

**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, 2004**

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

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Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2004

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, 2004 (FY04). The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements to enhance their understanding of the District's financial performance.

Financial Summary

Notable financial facts for 2004 are as follows:

- The District's net assets of \$29.3 million increased by \$7.1 million or 32.0%.
- The net assets invested in capital assets, net of related debt, increased to \$10.5 million or an increase of \$4.3 million and 70.5%.
- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of \$18.7 million, an increase of \$2.6 million in comparison with the prior year. The entire fund balance is unreserved and available for spending at the District's discretion.

Financial statement reports included are:

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

Overview of the Financial Statements

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

Metropolitan Park and Recreation District
d/b/a the Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2004
(Continued)

Government –Wide Financial Statements

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

Fund Financial Statements

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

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

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

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

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

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

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

Metropolitan Park and Recreation District
d/b/a the Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2004
(Continued)

The Statement of Net Assets presents the District as a whole. Table 1 provides a summary of the District's net assets for 2004 compared to 2003.

Table 1
Comparative Statement of Net Assets

	<u>2004</u>	<u>2003</u>	Total % Change 2003-2004
Current and Other Assets	\$19,286,981	\$16,515,827	16.8%
Capital Assets	<u>15,485,032</u>	<u>6,148,486</u>	151.9%
Total Assets	<u>34,772,013</u>	<u>22,664,313</u>	53.4%
Total Liabilities	<u>5,448,750</u>	<u>444,353</u>	1126.2%
Net Assets			
Invested in capital assets, net of related debt	10,485,032	6,148,486	70.5%
Unrestricted	<u>18,838,231</u>	<u>16,071,474</u>	17.2%
Total Net Assets	<u>\$29,323,263</u>	<u>\$22,219,960</u>	32.0%

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

Current assets increased 16.8% (\$2.8 million) from last year primarily because of an increase in cash and investments as a result of program expenses for capital projects and MPRD projects being less than budgeted as well as utilizing long-term debt financing.

Capital assets increased primarily as a result of capital outlay for MPRD projects of \$12.2 million.

Overall, total assets increased 53.4% (\$12.1 million).

Overall, total liabilities increased 1126.2% (\$5.0 million) due to the utilization of debt financing in fiscal year 2004 for the first time.

Metropolitan Park and Recreation District
d/b/a the Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2004
(Continued)

Table 2 shows the changes in net assets for the year ended December 31, 2004 as compared to the year ended December 31, 2003.

Table 2
Changes in Net Assets

	2004	2003	Total % Change 2003-2004
Revenues			
Sales tax	\$10,221,169	\$10,030,420	1.9%
Investment income	469,267	429,840	9.2%
Contributions and grants	228,125	-	-
Miscellaneous income	64,145	48,361	32.6%
Total Revenue	<u>10,982,706</u>	<u>10,508,621</u>	4.5%
Expense			
MPRD projects	2,826,453	4,373,278	(35.4%)
Salary and fringe benefits	482,339	396,854	21.5%
Contractual and professional services	433,352	490,671	(11.7%)
Office and support	99,040	87,973	12.8%
Space and occupancy	38,219	38,913	(0.1%)
Total Expense	<u>3,879,403</u>	<u>5,387,689</u>	(28.0%)
Increase in Net Assets	<u>\$ 7,103,303</u>	<u>\$ 5,120,932</u>	38.7%

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.

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

Contractual and professional services include accounting fees, legal fees, temporary staffing, and various consulting fees.

Salaries comprise 80.8% of salary and fringe benefits.

Metropolitan Park and Recreation District
d/b/a the Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2004
(Continued)

Budgetary Highlights

The District adopts an annual operating budget for its general fund including capital outlay. Budgeted Sales tax revenues were \$10.1 million versus actual sales tax revenues of \$10.2 million. Investment income was more than budgeted and slightly greater than prior year due to having a larger base of cash and investments.

Actual expenditures of \$13.2 million were under budget by \$6.5 million. The difference is primarily the result of several MPRD projects included on the budget that were not started in 2004. The expenditures for current operations were under budget by 5 percent, primarily in the area of salary and fringe benefits.

Table 3
Capital Assets

	2004	2003
Land	\$14,411,867	\$6,104,119
Construction in progress	1,032,065	-
Improvements	1,338	1,338
Equipment and furniture	62,644	55,101
Subtotal	15,507,914	6,160,558
Less: accumulated depreciation	(22,882)	(12,072)
Total Property and Equipment	\$15,485,032	\$6,148,486

As of December 31, 2004 the District's investment in capital assets amounted to \$15.5 million, net of accumulated depreciation. Before depreciation, there was an increase during the year of \$9.3 million. The increase results primarily from the purchase of land related to the MPRD projects.

Additional information on the District's capital assets can be found in Note D. beginning on page 15.



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District (the "District") as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District as of December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages *i - v* and the Budgetary Comparison Information on pages 18 and 19 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District taken as a whole. The accompanying schedule of combined expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Shenard Treloar & Co., PC

November 1, 2005
St. Louis, Missouri

FINANCIAL STATEMENTS

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF NET ASSETS
December 31, 2004

ASSETS

	Governmental Activities
ASSETS	
Cash and investments	\$18,299,241
Sales tax receivable	856,932
Interest receivable	105,042
Other assets	25,766
Property and equipment, net of accumulated depreciation	<u>15,485,032</u>
TOTAL ASSETS	<u><u>\$34,772,013</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	\$ 415,312
Note payable - current	156,743
Accrued wages and payroll taxes	33,438
Note payable - non-current	<u>4,843,257</u>
Total Liabilities	<u>5,448,750</u>
NET ASSETS	
Invested in capital assets, net of related debt	10,485,032
Unrestricted	<u>18,838,231</u>
Total Net Assets	<u>29,323,263</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$34,772,013</u></u>

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, 2004

<u>Functions/Program</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities: Development	<u>\$3,879,403</u>	<u>\$64,145</u>	<u>\$228,125</u>	<u>\$ 6,634,036</u>
Other Revenues: Unrestricted investment earnings				<u>469,267</u>
Changes in Net Assets				7,103,303
Net Assets – Beginning				<u>22,219,960</u>
Net Assets – Ending				<u><u>\$29,323,263</u></u>

See accompanying notes to financial statements
(4)

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2004

ASSETS

	General
ASSETS	
Cash and investments	\$18,299,241
Sales tax receivable	856,932
Interest receivable	105,042
Other assets	21,776
TOTAL ASSETS	\$19,282,991

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts payable	\$ 415,312
Note payable	156,743
Accrued wages and payroll taxes	33,438
Total Liabilities	605,493
FUND BALANCES	
Unreserved	18,677,498
TOTAL LIABILITIES AND FUND BALANCES	\$19,282,991

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 ASSETS
For The Year Ended December 31, 2004

Total Fund Balances—Governmental Funds \$18,677,498

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$15,507,914 and the accumulated depreciation is \$22,882. 15,485,032

Prepaid expenses are not financial resources, and therefore are not included in the funds. 3,990

Long-term liabilities, reflecting the note payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (4,843,257)

Total Net Assets—Governmental Activities \$29,323,263

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	General
REVENUES	
Sales tax	\$10,221,169
Investment income	469,267
Contributions and grants	228,125
Miscellaneous income	64,145
Total Revenues	10,982,706
EXPENDITURES	
Capital outlay - other	7,543
MPRD project expenses - capital	9,339,813
MPRD project expenses	2,826,453
Current Operations	
Salary and fringe benefits	482,339
Contractual and professional services	433,352
Office and support	86,545
Space and occupancy	38,219
Total Expenditures	13,214,264
Deficiency of Revenues Over Expenditures	(2,231,558)
OTHER FINANCING SOURCES	
Proceeds from long-term note payable	4,843,257
Net Change in Fund Balance	2,611,699
FUND BALANCE, Beginning of year	16,065,799
FUND BALANCE, End of year	\$18,677,498

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 OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For The Year December 31, 2004

Net Changes in Fund Balance—Total Governmental Funds **\$2,611,699**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the net amount in which capital outlays of \$9,347,356 exceed depreciation expense of \$10,810. 9,336,546

The proceeds from the note payable provide current financial resources to governmental funds. Repayment of debt principal is an expenditure in the governmental funds. This is the amount of long-term debt proceeds. (4,843,257)

Amounts paid for invoices applicable to a future period are not reported as expenditures in the governmental statement of activities. (1,685)

Change in Net Assets of Governmental Activities **\$7,103,303**

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

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

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

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

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America applicable to governmental entities. The accounting and reporting framework and the more significant accounting principles and practices of the District are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanation, including required disclosures, of the District's financial activities for the fiscal year ending December 31, 2004.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services;

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Fund Accounting

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

Governmental Funds

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

The District reports the following major governmental funds:

General Funds

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

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

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

Governmental Funds (Continued)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. No special revenue funds were presented at December 31, 2004.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations, principal, interest, and related costs. No debt service funds were presented at December 31, 2004.

Use of Estimates

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

Sales Tax Revenue

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

Financial Instruments

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

Compensated Absences

Employees earn vacation during the year which may accumulate to a maximum of 10 days. Accrued vacation is payable to employees upon termination. The recorded liability for earned but unused vacation was \$10,000 at December 31, 2004. Sick leave benefits for all employees do not vest and, accordingly, they are recorded as expenditures when paid.

Contributed Services

Contributed or donated services are recognized as contributions, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. At December 31, 2004, no contributed services were recorded.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

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

Capital Assets and Depreciation

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

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

Net Assets

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

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

Restricted – the component of net assets that reports the difference between assets and liabilities of certain programs that consists of assets with constraints placed on their use by external parties. There are no restricted net assets at December 31, 2004.

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

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

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

B. CASH AND INVESTMENTS

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Tax receipts are held in a pooled account with the St. Louis County Treasurer. The investment pool consists of U.S. Treasury Securities, U.S. Agency Securities, Collateralized Certificates of Deposits, Collateralized Repurchase Agreements, U.S. Government agency callable securities, Commercial Paper and Bankers Acceptance. At December 31, 2004, the reported amount of the District's deposits were as follows:

	Carrying Amount	Bank Balance
Treasurer's Pool	\$17,574,716	\$17,574,716
Cash	724,525	740,601
Total	\$18,299,241	\$18,315,317

Of the bank balance, \$18,315,317 was covered by federal depository insurance or by collateral securities held in the District's or St. Louis County Treasurer's name.

To protect the safety of District deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure District deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The District's deposits were fully collateralized or covered by FDIC insurance at December 31, 2004.

C. CONCENTRATIONS OF CREDIT RISK

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

D. PROPERTY AND EQUIPMENT

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

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

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

D. PROPERTY AND EQUIPMENT (Continued)

The following summary of changes in capital assets by category for the period ended December 31, 2004:

	Balance 1/1/2004	Additions	Balance 12/31/2004
Land	\$6,104,119	\$8,307,748	\$14,411,867
Construction in process	-	1,032,065	1,032,065
Improvements	1,338	-	1,338
Equipment and furniture	55,101	7,543	62,644
Total	6,160,558	9,347,356	15,507,914
Less: accumulated depreciation	(12,072)	(10,810)	(22,882)
Fixed Assets, net depreciation	<u>\$6,148,486</u>	<u>\$9,336,546</u>	<u>\$15,485,032</u>

E. NOTE PAYABLE

CHANGES IN NOTE PAYABLE

The following is a summary of change in note payable for the year ended December 31, 2004:

<u>Description and Purpose</u>	Balance January 1, 2004	Issued	Retired	Balance December 31, 2004	Due Within One Year
<i>Governmental Activities</i>					
Note payable	\$ -	\$5,000,000	\$ -	\$5,000,000	\$156,743

Note payable – bank, monthly installments of principal and interest of \$38,381 and a final estimated payment of \$4,537,701, interest at 6.08%, collateralized by real estate, due December 2007. At December 31, 2004, the District had a balance of \$5,000,000 due under this note.

Maturity on note payable is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 156,743	\$303,826
2006	171,073	289,496
2007	<u>4,672,184</u>	<u>274,536</u>
	<u>\$5,000,000</u>	<u>\$867,858</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

F. CROP-SHARE AGREEMENT

The District has entered into an agreement with a farmer allowing the farmer the use of District property to grow and sell crops. The agreement is renewed automatically each year unless written notice of termination is given in writing by either party before growing season. The district is paid a percentage of the gross receipts on the crops sold. Crop-share revenue in 2004 was \$55,104 and is included in miscellaneous income on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

G. PENSION PLAN

The District has a deferred compensation plan and matching contribution plan covering all regular employees. The deferred compensation plan allows for deferral of compensation into the plan on a pre-tax basis. The matching contribution plan allows the District to make matching contributions equal to a percentage of your pre-tax contributions made under the deferred compensation plan. The District has discretion whether to make matching contributions for a year, and to vary the percentage of matching contribution for years in which it decides to make matching contributions. Currently, matching contributions are equal to 100% of employee pre-tax contributions to the deferred compensation plan up to 5% of compensation. Pension expense for 2004 was \$20,596.

H. LEASE COMMITMENTS

The District leases its office space in St. Louis, Missouri. The noncancelable lease expires April 2007. The District also has a noncancelable operating lease for equipment that expires in May 2006. Rental expenses for these leases totaled \$40,182 for the year ended December 31, 2004. At December 31, 2004, future minimum lease payments under the lease terms are as follows:

<u>Year</u>	<u>Amount</u>
2005	\$39,498
2006	37,353
2007	<u>11,860</u>
Total	<u>\$88,711</u>

I. RISK MANAGEMENT

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

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
December 31, 2004
(Continued)

J. CONTINGENCIES/LITIGATION AND OTHER ACTIONS

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

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES			
Sales tax	\$10,052,686	\$10,221,169	\$ 168,483
Investment income	222,678	469,267	246,589
Contributions and grants	-	228,125	228,125
Miscellaneous income	-	64,145	64,145
	<hr/>		
Total Revenues	10,275,364	10,982,706	707,342
EXPENDITURES			
Capital outlay -- other	23,650	7,543	16,107
MPRD project expenses - capital	5,200,000	9,339,813	(4,139,813)
MPRD project expenses	13,415,000	2,826,453	10,588,547
Current Operations			
Contractual and professional services	420,000	433,352	(13,352)
Salary and fringe benefits	523,951	482,339	41,612
Office and support	94,000	86,545	7,455
Space and occupancy	53,192	38,219	14,973
	<hr/>		
Total Expenditures	19,729,793	13,214,264	6,515,529
(Deficiency) Excess of Revenues Over Expenditures	(9,454,429)	(2,231,558)	7,222,871
OTHER FINANCING SOURCES			
Issuance of long-term note payable	-	4,843,257	4,843,257
	<hr/>		
Net Change in Fund Balance	(9,454,429)	2,611,699	12,066,128
FUND BALANCE, Beginning of year	16,065,799	16,065,799	-
	<hr/>		
FUND BALANCE, End of year	\$ 6,611,370	\$18,677,498	\$12,066,128

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO BUDGETARY COMPARISON INFORMATION
December 31, 2004

BUDGETS AND BUDGETARY ACCOUNTING

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

**ADDITIONAL
INFORMATION**

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
SCHEDULE OF COMBINED EXPENDITURES
For the Year Ended December 31, 2004

CONTRACTUAL AND PROFESSIONAL SERVICES	
Accounting and auditing fees	\$ 58,192
Contract services -- other	58,621
Legal fees	37,705
Professional fees	259,947
Temporary staffing	<u>18,887</u>
Total Contractual and Professional Services	<u>\$433,352</u>
SALARIES AND FRINGE BENEFITS	
Salaries	\$389,941
Payroll taxes	26,922
Health insurance	31,098
Pension	20,596
Insurance	<u>13,782</u>
Total Salaries and Fringe Benefits	<u>\$482,339</u>
OFFICE AND SUPPORT	
Advertising	\$ 1,171
Auto expenses	7,737
Conferences and education	11,607
Dues and subscriptions	2,803
Equipment rental	7,291
Grants	8,000
Insurance other	6,624
Meeting expense	1,981
Miscellaneous	908
Parking fees	4,785
Postage and shipping	1,732
Printing	11,697
Supplies	10,704
Telephone	<u>9,505</u>
Total Office and Support	<u>\$ 86,545</u>
SPACE AND OCCUPANCY EXPENSES	
Rent	\$ 34,705
Utilities	<u>3,514</u>
Total Space and Occupancy Expenses	<u>\$ 38,219</u>

See independent auditors report on supplemental information

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
SCHEDULE OF COMBINED EXPENDITURES
For the Year Ended December 31, 2004
(Continued)

PROJECT EXPENDITURES

<u>Project</u>	<u>Expenditures</u>
Confluence Greenway	\$ 1,340,311
Dardenne Greenway	339,239
Meramec Greenway	291,075
River Des Peres Greenway	685,877
Chouteau Greenway	7,575,430
Shady Creek Greenway	378,703
Gravois Creek Greenway	665,819
Collaborative Planning	319,236
Other	<u>570,576</u>
Total Project Expenditures	<u>\$12,166,266</u>