

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

FOR THE YEAR ENDED DECEMBER 31, 2022

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Great Rivers Greenway Foundation (Component Unit) were not audited in accordance with Government Auditing Standards.

Change in Accounting Principle

As discussed in Note A to the financial statements, for the year ended December 31, 2022, Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 35-36 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, 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.

Supplementary 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 37-38 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023 on our consideration of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metropolitan Park and Recreation District d/b/a The Great Rivers Greenway District's internal control over financial reporting and compliance.

Schmersahl Treloar & Co.

St. Louis, Missouri
June 13, 2023

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2022

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, 2022 (2022). 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 2022 are as follows:

- The District's net position of \$93.4 million increased by \$2.3 million or 2.5%.
- The net investment in capital assets decreased to \$5.0 million, a decrease of \$6.1 million or 55.1%. The decrease is an approximate net result of a decrease in capital assets of \$13.4 million and a decrease in long-term debt of \$7.3 million.
- As of the close of the current fiscal year, the District's governmental funds reported ending fund balances of \$86.0 million, an increase of \$7.3 million in comparison with the prior year. The increase reflects increased sales tax revenues as the economy continued its recovery from the negative impacts of COVID 19, an increase in investment revenue boosted by higher short term investment rates and lower than anticipated project expenditures and/or slight project delays. The unassigned fund balance is \$42.5 million and is available for spending in the District's Capital Improvement Plan which includes significant funding of future years' capital improvement projects.

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, 2022
(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, 2022
(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 2022 compared to 2021.

Table 1
Condensed Statement of Net Position
December 31,

	<u>2022</u>	(Restated) <u>2021</u>
Current and other assets	\$ 95,459,539	\$ 87,568,282
Capital assets	<u>86,429,645</u>	<u>99,823,291</u>
Total Assets	181,889,184	187,391,573
Deferred outflows of resources, net	<u>1,382,408</u>	<u>1,508,081</u>
Total Assets and Deferred Outflows of Resources	<u>\$183,271,592</u>	<u>\$188,899,654</u>
Current and other liabilities	\$ 13,300,097	\$ 12,444,984
Noncurrent liabilities	<u>74,111,441</u>	<u>81,795,947</u>
Total Liabilities	87,411,538	94,240,931
Deferred inflows of resources - lease	<u>2,427,969</u>	<u>3,507,068</u>
Total liabilities and deferred inflows of resources	<u>89,839,507</u>	<u>97,747,999</u>
Net Position		
Net investment in capital assets	4,953,204	11,032,344
Restricted	34,298,061	38,454,890
Board Designated	9,029,464	6,831,290
Unrestricted	<u>45,151,356</u>	<u>34,833,131</u>
Total Net Position	<u>93,432,085</u>	<u>91,151,655</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$183,271,592</u>	<u>\$188,899,654</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2022
(Continued)

The increase in total net position is primarily the result of an increase of cash and investments to be used to fund ongoing projects. These increases were the result of increased sales tax provided by the improved economy of 2022, the increase of investment income as short-term interest rose significantly during the year and lower than anticipated project expenses.

Current and other assets increased \$7.9 million from last year due to higher-than-expected sales tax revenue and investment income.

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 and deferred outflows of resources decreased approximately \$5.6 million.

Overall, total liabilities and deferred inflows of resources decreased \$7.9 million as a result of scheduled current year bond payments.

Table 2 shows the changes in net position for the year ended December 31, 2022 as compared to the year ended December 31, 2021.

Table 2
Changes in Net Position
Year Ended December 31,

	2022	(Restated) 2021	Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 1,289,654	\$ 1,242,247	3.8%
Capital grants and contributions	4,390,208	2,702,071	62.5%
General revenues			
Sales taxes	37,675,450	34,292,864	9.9%
Investment return	<u>1,026,477</u>	<u>50,555</u>	1,930.4%
Total Revenues	<u>44,381,789</u>	<u>38,287,737</u>	15.9%
Expenses			
Project planning and development			
Operations			
Salary and fringe benefits	3,609,041	3,146,011	14.7%
Contractual and professional services	880,543	551,689	59.6%
Office and support	372,966	263,004	41.8%
Space and occupancy	302,834	250,133	21.1%
Depreciation and disposals	5,858,517	6,167,410	(5.0%)
Project expenses	4,460,435	5,207,714	(14.3%)
Contributions – Other Governmental Agencies	24,522,246	5,177,806	373.6%
Interest and fiscal charges	<u>2,094,777</u>	<u>2,943,406</u>	(28.8%)
Total Expenses	<u>42,101,359</u>	<u>23,707,173</u>	77.6%
Increase in Net Position	\$ <u>2,280,430</u>	\$ <u>14,580,564</u>	(84.4%)

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2022
(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, Dardenne Greenway, Maline Greenway, River Des Peres 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 increased from twenty-seven in 2021 to thirty in 2022 or 11%. Salaries and Benefits increased 14.7%. Salaries comprised 80.3% of Salary and Fringe Benefits.

Contractual and professional services include legal fees, public relations, graphic design, accounting and various consulting fees which continued in 2022. Fees were higher in 2022 than 2021 due to expenditures related to capturing significant federal grants, expenses to increase capital campaign contributions for the Brickline Greenway project and an economic impact study.

Project expenses in 2022 were lower than 2021 as a result of lower professional fees on Arch ground projects completed in 2021.

The Contributions – Other Governmental Agencies were significantly higher in 2022 than 2021 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. Actual sales tax revenues were \$37.7 million as retail sales tax revenues were higher than projected as the economy continued its recovery from COVID-19. Investment income increased in 2022 as short-term investment rates increased significantly from prior years. Contributions and grants of \$4.4 million were received during the year. Budgeted revenues not received in 2022 will be received in 2023 as projects are completed.

Actual project and capital expenditures of \$14.8 million were less than the budgeted amount of \$17.9 million due to lower than budgeted costs on projects completed in 2022 and some slight delays of projects.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
MANAGEMENT DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2022
(Continued)

Capital Assets

**Table 3
Capital Assets
December 31,**

	2022	2021
Land	\$27,890,423	\$28,196,542
Construction in process	35,944,267	43,698,892
Site and leasehold improvements (net of a/d)	22,010,651	27,364,899
Equipment and furniture (net of a/d)	501,760	499,922
Automobiles (net of a/d)	82,544	63,036
	\$86,429,645	\$99,823,291

As of December 31, 2022, the District’s capital assets amounted to \$86.4 million, net of accumulated depreciation. Before depreciation, there was a net decrease during the year of \$7.9 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 E 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, 2022

	Primary Government	Component Unit
	Governmental Activities	Great Rivers Greenway Foundation
ASSETS		
Cash and temporary investments	\$ 49,303,224	\$ 12,669,712
Receivables		
Sales taxes	6,437,092	-
Interest	62,400	-
Grants and other	101,490	8,789,285
Due from Great Rivers Greenway Foundation	1,219,728	-
Lease receivable	2,565,887	-
Prepaid expenses	141,357	-
Restricted cash and temporary investments	34,186,898	-
Right to use leased assets, net of amortization	1,441,463	
Capital assets, net of accumulated depreciation		
Land	27,890,423	-
Construction in progress	35,944,267	-
Site and leasehold improvements	22,010,651	-
Equipment and furniture	501,760	-
Automobiles	82,544	-
Total Assets	181,889,184	21,458,997
DEFERRED OUTFLOWS OF RESOURCES, NET	1,382,408	-
Total Assets and Deferred Outflows of Resources	\$ 183,271,592	\$ 21,458,997
LIABILITIES		
Accounts payable	\$ 4,082,017	\$ -
Accrued expenses	267,440	-
Accrued interest	13,572	-
Due to The Great Rivers Greenway District	-	1,219,728
Leases payable	1,572,068	-
Long term debt:		
Due within one year	7,365,000	-
Due in more than one year	74,111,441	-
Total Liabilities	87,411,538	1,219,728
DEFERRED INFLOWS OF RESOURCES - LEASE	2,427,969	-
Total Liabilities and Deferred Inflows of Resources	89,839,507	1,219,728
NET POSITION		
Net investment in capital assets	4,953,204	-
Restricted for:		
Debt service	13,729,321	-
Program	20,568,740	19,807,744
Board Designated	9,029,464	-
Unrestricted	45,151,356	431,525
Total Net Position	\$ 93,432,085	\$ 20,239,269

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, 2022

<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	\$ 15,484,336	1,289,654	\$ -	\$ 4,390,208	(\$ 9,804,474)	\$ -
Contributions - Other Governmental Agencies	24,522,246	-	-	-	(24,522,246)	-
Interest and fiscal charges	<u>2,094,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,094,777)</u>	<u>-</u>
Total Governmental Activities	<u>\$ 42,101,359</u>	<u>\$ 1,289,654</u>	<u>\$ -</u>	<u>\$ 4,390,208</u>	<u>(36,421,497)</u>	<u>-</u>
Component Unit						
Great Rivers Greenway Foundation	<u>\$ 4,754,044</u>	<u>\$ -</u>	<u>\$ 8,943,835</u>	<u>\$ -</u>	<u>-</u>	<u>4,189,791</u>
General Revenues:						
Sales taxes					37,675,450	-
Investment return					<u>1,026,477</u>	<u>130,381</u>
Total General Revenues					<u>38,701,927</u>	<u>130,381</u>
Changes in Net Position					2,280,430	4,320,172
Net Position - Beginning, Restated (Note A)					<u>91,151,655</u>	<u>15,919,097</u>
Net Position - Ending					<u>\$ 93,432,085</u>	<u>\$ 20,239,269</u>

See accompanying notes to financial statements

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2022

	ASSETS		
	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and temporary investments	\$ 49,303,224	\$ -	\$ 49,303,224
Receivables			
Sales taxes	6,437,092	-	6,437,092
Interest	-	62,400	62,400
Grants and other	101,490	-	101,490
Prepaid expenditures	141,357	-	141,357
Restricted cash and temporary investments	20,506,405	13,680,493	34,186,898
 Total Assets	\$ 76,489,568	\$ 13,742,893	\$ 90,232,461
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,082,017	\$ -	\$ 4,082,017
Accrued expenses	146,145	-	146,145
 Total Liabilities	4,228,162	-	4,228,162
 FUND BALANCES			
Nonspendable			
Prepaid expenditures	141,357	-	141,357
Restricted			
Debt service	-	13,742,893	13,742,893
Program	20,568,740	-	20,568,740
Committed	8,580,979	-	8,580,979
Assigned	448,485	-	448,485
Unassigned	42,521,845	-	42,521,845
 Total Fund Balances	72,261,406	13,742,893	86,004,299
 Total Liabilities and Fund Balances	\$ 76,489,568	\$ 13,742,893	\$ 90,232,461

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, 2022

Total Fund Balances - Governmental Funds \$ 86,004,299

Amounts reported for governmental activities in the Statement of Net Position 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 \$158,804,669 and the accumulated depreciation is \$72,375,024. 86,429,645

Right to use leased assets are not financial resources and therefore are not reported as assets in governmental funds. The value of the assets is \$2,013,623 and the accumulated amortization is \$572,160. 1,441,463

Lease receivable will not be collected in the current period and therefore is not available to pay for current period expenditures and, therefore, are deferred in the funds. 2,565,887

Amounts due from Great Rivers Greenway Foundation will not be collected in the current period and therefore are not available to pay for current period expenditures and, therefore, are deferred in the funds. 1,219,728

Deferred outflows, net of accumulated amortization of \$125,673, related to refunding of bonds are not financial resources and therefore are not reported in governmental funds. 1,382,408

Compensated absences are not due and payable in the current period, therefore are not reported as a liability in the governmental funds. (121,295)

Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (78,095,000)

Interest accrued on bonds has not been reported in the governmental funds but is reported in the Statement of Net Position. (13,572)

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. (3,381,441)

Leases payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (1,572,068)

Deferred inflows of resources relate to an acquisition of right to use leased assets that is applicable to a future period and therefore are not reported in the governmental funds. (2,427,969)

Total Net Position - Governmental Activities \$ 93,432,085

See accompanying notes to financial statements

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, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Sales taxes	\$ 37,675,450	\$ -	\$ 37,675,450
Investment return	735,903	294,260	1,030,163
Contributions and grants	3,170,480	-	3,170,480
Miscellaneous income	<u>1,268,192</u>	<u>-</u>	<u>1,268,192</u>
Total Revenues	<u>42,850,025</u>	<u>294,260</u>	<u>43,144,285</u>
EXPENDITURES			
Current			
Salaries and fringe benefits	3,595,306	-	3,595,306
Contractual and professional services	869,607	10,936	880,543
Office and support	372,966	-	372,966
Space and occupancy	262,188	-	262,188
Capital Outlay			
Project expenses - non-capitalized	4,460,435	-	4,460,435
Project expenses - capitalized	10,296,298	-	10,296,298
Project expenses - other governmental agencies	6,690,819	-	6,690,819
Debt Service			
Principal retirements	-	6,995,000	6,995,000
Interest and fiscal charges	<u>-</u>	<u>2,286,966</u>	<u>2,286,966</u>
Total Expenditures	<u>26,547,619</u>	<u>9,292,902</u>	<u>35,840,521</u>
Excess (Deficit) of Revenue Over (Under) Expenditures	16,302,406	(8,998,642)	7,303,764
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(2,357,137)</u>	<u>2,357,137</u>	<u>-</u>
Net Change in Fund Balance	13,945,269	(6,641,505)	7,303,764
FUND BALANCE, Beginning of year	<u>58,316,137</u>	<u>20,384,398</u>	<u>78,700,535</u>
FUND BALANCE, End of year	<u>\$ 72,261,406</u>	<u>\$ 13,742,893</u>	<u>\$ 86,004,299</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 7,303,764

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 1,219,728

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 \$23,689,944 and expenditures for capital outlay of \$10,296,298 for 2022. (13,393,646)

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. 72,247

Some rental 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. 119,444

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). (13,736)

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. (1,644)

Governmental funds do not report amortization expense related to right to use leased assets. However, in the Statement of Activities, the balance of the right to use leased assets are allocated over the lease terms and reported as amortization expense. (214,560)

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:

Repayment of bonds	6,995,000	
Net amortization of bond premium	319,506	
Net amortization of deferred outflows	(125,673)	
		7,188,833

Change in Net Position of Governmental Activities \$ 2,280,430

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, 2022

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 may be 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, audited in accordance with auditing standards generally accepted in the United States of America, 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, 2022
(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, 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, deferred outflows of resources, 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, 2022
(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, 2022 the District had \$2,734,681 designated for operating reserves and \$5,846,298 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 Chief Executive Officer through the budgetary process. At December 31, 2022 the District had \$448,485 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, 2022
(Continued)

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

Change in Accounting Principles and Restatement

For the year ended December 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the District’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District’s December 31, 2022 financial statements and had an effect on the beginning net position. The District, as a lessee, recognized \$1,656,021 in net book value for the intangible right to use and a lease liability of \$1,745,982 for leased property and office space. Additionally, the District as a lessor recognized a lease receivable of \$3,627,209 and deferred inflows of resources in the amount of \$3,507,066 for leased real estate and parking.

The implementation of GASB Statement No. 87 had the following effect on net position as reported December 31, 2021:

Net Position December 31, 2021	\$91,121,473
Adjustments:	
Lease receivable	3,627,209
Deferred inflows – lease	(3,507,066)
Net Book Value Leased Asset	1,656,021
Lease Liability	<u>(1,745,982)</u>
Restated Net Position December 31, 2021	<u>\$91,151,655</u>

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

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

Measurement Focus (Continued)

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.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

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

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, 2022, the Foundation received from the District contributed services and resources in the amount of \$448,977.

Lease Receivable

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Right to Use Leased Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease terms, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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 outlays 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.

Deferred Inflows/Outflows of Resources

A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period and a deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

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

Deferred Inflows/Outflows of Resources (Continued)

A deferred inflow of resources has a negative impact on net position similar to liabilities but is required to be reported within the statement of net position in a separate section following liabilities and the total may be added to the total for liabilities. A deferred outflow of resources has a positive effect on net position similar to assets but is required to be reported in the statement of net position in a separate section following assets and the total may be added to the total for assets.

Deferred outflows of resources include the loss on bond refunding which is deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt. A deferred inflow of resources is recorded for the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

Leases Payable

The District leases property and office space which qualifies as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

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

Net Position (Continued)

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, 2022 amounts restricted for debt service total \$13,729,321 and amounts restricted for programs total \$20,568,740 for the District. In addition, amounts restricted for programs total \$19,807,744 for the Foundation. At December 31, 2022 board designated amounts consisted of \$448,485 designated for the North Riverfront, \$2,734,681 designated for operating reserves and \$5,846,298 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.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

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

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 13, 2023 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, 2022:

Carrying amount of deposits	\$20,477,063
Investments	<u>75,682,771</u>
	<u>\$96,159,834</u>
Cash and temporary investments - District	\$49,303,224
Cash and temporary investments - Foundation	12,669,712
Restricted cash and temporary investments	<u>34,186,898</u>
	<u>\$96,159,834</u>

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, 2022, the carrying amount of the deposits under District's control was \$18,642,401 and the bank balance was \$18,176,583. 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, 2022, the carrying amount of the Foundation's deposits was \$1,834,662 and the bank balance was \$1,823,395. At December 31, 2022, all deposits of the Foundation were 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, 2022
(Continued)

B. CASH AND TEMPORARY INVESTMENTS (Continued)

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, 2022:

	Fair Value	Investment Maturities		
		0 to 1 Year	1 to 4 years	4+ years
Agency securities	\$ 75,682,771	\$ 75,682,771	\$ -	\$ -

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. Agency securities are Federal Home Loan Bank Discount Notes which are rated P-1 by Moody’s and A-1+ by Standard & Poor’s.

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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

B. **CASH AND TEMPORARY INVESTMENTS** (Continued)

Concentration of Credit Risk (Continued)

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 2022, 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:

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, 2022.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

B. CASH AND TEMPORARY INVESTMENTS (Continued)

Fair Value Measurement (Continued)

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices In Active Markets for Identical Assets Fair Value (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Agency securities	\$75,682,771	\$ -	\$75,682,771	\$ -

The following is a summary of the carrying value of the District's cash and investments at December 31, 2022:

	<u>Fair Value</u>	<u>Rating</u>	<u>Percent of Total Investments</u>
Agency securities	\$75,682,771	n/a	78.7
Petty cash	100	n/a	-
Bank deposits	20,476,963	n/a	21.3
Total Cash and Temporary Investments	\$96,159,834		100%

C. LEASE RECEIVABLE

In 2020, the District entered into a lease with a limited liability company (LLC). Under the lease, the LLC pays the District \$1,200,000 per year through March 2025 in exchange for real estate and parking. There are no variable lease components under this lease agreement. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.41%, which is the two year risk-free treasury rate as of December 31, 2022.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

C. **LEASE RECEIVABLE** (Continued)

The net present value of the minimum lease payments expected to be received as of December 31, 2022 are as follows:

	2023	\$1,200,000
	2024	1,200,000
	2025	<u>300,000</u>
Total lease payments to be received	2,700,000	
Amount representing interest	(134,113)	
Present value of lease receivable	<u>\$2,565,887</u>	

In fiscal year 2022, the District recognized \$1,079,097 of lease revenue and \$138,678 of interest revenue under the lease.

D. **RIGHT TO USE LEASED ASSETS**

The District has recorded right to use leased assets. The assets are right to use assets for leased office space and storage space. The related leases are discussed in Note G. The right to use leased assets are amortized on a straight-line basis over the term of the related leases.

Right to use assets activity for the year ended December 31, 2022, was as follows:

	Balance, December 31, 2021	Additions	Deductions	Balance, December 31, 2022
Right to Use Leased Assets – Leased Space	\$2,013,623	\$ -	\$ -	\$2,013,623
Less: accumulated amortization	(357,600)	(214,560)	-	(572,160)
Right to Use Leased Assets, Net	<u>\$1,656,023</u>	<u>(\$214,560)</u>	<u>\$ -</u>	<u>\$1,441,463</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

E. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	Balance, January 1, 2022	Additions	Transfers and Deductions	Balance, December 31, 2022
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$28,196,542	\$ 41,270	(\$ 347,389)	\$27,890,423
Construction in progress	<u>43,698,892</u>	<u>10,090,822</u>	<u>(17,845,447)</u>	<u>35,944,267</u>
Total Capital Assets Not Being Depreciated	<u>71,895,434</u>	<u>10,132,092</u>	<u>(18,192,836)</u>	<u>63,834,690</u>
Capital Assets Being Depreciated:				
Site and leasehold improvements	93,478,207	-	-	93,478,207
Automobiles	122,719	43,657	-	166,376
Equipment and furniture	<u>1,190,829</u>	<u>134,567</u>	<u>-</u>	<u>1,325,396</u>
Total Capital Assets Being Depreciated	<u>94,791,755</u>	<u>178,224</u>	<u>-</u>	<u>94,969,979</u>
Less accumulated depreciation for:				
Site and leasehold improvements	(66,113,308)	(5,354,248)	-	(71,467,556)
Automobiles	(59,683)	(24,149)	-	(83,832)
Equipment and furniture	<u>(690,907)</u>	<u>(132,729)</u>	<u>-</u>	<u>(823,636)</u>
Total Accumulated Depreciation	<u>(66,863,898)</u>	<u>(5,511,126)</u>	<u>-</u>	<u>(72,375,024)</u>
Capital Assets, Net	<u>\$99,823,291</u>	<u>\$4,799,190</u>	<u>(\$18,192,836)</u>	<u>\$86,429,645</u>

F. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

<u>Description and Purpose</u>	Balance January 1, 2022	Issued	Retired	Balance December 31, 2022	Due Within One Year
Sales tax appropriation bonds 2020	\$ 6,495,000	\$ -	\$3,230,000	\$ 3,265,000	\$3,265,000
Sales tax appropriation bonds 2020	9,735,000	-	1,910,000	7,825,000	1,935,000
Sales tax appropriation bonds 2021	16,730,000	-	1,050,000	15,680,000	1,105,000
Sales tax appropriation bonds 2021	52,130,000	-	805,000	51,325,000	1,060,000
Bond premium – 2021	<u>3,700,947</u>	<u>-</u>	<u>319,506</u>	<u>3,381,441</u>	<u>-</u>
	<u>\$88,790,947</u>	<u>\$ -</u>	<u>\$7,314,506</u>	<u>\$81,476,441</u>	<u>\$7,365,000</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

F. **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, 2022, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$3,265,000	\$31,344	\$3,296,344

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, 2022, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$7,825,000</u>	<u>\$187,038</u>	<u>\$8,012,038</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

F. **LONG-TERM DEBT** (Continued)

On July 28, 2021, the District issued \$16,730,000 in sales tax appropriation bonds. The serial bonds carry an interest rate of 4.49% 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 2021 sales tax appropriation bonds as of December 31, 2022, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,105,000	\$ 731,250	\$ 1,836,250
2024	1,160,000	676,000	1,836,000
2025	1,220,000	618,000	1,838,000
2026	1,280,000	557,000	1,837,000
2027	1,345,000	493,000	1,838,000
2028-2033	<u>9,570,000</u>	<u>1,441,150</u>	<u>11,011,150</u>
Total	<u>\$15,680,000</u>	<u>\$4,516,400</u>	<u>\$20,196,400</u>

On November 8, 2021, the District issued \$52,130,000 in sales tax appropriation bonds. The serial bonds carry an interest rate of 1.80% 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 2021 sales tax appropriation bonds as of December 31, 2022, including interest payments, are as follows:

<u>Years Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,060,000	\$1,076,913	\$ 2,136,913
2024	4,660,000	834,399	5,494,399
2025	4,740,000	757,043	5,497,043
2026	4,820,000	678,359	5,498,359
2027	4,900,000	598,347	5,498,347
2028-2033	<u>31,145,000</u>	<u>1,834,051</u>	<u>32,979,051</u>
Total	<u>\$51,325,000</u>	<u>\$5,779,112</u>	<u>\$57,104,112</u>

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

F. LONG-TERM DEBT (Continued)

The District has pledged its sales tax revenue, subject to appropriation, 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 \$88,608,894. During the current year, sales tax revenue was \$37,675,450 compared to approximate annual debt service requirements of \$8,055,354.

G. LEASES PAYABLE

The District leases office space and storage space under two agreements which expire in 2025 and 2030.

There are no variable payment components of the leases. The lease expiring in 2025 is measured at a discount rate of 4.41%, which is the two year risk-free treasury rate as of December 31, 2022. The lease expiring in 2030 is measured at a discount rate of 3.96%, which is the seven year risk-free treasury rate as of December 31, 2022. As a result of these leases, the District has recorded right to use assets with a net book value of \$1,441,463 at December 31, 2022. The right to use assets is discussed in Note D.

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022 are as follows:

	2023	\$ 244,663
	2024	253,813
	2025	240,021
	2026	239,275
	2027	243,493
	Thereafter	<u>594,983</u>
	Total lease payments	1,816,248
	Amount representing interest	(<u>244,180</u>)
	Present value of future lease payments	<u><u>\$1,572,068</u></u>

H. 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 \$135,556 for the year ended December 31, 2022.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

I. TRANSFERS

The District transferred \$2,357,137 from the General Fund to the Debt Service Fund for payments associated with outstanding debt.

J. TRANASACTIONS WITH COMPONENT UNIT

The value of donated services included contributions of non-financial assets for the Foundation in the financial statements and the corresponding expenses for the year ended December 31, 2022 are as follows:

Salaries and benefits	\$303,122
Professional fees	85,325
Office and support	55,980
Equipment	<u>4,550</u>
	<u>\$448,977</u>

The Foundation administers grants to fund certain programs of the District. For the year ended December 31, 2022, these grants totaled \$4,047,605. Additionally, the Foundation transferred unrestricted funds totaling \$225,904 to the District during the year ended December 31, 2022 as reimbursement for various improvements to greenways. The transfers to the District for the year ended December 31, 2022 include \$1,219,728 accrued to the District at December 31, 2022.

K. 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.

L. 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.

Metropolitan Park and Recreation District
d/b/a The Great Rivers Greenway District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
(Continued)

L. **COMMITMENTS AND CONTINGENCIES** (Continued)

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 \$22,185,950 at December 31, 2022.

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, 2022.

**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, 2022

	Budgeted Amounts		Actual	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Sales taxes	\$ 33,203,087	\$ 33,203,087	\$ 37,675,450	\$ -	\$ 4,472,363
Investment return	-	-	735,903	-	735,903
Contributions and grants	3,752,691	3,399,405	3,170,480	353,286	(228,925)
Miscellaneous income	1,200,000	1,200,000	1,268,192	-	68,192
Total Revenues	<u>38,155,778</u>	<u>37,802,492</u>	<u>42,850,025</u>	<u>353,286</u>	<u>5,047,533</u>
EXPENDITURES					
Current					
Salaries and fringe benefits	4,311,948	4,311,948	3,595,306	-	716,642
Contractual and professional services	1,069,000	1,089,000	869,607	(20,000)	219,393
Office and support	526,679	526,679	372,966	-	153,713
Space and occupancy	<u>306,689</u>	<u>306,689</u>	<u>262,188</u>	-	<u>44,501</u>
	6,214,316	6,234,316	5,100,067	(20,000)	1,134,249
Capital expenditures	95,000	95,000	28,584	-	66,416
Project expenditures	17,888,779	17,802,640	14,728,149	86,139	3,074,491
Contributions - Other Governmental Agencies	<u>3,930,994</u>	<u>4,174,994</u>	<u>6,690,819</u>	(244,000)	(2,515,825)
Total Expenditures	<u>28,129,089</u>	<u>28,306,950</u>	<u>26,547,619</u>	(177,861)	<u>1,759,331</u>
Excess of Revenues Over Expenditures	10,026,689	9,495,542	16,302,406	(531,147)	6,806,864
OTHER FINANCING (USES)					
Transfers in (out)	(9,285,179)	(8,901,406)	(2,357,137)	-	6,544,269
Net Change in Fund Balance	<u>\$ 741,510</u>	<u>\$ 594,136</u>	13,945,269	(\$ 531,147)	<u>\$ 13,351,133</u>
FUND BALANCE, Beginning of year			<u>58,316,137</u>		
FUND BALANCE, End of year			<u>\$ 72,261,406</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, 2022

A. **BUDGETS AND BUDGETARY ACCOUNTING**

As set forth in the Bylaws of the Board of Directors, the District's Chief Executive Officer 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.

**SUPPLEMENTARY
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, 2022

OPERATIONS

Salaries and Fringe Benefits	
Salaries	\$ 2,882,933
Fringe benefits	494,852
Payroll taxes	<u>217,521</u>
Total Salaries and Fringe Benefits	<u><u>\$ 3,595,306</u></u>

Contractual and Professional Services	
Professional fees	\$ 474,072
Legal fees	356,819
Accounting and auditing fees	<u>38,716</u>
Total Contractual and Professional Services	<u><u>\$ 869,607</u></u>

Office and Support	
Software maintenance	\$ 77,085
Insurance	68,255
Supplies	38,242
Printing	36,590
Telephone	34,247
Conferences	23,870
Advertising	23,189
Miscellaneous	19,721
Dues and subscriptions	11,135
Travel and parking fees	10,946
Postage and shipping	10,195
Equipment rental	9,625
Meeting expense	9,580
Taxes and licenses	<u>286</u>
Total Office and Support	<u><u>\$ 372,966</u></u>

Space and Occupancy	
Rent	\$ 238,189
Maintenance and cleaning	<u>23,999</u>
Total Space and Occupancy	<u><u>\$ 262,188</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, 2022
(Continued)

OPERATIONS

Capital Expenditures	<u>\$ 28,584</u>
Project Expenditures	
Brickline Greenway	6,344,772
CAR 3/16th Greenway	3,715,039
St. Vincent Greenway	2,744,145
Collaborative Planning	2,139,344
Deer Creek Greenway	2,138,171
Mississippi Greenway	1,689,956
Centennial Greenway	1,368,004
Gravois Greenway	669,141
Dardenne Greenway	300,027
Maline Greenway	149,143
Meramec Greenway	116,864
River Des Peres Greenway	<u>44,362</u>
Total Project Expenses	<u>\$ 21,418,968</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, 2022, 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 13, 2023.

Report on 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.

Report on 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 13, 2023