

EXHIBIT B

**3 Trails Community Improvement District
Financial Summary**

To: 3 Trails CID Board of Directors
From: Troy M. Marquis, Treasurer
Date: January 12, 2004
Subject: CID Financial Summary through December 31, 2003

Overview: Through the remainder of the CID's 3 year life cycle (ending July 7, 2005), there is approximately \$195,768 available at the Board's discretion after all committed projects and future administrative expenses are paid.

Cash balance as of December 31, 2003	\$119,089
Less: Outstanding commitments & liabilities	(\$23,321)
Current unrestricted funds	\$95,768
Projected revenue expected through July 7, 2005	\$300,000
Less: Projected administrative expense expected through July 7, 2005	(\$200,000)
Estimate of cash available for future programs	\$195,768

Commitments: One new commitment was made during the December Board meeting: \$11,700 was committed for the Quick Study related to the 87th Street Corridor. Contributions from affected stakeholders are expected totaling \$5,000.

Financial Reports Enclosed:

Treasurer's Report Memo
Balance Sheet
Statement of Revenues and Expenses (Current Fiscal Year)
Departmental Detail for the Administrative and Program Department

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DEVELOPERS SINCE 1922

memo

To: 3 Trails CID Board of Directors
From: Troy Marquis, Treasurer
CC: Charles Renner, Janet Larimer
Date: January 12, 2004
Re: Treasurer's Report

Financial Report:

Attached please find the financial statements presented in the revised financial statement format.

For the eight month's of fiscal year 2004, the Net Revenues and Expenses totaled \$53,465 which is \$85,600 better than plan. Administrative Income is better than plan by \$95,300 which is offset by Program Income which is worse than plan by \$9,700. Administrative Revenues were better than plan by \$66,856 and expenses were better than plan by \$28,444.

Administrative Department:

For the month of December, we received sales tax deposits from the State of Missouri totaling \$25,788 and we received \$16,144 of real estate tax revenue. Expenses were better than plan by \$2,494 for the month due to lower legal fees (\$3,387), lower professional fees (\$3,335), a reclassification to the Program Department of the Transit Quick Study (\$3,000) offset by higher insurance costs (\$7,035). The professional fee variance is due to the plan originally anticipating spending \$5,000 on a Master Planning and Vision program that has been deferred at the moment offset by the "earmarking" of \$1,665 for the Shafer Kline and Warren survey update. In addition, our MOPERM insurance policy renewed as of January 1st (this is for general liability insurance, Error's and Omission's insurance and Employment Related Practice's insurance) and was paid in December for \$7,035. This item was budgeted to be paid in January for \$6,700. Based on conversations with Counsel and the Chairman, I paid this in December.

Year-to-date, revenue is better than plan by \$66,856 and expenses are better than plan by \$28,444 due to several items like 1) the delay of the lease commencement, 2) not currently planning to spend the \$15,000 related to master planning of the CID, 3) lower legal fees, 4) lower audit costs and 5) not currently producing and mailing a newsletter.

Program Department:

This new accounting format is segregating all the revenue and costs associated with specific programs the Board has undertaken. The two programs that we are tracking costs on are 1) the KCATA transit facility and 2) the 87th Street Improvements. Currently we committed \$3,000 for a Transit Quick Study (which was paid in early January) and \$11,700 for a Quick Study related to the 87th Street corridor.

Miscellaneous Information:

Looking forward I expect to present a "first draft" of the fiscal year 2005 budget at next month's meeting. Therefore, I would request any suggestions for programs or costs that the Board may wish to include. Please have any suggestions regarding the budget forwarded to me by the end of January.

If you have any questions or would like to discuss further, please feel free to call me at 913-353-4527.

3 TRAILS COMMUNITY IMPROVEMENT DISTRICT

BALANCE SHEETS

AS OF

<u>ASSETS</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
CASH AND CASH EQUIVALENTS		
Checking Account	119,089	47,399
Savings Account	-	-
Money Market	-	-
Other	-	-
	<u>119,089</u>	<u>47,399</u>
PROPERTY & EQUIPMENT		
Furniture & Fixtures	-	-
Office Equipment	-	-
Other	-	-
	<u>-</u>	<u>-</u>
REAL ESTATE		
Essements	-	-
Land	-	-
Other	-	-
	<u>-</u>	<u>-</u>
OTHER ASSETS		
A/R Miscellaneous	5,000	-
Prepaid Expenses	-	-
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>124,089</u>	<u>47,399</u>
LIABILITIES & NET ASSETS		
LIABILITIES		
Accounts Payable	29	96
Line of Credit - Hillcrest Bank	-	-
Reserve for Encumbrances	-	-
SKCCC Membership	9,000	-
KCATA Transit Quick Study	3,000	-
SKCCC Grant	500	-
87 Street Quick Study	11,700	-
Santa Fe Trail Ass'n Symposium	427	-
	<u>21,827</u>	<u>-</u>
Reserve for Earmarked Funds		
Shafer Kline & Warren	1,665	-
	<u>1,665</u>	<u>-</u>
TOTAL LIABILITIES	<u>23,321</u>	<u>96</u>
NET ASSETS		
Retained Earnings	47,303	-
Current Period Revenues and Expenses	53,465	47,303
	<u>100,768</u>	<u>47,303</u>
TOTAL NET ASSETS	<u>100,768</u>	<u>47,303</u>
TOTAL LIABILITIES & NET ASSETS	<u>124,089</u>	<u>47,399</u>

3 TRAILS COMMUNITY IMPROVEMENT DISTRICT

SUMMARY OF REVENUES AND EXPENSES

FOR THE PERIOD ENDED

	<u>December 31, 2003</u>	<u>April 30, 2003</u>
ADMINISTRATIVE DEPARTMENT		
Revenue	148,943	202,873
Expense	83,778	165,670
	<u>65,165</u>	<u>37,203</u>
ADMINISTRATIVE INCOME	<u>65,165</u>	<u>47,303</u>
PROGRAMS		
Program Grant Income	5,000	-
Program Expenditures	14,700	-
	<u>(9,700)</u>	<u>-</u>
PROGRAM INCOME	<u>(9,700)</u>	<u>-</u>
TOTAL OF REVENUE & EXPENSES	<u>53,465</u>	<u>47,303</u>

3 TRAILS COMMUNITY IMPROVEMENT DISTRICT

REVENUES AND EXPENSES

	Current Month			Year to Date			Inception to Date		
	December 03			May 03 - December 03			Jul 02 - December 03		
	Actual	Committed	Variance	Actual	Committed	Variance	Actual	Committed	Variance
ADMINISTRATIVE DEPARTMENT									
REVENUE									
Property Tax Revenue	16,144	-	16,144	16,144	-	16,144	187,682	180,000	(2,318)
Sales Tax Revenue	25,788	-	25,788	130,798	80,067	50,731	182,101	80,087	82,014
Interest Income	-	-	-	33	-	33	33	-	33
Donations	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	41,912	-	41,912	146,943	80,067	66,876	349,816	270,087	79,729
EXPENSES									
Accounting & Auditing	-	-	-	4,000	10,000	6,000	4,000	20,000	16,000
Administrative Fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	703	-	(703)	703	-	(703)
Borrowings Repaid	-	-	-	-	-	-	-	3,000	3,000
Business Development	-	-	-	-	-	-	-	-	-
Conferences & Meetings	-	-	-	-	-	-	-	-	-
Consulting Fees	-	-	-	-	-	-	-	-	-
Contract Services	310	-	(310)	1,280	-	(1,280)	17,280	82,000	64,720
Dues & Subscriptions	-	-	-	12,000	10,000	(2,000)	17,000	20,000	3,000
Electricity	248	80	(168)	2,303	980	(1,323)	3,361	2,830	(721)
Furniture & Equipment	-	-	-	1,138	-	(1,138)	1,138	1,000	(138)
Gas	126	150	24	387	810	423	1,405	1,085	(320)
Insurance - Public Officials	(8)	-	8	5,880	6,000	(880)	5,880	4,000	(1,880)
Insurance - General Liability, E&O	7,035	-	(7,035)	7,035	-	(7,035)	17,447	5,000	(12,447)
Interest Expense	-	151	151	-	1,313	1,313	467	1,313	846
Leased Equipment	-	-	-	-	-	-	-	-	-
Legal Fees	613	4,000	3,387	20,225	32,000	11,775	87,843	82,074	(25,769)
Licenses, Fees & Permits	-	-	-	348	46	(302)	500	505	5
Meals & Entertainment	28	-	(28)	28	-	(28)	28	-	(28)
Memberships	-	-	-	-	-	-	-	-	-
Newsletter	-	-	-	-	-	-	90	-	(90)
Office Rent	2,478	2,478	-	18,881	18,824	5,057	18,274	24,324	6,050
Office Supplies	18	50	32	198	850	652	285	1,650	1,365
Other	-	50	50	204	400	196	251	850	599
Postage & Delivery	-	525	525	86	4,200	4,114	138	6,200	6,062
Printing	-	-	-	-	-	-	-	-	-
Professional Services	1,865	5,000	3,135	8,815	22,000	13,185	25,244	41,712	16,468
Program / Events	(2,500)	-	2,500	6,500	6,000	(500)	5,500	5,000	(500)
Signs & Directories	-	-	-	-	-	-	1,989	1,750	(239)
Start Up Costs	-	-	-	-	-	-	29,878	35,188	5,208
Telephone	-	25	25	-	200	200	-	200	200
Travel	-	-	-	-	-	-	-	-	-
Wages	-	-	-	-	-	-	-	1,820	1,820
Wages - Payroll Taxes	-	-	-	-	-	-	-	300	300
Wages - Costs / Benefits	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	175	175
TOTAL EXPENSE	10,015	12,508	2,493	83,778	112,222	28,444	238,803	281,824	52,821
ADMINISTRATIVE INCOME	31,897	(12,508)	44,405	63,165	(32,155)	95,320	111,013	(21,537)	132,550

3 TRAILS COMMUNITY IMPROVEMENT DISTRICT

REVENUES AND EXPENSES

	Current Month			Year to Date			Inception to Date		
	December 03			May 03 - December 03			Jul 03 - December 03		
	Actual	Committed	Variance	Actual	Committed	Variance	Actual	Committed	Variance
GRANT INCOME									
Program I - KCATA Transit Study	-	-	-	-	-	-	-	-	-
Program II - 87 Street Quick Study	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Program III -	-	-	-	-	-	-	-	-	-
Program IV -	-	-	-	-	-	-	-	-	-
TOTAL GRANT REVENUE	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
PROGRAM EXPENDITURES									
Program I - KCATA Transit Study	-	-	-	-	-	-	-	-	-
Consulting Fees	-	-	-	-	-	-	-	-	-
Grant Payments	3,000	-	(3,000)	3,000	-	(3,000)	3,000	-	(3,000)
Other	-	-	-	-	-	-	-	-	-
Program II - 87 Street Quick Study	-	-	-	-	-	-	-	-	-
Consulting Fees	-	-	-	-	-	-	-	-	-
Grant Payments	11,700	-	(11,700)	11,700	-	(11,700)	11,700	-	(11,700)
Events	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Program III -	-	-	-	-	-	-	-	-	-
Consulting Fees	-	-	-	-	-	-	-	-	-
Grant Payments	-	-	-	-	-	-	-	-	-
Litter / Graffiti	-	-	-	-	-	-	-	-	-
Landscaping	-	-	-	-	-	-	-	-	-
Mowing	-	-	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Program IV -	-	-	-	-	-	-	-	-	-
Consulting Fees	-	-	-	-	-	-	-	-	-
Grant Payments	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Shuttle	-	-	-	-	-	-	-	-	-
Trails / Greenway	-	-	-	-	-	-	-	-	-
Transit Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTAL PROGRAM EXPENDITURES	14,700	-	(14,700)	14,700	-	(14,700)	14,700	-	(14,700)
NET PROGRAM INCOME	(9,700)	-	(9,700)	(9,700)	-	(9,700)	(9,700)	-	(9,700)
TOTAL OF REVENUE AND EXPENSES	22,197	(12,509)	9,688	59,486	(32,125)	27,361	101,313	(21,537)	79,776

EXHIBIT C

January 12, 2004

3-Trails Community Improvement District Public Board & Community Meeting

RE: 87th Street -PHASE IV

Ann O'Hara, Historical Society of New Santa Fe
Betty Clements, Southwest Territories Association
Bill Wilson, Royal Oaks
Bob Jergens, Aventis Pharmaceuticals (Marion Park)
Carol McClure, Southern Communities Coalition, Stratford Estates
Chriek Loomis, Linden Hill Homes Association
Christopher Swenson, Red Lobster (Bannister)
Dan & Sharron Hill, Red Bridge Homes Association
Dr. Charles A. Eddy, Councilman 6th District
Dyaune Bean, South KC Chamber of Commerce
Gary Ogzawalla, Benjamin Plaza Shopping Center
Gerri Doyle, KCATA
Gerald Williams, KCMO Planning & Development
Glenn Sweeney, Days Inn / Super 8 (87th Street)
Glorea B Howd, Royal Oaks
Jerry Cook, KCMO Public Works Depart, Engineering Division
Joan Foltz, Resident
Joe Robertson, Kansas City Star
John Weiss, US Dept of Transportation
Joseph Gonzales, Economic Development Corporation of KCMO
Joshua Scott, MODOT
Kevin Bird, Armstrong Teasdale LLP
Kevin Wallace, HNTB Corporation
Linda Clark, MODOT
Litha Giva, Resident
Lois Chaplin, Stratford Estates
Lore Lath, Resident
Marianne Melena, St. Matthew CCO
Mario Vasquez, KCMO Planning & Development
Mark Hoyt, Wal-Mart Super Center (Hillcrest Road)
Mark Purtell, Bally Total Fitness(87th Street)
Marvin Walker, 93rd Street Resident
Micheal Pursell, Damon Pursell Construction Co.
Mike Graf, PIAC 6th District
Norman Beeman, MODOT
Phyllis Bakner, St. Matthew CCO
Ralph Davis, KCMO Public Works Department, Engineering Division
Rami Quini, KCMO Public Works Department, Engineering Division
Saad Wakas, Birchwood Center, ICMI, U.F.I.
Sherri McIntyre, KCMO Public Works Depart, Engineering Division

Shirley Dabbins, St. Mathew CCO
Steve Rhoades, MARC / Patti Banks & Associates
Steven Hamadi, MODOT
Teresa Edens, Hickman Mills C-1 School District
Todd Thalmann, TranSystems Corp.

CID BOARD

Lou Austin
Ben Benjamin
Paul Denzer
Troy Marquis
Mary Norman
Tony Privitera

Charles Renner, Legal Counsel
Janet Larimer, Secretary

EXHIBIT C

SUMMARY OF MEETINGS

3-TRAILS COMMUNITY IMPROVEMENT DISTRICT

**Administrative Office
5912 East Bannister Road
Kansas City, MO 64134**

DATE	TIME	ORGANIZATION/PURPOSE
12/2/2003	2:00 PM	Whitney Kerr & Michael Pursell; Lou Austin, Tony Privitera, Ben Benjamin -CID Purpose: 87 th Street proposal
12/4/2003	11:00 AM	South Kansas City Chamber of Commerce - 12/03 Board Meeting
12/9/2003	9:00 AM	South Kansas City Chamber of Commerce - 12/03 FOCUS Review Board
12/17/2003	5:00 PM	CID/SKCCC - Holiday Open House

Distribution: Board of Directors, CID corres.



EXHIBIT D

January 2, 2004

3-Trails Community Improvement District Board
Mr. Lou Austin, Chairman
5904 E. Bannister Rd.
Kansas City, MO 64134-1141

Re: ENVIRONMENTAL REVIEW

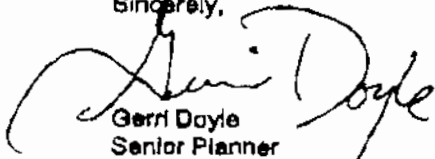
Dear Mr. Austin and Board Members:

The Kansas City Area Transportation Authority (KCATA) and 3-Trails Community Improvement District Board (CID) have partnered to secure federal funding for a transit center in the Bannister Mall area. To access the federal CMAQ funding for this project, federal mandates for project development must be followed. The initial location study is under way. Patti Banks and Associates and TranSystems, Corp. are partnering on the transit center location and initial design. Consultants working with the KCATA, the CID and others have identified a preferred site for the transit center. The preferred site would be near the development proposed by Hickman Mills School District to add education, child care and medical services to the former JC Penney site on the Mall property.

Now that a preferred site has been identified, the next step in the development and approval process for the project is an environmental review. This review will look for any items that would make the site unsuitable, unavailable or too costly to develop. The environmental review will cost approximately \$6,000. As with all federally funded transit projects, a portion of the project funding must come from local sources. Approximately 20% or \$1,000 is required for this phase of the study. The KCATA requests that the CID Board provide the matching funds for this phase of the transit center location study.

For any reason the CID Board or the ATA determines that the transit center project should not move forward, the completion of the environmental review does not obligate the ATA or the CID to spend any other funds or continue the transit center project.

Sincerely,


Gerri Doyle
Senior Planner

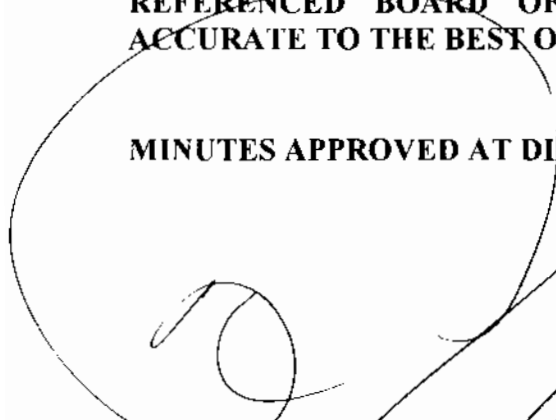


THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT

CERTIFICATION OF MINUTES

CERTIFICATION OF MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 12, 2004. THE UNDERSIGNED CHAIRMAN AND SECRETARY OF THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT, A POLITICAL SUBDIVISION OF THE STATE OF MISSOURI, CERTIFY THAT THE ATTACHED MINUTES OF THE ABOVE REFERENCED BOARD OF DIRECTORS MEETING ARE TRUE AND ACCURATE TO THE BEST OF OUR KNOWLEDGE.

MINUTES APPROVED AT DIRECTOR'S MEETING HELD ON MARCH 15, 2004.



LOIS AUSTIN, CHAIRMAN

DATE

3-15-04



JANET LARIMER

DATE

3-15-04

Established by the State of Missouri 1820 National Historic Trails



3-Trails
Community Improvement District

**THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT
MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE DISTRICT
January 12, 2004**

I. CALL TO ORDER

The meeting was called to order at 1:11 p.m. at 5912 East Bannister Road, Kansas City, Jackson County, Missouri.

1. Roll Call / Determination of Quorum: Board of Directors Members were present as follows:

Board Members:

Lou Austin
Ben Benjamin
Paul Denzer
Troy Marquis
Mary Norman
Tony Privitera
One board position is currently vacant.

Lou Austin acted as Chairman and Janet Larimer acted as Secretary of the meeting.

Others present:
See Exhibit A

3. Meeting Notice: The meeting notice was certified and attached to these minutes as Exhibit B.
4. Welcome visitors.

II. OLD BUSINESS:

- A. Approval of minutes: A motion was made and seconded to approve the meeting minutes for the December 1, 2003 meeting. After discussion the motion was unanimously approved.

III. NEW BUSINESS:

A. **Presentations:**

1. Mr. Michael Wallwork – See item E-2 below.

B. **Treasurer's Report:**

1. Financial Statement: Troy Marquis, District Treasurer, reviewed the

District financial statement through December 31, 2003 (attached to these minutes or Exhibit C). Motion was made and seconded to approve financial statement as submitted. After discussion the motion was unanimously approved.

Preliminary fiscal year 2005 budget will be presented at the February meeting.

2. Insurance: None.
3. Sales / Real Estate Tax Revenues: None.
4. Web Site: None.

C. **Legal Report**: None.

D. **District Manager's Report**:

1. Communication: District Update:
 - a. CID Administrative Office: Summary of CID activities during the month of December 2003 was distributed.
 - b. 3-Trails Corridor: no new activity.
 - c. Educational / Medical / Transit / Center: moving forward.
 - d. MODOT - 435 Enhancements: Trails sculptures are expected to be hung within a month to 6 weeks.
2. Communication: Follow-up items:
 - a. Changes to CID Chart of Accounts / Financial Statements: Started new financial format with December statement. Director feedback is requested so format can be finalized.
 - b. CID life span extension & possible expansion: Board must establish a committee to recommend action plan.
 - c. Shafer, Kline, & Warren proposal: On hold pending obtaining easement consents from Dillard's and Sears.
 - d. Santa Fe Trails Association grant: Possibly some excess grant monies that can be reallocated to CID unappropriated funds.

3. Communication: Transit Station Environmental Study: Motion made and seconded to approve \$1,000 as CID 20% local match for Transit Station Environmental Study. After discussion the motion was unanimously approved.

E. Other:

1. Next regular Board meeting: February 16, 2004 @ 1PM, 5912 E. Bannister Road.
2. Mr. Michael Wallwork, P.E. (Alternate Street Design) 87th Street – Phase IV. Presentation: Following presentation and public comments, a motion was made and seconded to approve resolution 2004-01 (attached to these minutes as Exhibit D) accepting feasibility report and making certain recommendations to the City of Kansas City, Missouri. After discussion the motion was unanimously approved.

F. Public comments and communications:

IV. ADJOURNMENT

Upon motion duly made, seconded, and unanimously approved, the meeting was adjourned.

V. LIST OF EXHIBITS

Exhibit A – Meeting Attendees
Exhibit B – Meeting Notice
Exhibit C – December 2003 Financial Statement
Exhibit D – Resolution 2004-01

EXHIBIT A
AGENDA & NOTICE
Meeting of the Board of Directors
3-Trails Community Improvement District

Date: January 12, 2004

Time: 1:00 p.m.

Place: 5912 East Bannister Road
Kansas City, Jackson County, Missouri

I. CALL TO ORDER

1. Roll Call / Determination of Quorum
2. Certification of meeting notice (Exhibit A)
3. Welcome / Meeting Protocols

II. OLD BUSINESS

- A. Approval of minutes: December 1, 2003

III. NEW BUSINESS

- A. Presentations: Mr. Michael Wallwork – See item E-1 below.

B. Treasurer's Report:

1. Financial Report (Exhibit B)
2. Insurance
3. Sales / Real Estate Tax Revenues
4. Web Site

C. Legal Report: None

D. District Manager's Report:

1. Communication: District Update
 - a. Summary of December meetings @ 5912 East Bannister (Exhibit C)
 - b. 3-Trails Corridor
 - c. Education / Medical / Transit Station
 - d. MODOT – 435 Enhancements – Trails Sculptures

RECOMMENDATION: None. FYI to Board.

FUNDS REQUESTED: None.

2. Communication: Follow-up items.
 - a. Changes to CID Chart of Accounts / Financial Statements
 - b. CID life span extension & possible expansion
 - c. Shafer, Kline, & Warren proposal
 - d. Santa Fe Trail Association grant
 - e. Security System – Space 5912 – Director Keys

RECOMMENDATION: None. FYI to Board

FUNDS REQUESTED: None.

3. Communication: Transit Station Environmental Study

RECOMMENDATION: Authorize \$1,000 as CID local 20% match per Exhibit D.

FUNDS REQUESTED: \$1,000

E. Other:

1. Communciation:

- a. Next regular Board meeting: February 16, 2004 @ 1PM, 5912 E. Bannister Road.
- b. Mr. Michael Wallwork, P.E. Alternate Street Design 87th Street - Phase IV. Presentation of Quick Study Feasibility to the Board.

F. Public comments and communications:

ADJOURNMENT

I certify that a copy of this agenda and notice of meeting of the Board of Directors of the 3-Trails Improvement District was posted on the door of the District's office at 5912 East Bannister Road, Kansas City, Missouri 64134 at _____ AM/PM on JANUARY 8 2004

By: _____

Name Printed: Lou Quirk

For: 3-Trails Community Improvement District