenway	3,138,402
Collaborative Planning	2,191,242
Mississippi Greenway	2,022,557
Brickline Greenway	1,918,329
St. Vincent Greenway	1,292,564
Meramec Greenway	844,567
Centennial Greenway	391,501
Deer Creek Greenway	225,233
Maline Greenway	<u>223,608</u>
Total Project Expenses	<u>\$ 15,557,940</u>

**ADDITIONAL
INDEPENDENT
AUDITORS'
REPORT**



**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit and each major fund Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's basic financial statements, and have issued our report thereon dated June 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control. Accordingly, we do not express an opinion on the effectiveness of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Schmersahl Treloar & Co.

St. Louis, Missouri
June 8, 2021