

METROPOLITAN SERVICE DISTRICT

**REPORT TO MANAGEMENT
for the year ended June 30, 1982**

METROPOLITAN SERVICE DISTRICT

The Council
Metropolitan Service District
Portland, Oregon

We have examined the combined financial statements of Metropolitan Service District (Metro) for the fiscal year ended June 30, 1982, and have issued our report thereon dated October 8, 1982. As part of our examination, we have obtained an understanding of accounting systems and controls incorporated therein as required by generally accepted auditing standards. The purpose of gaining such an understanding is to assist the auditor in planning the nature and scope of the examination of the combined financial statements. The process of obtaining such an understanding is more limited than a study and evaluation necessary to express an opinion on the system of internal accounting control taken as a whole. Based on our understanding, we determined that our examination could be more efficiently conducted without placing significant reliance on internal accounting controls except for certain selected internal accounting controls and therefore we did not directly evaluate and test those internal accounting controls not relied on. The nature and extent of our other auditing procedures were adjusted accordingly.

Our examination of the combined financial statements would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. Accordingly, we do not express an opinion on the system of internal accounting control of Metro taken as a whole. However, during our examination, we became aware of certain conditions described in comments IV, V, VI, VII and IX in our Report to Management for the year ended June 30, 1981 and discussed in

the "Status of Prior Year Comments" that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the combined financial statements of Metro may occur and not be detected within a timely period. Our recommendations have been discussed with appropriate employees of the District. As a result of our discussion, we understand that some of our recommendations are presently being implemented.

We wish to express our appreciation to Metro personnel for the cooperation and courtesies extended to us during our examination.

We will be happy to discuss our recommendations with you further or to assist in their implementation.

This report is intended solely for the use of the Council, management, grantors and the State of Oregon, Division of Audits, and should not be used for any other purpose.

COOPERS & LYBRAND

By 
James L. Savage, a partner

Portland, Oregon
October 19, 1982

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS

Page

CURRENT YEAR COMMENTS:

- See*
Cham
Cham
Cham
- I. Require Consultants to Submit Detailed Invoices 1
 - II. Control Unprocessed Invoices 1
 - III. Determine if Appropriations Remain Prior to Incurring Expenditures 2

STATUS OF PRIOR YEAR COMMENTS:

- Cham*
Cham
See
- I. Streamline the Chart of Accounts 3
 - II. Develop a Report Comparing Expenditures to Budgeted Appropriation Categories 3
 - III. Improve Grant Related Procedures:
 - A. Requests for Grantor Reimbursements and Grant Reports 3
 - B. Responsibility for Grants 4
 - C. Monitoring Grant Compliance Features 4
 - D. Direct Costs Charged to Grants 4
 - E. Grant Cash Receipts and Disbursements 4
 - IV. Improve Purchasing and Contract Procedures
 - A. Documentation of Purchase Contracts Maintained in Central Files 5
 - B. Procedures over Contract Purchasing Function 5
 - C. Establish a Written Policy to Determine Purchases Requiring a Contract 6
 - D. Increase Internal Control over Purchasing Procedures 6

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS, Continued

Page

STATUS OF PRIOR YEAR COMMENTS, Continued:

V. Implement Accounting Procedures:

<i>Chen</i>	A. Timely Cash Reconciliations by Fund	7
<i>Chen</i>	B. Monthly Reconciliations of Detailed Accounts Payable to the General Ledger	7
<i>Chen</i>	C. Reconcile Monthly All Balance Sheet Accounts to the General Ledger	8
<i>Chen</i>	D. Evidence in Writing the Review, Approval and Comparison of Accounting Information	8
<i>Chen</i>	E. Review Account Coding of all Transactions	8

VI. Improve Controls Over Cash Receipts and Disbursements:

A. Cash Disbursement Procedures	8
B. Cash Receipts	9
C. Zoo Cash Receipts	10

VII. Increase Internal Control Over Payroll Procedures 10

VIII. Control Over Investment Activity Should be Improved 10

IX. Establish and Maintain Fixed Asset Detail Ledger 10

X. Perform Periodic Audits at the Landfills 10

CURRENT YEAR COMMENTS

I. Require Consultants to Submit Detailed Invoices

We noted several instances where the nature of the work performed by consultants to the Solid Waste Department was not evident from invoices submitted and paid. Consultant fees that are directly charged to grants need to clearly be related to the project in order to be allowable. Although this problem did not result in disallowed grant costs, it is likely that any charges not clearly related to a grant project could be rejected by grantors.

We recommend that Metro require consultants to detail the nature of their work and identify the specific project(s) on each invoice prior to processing for payment.

II. Control Unprocessed Invoices

Currently many invoices for goods and services are delivered directly to operating departments and are not presented to the accounting department for several weeks. Failure to process invoices on a timely basis results in an understatement of liabilities and expenditures throughout the year.

We recommend all invoices be routed to accounting upon receipt. If accounting needs approval or any other support to pay the invoice, they should route the invoice back to the operating department. A log of invoices awaiting approvals should be kept in the accounting department.

CURRENT YEAR COMMENTS, Continued

III. Determine if Appropriations Remain Prior to Incurring Expenditures

No centralized comparison of accumulated expenditures to appropriations is made when an item is prepared for payment. Failure to make these comparisons may result in expenditures not contemplated in the budget.

We recommend you review each payment to be sure there is sufficient appropriations to accommodate the expenditures. We understand a system is being implemented for fiscal 1983.

STATUS OF PRIOR YEAR COMMENTS

The following are updates on the status of recommendations made in our Report to Management for the year ended June 30, 1981 dated February 8, 1982. The prior recommendations are listed by title only; for the full text of recommendations refer to the Report.

I. Streamline the Chart of Accounts

The Chart of Accounts in effect for fiscal 1982 had most of the deficiencies of the fiscal 1981 chart. For fiscal 1983 Metro has simplified its Chart of Accounts. We have not evaluated the effectiveness of the new chart at this time because it has been in effect for only three months.

II. Develop a Report Comparing Expenditures to Budgeted Appropriation Categories

The budget to actual report for fiscal 1982 was not updated for all budget revisions made during the year. For fiscal 1983 the budget document includes account codes that reflect the new Chart of Accounts. We have not evaluated the effectiveness of the fiscal 1983 budget to actual report.

III. Improve Grant Related Procedures

A. Requests for Grantor Reimbursements and Grant Reports

Cash was requested on a more timely basis, monitored more effectively and reports were prepared on a more timely basis during fiscal 1982. One individual was assigned most grant control duties. The responsible Metro personnel appear more familiar with the contents and the applicable reporting requirements of each grant.

STATUS OF PRIOR YEAR COMMENTS, Continued

III. Improve Grant Related Procedures, Continued

B. Responsibility for Grants

One individual has been assigned to control grants. The procedures to be employed in this assignment are partially documented at this time. The grant control individual has become more familiar with grant accounting and grant related regulations, but no employee has been trained as a backup for the grant control individual. No checklist of required grant documentation has been prepared.

C. Monitoring Grant Compliance Features

An individual has been assigned to monitor grant compliance requirements. No systematic procedure, such as a compliance checklist, has yet been prepared.

D. Direct Costs Charged to Grants

Direct costs are evaluated as the request for disbursement is prepared. The grant name, number and description of the charge are now part of the check request form. Each grant check request is reviewed by the grant control person for its applicability to the grant. No report is yet prepared that allows the remaining grant budget to be easily calculated.

E. Grant Cash Receipts and Disbursements

For fiscal 1982 cash receipts were kept together with information about requests and disbursements. There were usable manual records kept by grant. A review for coding of disbursements was made in 1982, but cash

STATUS OF PRIOR YEAR COMMENTS, Continued

III. Improve Grant Related Procedures, Continued

E. Grant Cash Receipts and Disbursements, Continued

receipts were generally not reviewed by the grant control person prior to entry in the accounting records. We recommend that all aspects of grant accounting be centrally controlled, a computerized listing of grant and contract related expenditures be developed, and grant advances be accounted for in such a way that specific identification of the disposition of funds received can be made.

IV. Improve Purchasing and Contract Procedures

A. Documentation of Purchase Contracts Maintained in Central Files

New files are generally complete, using a checklist of documents recommended in our prior year comments. Payment documents are, however, kept in a vendor file in the accounting department without notation in the contract file of the payment status of the contract. There is no uniform contract monitoring system although the department heads generally monitor their own contracts.

B. Procedures Over Contract Purchasing Function

Metro's contract procedures policy appears to adequately address contract procedures but the application of the written policies are not complete, especially in the documentation of bidding procedures, notification to bidders of the bid results and inclusion in contracts of

STATUS OF PRIOR YEAR COMMENTS, Continued

IV. Improve Purchasing and Contract Procedures, Continued

B. Procedures Over Contract Purchasing Function, Continued

federally required clauses on discrimination, equal employment and civil rights. No specific evidence of contract monitoring by management is included in the files. Management indicates all recommended procedures are in effect for recent contracts.

C. Establish a Written Policy to Determine Purchases Requiring a Contract

A written policy has been established to define situations where contracts and purchase orders are appropriate.

Chen D. Increase Internal Control Over Purchasing Procedures

The following sub points of our recommendation are still applicable:

- Timeline*
- . Maintain in the accounting department a numerical purchase order log to record purchase orders.
 - . Periodically review the purchase order log and investigate any long outstanding or unmatched purchase orders.
 - . Initiate procedures to ensure that all blanket, semi-annual and annual purchase orders are properly approved and necessary. Maintain a separate control log to account for this type of purchase order.

STATUS OF PRIOR YEAR COMMENTS, Continued

IV. Improve Purchasing and Contract Procedures, Continued

D. Increase Internal Control Over Purchase Procedures, Continued

It appears that the fourth recommendation relating to matching of purchase orders, invoices and receiving documents, is being performed.

V. Implement Accounting Procedures

A. Timely Cash Reconciliations by Fund

Early Cash Report

During fiscal 1982 many of the same problems noted in the comment were evident, especially during the first half of the year. In early July 1982 the accounting staff had reconciled the eleven months ended May 31, 1982 and year-end cash reconciliations were prepared accurately. We understand that currently monthly cash reconciliations are performed on a timely basis by an accountant independent of the general ledger and cash functions.

B. Monthly Reconciliations of Detailed Accounts Payable to the General Ledger

2/10/82

Starting in April 1982 the detailed accounts payable listing, called the cash requirements report, is reconciled to the general ledger monthly. We noted no evidence of management review of the reconciliations, however.

STATUS OF PRIOR YEAR COMMENTS, Continued

V. Implement Accounting Procedures, Continued

C. Reconcile Monthly All Balance Sheet Accounts to the General Ledger

*No
Comment*

The accounting staff is monthly obtaining a detail of balance sheet accounts and reconciling that detail to the working trial balance. This procedure started late in fiscal 1982.

D. Evidence in Writing the Review, Approval and Comparison of Accounting Information

*Define
accounting
information*

Reviews are still not evidenced except on the unposted batch listing and batched invoices.

E. Review Account Coding of All Transactions

A senior accountant now compares coding on invoices to the Chart of Accounts for reasonableness. Also, this individual compares invoice coding to the key entered codes on the unposted batch listing and corrects errors noted. Each department head has a copy of the approved budget which includes account codes for fiscal 1983.

VI. Improve Controls Over Cash Receipts and Disbursements

A. Cash Disbursement Procedures

Metro has segregated the duties of mailing checks from the accounts payable clerk; however, this clerk still inputs information, uses the check signer and processes accounts payable documentation. Management maintains that further segregation of duties is impractical due to the size of the accounting staff.

STATUS OF PRIOR YEAR COMMENTS, Continued

VI. Improve Controls Over Cash Receipts and Disbursements,
Continued

A. Cash Disbursement Procedures, Continued

. A senior accountant now reviews batched documents prior to key entry. The senior accountant evidences this review.

.. The review above is intended to identify any deficient documentation. Management maintains that improperly documented items are returned to the appropriate department for proper approvals or additional support.

. A batch control log is prepared to assure the completeness of batches. We did not test the effectiveness of this procedure.

. No one-for-one examination of printed checks to the check register is performed. Metro does compare first and last check numbers to the check register and the check register to the cash requirements report to assure completeness. As part of cash reconciliations each cancelled check is compared to the check register.

B. Cash Receipts

Metro has not segregated all cash receipts duties due to the size of the accounting staff. There is a review of the preparation of the cash receipts documents and deposit slip evidenced by the senior accountant. The accounts receivable clerk is currently not handling cash.

STATUS OF PRIOR YEAR COMMENTS, Continued

VI. Improve Controls Over Cash Receipts and Disbursements,
Continued

C. Zoo Cash Receipts

Concessionaires still do not always sign daily cash reconciliations. Access to the Zoo vault has been reduced to three people; however, eight people still have access to the change boxes. Management believes the cash access is necessary to the efficiency of the operations.

VII. Increase Internal Control Over Payroll Procedures

The recommendations are still valid except that most department heads at the Zoo now approve time cards and deductions appear to be checked.

VIII. Control Over Investment Activity Should Be Improved

*Subject of Meeting
Separate*

No specific written investment policies have been adopted by the Council. Investment calculations made by the bank are now checked for accuracy in the accounting department. A bank safe deposit box has been opened for valuable documents. All valuable documents are now kept in the box.

IX. Establish and Maintain Fixed Asset Detail Ledger

Plan of Schedule

Metro has not yet implemented our recommendations regarding a fixed asset detail ledger.

X. Perform Periodic Audits at the Landfills

*Solid Waste
?*

No audits of franchised landfills were performed.

METROPOLITAN SERVICE DISTRICT

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
(Containing Audit Comments and Disclosures Required
by State Regulations and Grant Compliance Review)
for the year ended June 30, 1982**

Coopers
& Lybrand

METROPOLITAN SERVICE DISTRICT
June 30, 1982

Rick Gustafson, Executive Officer

COUNCIL

<u>Name</u>	<u>Representing</u>	<u>Term Expires</u>
<u>Members</u>		
Cindy Banzer, Presiding Officer	District 9	January 1, 1985
Bob Oleson, Vice-Presiding Officer	District 1	January 1, 1983
Charles Williamson, Councilor	District 2	January 1, 1985
Craig Berkman, Councilor	District 3	January 1, 1985
Corky Kirkpatrick, Councilor	District 4	January 1, 1985
Jack Deines, Councilor	District 5	January 1, 1985
Jane Rhodes, Councilor	District 6	January 1, 1983
Betty Schedeen, Councilor	District 7	January 1, 1983
Ernie Bonner, Councilor	District 8	January 1, 1983
Bruce Etlinger, Councilor	District 10	January 1, 1985
Marge Kafoury, Councilor	District 11	January 1, 1983
Michael Burton, Councilor	District 12	January 1, 1983

Administrative Office: 527 S.W. Hall Street
Portland, Oregon

Registered Agent: Sue A. Haynes, Resigned
September 3, 1982

Address of Registered
Office: 527 S.W. Hall Street
Portland, Oregon

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
Accountants' Report	1
COMBINED FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	4
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance - Proprietary Fund Type and Similar Trust Fund	5
Combined Statement of Changes in Financial Position - Proprietary Fund Type and Similar Trust Fund	6
Notes to Combined Financial Statements	7-24
SUPPLEMENTARY DATA:	
General Fund:	
Statement of Revenues - Budget and Actual	25
Statement of Expenditures - Budget and Actual	26
Special Revenue Funds:	
Combining Balance Sheet	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	28
Statements of Revenues and Expenditures - Budget and Actual:	
Zoo Fund	29
Drainage Fund	30
Capital Projects Fund - Zoo Capital Fund:	
Statement of Revenues and Expenditures - Budget and Actual	31
Proprietary Fund Type:	
Description of Solid Waste Budgetary Funds	32
Statements of Revenues and Expenditures - Budget and Actual:	
Solid Waste Fund	33
Solid Waste Debt Service Fund	34
Solid Waste Capital Improvement Fund	35
Reconciliation of Solid Waste Funds Revenues and Expenditures (Budgetary Basis) to Combined Statement of Revenues and Expenses	36
Fiduciary (Agency and Pension Trust) Fund Types:	
Combining Balance Sheet	37

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS, Continued

	<u>Page</u>
SUPPLEMENTARY DATA, Continued:	
Fiduciary (Agency and Pension Trust) Fund Types, Continued:	
Statement of Changes in Assets and Liabilities - Criminal Justice Assistance Fund	38
Statement of Revenues and Expenditures - Budget and Actual - Criminal Justice Assistance Fund	39
Other Financial Schedules:	
Schedule of Property Tax Transactions and Outstanding Receivable	40
Schedule of Long-Term Debt Transactions	41
Schedule of Future Debt Service Requirements	42
Abbreviated Designations for Agencies	43
Schedule of General Fund Resources and Expenditures - by Grant	44
Schedule of Enterprise Fund Resources and Expenditures - by Grant	45
Schedule of General Fund Open Grant Projects	46
Schedule of Enterprise Fund Open Grant Projects	47
Schedule of General Fund Transportation Technical Assistance Open Grant Projects	48
Schedule of General Fund Grant Projects Closed	49
Schedule of General Fund Transportation Technical Assistance Grant Projects Closed	50
AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS:	
Introduction	51
Accounting and Internal Control Systems	52
Budgeting and Compliance	53
Indebtedness	54
Collateral Securing Depository Balances	54
Insurance and Fidelity Bond Coverage	54
Programs Funded from Outside Sources	54
GRANT COMPLIANCE REVIEW	56

To the Council
Metropolitan Service District
Portland, Oregon

We have examined the combined financial statements of the Metropolitan Service District as of and for the year ended June 30, 1982 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the financial position of the Metropolitan Service District at June 30, 1982, and the results of its operations and the changes in financial position of its proprietary fund type and similiar trust fund for the year then ended, in conformity with generally accepted accounting principles which, except for the change, with which we concur, in the off-setting of interest cost capitalized with interest income on the proceeds of certain tax-exempt borrowings as described in Note 4 to the combined financial statements, have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The "Total (Memorandum Only)" column on the combined financial statements, the combining and individual fund financial statements and schedules listed as supplementary data in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Metropolitan Service District. The information has been subjected to the auditing procedures applied in the examination of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

COOPERS & LYBRAND

By 
James L. Savage, a partner

Portland, Oregon
October 8, 1982

COMBINED FINANCIAL STATEMENTS

METROPOLITAN SERVICE DISTRICT
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1982

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Capital Projects			General Fixed Assets	General Long-Term Debt	
Assets:								
Cash and investments	\$ 125	\$1,618,022	\$1,468,221	\$ 1,955,003	\$332,517			\$ 5,373,888
Receivables:								
User and landfill fees				474,810				474,810
Property taxes		339,434	192,269					531,703
Federal grants/contracts	290,625			45,104				335,729
State and local grants/ contracts	181,254			9,708				190,962
Other	7,944	12,400	326,286	55,208				401,838
Due from other funds	35,240		361,666					396,906
Advances				50,000	48,239			98,239
Inventory of materials and supplies		135,506						135,506
Restricted assets:								
Cash and investments				1,545,457				1,545,457
Contract receivable				272,381				272,381
Grants receivable	243,958							243,958
Deferred bond expense				25,000				25,000
Fixed assets, net				7,291,395		\$12,564,362		19,855,757
Other debits:								
Amount to be provided for payment of capital lease							\$83,244	83,244
Total assets and other debts	\$759,146	\$2,105,362	\$2,348,442	\$11,724,066	\$380,756	\$12,564,362	\$83,244	\$29,965,378
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$108,033	\$ 179,613	\$ 314,863	\$ 519,092				\$ 1,121,601
Salaries, withholdings and payroll taxes payable	94,755	132,926		61,353				289,034
Due to other funds	263,202	87,439		12,729	\$ 4,094			367,464
Unearned grant revenue	9,030			161,614	152,697			323,341
Deferred revenue		289,720	483,277		34,951			807,948
Expenditures by subgrantees in excess of advances					90,041			90,041
Payable from restricted assets:								
Accounts payable				247,467				247,467
Deferred revenue				752,197				752,197
Due to other funds	29,442							29,442
Expenditures by subgrantees in excess of advances	214,516							214,516
Other	2,780			128,867				131,647
Contract payable				74,751				74,751
Loans payable				6,114,870				6,114,870
Obligation under capital lease							\$83,244	83,244
Pension benefits payable					98,973			98,973
Total liabilities	721,758	689,698	798,140	8,072,940	380,756		83,244	10,746,536
Fund equity:								
Contributed capital				2,199,375				2,199,375
Investment in general fixed assets						\$12,564,362		12,564,362
Retained earnings				1,451,751				1,451,751
Fund balances:								
Reserved for capital outlay			18,607					18,607
Unreserved	37,388	1,415,664	1,531,695					2,984,747
Total fund equity	37,388	1,415,664	1,550,302	3,651,126		12,564,362		19,218,842
Total liabilities and fund equity	\$759,146	\$2,105,362	\$2,348,442	\$11,724,066	\$380,756	\$12,564,362	\$83,244	\$29,965,378

The accompanying notes are an integral
part of the combined financial statements

METROPOLITAN SERVICE DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 for the year ended June 30, 1982

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
REVENUES:				
Taxes		\$2,663,029	\$2,183,893	\$4,846,922
Dues	\$ 555,064			555,064
Grants and contracts:				
Federal	1,026,648			1,026,648
State and local	625,512			625,512
Admissions		957,198		957,198
Charges for services		213,322		213,322
Vending and concessions		790,745		790,745
Donations and bequests		57,012	96,488	153,500
Interest		142,683	165,011	307,694
Miscellaneous	26,028	134,273		160,301
	<u>2,233,252</u>	<u>4,958,262</u>	<u>2,445,392</u>	<u>9,636,906</u>
Total revenues				
EXPENDITURES:				
Current:				
General government	1,706,029			1,706,029
Zoo operations		3,541,193		3,541,193
Planning and development	1,477,830			1,477,830
Expense reimbursements - General				
Fund		362,957		362,957
Capital outlay	2,572	195,438	1,702,219	1,900,229
	<u>3,186,431</u>	<u>4,099,588</u>	<u>1,702,219</u>	<u>8,988,238</u>
Total expenditures				
Less administrative expense reimbursements:				
Enterprise Fund	580,107			580,107
Special Revenue Fund	362,957			362,957
Fiduciary Fund	45,000			45,000
	<u>2,198,367</u>	<u>4,099,588</u>	<u>1,702,219</u>	<u>8,000,174</u>
Net expenditures				
Revenue over (under) net expenditures	34,885	858,674	743,173	1,636,732
FUND BALANCES - July 1, 1981	2,503	1,364,119		1,366,622
Nonrecurring equity transfer - Zoo Fund to Zoo Capital Fund		<u>(807,129)</u>	<u>807,129</u>	
FUND BALANCES - June 30, 1982	<u>\$ 37,388</u>	<u>\$1,415,664</u>	<u>\$1,550,302</u>	<u>\$3,003,354</u>

The accompanying notes are an integral
 part of the combined financial statements.

METROPOLITAN SERVICE DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 for the year ended June 30, 1982

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes			
Dues			
Grants and contracts:			
Federal	\$ 555,389	\$ 555,064	\$ (325)
State and local	2,519,128	1,219,748	(1,299,380)
Admissions	523,634	632,770	109,136
Charges for services			
Vending and concessions			
Donations and bequests			
Interest			
Miscellaneous	<u>8,756</u>	<u>26,471</u>	<u>17,715</u>
Total revenues	<u>3,606,907</u>	<u>2,434,053</u>	<u>(1,172,854)</u>
EXPENDITURES:			
Current:			
General government	1,824,800	1,744,929	79,871
Zoo operations			
Planning and development	2,587,311	1,639,731	947,580
Expense reimbursements - General Fund			
Contingency	26,091		26,091
Capital outlay	<u>3,572</u>	<u>2,572</u>	<u>1,000</u>
Total expenditures	<u>4,441,774</u>	<u>3,387,232</u>	<u>1,054,542</u>
Less administrative expense reimbursements:			
Enterprise Fund	544,407	580,107	35,700
Special Revenue Fund	342,957	362,957	20,000
Fiduciary Fund	<u>45,000</u>	<u>45,000</u>	
	<u>932,364</u>	<u>988,064</u>	<u>55,700</u>
Net expenditures	<u>3,509,410</u>	<u>2,399,168</u>	<u>1,110,242</u>
Revenue over (under) expenditures	97,497	34,885	(62,612)
FUND BALANCES - July 1, 1981	2,503	2,503	
Nonrecurring equity transfer - Zoo Fund to Zoo Capital Fund			
FUND BALANCES - June 30, 1982	<u>\$ 100,000</u>	<u>\$ 37,388</u>	<u>\$ (62,612)</u>

The accompanying notes are an integral
 part of the combined financial statements.

Special Revenue Funds			Capital Projects Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$2,647,280	\$2,663,029	\$ 15,749	\$2,162,000	\$2,183,893	\$ 21,893	\$ 4,809,280	\$4,846,922	\$ 37,642
						555,389	555,064	(325)
25,000		(25,000)				2,544,128	1,219,748	(1,324,380)
926,100	957,198	31,098				523,634	632,770	109,136
385,000	213,322	(171,678)				926,100	957,198	31,098
665,000	790,745	125,745				385,000	213,322	(171,678)
85,000	57,012	(27,988)	100,000	96,488	(3,512)	665,000	790,745	125,745
50,914	142,683	91,769	60,000	165,011	105,011	185,000	153,500	(31,500)
48,250	134,273	86,023				110,914	307,694	196,780
<u>4,832,544</u>	<u>4,958,262</u>	<u>125,718</u>	<u>2,322,000</u>	<u>2,445,392</u>	<u>123,392</u>	<u>10,761,451</u>	<u>9,837,707</u>	<u>(923,744)</u>
9,545		9,545				1,834,345	1,744,929	89,416
3,723,598	3,541,193	182,405				3,723,598	3,541,193	182,405
362,957	362,957					2,587,311	1,639,731	947,580
381,478		381,478	138,000		138,000	362,957	362,957	
277,290	195,438	81,852	2,831,116	1,702,219	1,128,897	545,569		545,569
<u>4,754,868</u>	<u>4,099,588</u>	<u>655,280</u>	<u>2,969,116</u>	<u>1,702,219</u>	<u>1,266,897</u>	<u>3,111,978</u>	<u>1,900,229</u>	<u>1,211,749</u>
						544,407	580,107	35,700
						342,957	362,957	20,000
						45,000	45,000	
						<u>932,364</u>	<u>988,064</u>	<u>55,700</u>
<u>4,754,868</u>	<u>4,099,588</u>	<u>655,280</u>	<u>2,969,116</u>	<u>1,702,219</u>	<u>1,266,897</u>	<u>11,233,394</u>	<u>8,200,975</u>	<u>3,032,419</u>
77,676	858,674	780,998	(647,116)	743,173	1,390,289	(471,943)	1,636,732	2,108,675
1,069,440	1,364,119	294,679				1,071,943	1,366,622	294,679
(647,116)	(807,129)	(160,013)	647,116	807,129	160,013			
<u>\$ 500,000</u>	<u>\$1,415,664</u>	<u>\$915,664</u>	<u>\$ -</u>	<u>\$1,550,302</u>	<u>\$1,550,302</u>	<u>\$ 600,000</u>	<u>\$3,003,354</u>	<u>\$2,403,354</u>

METROPOLITAN SERVICE DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS/FUND BALANCE
 PROPRIETARY FUND TYPE
 AND SIMILAR TRUST FUND
 for the year ended June 30, 1982

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Pension Trust</u>	<u>Total (Memorandum Only)</u>
OPERATING REVENUES:			
Solid waste collection fees	\$1,146,631		\$1,146,631
St. Johns Landfill disposal fees	2,612,388		2,612,388
Other	54,638		54,638
Pension contributions		<u>\$101,789</u>	<u>101,789</u>
Total operating revenues	<u>3,813,657</u>	<u>101,789</u>	<u>3,915,446</u>
OPERATING AND ADMINISTRATIVE EXPENSES:			
Payroll and fringe benefits	594,216		594,216
St. Johns Landfill operating expenses, including \$183,960 rent	2,278,930		2,278,930
Consulting fees and contractual services	405,258		405,258
Office supplies	23,177		23,177
Bad debts	16,554		16,554
Travel expense	10,975		10,975
Public information	33,047		33,047
Depreciation	318,698		318,698
Reimbursement of administrative expenses to the General Fund	580,107		580,107
Data processing expense	7,515		7,515
Meetings	10,997		10,997
Other	34,112		34,112
Pension benefits		98,973	98,973
Distribution to participants		<u>6,208</u>	<u>6,208</u>
Total operating and administrative expenses	<u>4,313,586</u>	<u>105,181</u>	<u>4,418,767</u>
Loss from operations	<u>(499,929)</u>	<u>(3,392)</u>	<u>(503,321)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	204,752	3,392	208,144
Interest expense	(216,023)		(216,023)
Operating grants	<u>167,772</u>		<u>167,772</u>
Net nonoperating revenues (expenses)	<u>156,501</u>	<u>3,392</u>	<u>159,893</u>
Net loss	(343,428)	-	(343,428)
Add depreciation on fixed assets acquired by capital grants	<u>92,516</u>		<u>92,516</u>
Decrease in retained earnings	(250,912)		(250,912)
RETAINED EARNINGS/FUND BALANCE - July 1, 1981	<u>1,702,663</u>		<u>1,702,663</u>
RETAINED EARNINGS/FUND BALANCE - June 30, 1982	<u>\$1,451,751</u>	<u>\$ -</u>	<u>\$1,451,751</u>

The accompanying notes are an integral
 part of the combined financial statements

METROPOLITAN SERVICE DISTRICT
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -
 PROPRIETARY FUND TYPE AND SIMILAR TRUST FUND
 for the year ended June 30, 1982

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Pension Trust</u>	<u>Total (Memorandum Only)</u>
WORKING CAPITAL PROVIDED:			
From operations:			
Net loss for the year	\$ (343,428)		\$ (343,428)
Add charges to operations not affecting working capital in the current year - depreciation	<u>318,698</u>		<u>318,698</u>
Working capital used in operations	(24,730)		(24,730)
Decrease in restricted assets	3,471,499		3,471,499
Proceeds from loan payable	400,000		400,000
Capital grants received	1,169,619		1,169,619
Increase in pension benefits payable		<u>\$98,973</u>	<u>98,973</u>
Total working capital provided	<u>5,016,388</u>	<u>98,973</u>	<u>5,115,361</u>
WORKING CAPITAL USED:			
Additions to plant and equipment	4,278,413		4,278,413
Current maturities of loan payable	317,000		317,000
Current maturities of contract payable	74,751		74,751
Decrease in liabilities payable from restricted assets, net	<u>288,874</u>		<u>288,874</u>
Total working capital used	<u>4,959,038</u>		<u>4,959,038</u>
Increase in working capital	<u>\$ 57,350</u>	<u>\$98,973</u>	<u>\$ 156,323</u>
CHANGES IN COMPONENTS WHICH INCREASED (DECREASED)			
WORKING CAPITAL:			
Cash and investments	\$1,856,392		\$1,856,392
Receivables	(681,153)		(681,153)
Due from other funds	(745,968)		(745,968)
Accounts, salaries and other payables	(185,595)		(185,595)
Unearned grant revenue	(161,614)		(161,614)
Contract payable within one year	(5,983)		(5,983)
Loan payable within one year	(6,000)		(6,000)
Due to other funds	(12,729)		(12,729)
Pension benefits payable		<u>\$98,973</u>	<u>98,973</u>
Increase in working capital	<u>\$ 57,350</u>	<u>\$98,973</u>	<u>\$ 156,323</u>

The accompanying notes are an integral
part of the combined financial statements

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies utilized by the Metropolitan Service District (Metro) in preparation of the accompanying combined financial statements:

Bases of Accounting

The governmental fund types and the agency fund are maintained using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available and expenditures are recorded when the liability for them is incurred, except for:

- . Interfund transaction
- . Revenues from grants and contracts which are recorded as earned
- . Earned but unpaid vacations which are recorded as expenditures when paid

Significant revenues which are measurable and available under the modified accrual basis of accounting are:

- . Federal and state grants.
- . Interest earned on temporary investments.
- . Property taxes received within approximately sixty days of the end of a fiscal year.

The proprietary fund type and pension trust fund are accounted for utilizing the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

The bases of accounting described above are in accordance with generally accepted accounting principles.

Investments

Investments are stated at cost, which approximates market.

Property Taxes Receivable

Uncollected property taxes are shown on the balance sheet as a receivable. Property taxes collected and remitted to Metro by county treasurers within approximately sixty days of fiscal year end are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Inventories of Materials and Supplies

Inventories, comprised primarily of food and gift shop items held for resale, are valued at cost (first-in, first-out method) and charged as expenditures upon sale.

Zoo Specimens and Animal Food

The cost of acquiring zoo specimens and the cost of animal food are charged against operations as such costs are incurred.

Materials and Volunteer Services Donated to Zoo

Donated materials relating to improvements are recorded at estimated fair values when received. Other volunteer services and donated supplies are not accounted for in the combined financial statements.

General Fixed Assets

Fixed assets purchased by Metro are stated at cost. Fixed assets acquired by donation from the City of Portland and the Portland Zoological Society are stated at the basis of the predecessor entity. All other donated fixed assets are stated at estimated fair market value when received. Purchases of fixed assets are recorded as capital outlay expenditures in the governmental funds and capitalized in the General Fixed Assets Account Group. Depreciation is not recorded on general fixed assets. Maintenance and repairs are charged to expenditures in various governmental funds as incurred and not capitalized. Upon disposal, the General Fixed Assets Account Group is relieved of the asset's original cost or other basis; any receipt from such disposal is accounted for as revenue in the General Fund or special revenue funds.

Proprietary Fund Type Fixed Assets

Fixed assets are stated at cost. Normal maintenance and repairs are charged to operations as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, which range from five to ten years. Gains or losses realized from sales or retirements are credited or charged to operations.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Capitalized Interest

Interest costs in the enterprise fund are capitalized as part of the costs of fixed assets during the period of construction based on the related weighted average net borrowing costs incurred. Where interest earned on temporary investment of such borrowed funds exceeds the interest costs the excess is used to reduce the cost of the constructed assets in accordance with Statement of Financial Accounting Standards No. 62.

Grants

Unreimbursed expenditures for all grants in governmental type funds and operating grants in the enterprise fund due from grantor agencies are reflected in the combined financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet.

Capital grants in the enterprise fund restricted by the grantor for capital outlay projects are credited directly to fund equity as earned and related project costs are capitalized as fixed assets. Contributed capital is subsequently reduced in an amount equivalent to the depreciation on such fixed assets.

Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. The assets relating to the capital leases are recorded in the General Fixed Assets Account Group and the liabilities are recorded in the General Long-Term Debt Account Group. Payment of the capital lease obligations will be made primarily from the governmental fund types. Leases which do not meet the criteria of a capital lease are classified as operating leases and related rentals are charged to expenditures or expenses as appropriate.

Transactions with Subgrantees

Expenditures by subgrantees in excess of advances represent amounts payable by Metro to agencies administering projects as part of an overall grant administered by Metro.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Interfund Transactions

It is Metro's policy to record certain administrative expenditures for other funds in the General Fund. Such expenditures are reimbursed by the various funds to the General Fund which accounts for such reimbursements as deductions from total expenditures. The amounts of such interfund charges are based upon management's estimates (which are periodically updated) as reflected in the operating budgets. The transfer from the fiduciary fund was to provide grant match requirements related to the Criminal Justice Assistance program.

Vacation and Sick Pay

Vacation pay is recorded as an expenditure in the governmental funds when paid. Vacation pay is recorded as an expense of the proprietary fund when earned. Sick pay is recorded when leave is taken.

Budget

A budget is prepared for each governmental fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law except that grants passed through to subgrantees are accounted for as revenues and expenditures in the General Fund. Budget amounts shown in the combined financial statements include the original and supplemental budget amounts and all appropriation transfer amounts approved by the Council. The ordinance authorizing appropriations for each fund establishes maximum authorized expenditure levels. Personal services, materials and services, capital outlay and other expenditures by department in the General Fund and total personal services, materials and services, capital outlay and other expenditures in all other budgeted funds are the levels of control established by ordinance. The detail budget document, however, is required to contain more specific, detailed information about the above mentioned expenditure categories. Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require the approval of the Council. Metro adopted one supplemental budget and several appropriations transfers during the year.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Total (Memorandum Only) Column

The total (memorandum only) column on the combined financial statements represents an aggregate of the columnar statements by fund type and account group; it does not represent consolidated financial information.

2. Organization and Operation:

The Metropolitan Service District was organized under the provisions of Oregon Revised Statutes Chapter 268 to make available in the Portland metropolitan area public services not adequately available through previously authorized governmental agencies. Subject to the limitations of state law, Metro may provide the metropolitan aspects of sewerage, solid and liquid waste disposal, control of surface water, public transportation and zoo facilities. It may also provide local aspects of those public services that are transferred to the District by agreement between Metro and other public corporations, cities or counties. Formation of the District, which includes parts of Clackamas, Multnomah and Washington counties, was approved by voters within the District on May 26, 1970.

The 1975 Oregon Legislature expanded ORS 268 to include operation and maintenance of zoo facilities. As a result of this enabling legislation and the passage of a special tax levy (see Note 3), Metro began operation and funding of the Washington Park Zoo as of July 1, 1976. This was accomplished by the assumption of the assets and liabilities of the Portland Zoological Society, with the Society providing sufficient funds to pay past liabilities. In addition, pursuant to an agreement effective July 1, 1976, the City of Portland transferred ownership of land, buildings, animals and other assets related to the zoo, except for a railroad line and equipment subject to a perpetual lease agreement, to Metro.

By a vote of the electorate on May 23, 1978, as provided for by Chapter 665, Oregon Laws 1977, Regular Session, the Metro Council was expanded to consist of twelve part-time councilors, each elected on a nonpartisan basis from a single subdistrict. Additionally, approval was also granted, effective January 1, 1979, to abolish the Columbia Region Association of Governments and transfer its planning activities to Metro.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

3. Description of Funds:

Metro's financial operations are accounted for in the following funds and account groups:

Governmental Fund Types

General Fund

This fund accounts for Metro's administrative activities and for revenues and expenditures under grants received from federal, state and local agencies primarily for planning activities. Additional resources of the fund are provided by dues assessed to member governmental bodies within Metro's district and reimbursements from other funds which benefit from General Fund activities. The dues assessment is based on the population within the member district. The 1982 rate was \$.50 per person.

Special Revenue Funds

These funds account for revenues from specific sources. Included are the following:

Zoo Fund - accounts for funding and operation of the Washington Park Zoo. Principal sources of revenue are admissions, concessions, and a special serial levy of \$5,000,000 for each of three years beginning with fiscal 1982.

Drainage Fund - accounts for funds received in prior years for a flood control program for the Lower Tualatin River. This fund will also be used to account for any funds which may be received for preparation of a drainage management plan for the Johnson Creek Drainage Basin.

Capital Projects Fund

The Zoo Capital Fund accounts for the major capital improvement projects at the Washington Park Zoo. Principal revenue sources include a portion of the serial levy approved for the Zoo, donations and interest on investments. It was created in 1982.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

3. Description of Funds, Continued:

Proprietary Fund Type

The Solid Waste Fund accounts for revenues derived primarily from user fees imposed for the disposal of solid waste and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for the St. Johns Landfill operations.

Fiduciary Fund Type

Agency Fund

Criminal Justice Assistance Fund - accounts for criminal justice grants to local jurisdictions for which Metro acts in a custodial capacity for funds received and passed through.

Pension Trust Fund

6% Pension Plan Fund - accounts for Metro's contributions to a defined contribution pension plan for the benefit of substantially all employees. Resources are contributions amounting to 6% of participants' wages and interest on investments. All contributions vest with participants immediately. The fund was established in fiscal 1982.

Account Groups

General Fixed Assets - accounts for Metro's investment in fixed assets not recorded in the Proprietary Fund.

General Long-Term Debt - accounts for Metro's obligation under capital leases.

4. Accounting Change:

Effective July 1, 1981 Metro adopted the provisions of Statement of Financial Accounting Standards No. 62, which requires that interest earnings on proceeds of certain tax-exempt borrowings be used to reduce the cost of construction and developing significant fixed assets. Previously, interest earnings on these borrowings were recorded as revenues as earned.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

4. Accounting Change, Continued:

The effect of this change was to reduce net income of the Proprietary Fund Type (Enterprise Fund) in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance Proprietary Fund Type and Similar Trust Fund for the year ended June 30, 1982 by \$287,903.

5. Cash and Investments:

Unrestricted and restricted cash and investments are comprised of the following at June 30, 1982:

Cash:	
On hand	\$ 9,474
Demand deposits	243,937
In hands of fiscal agents	29,043
Investments:	
Local Government Investment Pool	474,999
Certificates of deposit, with interest rates of 12.75% to 13.45% and maturities to July 1, 1982	6,062,919
Pooled short-term investment	<u>98,973</u>
	<u>\$6,919,345</u>

Cash and investments are reflected on the combined balance sheet as follows:

Unrestricted	\$5,373,888
Restricted	<u>1,545,457</u>
	<u>\$6,919,345</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

6. Due From/To Other Funds:

Interfund accounts at June 30, 1982 comprise:

	Due From Other Funds		
	General	Capital Projects	Total
		Zoo Capital	
<u>Due to other funds</u>			
General - unrestricted		\$263,202	\$263,202
General - restricted		29,442	29,442
Special revenue:			
Zoo	\$18,417	69,022	87,439
Enterprise:			
Solid Waste	12,729		12,729
Fiduciary:			
Agency:			
Criminal Justice Assistance	4,094		4,094
	\$35,240	\$361,666	\$396,906

7. Restricted Assets and Liabilities:

Restricted cash consists of:

Monies from landfill surcharges and interest received from the City of Portland restricted use for final cover, expansion and leachate control at St. John's Landfill	\$ 602,082
State of Oregon, Department of Environmental Quality loan proceeds restricted to expenditures for:	
Solid waste planning	388,643
Site development, design and construction of the Resource Recovery Facility and the Clackamas Receiving Center	554,732
	\$1,545,457

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

7. Restricted Assets and Liabilities, Continued:

Restricted deferred revenue consists of cash received from City of Portland, accounts receivable from landfill surcharge and interest restricted for expenditures for certain landfill costs as follows:

Cash received	\$1,000,000
Receivable	<u>272,381</u>
	1,272,381
Accumulated landfill cover costs	<u>(520,184)</u>
	<u>\$ 752,197</u>

Restricted assets and liabilities in the General Fund relate to pass through grants in the Transportation Technical Assistance program.

8. Fixed Assets:

Changes in these accounts during the fiscal year comprised:

GENERAL FIXED ASSETS ACCOUNT GROUP

	Balance June 30, <u>1981</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance June 30, <u>1982</u>
Land and land improvements	\$ 1,157,558	\$ 13,965			\$ 1,171,523
Buildings and improvements	5,594,204	230,469	\$2,519,510		8,344,183
Furniture, fixtures and equipment	716,499	183,244		\$(13,500)	886,243
Railroad facilities under capital lease	301,891				301,891
Other capitalized leased equipment	171,545				171,545
Leasehold improvements	1,815				1,815
Construction in progress	<u>2,575,710</u>	<u>1,630,962</u>	<u>(2,519,510)</u>		<u>1,687,162</u>
	<u>\$10,519,222</u>	<u>\$2,058,640</u>	<u>\$ -</u>	<u>\$(13,500)</u>	<u>\$12,564,362</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

8. Fixed Assets, Continued:

ENTERPRISE FUND

	Balance June 30, <u>1981</u>	<u>Additions</u>	Balance June 30, <u>1982</u>
Land and land improvements	\$ 162,075	\$1,014,567	\$1,176,642
Equipment	143,794	50,898	194,692
Leasehold improvements	1,633,003	316,992	1,949,995
Construction in progress	<u>1,573,970</u>	<u>2,895,956</u>	<u>4,469,926</u> (A)
	3,512,842	4,278,413	7,791,255
Less accumulated depreciation	<u>181,162</u>	<u>318,698</u>	<u>499,860</u>
	<u>\$3,331,680</u>	<u>\$3,959,715</u>	<u>\$7,291,395</u>

(A) Represents site development, planning and design of the Resource Recovery Facility. Construction will not commence until Metro accomplishes the following:

- . Obtains an air quality permit
- . Obtains Metro Council approval
- . Executes necessary contracts
- . Obtains sufficient financing for construction costs
- . Disposes of any obstacles to completion of construction which might arise from passage of pending local initiative measures or other preventative actions

An agreement effective July 1, 1976 transferred title of real property in the amount of \$4,063,148 from the City of Portland to Metro. The agreement provides that such property must be used for zoo or zoo-related purposes and, if such property shall cease to be used for such purposes or shall be used for other purposes, title shall revert to the City.

As of June 1, 1980, the City of Portland and Metro entered into an agreement whereby Metro assumed the responsibility for operating the St. Johns Landfill. Under this agreement the City of Portland retains ownership of the property. Therefore, Metro's cost of expansion and improvements at the landfill is recorded as leasehold improvements in the enterprise fund and will be amortized over the expected life of the landfill.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

8. Fixed Assets, Continued:

Interest expense recorded in the enterprise fund for the year ended June 30, 1982 was \$362,035, of which \$146,012 was added to the cost of construction in progress.

Interest earned on tax-exempt borrowings related to construction projects in the enterprise fund was \$287,903. This amount reduced the cost of construction in progress.

9. Contract Payable:

Contract payable in the enterprise fund represents reimbursement due the City of Portland for design fees for expansion of the St. Johns Landfill paid by the City of Portland and is due in monthly installments of \$6,518, including interest at 8.4%. The principal of \$74,751 is due during the fiscal year ending June 30, 1983.

10. Loans Payable:

Loans payable to the State of Oregon Department of Environmental Quality (DEQ) and included in the enterprise fund consist of the following at June 30, 1982:

Loan I, payable in annual principal installments ranging from \$135,000 to \$175,000 through October 1992. Interest rate varies from 4% to 6% over the life of the loan and is payable semi-annually on April 1 and October 1	\$1,725,000
Loan III, payable in annual principal installments ranging from \$152,000 to \$216,000 through October 1987. Interest rate varies from 4% to 6% over the life of the loan and is payable semiannually on April 1 and October 1	1,089,870
Loan IV, payable in annual principal installments ranging from \$30,000 to \$257,000 through August 2000. Interest rate varies from 5.9% to 7.9% over the life of the loan and is payable semi-annually on February 1 and August 1	<u>3,300,000</u>
	<u>\$6,114,870</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

10. Loans Payable, Continued:

In 1975 the State of Oregon approved a loan commitment for \$8,101,622 and a grant of \$3,113,378 for implementation of Metro's solid waste plan.

Loan I is for implementation of the solid waste plan. Loan III is for expansion of the St. Johns Landfill.

Metro intends to apply for additional loan or grant monies as funds are required to implement its solid waste plan; however, such additional amounts received in excess of the current balance, if any, are subject to the approval of DEQ. Furthermore, Metro has agreed with DEQ to complete the project by December 31, 1985.

Loan IV is for the site development for the Resource Recovery Facility and site development, design and construction of the Clackamas Receiving Center. Total estimated cost of this project is \$6,411,000 which is expected to be funded by loans up to \$4,487,700 and state grants up to \$1,923,300.

Under the provisions of its agreement with DEQ, Metro has pledged all of the solid waste disposal user fees collected subsequent to May 18, 1981. However, DEQ shall not unreasonably withhold its consent to a subordination of part or all of the pledged fees upon written request from Metro supported by a financing plan for the resource recovery facilities accompanied by an underwriter's statement of necessity for subordination. Additionally Metro has agreed to commence operation of the Clackamas Receiving Center and not to discontinue operation or dispose of the Center without the prior approval of DEQ.

Loans I and III are not collateralized.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

10. Loans Payable, Continued:

Maturities of loan principal at June 30, were as follows:

Fiscal Year Ending June 30,	<u>Loan I</u>	<u>Loan III</u>	<u>Loan IV</u>	<u>Total</u>
1983	\$ 135,000	\$ 152,000	\$ 30,000	\$ 317,000
1984	150,000	163,000	63,000	376,000
1985	150,000	174,000	71,000	395,000
1986	150,000	184,870	103,000	437,870
1987	150,000	200,000	137,000	487,000
Later years	<u>990,000</u>	<u>216,000</u>	<u>2,896,000</u>	<u>4,102,000</u>
	<u>\$1,725,000</u>	<u>\$1,089,870</u>	<u>\$3,300,000</u>	<u>\$6,114,870</u>

11. Capital Lease Obligations:

Metro has several lease agreements for copy machines, a word processing unit, a computer and computer software for varying periods through May 1985. Interest rates range from 10% - 18%.

At the end of the lease terms, Metro has the option to purchase the word processing unit and assume ownership of the copy machines and computer.

The future minimum lease payments are:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
1983	\$44,675
1984	29,941
1985	<u>21,508</u>
Total minimum lease payments	96,124
Less: Amount representing interest	(12,880)
Net present value of future minimum lease payments	<u>\$83,244</u>

METROPOLITAN SERVICE DISTRICT
 NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

12. Contributed Capital:

Changes in contributed capital in the enterprise fund for the year ended June 30, 1982 are as follows:

Balance, June 30, 1981	\$1,122,272
Federal and state grant proceeds used for acquisition of fixed assets	1,169,619
Depreciation on fixed assets acquired with capital grants (\$140,064 total to June 30, 1982)	<u>(92,516)</u>
Balance, June 30, 1982	<u>\$2,199,375</u>

13. Pension Plans:

Substantially all employees, other than five employees who participate in the State of Oregon Public Employees Retirement System (PERS), are covered under a defined contribution plan whereby Metro contributes 5% of the employee's salary and the employee vests in the contributions and earnings growth of the plan at 40% after two years of employment and an additional 20% per year for the next three years. Additionally, all employees who work twenty or more hours per week are eligible for a defined contribution plan whereby 6% of the employee's salary is contributed by Metro and is immediately fully vested. This latter plan was established December 1, 1981. It is administered by the Executive Officer of Metro and is included as the Pension Trust Fund.

A defined benefit pension plan covering substantially all employees except PERS participants and some former CRAG employees became dormant in December 1981. Accumulated plan benefits and net assets available for plan benefits as determined by the plan's actuaries at January 1, 1981, the date of the latest actuarial valuation, are as follows:

Vested	\$ 49,457
Nonvested	<u>44,177</u>
	<u>\$ 93,634</u>
Net assets available for plan benefits	<u>\$251,412</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

13. Pension Plans, Continued:

The weighted average assumed rate of return used to determine the actuarial value of accumulated plan benefits was 6.5%.

In addition to the above plans, Metro makes contributions to PERS, a defined benefit plan to which Metro and five Metro employees who have elected to remain in the State retirement system both contribute. Metro's contribution rate was 7.3% of employee compensation. Pension expenditures are recorded as funded. Assuming a 7-1/2% rate of return on investments, the plan's net assets (\$81,459) as of December 31, 1979, the latest actuarial valuation, exceeded the actuarially computed present value of vested and nonvested accumulated plan benefits by \$45,141 and the total unfunded supplemental value (prior service cost liability) for active employees at that date was \$24,392. Separate information as to the actuarially computed present value of vested accumulated plan benefits and nonvested accumulated plan benefits is not available from the actuary.

Pension expense approximated \$295,000 for the year ended June 30, 1982 for all of the above plans.

14. Commitments and Contingencies:

Vacations

Earned but unpaid and unaccrued vacations payable in the governmental fund types approximated \$157,089 at June 30, 1982.

Contracts

Total contract commitments, primarily for construction projects, at June 30, 1982 were approximately \$370,000 for the special revenue funds and \$3,567,000 for the Enterprise Fund.

Reviews by Grantor Agencies

Costs of each grant project are subject to review by the grantor agency to assure that such costs are in accordance with or further the purpose of the grant contract. Any costs disallowed as the

METROPOLITAN SERVICE DISTRICT
 NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

14. Commitments and Contingencies, Continued:

Reviews by Grantor Agencies, Continued:

result of the review would be borne by Metro and would require the return of such amounts to the grantor agency. However, should costs be disallowed on grants for which Metro acts in a pass-through capacity, Metro should be able to require repayment of amounts disallowed from the subgrantees.

Office Leases

Metro leases office space in the University Center Building, Portland, Oregon. The lease requires annual adjustments for certain operating expenses. Metro also leases parking space in the same building.

The approximate aggregate minimum annual rental commitments are:

Fiscal Year Ended June 30,	Amount
1983	\$ 273,261
1984	274,647
1985	264,945
1986	259,863
	\$1,072,716

Rental expense under the lease for the year ended June 30, 1982 amounted to \$271,875.

St. Johns Landfill

Metro is leasing the landfill from the City of Portland. The lease is for a term of three years commencing June 1, 1980. It is expected the lease will be renegotiated once the present lease term expires. Additionally, Metro has a contract whereby a joint venture maintains and operates the landfill (other than the gatehouse which Metro operates). The contract is for a period of five years commencing October 1, 1980.

METROPOLITAN SERVICE DISTRICT
 NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

14. Commitments and Contingencies, Continued:

St. Johns Landfill, Continued

The approximate annual commitments relative to the St. Johns Landfill are:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>City of</u> <u>Portland</u>	<u>Joint</u> <u>Venture</u>	<u>Total</u>
1983	\$168,630	\$ 4,040,000	\$ 4,208,630
1984		4,836,000	4,836,000
1985		<u>4,836,000</u>	<u>4,836,000</u>
	<u>\$168,630</u>	<u>\$13,712,000</u>	<u>\$13,880,630</u>

The commitment with the joint venture is an estimate, as operating and maintenance costs are based on forecasted tons of garbage disposed of at the landfill. A portion of the commitment, \$2,489,555, relates to landfill improvements, primarily final ground cover.

Rental and operational expense for the year ended June 30, 1982 at the St. Johns Landfill amounted to \$183,960 and \$2,077,052, respectively.

Clackamas Transfer and Recycling Center

Metro executed a contract whereby a joint venture will operate the Clackamas Transfer and Recycling Center. The contract term is 3-1/2 years from the start of operation.

The approximate annual commitments relative to the Clackamas Transfer and Recycling Center are:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Amount</u>
1983 (based on December 1, 1982 commencement of operation)	\$ 686,260
1984	1,176,500
1985	1,176,500
1986	<u>1,078,450</u>
	<u>\$4,117,710</u>

SUPPLEMENTARY DATA

METROPOLITAN SERVICE DISTRICT
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Dues	\$ 555,389	\$ 555,064	\$ (325)
Federal Grants:			
Urban Mass Transit Administration	1,447,403	978,732	(468,671)
Federal Highways Administration	685,850	16,180	(669,670)
Environmental Protection Agency	191,691	6,879	(184,812)
Law Enforcement Assistance Agency	107,590	99,252	(8,338)
Other Federal grants	86,594	118,705	32,111
State Grants:			
Oregon Department of Transportation	33,904	212,762	178,858
LCDC	57,018	57,018	
Other State grants			
Local Grants and Contracts:			
Tri-Met	330,537	281,756	(48,781)
Other	102,175	81,234	(20,941)
Miscellaneous	<u>8,756</u>	<u>26,471</u>	<u>17,715</u>
Total revenues	<u>3,606,907</u>	<u>2,434,053</u>	<u>(1,172,854)</u>
OTHER FINANCING SOURCES:			
Operating transfers from:			
Solid Waste Fund	544,407	580,107	35,700
Zoo Fund	342,957	362,957	20,000
Criminal Justice Assistance Fund	<u>45,000</u>	<u>45,000</u>	
Total other financing sources	<u>932,364</u>	<u>988,064</u>	<u>55,700</u>
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>2,503</u>	<u>2,503</u>	
	<u>\$4,541,774</u>	<u>\$3,424,620</u>	<u>\$(1,117,154)</u>

METROPOLITAN SERVICE DISTRICT
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	Budgeted Appropriations			Actual*	Variance Favorable (Unfavorable)
	Original and Supplemental	Transfers In (Out)	Revised		
EXPENDITURES:					
Council:					
Personal services	\$ 38,661		\$ 38,661	\$ 31,293	\$ 7,368
Materials and services	<u>35,060</u>	\$ 10,000	<u>45,060</u>	<u>38,039</u>	<u>7,021</u>
	<u>73,721</u>	<u>10,000</u>	<u>83,721</u>	<u>69,332</u>	<u>14,389</u>
Executive Management:					
Personal services	231,342	4,000	235,342	234,524	818
Materials and services	24,931	10,000	34,931	24,230	10,701
Capital outlay	850		850	850	
	<u>257,123</u>	<u>14,000</u>	<u>271,123</u>	<u>259,604</u>	<u>11,519</u>
Futures:					
Personal services	12,558	4,000	16,558	15,443	1,115
Materials and services	<u>1,649</u>	<u>100</u>	<u>1,749</u>	<u>1,636</u>	<u>113</u>
	<u>14,207</u>	<u>4,100</u>	<u>18,307</u>	<u>17,079</u>	<u>1,228</u>
Public Affairs:					
Personal services	258,253	25,000	283,253	281,686	1,567
Materials and services	<u>31,128</u>		<u>31,128</u>	<u>26,939</u>	<u>4,189</u>
	<u>289,381</u>	<u>25,000</u>	<u>314,381</u>	<u>308,625</u>	<u>5,756</u>
Management Services:					
Personal services	362,560		362,560	362,520	40
Materials and services	690,558	85,000	775,558	728,619	46,939
Capital outlay	<u>1,722</u>	<u>1,000</u>	<u>2,722</u>	<u>1,722</u>	<u>1,000</u>
	<u>1,054,840</u>	<u>86,000</u>	<u>1,140,840</u>	<u>1,092,861</u>	<u>47,979</u>
Transportation:					
Personal services	579,001		579,001	566,540	12,461
Materials and services	<u>953,539</u>	<u>(161,100)</u>	<u>792,439</u>	<u>217,624</u>	<u>574,815</u>
	<u>1,532,540</u>	<u>(161,100)</u>	<u>1,371,440</u>	<u>784,164</u>	<u>587,276</u>
Joint Development:					
Personal services	187,359	5,000	192,359	190,478	1,881
Materials and services	<u>229,597</u>		<u>229,597</u>	<u>163,499</u>	<u>66,098</u>
	<u>416,956</u>	<u>5,000</u>	<u>421,956</u>	<u>353,977</u>	<u>67,979</u>
Special Projects:					
Personal services	141,769	1,000	142,769	139,754	3,015
Materials and services	<u>329,716</u>		<u>329,716</u>	<u>113,799</u>	<u>215,917</u>
	<u>471,485</u>	<u>1,000</u>	<u>472,485</u>	<u>253,553</u>	<u>218,932</u>
Land Use Coordination:					
Personal services	62,646	15,000	77,646	75,914	1,732
Materials and services	<u>146,882</u>		<u>146,882</u>	<u>78,008</u>	<u>68,874</u>
	<u>209,528</u>	<u>15,000</u>	<u>224,528</u>	<u>153,922</u>	<u>70,606</u>
Criminal Justice:					
Personal services	94,402	1,000	95,402	93,302	2,100
Materials and services	<u>1,500</u>		<u>1,500</u>	<u>813</u>	<u>687</u>
	<u>95,902</u>	<u>1,000</u>	<u>96,902</u>	<u>94,115</u>	<u>2,787</u>
General operating contingency	<u>26,091</u>		<u>26,091</u>		<u>26,091</u>
Total expenditures	4,441,774		4,441,774	\$3,387,232	\$1,054,542
UNAPPROPRIATED ENDING FUND BALANCE	<u>100,000</u>		<u>100,000</u>		
	<u>\$4,541,774</u>	<u>\$ -</u>	<u>\$4,541,774</u>		

*Includes \$200,801 of pass through grant expenditures not considered expenditures according to generally accepted accounting principles.

METROPOLITAN SERVICE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1982

	<u>Zoo Fund</u>	<u>Drainage Fund</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$1,606,956	\$11,066	\$1,618,022
Receivables:			
Property taxes	339,434		339,434
Other	11,244	1,156	12,400
Inventory of materials and supplies	<u>135,506</u>		<u>135,506</u>
	<u>\$2,093,140</u>	<u>\$12,222</u>	<u>\$2,105,362</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 179,613		\$ 179,613
Salaries, withholdings and payroll taxes payable	132,926		132,926
Due to other funds	87,439		87,439
Deferred revenue	<u>281,056</u>	<u>\$ 8,664</u>	<u>289,720</u>
Total liabilities	681,034	8,664	689,698
Fund balances - unreserved	<u>1,412,106</u>	<u>3,558</u>	<u>1,415,664</u>
Total liabilities and fund balances	<u>\$2,093,140</u>	<u>\$12,222</u>	<u>\$2,105,362</u>

METROPOLITAN SERVICE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 1982

	<u>Zoo Fund</u>	<u>Drainage Fund</u>	<u>Totals</u>
REVENUES:			
Taxes	\$2,663,029		\$2,663,029
Admissions	957,198		957,198
Charges for services	213,322		213,322
Vending and concessions	790,745		790,745
Donations and bequests	57,012		57,012
Interest	141,388	\$1,295	142,683
Miscellaneous	134,273		134,273
Total revenues	<u>4,956,967</u>	<u>1,295</u>	<u>4,958,262</u>
EXPENDITURES:			
Current:			
Zoo operations	3,541,193		3,541,193
Expense reimbursement - General Fund	362,957		362,957
Capital outlay	195,438		195,438
Total expenditures	<u>4,099,588</u>	<u>-</u>	<u>4,099,588</u>
Revenues over expenditures	857,379	1,295	858,674
FUND BALANCES - July 1, 1981	1,361,856	2,263	1,364,119
TRANSFER OF FUND EQUITY TO ZOO CAPITAL FUND	<u>(807,129)</u>		<u>(807,129)</u>
FUND BALANCES - June 30, 1982	<u>\$1,412,106</u>	<u>\$3,558</u>	<u>\$1,415,664</u>

METROPOLITAN SERVICE DISTRICT
ZOO FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Property taxes	\$2,647,280	\$2,663,029	\$ 15,749
Admissions	926,100	957,198	31,098
Concessions	665,000	620,110	(44,890)
Railroad	210,000	213,322	3,322
Gift shop	175,000	170,635	(4,365)
Federal grants	25,000		(25,000)
Donations	85,000	57,012	(27,988)
Interest	50,000	141,388	91,388
Miscellaneous	48,250	134,273	86,023
Total revenues	4,831,630	4,956,967	125,337
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATIONS			
	<u>1,060,809</u>	<u>1,361,856</u>	<u>301,047</u>
	<u>\$5,892,439</u>	<u>\$6,318,823</u>	<u>\$426,384</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original and Supplemental</u>	<u>Transfers In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Personal services	\$2,324,001		\$2,324,001	\$2,257,574	\$ 66,427
Materials and services	1,399,597		1,399,597	1,283,619	115,978
Capital outlay	277,290		277,290	195,438	81,852
General operating contingency	401,478	\$(20,000)	381,478		381,478
Total expenditures	<u>4,402,366</u>	<u>(20,000)</u>	<u>4,382,366</u>	<u>3,736,631</u>	<u>645,735</u>
OTHER FINANCING USES -					
Operating transfer to other funds:					
General	342,957	20,000	362,957	362,957	
Zoo Capital	647,116		647,116	807,129	(160,013)
Total other financing uses	<u>990,073</u>	<u>20,000</u>	<u>1,010,073</u>	<u>1,170,086</u>	<u>(160,013)</u>
Total expenditures and other financing uses	5,392,439		5,392,439	<u>\$4,906,717</u>	<u>\$485,722</u>
UNAPPROPRIATED ENDING FUND BALANCE					
	<u>500,000</u>		<u>500,000</u>		
	<u>\$5,892,439</u>	<u>\$ -</u>	<u>\$5,892,439</u>		

METROPOLITAN SERVICE DISTRICT
DRAINAGE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Interest	\$ 914	\$1,295	\$ 381
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATIONS	<u>8,631</u>	<u>2,263</u>	<u>(6,368)</u>
	<u>\$9,545</u>	<u>\$3,558</u>	<u>\$(5,987)</u>
	<u>Original and Supplemental Budgeted Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Materials and services	<u>\$9,545</u>	<u>\$ -</u>	<u>\$9,545</u>

METROPOLITAN SERVICE DISTRICT
 ZOO CAPITAL FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1982

	<u>Original Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Property tax	\$2,162,000	\$2,183,893	\$ 21,893
Donations	100,000	96,488	(3,512)
Interest	<u>60,000</u>	<u>165,011</u>	<u>105,011</u>
Total revenues	2,322,000	2,445,392	123,392
OTHER FINANCING SOURCE - TRANSFER FROM ZOO FUND	<u>647,116</u>	<u>807,129</u>	<u>160,013</u>
	<u>\$2,969,116</u>	<u>\$3,252,521</u>	<u>\$ 283,405</u>
	<u>Budgeted Appropriations</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES:			
Capital outlay	\$2,831,116	\$1,702,219	\$1,128,897
General operating contingency	<u>138,000</u>	<u> </u>	<u>138,000</u>
Total expenditures	<u>\$2,969,116</u>	<u>\$1,702,219</u>	<u>\$1,266,897</u>

METROPOLITAN SERVICE DISTRICT
DESCRIPTION OF SOLID WASTE BUDGETARY FUNDS

For financial reporting and operating purposes, management considers the activities relating to solid waste management as those of an unitary enterprise operation and as such are reported in the Solid Waste Fund in the preceding section of this report. However, for budgetary and legal purposes these activities are accounted for in the funds described below. Statements for these funds prepared according to governmental fund budgetary concepts on the modified accrual basis of accounting are shown on pages 33 through 36.

Solid Waste Fund

The primary activities accounted for in the Solid Waste Fund are expenditures relating to the implementation, administration and enforcement of the District's Solid Waste Management Plan and operation of the St. Johns Landfill. User fees provide the primary source of revenue.

Solid Waste Debt Service Fund

The Solid Waste Debt Service Fund accounts for repayment on loans from the State of Oregon Department of Environmental Quality. The principal source for loan repayments is transfers from other funds.

Solid Waste Capital Improvement Fund

The Solid Waste Capital Improvement Fund accounts for the construction of capital improvements for the Solid Waste Management Program.

METROPOLITAN SERVICE DISTRICT
SOLID WASTE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
St. Johns Landfill	\$2,800,000	\$2,735,777	\$(64,223)
User fees	1,100,000	1,152,644	52,644
Federal grants	206,500	167,772	(38,728)
City of Portland	150,000		(150,000)
Interest	80,000	118,975	38,975
Miscellaneous	<u>15,545</u>	<u>24,854</u>	<u>9,309</u>
Total revenues	4,352,045	4,200,022	(152,023)
OTHER FINANCING SOURCE - OPERATING TRANSFER FROM SOLID WASTE CAPITAL FUND	1,201,685	1,201,685	
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATIONS	<u>749,396</u>	<u>749,396</u>	
	<u>\$6,303,126</u>	<u>\$6,151,103</u>	<u>\$(152,023)</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original and Supplemental</u>	<u>Transfers In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Personal services	\$ 729,059		\$ 729,059	\$ 729,020	\$ 39
Materials and services	4,214,578		4,214,578	3,684,103	530,475
Capital outlay	14,500		14,500	5,275	9,225
Contingency	<u>209,845</u>	\$(35,700)	<u>174,145</u>		<u>174,145</u>
Total expenditures	<u>5,167,982</u>	<u>(35,700)</u>	<u>5,132,282</u>	<u>4,418,398</u>	<u>713,884</u>
OTHER FINANCING USES:					
Operating transfers to other Funds:					
General	544,407	35,700	580,107	580,107	
Solid Waste Debt Service	<u>440,737</u>		<u>440,737</u>	<u>440,836</u>	(99)
Total other financing uses	<u>985,144</u>	<u>35,700</u>	<u>1,020,844</u>	<u>1,020,943</u>	(99)
Total expenditures and other financing uses	6,153,126		6,153,126	<u>\$5,439,341</u>	<u>\$713,785</u>
UNAPPROPRIATED ENDING FUND BALANCE	<u>150,000</u>		<u>150,000</u>		
	<u>\$6,303,126</u>	<u>\$ -</u>	<u>\$6,303,126</u>		

METROPOLITAN SERVICE DISTRICT
 SOLID WASTE DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Loan repayment, including interest		\$ 3,114	\$3,114
OTHER FINANCING SOURCES:			
Operating transfers from other funds:			
Solid Waste	\$440,737	440,836	99
Solid Waste Capital	<u>150,000</u>	<u>150,000</u>	<u> </u>
Total revenues and other financing sources	590,737	593,950	3,213
BEGINNING FUND BALANCE (DEFICIT) AVAILABLE FOR APPROPRIATIONS	<u> -</u>	<u>(5,224)</u>	<u>(5,224)</u>
	<u>\$590,737</u>	<u>\$588,726</u>	<u>\$(2,011)</u>
	<u>Original and Supplemental Budgeted Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Interest expense and principal payment on Department of Environmental Quality loans	<u>\$590,737</u>	<u>\$590,836</u>	<u>\$ (99)</u>

METROPOLITAN SERVICE DISTRICT
SOLID WASTE CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1982

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Department of Environmental Quality loan proceeds	\$ 4,500,000	\$ 400,000	\$(4,100,000)
Federal and state grants	2,000,000	1,169,619	(830,381)
Interest	150,000	395,351	245,351
Miscellaneous	<u> </u>	<u>8,113</u>	<u>8,113</u>
Total revenues	6,650,000	1,973,083	(4,676,917)
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATIONS			
	<u>9,010,000</u>	<u>5,446,149</u>	<u>(3,563,851)</u>
	<u>\$15,660,000</u>	<u>\$7,419,232</u>	<u>\$(8,240,768)</u>
	<u>Original Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Capital outlay	\$13,571,000	\$3,841,436	\$ 9,729,564
General operating contingency	<u>737,315</u>	<u> </u>	<u>737,315</u>
Total expenditures	<u>14,308,315</u>	<u>3,841,436</u>	<u>10,466,879</u>
OTHER FINANCING USES:			
Operating transfers to other funds:			
Solid Waste	1,201,685	1,201,685	
Solid Waste Debt Service	<u>150,000</u>	<u>150,000</u>	
Total other financing uses	<u>1,351,685</u>	<u>1,351,685</u>	
	<u>\$15,660,000</u>	<u>\$5,193,121</u>	<u>\$10,466,879</u>

METROPOLITAN SERVICE DISTRICT
RECONCILIATION OF SOLID WASTE FUNDS REVENUES AND
EXPENDITURES (BUDGETARY BASIS)
TO COMBINED STATEMENT OF REVENUES AND EXPENSES
for the year ended June 30, 1982

	<u>Solid Waste</u>	<u>Solid Waste Debt Service</u>	<u>Solid Waste Capital Improvement</u>	<u>Total</u>
BUDGETARY BASIS:				
Revenues	\$4,200,022	\$ 3,114	\$ 1,973,083	\$6,176,219
Expenditures	<u>4,418,398</u>	<u>590,836</u>	<u>3,841,436</u>	<u>8,850,670</u>
	<u>\$ (218,376)</u>	<u>\$ (587,722)</u>	<u>\$ (1,868,353)</u>	(2,674,451)
Add amounts deducted as expenditures in budgetary schedules not deducted as expenses in statement of revenues, expenses and changes in retained earnings:				
Personal services capitalized				134,079
Materials and services capitalized				518,368
Capital outlay expenditures, less \$78,854, capitalized				3,767,857
Landfill cover charges				362,362
Principal payments on loans				311,000
Principal payments on contract				68,768
Less amounts included as revenues in budgetary schedules not included as revenues in statement of revenues, expenses and changes in retained earnings:				
Collection of notes receivable				(3,114)
Increase in loan payable				(400,000)
Increase in capital grants				(1,169,619)
Interest capitalized				(141,891)
Add (less) adjustment for conversion from modified accrual (budgetary basis) to accrual basis of accounting (enterprise basis):				
Decrease in accrual of user fees				(145,956)
Increase in accrued interest payable				(72,751)
Decrease in accrued vacation payable				725
Less administrative reimbursement to the General Fund recorded as a transfer in budgetary schedules				(580,107)
Less depreciation expense				<u>(318,698)</u>
Net loss per combined statement of revenues, expenses and changes in retained earnings (page 5)				<u>\$ (343,428)</u>

METROPOLITAN SERVICE DISTRICT
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 1982

	Agency Criminal Justice Assistance	Pension Trust 6% Pension Plan	Totals
ASSETS			
Cash and investments	\$233,544	\$98,973	\$332,517
Advances	<u>48,239</u>	<u> </u>	<u>48,239</u>
	<u>\$281,783</u>	<u>\$98,973</u>	<u>\$380,756</u>
LIABILITIES			
Unearned grant revenues	\$152,697		\$152,697
Deferred revenue	34,951		34,951
Due to other funds	4,094		4,094
Expenditures of subgrantees in excess of advances	90,041		90,041
Pension benefits payable	<u> </u>	\$98,973	<u>98,973</u>
	<u>\$281,783</u>	<u>\$98,973</u>	<u>\$380,756</u>

METROPOLITAN SERVICE DISTRICT
 AGENCY FUND
 CRIMINAL JUSTICE ASSISTANCE FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 for the year ended June 30, 1982

	<u>Balance</u> <u>June 30, 1981</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1982</u>
ASSETS				
Cash	\$121,678	\$ 688,420	\$ 576,554	\$233,544
Receivables:				
State administered grants and state buy-in	95,174	479,241	574,415	
Advances	<u>22,420</u>	<u>48,239</u>	<u>22,420</u>	<u>48,239</u>
	<u>\$239,272</u>	<u>\$1,215,900</u>	<u>\$1,173,389</u>	<u>\$281,783</u>
LIABILITIES				
Unearned grant revenue	\$112,958	\$152,697	\$ 112,958	\$152,697
Deferred revenue	23,595	56,322	44,966	34,951
Due to other funds		4,094		4,094
Expenditures by subgrantees in excess of advances	<u>102,719</u>	<u>564,219</u>	<u>576,897</u>	<u>90,041</u>
	<u>\$239,272</u>	<u>\$777,332</u>	<u>\$ 734,821</u>	<u>\$281,783</u>

METROPOLITAN SERVICE DISTRICT
 CRIMINAL JUSTICE ASSISTANCE FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1982

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Federal LEAA Grants	\$1,100,000	\$519,419	\$(580,581)
Interest	<u>45,000</u>	<u>56,322</u>	<u>11,322</u>
Total revenues	<u>\$1,145,000</u>	<u>\$575,741</u>	<u>\$(569,259)</u>
	<u>Original and Supplemental Budgeted Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Materials and services	\$1,100,000	\$530,741	\$569,259
OTHER FINANCING USE - OPERATING TRANSFER TO GENERAL FUND	<u>45,000</u>	<u>45,000</u>	<u> </u>
	<u>\$1,145,000</u>	<u>\$575,741</u>	<u>\$569,259</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 AND OUTSTANDING RECEIVABLE
 for the year ended June 30, 1982

Fiscal Year	Property Taxes Receivable June 30, 1981	Current Levy as Extended by Assessors	Add (Deduct)			Property Taxes Receivable June 30, 1982	
			Adjustments	Interest	Discounts Collections		
1981-82		\$5,178,016	\$(10,674)	\$ 4,081	\$(82,472)	\$(4,670,975)	\$417,976
1980-81	\$125,564		692	4,730		(62,860)	68,126
1979-80	47,954		(150)	3,581		(21,504)	29,881
1978-79	21,099		(1,828)	2,360		(8,419)	13,212
1977-78	10,110		(434)	2,490		(10,541)	1,625
1976-77	<u>1,505</u>		<u>(992)</u>	<u>813</u>		<u>(443)</u>	<u>883</u>
	<u>\$206,232</u>	<u>\$5,178,016</u>	<u>\$(13,386)</u>	<u>\$18,055</u>	<u>\$(82,472)</u>	<u>\$(4,774,742)</u>	<u>\$531,703*</u>

Reconciliation to property tax revenue per financial statements:

Collections above	\$4,774,742
Property taxes susceptible to accrual at June 30, 1982	92,371
Taxes in lieu of property taxes	19,539
Interest revenue	(18,055)
Property tax revenue susceptible to accrual at June 30, 1981	<u>(21,675)</u>
	<u>\$4,846,922**</u>

*Zoo Fund \$ 339,434
 Zoo Capital Fund 192,269
\$ 531,703

**Zoo Fund \$2,663,029
 Zoo Capital Fund 2,183,893
\$4,846,922

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
 (LOANS FROM DEPARTMENT OF ENVIRONMENTAL QUALITY)
 for the year ended June 30, 1982

	<u>Original Issue</u>		<u>Outstanding June 30, 1981</u>	<u>1981-1982 Transactions</u>			<u>Outstanding June 30, 1982</u>
	<u>Date</u>	<u>Amount</u>		<u>Issued</u>	<u>Matured</u>	<u>Paid</u>	
Loan I:							
Principal	4/21/77	<u>\$2,150,000</u>	<u>\$1,855,000</u>		<u>\$130,000</u>	<u>\$130,000</u>	<u>\$1,725,000</u>
Interest					<u>\$ 81,895</u>	<u>\$ 81,895</u>	
Loan II:							
Principal	1/26/78	<u>\$ 35,000</u>	<u>\$ 10,000</u>		<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Interest					<u>\$ 300</u>	<u>\$ 300</u>	
Loan III:							
Principal	2/1/80	<u>\$1,360,870</u>	<u>\$1,230,870</u>		<u>\$141,000</u>	<u>\$141,000</u>	<u>\$1,089,870</u>
Interest					<u>\$ 58,292</u>	<u>\$ 58,292</u>	
Loan IV:							
Principal	6/1/81	<u>\$2,930,000</u>	<u>\$2,930,000</u>		<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$2,900,000</u>
Addition	4/1/82	<u>400,000</u>		<u>\$400,000</u>			<u>400,000</u>
Total		<u>\$3,330,000</u>					<u>\$3,300,000</u>
Interest					<u>\$139,349</u>	<u>\$139,349</u>	

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
 (LOANS FROM DEPARTMENT OF ENVIRONMENTAL QUALITY)
 June 30, 1982

Fiscal Year	Loan I - 4 to 6%		Loan III - 4 to 6%		Loan IV - 5.9 to 7.9%		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1982-83	\$ 135,000	\$ 74,955	\$ 152,000	\$ 49,724	\$ 30,000	\$ 217,760	\$ 317,000	\$ 342,439
1983-84	150,000	68,475	163,000	40,630	63,000	234,688	376,000	343,793
1984-85	150,000	61,725	174,000	31,508	71,000	230,647	395,000	323,880
1985-86	150,000	54,900	184,870	23,003	103,000	225,166	437,870	303,069
1986-87	150,000	47,925	200,000	14,436	137,000	217,375	487,000	279,736
1987-88	160,000	40,600	216,000	4,968	166,000	206,832	542,000	252,400
1988-89	160,000	33,000			166,000	194,840	326,000	227,840
1989-90	160,000	25,400			167,000	182,852	327,000	208,252
1990-91	160,000	17,800			171,000	171,537	331,000	189,337
1991-92	175,000	10,500			171,000	160,397	346,000	170,897
1992-93	175,000	3,500			200,000	148,092	375,000	151,592
1993-94					200,000	134,220	200,000	134,220
1994-95					229,000	118,840	229,000	118,840
1995-96					229,000	102,075	229,000	102,075
1996-97					229,000	84,852	229,000	84,852
1997-98					233,000	67,424	233,000	67,424
1998-99					236,000	49,310	236,000	49,310
1999-2000					242,000	30,796	242,000	30,796
2000-01					257,000	11,303	257,000	11,303
	<u>\$1,725,000</u>	<u>\$438,780</u>	<u>\$1,089,870</u>	<u>\$164,269</u>	<u>\$3,300,000</u>	<u>\$2,789,006</u>	<u>\$6,114,870</u>	<u>\$3,392,055</u>

METROPOLITAN SERVICE DISTRICT
ABBREVIATED DESIGNATIONS FOR AGENCIES

<u>Abbreviated Designation</u>	<u>Description</u>
DEQ	U.S. Department of Environmental Quality
DOE	U.S. Department of Energy
DOT	U.S. Department of Transportation
EPA	U.S. Environmental Protection Agency
FAA	U.S. Federal Aviation Administration
EDA	U.S. Economic Development Administration
FHWA	U.S. Federal Highways Administration
HUD	U.S. Department of Housing and Urban Development
LGRD	Oregon Local Government Relations Division
IGRD	Oregon Intergovernmental Relations Division
LCDC	Oregon Land Conservation and Development Commission
ODOT	Oregon Department of Transportation
ODOT/PL	Oregon Department of Transportation - Federal Highway Planning Grant
ODOT/TQX	Oregon Department of Transportation - Federal Highway Planning Transitional Quarter Grant
OLEC	Oregon Law Enforcement Council
RPC	Regional Planning Council of Clark County, Washington
UMTA	U.S. Urban Mass Transportation Administration
WDOT	Washington Department of Transportation

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND RESOURCES AND EXPENDITURES - BY GRANT
 for the year ended June 30, 1982

44

	Resources				Expenditures				
	Federal Grants	State and Other Grants	Contributed Resources		Total	Direct Costs			Total
			Required Match	Match in Excess		Wages and Fringe Benefits	Consultants and Other Direct Charges	Indirect Costs	
UMTA OR-09-7002	\$ 81,764				\$ 81,764	\$ 3,604	\$ 76,444	\$ 1,716	\$ 81,764
UMTA OR-09-0023	4,828		\$ 1,207		6,035	4,089		1,946	6,035
UMTA OR-29-9003	4,117		727		4,844	3,282		1,562	4,844
UMTA OR-29-9004	134,495		23,735		158,230	59,712	70,095	28,423	158,230
UMTA OR-29-9006	8,183		1,444		9,627		9,627		9,627
UMTA OR-09-0026	74,449		18,612		93,061	54,851	12,101	26,109	93,061
EPA/UMTA OR-19-0004	41,194				41,194	26,241	2,463	12,490	41,194
EPA/UMTA OR-19-0005	6,196				6,196	3,942	378	1,876	6,196
UMTA OR-29-9007	191,271		33,752		225,023	147,191	7,770	70,062	225,023
UMTA OR-09-0029	231,434		57,861		289,295	186,830	13,535	88,930	289,295
EPA 208	6,879		2,434	\$ 519	9,832	4,870	2,643	2,319	9,832
EDA 07-25-01682	29,195		9,732		38,927	26,350	35	12,542	38,927
HUD CPA-OR-10-16-1035	55,240		28,598		83,838	55,212	2,345	26,281	83,838
FHWA IX-0000(39)	16,180		4,214		20,394	13,817		6,577	20,394
LEAA/OLEC 81-X-2.1	18,267			2,064	20,331	13,446	484	6,401	20,331
LEAA/OLEC 80-J-2	4,099		4,099		8,198	5,545	14	2,639	8,198
LEAA/OLEC 79-A-2.1			1,094		1,094	734	11	349	1,094
LEAA/OLEC 82-X-2.1	19,094			2,773	21,867	14,665	222	6,980	21,867
LEAA/OLEC 80-J-2.1	6,196			6,196	12,392	8,310	126	3,956	12,392
LEAA/OLEC 80-A-2.1	14,275		1,143		15,418	10,293	226	4,899	15,418
LEAA/OLEC 81-J-2	12,630		12,630		25,260	16,940	257	8,063	25,260
LEAA/OLEC 81-149	18,495			8,804	27,299	27,299			27,299
LEAA/OLEC 81-J-2.1	6,196			6,196	12,392	8,310	126	3,956	12,392
ODOT/PL 1981		\$ 7,722	780		8,502		8,502		8,502
ODOT/PL 1982		130,517	32,631		163,148	100,484	14,836	47,828	163,148
DEQ	34,269		11,456		45,725	22,646	12,300	10,779	45,725
LCDC 1982		57,018	443		57,461	38,930		18,531	57,461
ODOT/FHWA NRD-0032		16,723	5,574		22,297	15,038	101	7,158	22,297
ODOT/FHWA TOR-1008		15,806			15,806	7,441	4,823	3,542	15,806
RPC		3,713			3,713		3,713		3,713
Tri-Met TSAPP		199,190			199,190	46,288	130,869	22,033	199,190
	<u>\$1,018,946</u>	430,689	<u>\$252,166</u>	<u>\$26,552</u>	<u>\$1,728,353</u>	<u>\$926,360</u>	<u>\$374,046</u>	<u>\$427,947</u>	<u>\$1,728,353</u>
ODOT provided funds used as required match		2,185							
Tri-Met provided funds used as required match		12,365							
		<u>\$445,239</u>							

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF ENTERPRISE FUND RESOURCES AND EXPENDITURES - BY GRANT
 for the year ended June 30, 1982

	Resources			Expenditures				
	Federal Grants	State Grants	Required Match	Wages and Fringe Benefits	Consultants and Other Direct Costs	Indirect Costs	Total	
			Total					
Operating grants:								
EPA	\$135,272		\$51,946	\$187,218	\$37,286	\$132,184	\$17,748	\$187,218
DOE	<u>32,500</u>			<u>32,500</u>	<u>7,588</u>	<u>21,301</u>	<u>3,611</u>	<u>32,500</u>
	<u>\$167,772</u>		<u>\$51,946</u>	<u>\$219,718</u>	<u>\$44,874</u>	<u>\$153,485</u>	<u>\$21,359</u>	<u>\$219,718</u>
Capital grants:								
EPA 149-02	\$21,794		\$7,265	\$29,059		\$29,059		\$29,059
DEQ #117		\$105,139		105,139		105,139		105,139
DEQ #118		<u>1,042,686</u>		<u>1,042,686</u>		<u>1,042,686</u>		<u>1,042,686</u>
	<u>\$21,794</u>	<u>\$1,147,825</u>	<u>\$7,265</u>	<u>\$1,176,884</u>		<u>\$1,176,884</u>		<u>\$1,176,884</u>

METROPOLITAN SERVICE DISTRICT
SCHEDULE OF GENERAL FUND OPEN GRANT PROJECTS
June 30, 1982

Name of Project	Type of Project	Grant Award	Local Match	Total of Award and Match	Total Award and Match Received to Date	Receivable	Unearned Grant Revenue	Total Revenues	Total Expenditures	Continuing or Lapsed Project Balance
UMTA OR-09-7002	Transit Mall Study	\$ 133,200		\$ 133,200	\$ 81,443	\$ 51,435		\$ 132,878	\$ 132,878	\$ 322
UMTA OR-09-0023	Transportation Planning	63,360	\$ 15,840	79,200	73,271	5,929		79,200	79,200	
UMTA OR-29-9003	Transportation Planning	117,883	20,803	138,686	133,370	1,483		134,853	134,853	3,833
UMTA OR-29-9004	Transportation Planning	969,240	171,041	1,140,281	997,785	4,309		1,002,094	1,002,094	138,187
UMTA OR-29-9006	Transportation Planning	300,000	52,943	352,943	352,943			352,943	352,943	
UMTA OR-09-0026	Transportation Planning	120,000	30,000	150,000	122,991	22,364		145,355	145,355	4,645
EPA/UMTA OR-19-0004	Transportation Planning	282,000		282,000	244,780	8,317		253,097	253,097	28,903
EPA/UMTA OR-19-0005	Transportation Planning	35,000		35,000	34,792	208		35,000	35,000	
UMTA OR-29-9007	Transportation Planning	257,811	45,496	303,307	134,879	90,144		225,023	225,023	78,284
UMTA OR-09-0029	Transportation Planning	248,000	62,000	310,000	291,287		\$1,992	289,295	289,295	20,705
EPA 208	Planning	262,460	88,145	350,605	347,202	3,403		350,605	350,605	
EDA 07-25-01682	Planning	225,000	75,000	300,000	299,850		448	299,402	299,402	598
HUD CPA-OR-10-16-1035	Planning	56,950	28,143	85,093	65,598	18,240		83,838	83,838	1,255
FHWA IX-0000 (39)	Westside Corridor	59,500	10,500	70,000	5,603	24,053		29,656	29,656	40,344
LEAA/OLEC 81-X-2.1	Planning	74,490	8,311	82,801	82,801			82,801	82,801	
LEAA/OLEC 80-J-2	Planning	11,400	13,503	24,903	24,520	383		24,903	24,903	
LEAA/OLEC 79-A-2.1	Planning	37,950	3,050	41,000	41,000			41,000	41,000	
LEAA/OLEC 82-X-2.1	Planning	19,094	2,773	21,867	17,773	4,094		21,867	21,867	
LEAA/OLEC 80-J-2.1	Planning	6,196	6,196	12,392	6,196	6,196		12,392	12,392	
LEAA/OLEC 80-A-2.1	Planning	14,275	1,143	15,418	1,143	14,275		15,418	15,418	
LEAA/OLEC 81-J-2	Planning	12,630	12,630	25,260	25,260			25,260	25,260	
LEAA/OLEC 81-149	Planning	20,000	8,804	28,804	8,804	18,495		27,299	27,299	1,505
LEAA/OLEC 81-J-2.1	Planning	6,196	6,196	12,392	6,196	6,196		12,392	12,392	
ODOT/PL 1981	Transportation Planning	130,569	33,422	163,991	150,934	13,057		163,991	163,991	
ODOT/PL 1982	Transportation Planning	130,517	32,631	163,148	146,025	17,123		163,148	163,148	
DEQ	Urban Runoff Study	34,269	11,456	45,725	42,325	3,400		45,725	45,725	
LCDC 1982	Land Use Coordination	57,018	443	57,461	43,193	14,268		57,461	57,461	
ODOT/FHWA NRD-0032	Transportation Planning	22,500	7,500	30,000	16,864	5,433		22,297	22,297	7,703
ODOT/FHWA TOR-1008	Transportation Planning	153,400		153,400	3,267	12,539		15,806	15,806	137,594
RPC	Transportation Planning	14,540		14,540	7,540	197		7,737	7,737	6,803
Tri-Met TSAPP	Transit Station Area Planning	632,767		632,767	443,378	21,063		464,441	464,441	168,326
		<u>\$4,508,215</u>	<u>\$747,969</u>	<u>\$5,256,184</u>	<u>\$4,253,013</u>	<u>\$366,604</u>	<u>\$2,440</u>	<u>\$4,617,177</u>	<u>\$4,617,177</u>	<u>\$639,007</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF ENTERPRISE FUND OPEN GRANT PROJECTS
 June 30, 1982

<u>Name of Project</u>	<u>Type of Project</u>	<u>Grant Award</u>	<u>Local Match</u>	<u>Total of Award and Match</u>	<u>Total Award and Match Received to Date</u>	<u>Receivable</u>	<u>Unearned Grant Revenue</u>	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Continuing or Lapsed Project Balance</u>
EPA	Air Pollution Control	\$ 265,000	\$ 89,928	\$ 354,928	\$ 196,683	\$40,389		\$ 237,072	\$ 237,072	\$117,856
DOE	Methane Gas Feasibility	94,302		94,302	89,588	4,714		94,302	94,302	
EPA 149-02	Resource Recovery	450,500	150,167	600,667	600,667			600,667	600,667	
DEQ #117	St. Johns Landfill Expansion	583,230		583,230	573,522	9,708		583,230	583,230	
DEQ #118	Resource Recovery	<u>1,923,300</u>		<u>1,923,300</u>	<u>1,213,789</u>		<u>\$161,614</u>	<u>1,052,175</u>	<u>1,052,175</u>	<u>871,125</u>
		<u>\$3,316,332</u>	<u>\$240,095</u>	<u>\$3,556,427</u>	<u>\$2,674,249</u>	<u>\$54,811</u>	<u>\$161,614</u>	<u>\$2,567,446</u>	<u>\$2,567,446</u>	<u>\$988,981</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND TRANSPORTATION TECHNICAL ASSISTANCE
 OPEN GRANT PROJECTS
 June 30, 1982

<u>Name of Project</u>	<u>Administered By</u>	<u>Grant Award</u>	<u>Local Match</u>	<u>Total of Award and Match</u>	<u>Total Award and Match Received to Date</u>	<u>Receivable</u>	<u>Total Project Revenues</u>	<u>Total Project Expenditures</u>	<u>Continuing or Lapsed Project Balance</u>
UMTA OR-09-0020	Tri-Met	\$ 132,716	\$ 33,179	\$ 165,895	\$ 138,842	\$ 2,053	\$ 140,895	\$ 140,895	\$ 25,000
UMTA OR-09-0022	Tri-Met	267,953	134,011	401,964	396,468	5,496	401,964	401,964	
UMTA OR-09-0023	Tri-Met	191,640	47,910	239,550	158,779	25,999	184,778	184,778	54,772
UMTA OR-09-0030	Tri-Met	602,667	242,333	845,000	737,090	38,488	775,578	775,578	69,422
UMTA OR-09-0059	Tri-Met	125,000	31,250	156,250	147,878	6,860	154,738	154,738	1,512
UMTA OR-09-7002	Tri-Met	22,500		22,500	21,874	626	22,500	22,500	
UMTA OR-09-7002	City of Portland	44,300		44,300	13,008	31,006	44,014	44,014	286
UMTA OR-29-9002	Clackamas County	21,250	3,750	25,000	21,659		21,659	21,659	3,341
UMTA OR-19-0005	City of Portland	60,000		60,000	26,610		26,610	26,610	33,390
UMTA OR-19-0005	Clackamas County	40,000		40,000	34,266		34,266	34,266	5,734
UMTA OR-29-9004	Tri-Met	523,323	92,351	615,674	538,992	50,073	589,065	589,065	26,609
UMTA OR-29-9004	Washington County	52,700	9,300	62,000	51,955	3,593	55,548	55,548	6,452
UMTA OR-29-9004	City of Portland	146,200	25,800	172,000	155,030	16,970	172,000	172,000	
UMTA OR-29-9007	Tri-Met	57,250	10,103	67,353	9,305	19,694	28,999	28,999	38,354
UMTA OR-29-9007	Clackamas County	85,000	15,000	100,000	49,763	20,084	69,847	69,847	30,153
ODOT/FHWA TOR-1008	City of Portland	84,500		84,500	943	16,492	17,435	17,435	67,065
		<u>\$2,456,999</u>	<u>\$644,987</u>	<u>\$3,101,986</u>	<u>\$2,502,462</u>	<u>\$237,434</u>	<u>\$2,739,896</u>	<u>\$2,739,896</u>	<u>\$362,090</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND PROJECTS CLOSED
 June 30, 1982

<u>Name of Project</u>	<u>Type of Project</u>	<u>Federal or State Grant Amount</u>	<u>Local Match</u>	<u>Total of Award and Match</u>	<u>Total Project Expenditures</u>	<u>Lapsed or Transferred Portion of Grant</u>
DEQ	Ground Water Study	\$ 15,731	\$ 14,611	\$ 30,342	\$ 30,342	
Census Bureau JSA 125	Census Project	116,250	37,567	153,817	153,419	\$ 398
ODOT/TQX 1980	Transportation Planning	215,460	23,940	239,400	238,604	796
IGRD	Planning	3,500	930	4,430	4,430	
HUD 1981	Planning	70,000	62,886	132,886	132,161	725
OLEC 80P-2	Planning	110,080	5,987	116,067	116,067	
RPC	Air Quality	17,050	431	17,481	17,481	
ODOT/PL 1980	Transportation Planning	157,204	31	157,235	157,235	
LCDC 1981	Land Use Coordination	56,600	75,100	131,700	131,700	
DOT 559-80	Transportation Planning	50,000		50,000	50,000	
WDOT	Transportation Planning	<u>17,000</u>		<u>17,000</u>	<u>16,779</u>	<u>221</u>
		<u>\$828,875</u>	<u>\$221,483</u>	<u>\$1,050,358</u>	<u>\$1,048,218</u>	<u>\$2,140</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND TRANSPORTATION
 TECHNICAL ASSISTANCE GRANT PROJECTS CLOSED
 June 30, 1982

<u>Name of Project</u>	<u>Administered by</u>	<u>Federal or State Grant Amount</u>	<u>Local Match</u>	<u>Total of Award and Match</u>	<u>Total Project Expenditures</u>	<u>Lapsed or Transferred Portion of Grant</u>
UMTA OR-29-9003	Tri-Met	\$185,075	\$32,660	\$217,735	\$217,735	
UMTA OR-29-9003	Washington County	43,749	7,721	51,470	51,470	
UMTA OR-29-9003	City of Portland	8,832	1,559	10,391	10,391	
UMTA OR-29-9003	City of Beaverton	4,800	847	5,647	5,647	
ODOT/TQX 1980	Tri-Met	17,171	4,293	21,464	10,611	\$10,853
UMTA OR-29-9004*	City of Beaverton	<u>65,963</u>	<u>11,741</u>	<u>77,704</u>	<u>77,704</u>	
		<u>\$325,590</u>	<u>\$58,821</u>	<u>\$384,411</u>	<u>\$373,558</u>	<u>\$10,853</u>

*Receivable of \$6,524 applicable to this grant at June 30, 1982.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 165-30-100 through 165-30-295 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to our examination of such statements and schedules are set forth following.

AUDIT COMMENTS AND DISCLOSURES

I. Accounting and Internal Control Systems:

We have examined the combined financial statements of Metropolitan Service District (Metro) for the fiscal year ended June 30, 1982, and have issued our report thereon dated October 8, 1982. As part of our examination, we have obtained an understanding of accounting systems and controls incorporated therein as required by generally accepted auditing standards. The purpose of gaining such an understanding is to assist the auditor in planning the nature and scope of the examination of the financial statements. The process of obtaining such an understanding is more limited than a study and evaluation necessary to express an opinion on the system of internal accounting control taken as a whole. Based on our understanding, we determined that our examination could be more efficiently conducted without placing significant reliance on internal accounting controls except for certain selected internal accounting controls and therefore we did not directly evaluate and test those internal accounting controls not relied on. The nature and extent of our other auditing procedures were adjusted accordingly.

Our examination of the combined financial statements would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. Accordingly, we do not express an opinion on the system of internal accounting control of Metro taken as a whole. However, during our examination, we became aware of the conditions described in comments IV, V, VI, VII and IX in our Report to Management for the year ended June 30, 1981 and discussed in the "Status of Prior Year Comments" in our Report to Management for the year ended June 30, 1982 that we believe result in more than a relatively

AUDIT COMMENTS AND DISCLOSURES, Continued

I. Accounting and Internal Control Systems, Continued:

low risk that errors or irregularities in amounts that would be material in relation to the combined financial statements of Metro may occur and not be detected within a timely period. Our recommendations have been discussed with appropriate employees of the District. As a result of our discussion, we understand that some of our recommendations are presently being implemented.

This report is intended solely for the use of the Council, management, grantors and the State of Oregon, Division of Audits, and should not be used for any other purpose.

II. Budgeting and Compliance:

Except as mentioned following, Metro appears to have complied with the statutory provisions relating to budgeting and adoption of tax levies for fiscal years 1982 and 1983.

Metro made the following expenditure in excess of the related appropriation category for fiscal 1982:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Solid Waste Debt Service Fund:			
Interest and principal payment on DEQ loan	<u>\$590,737</u>	<u>\$590,836</u>	<u>\$99</u>

The estimate of expenditures included in the personal services category of the fiscal 1983 budgets did not include the "limits of each salary range" for employees of like classifications as required by ORS 294.352(5).

AUDIT COMMENTS AND DISCLOSURES, Continued

III. Indebtedness:

The District had no bonded indebtedness during the year ended June 30, 1982.

IV. Collateral Securing Depository Balances:

ORS Chapter 295 provides that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. We reviewed on a test basis the records of Metro for compliance with the requirements of ORS Chapter 295 regarding collateral securing depository balances. Our testing found Metro was not in compliance with those requirements at certain times during the fiscal year ended June 30, 1982.

V. Insurance and Fidelity Bond Coverage:

We have examined Metro's insurance and fidelity bond coverage at June 30, 1982. We ascertained that such policies appeared to be in force and comply with legal requirements relating to fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering District-owned property at June 30, 1982.

VI. Programs Funded from Outside Sources:

We reviewed and tested, to the extent deemed appropriate, the transactions and reports of the federal and state programs in which Metro participates. We did not consider the scope of our

AUDIT COMMENTS AND DISCLOSURES, Continued

VI. Programs Funded from Outside Sources, Continued:

audit engagement as requiring us to make a complete audit examination of each project and our audit opinion on Metro's combined financial statements does not cover each individual grant. Each grant is subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund. The audit was conducted in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-102 and Attachment P thereto which specifies audit content of audits of federal grants. Our opinion on the results of that audit is in the following section.

Based on our tests of the accounting records and examination of reports to grantor agencies, we were in general satisfied as to the propriety of accounting for such revenues and expenditures for the fiscal year ended June 30, 1982, subject to any adjustments subsequently required as a result of audits performed by the grantor agencies.

GRANT COMPLIANCE REVIEW



To the Council
Metropolitan Service District
Portland, Oregon

We have examined the combined financial statements of Metropolitan Service District as of June 30, 1982 and for the year then ended and have issued our report thereon dated October 8, 1982. Our examination was made in accordance with generally accepted auditing standards, the provisions of "Standards for Audit of Governmental Organizations, Programs, Activities and Functions", promulgated by the Comptroller General, which pertain to financial and compliance audits, "Guidelines for Financial and Compliance Audits of Federally Assisted Programs" and the provisions of Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments, Attachment P, Audit Requirements. Our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, we reviewed the terms and conditions of the following grant contracts and agreements:

<u>Agency</u>	<u>Award Number</u>	<u>Award Amount</u>
HUD	CPA-OR-10-16-1035	\$ 56,950
EDA	07-25-01682	225,000
UMTA	OR-29-9007	257,811
UMTA	OR-09-0029	248,000
FHWA/UMTA	NRD-0032	196,000
Tri-Met/UMTA	OR-29-9005	632,767
EPA	A-000-227-81	265,000
		<u>\$1,881,528</u>

We performed tests of operations and records applicable to compliance by Metropolitan Service District with the material terms and conditions set forth in such contracts and agreements. The identification of material compliance features were determined by us as we deemed necessary in the circumstances and were reviewed with the District's designated cognizant audit agency.

In our opinion, for the tested operations and records, Metropolitan Service District complied with the material terms and conditions of its grant contracts and agreements referred to above, except as described in comments IV, V, VI, VII and IX in our Report to Management for the year ended June 30, 1981 and discussed in the "Status of Prior Year Comments" in our Report to Management for the year ended June 30, 1982, and as follows:

- . The accounting system did not provide for accumulating and recording expenditures by grant and cost category shown in the approved budget.
- . Though the District's written procurement procedures appropriately reflected applicable state and local laws, evidence of compliance was lacking on certain procedures for some contracts in the following areas:
 - .. No evidence of advertisement of the Request For Proposal was contained in the files.
 - .. There was no evidence contained in the files of written notification of selection or rejection to firms who made bids.
 - .. Certain contracts did not contain clauses requiring compliance with applicable equal employment, nondiscrimination and civic rights laws as required by federal law.

Further, based upon our examination and the procedures referred to above, nothing came to our attention to indicate that the District had not complied with the material terms and conditions referred to above, except as previously indicated.

Coopers & Lybrand

Portland, Oregon
October 8, 1982