

METROPOLITAN SERVICE DISTRICT

**REPORT TO MANAGEMENT
for the year ended June 30, 1983**

Coopers
& Lybrand

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, 1983, and have issued our report thereon dated September 30, 1983. 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.

Our recommendations have been discussed with the Audit Committee and 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 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 28, 1983

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
Current Year Comments:	
I. Analyze Internal Financial Reporting Needs	1
II. Additional Considerations for Grant Accounting System	1
III. Review Solid Waste Disposal Reports and Perform Annual Audits at the Landfills	3
IV. Investigate System Errors on St Johns and Clackamas Transfer and Recycling Center (CTRC) Customer Accounts	3
V. Develop Accounting System for Pension Trust Fund	5
Status of Prior Year Comments	5-9

I. Analyze Internal Financial Reporting Needs:

Metro has the capability to produce a variety of financial reports for internal use. Currently, the accounting department is producing a comprehensive set of financial statements by fund comparing budget and actual revenues and expenditures. The Council and all departments receive this report. In addition, the departments received detailed reports of purchase orders.

Recommendation

We recommend Metro continue to analyze its internal financial reporting needs. Financial reports should provide information commensurate with the individual's responsibilities. For example, the Council could receive a monthly summary of the financial highlights of the preceding month with detailed information available as desired.

A second example could be the development of individual profit center statements for St Johns and Clackamas Transfer and Recycling Center. These statements could provide management with information on results of operations on an interim basis.

We understand that Metro has begun the process of identifying and preparing needed internal financial information. We recommend this process be continued and refined to ensure that the Council, management and staff are all receiving appropriate information.

II. Additional Considerations For Grant Accounting System:

Metro has expanded and refined its computerized grant accounting system. The changes were implemented July 1, 1983. We reviewed the plan during the course of our audit engagement and noted the following points for your consideration:

II. Additional Considerations For Grant Accounting System,
Continued:

- . Provide Information by Grant Type and Fund - The system should generate subtotals for federal grants, state grants and local grants. Additionally, it should further segregate the grants into the appropriate funds.

- . Indicate Remaining Balance - The monthly reports should indicate remaining balance by grant to enable department heads to monitor unused funds.

- . Provide Input Controls Over Payroll Information - Payroll is one of the major grant expenditures. Coding and input of time card information is susceptible to error. We recommend input controls be established to ensure completeness and accuracy of input.

For example, a hash total could be prepared by totaling the grant codes on the timecards prior to input. The computer could be programmed to total the codes actually input. Comparison of the two totals provides a check that the data is properly input.

- . Evidence Approval of Allocation Adjustments - Adjustment forms are used by department heads to revise the allocation of a grant among various projects. Evidence of approval of the revision by the grantor agency should be attached to the form, and the form should be signed by the department head and the grant administrator prior to the adjustment being entered into the system.

III. Review Solid Waste Disposal Reports and Perform Annual Audits at the Landfills:

Each landfill operator submits a monthly Solid Waste Disposal Report which is the basis for the user fees paid to Metro. We noted the reports are not reviewed on a regular basis. One on-site audit of a landfill operator's records was performed in 1983. The lack of thorough reviews and on-site audits may result in errors or omissions going undetected. This could directly impact the amount of user fee revenue received by the District.

Recommendation

We recommend reports be reviewed for mathematical accuracy and for reasonableness. Unexpected changes or discrepancies should be noted and investigated. All reviews should be performed soon after receipt and should be evidenced by initialing the reports. Additionally, we recommend a surprise audit of each landfill operator's records be performed annually.

IV. Investigate System Errors on St. Johns and Clackamas Transfer and Recycling Center (CTRC) Customers Accounts:

Metro's customer billing system for disposal and user fees is a computer based system. Customer data is input at St. Johns and CTRC with preprinted cards (for regular credit customers) or by manually setting the customer data (for other users). Each hauler is weighed to establish the weight of the load. The weight and dollar amount of the transaction are recorded automatically. The information from the computer systems at St. Johns and CTRC is transmitted to the customer billing computer system in accounting.

IV. Investigate System Errors on St. Johns and Clackamas Transfer and Recycling Center (CTRC) Customers Accounts, Continued:

- . Posting of Credits to Incorrect Customer Accounts -
Several instances were noted where credits were posted correctly in the EDP system but were printed on invoices of the wrong customers. This resulted in customer confusion over amounts actually owed; additionally, excessive staff time is used to correct invoices and handle customers' questions.

Recommendation

The cause of this EDP program error should be identified and corrected.

- . Input Errors on Customers' Account Numbers - We noted cases where the wrong account number was input at the St. Johns and CTRC sites. This occurs when attendants manually set the incorrect account numbers for a customer without preprinted cards. The errors create additional work for accounting staff and have resulted in billings being sent to the wrong customers.

Recommendation

In order to save staff time and decrease collection problems, Metro should establish controls at the sites which ensure that input is accurate.

V. Develop Accounting System for Pension Trust Fund:

The District has two pension plans which are reported as a pension trust fund in accordance with generally accepted accounting principles; however, no general ledger exists for this fund. The plans are administered by Employee Benefit Services Corp. and Bankers's Life, who provide activity reports to Metro. The data necessary to prepare financial statements is contained in these reports.

Recommendation

While this fund is not required to be budgeted, we recommend Metro establish this fund in its accounting system. This would provide better control over the plans and provide a check on the information provided by Employee Benefit Services Corp. and Banker's Life.

Status of Prior Year Comments

The following are updates or the status of comments made in our October 19, 1982 Report to Management for the year ended June 30, 1982. The prior recommendations are listed by title and summary only; for the full text of recommendations refer to the 1982 report.

METROPOLITAN SERVICE DISTRICT
STATUS OF PRIOR YEAR COMMENTS

<u>Title and Summary</u>	<u>Summary of Recommendation</u>	<u>Current Status</u>
<u>STATUS OF 1982 COMMENTS</u>		
I. <u>Require Consultants to Submit Detailed Invoices.</u> We noted several instances where invoices did not clearly indicate work performed.	Require specific identification of nature of project prior to payment.	No similar instances noted in fiscal 1983.
II. <u>Control Unprocessed Invoices.</u> Extensive time lag between receipt and processing of invoices was noted in fiscal 1982.	Recipient of billing should route all invoices to accounting upon receipt. Accounting should maintain a control log of unprocessed invoices.	Recommendation adequately implemented. No similar exceptions noted in fiscal 1983.
III. <u>Determine if Appropriations Remain Prior to Incurring Expenditures.</u> There was no centralized comparison of accumulated expenditures to budgeted amounts prior to incurring expenditures.	All payments should be reviewed prior to processing to determine adequacy of appropriations.	Remaining appropriations reported to departments on a monthly basis. No over-expenditures noted in fiscal 1983.
<u>STATUS OF 1981 COMMENTS</u>		
I. <u>Streamline the Chart of Accounts.</u>	Simplify and increase effectiveness.	Chart of accounts is more streamlined and more effective. Continued improvements planned for fiscal 1984.
II. <u>Develop a Report Comparing Expenditures to Budgeted Appropriation Categories.*</u>		
III. <u>Improve Grant Related Procedures:</u>		
A. <u>Requests for Grantor Reimbursements and Grant Reports.*</u>		
B. <u>Responsibility for Grants.</u> There is no backup for the employee administering grants. Additionally, there was no documentation of standard procedures.	Cross-train accounting and grant personnel. Develop checklist of required documentation.	Metro developed a standard checklist and documentation was complete for grants examined in fiscal 1983. Currently, several individuals could carry on the grant administration activities; however, no one person is fully versed in all facets. We recommend that the cross-training program be continued.

METROPOLITAN SERVICE DISTRICT
STATUS OF PRIOR YEAR COMMENTS, Continued

<u>Title and Summary</u>	<u>Summary of Recommendation</u>	<u>Current Status</u>
STATUS OF 1981 COMMENTS, Continued		
III. <u>Improve Grant Related Procedures,</u> Continued.		
C. <u>Monitoring Grant Compliance Features.</u>	A single individual should be in charge of compliance. A checklist of compliance items should be developed.	Recommendation implemented. No instances of noncompliance noted in grants examined.
D. <u>Direct Costs Charged to Grants</u> We noted that there was no report indicating continuing balance of grant awards.	Develop report listing continuing balance.	Recommendation implemented. We noted no overexpenditures of grants, other than two grants involving \$2,900 overexpenditures needed to complete the projects.
E. <u>Grant Cash Receipts and Disbursements.</u> We noted differences between manual grant records and the computerized general ledger system. Neither receipts nor expenditures were easily reconciled.	Grant accounting should be centrally controlled. All receipts and expenditures should be coded for specific identification.	Recommendation implemented. General ledger was reconciled to manual records on a regular basis. Receipts and expenditures were identifiable to individual grants.
IV. <u>Improve Purchasing and Contract Procedures.</u>		
A. <u>Documentation of Purchase Contracts Maintained in Central Files.*</u>		
B. <u>Procedures Over Contract Purchasing Function.</u>	Fully implement contract procedures as written.	We noted exceptions to the following contract procedures: (1) Evidence of review of bid documents and (2) notification to the State of foreign (out-of-state) contractors used. We recommend these procedures be followed.
C. <u>Establish a Written Policy to Determine Purchases Requiring a Contract.*</u>		

METROPOLITAN SERVICE DISTRICT
STATUS OF PRIOR YEAR COMMENTS, Continued

<u>Title and Summary</u>	<u>Summary of Recommendation</u>	<u>Current Status</u>
<u>STATUS OF 1981 COMMENTS, Continued</u>		
IV. <u>Improve Purchasing and Contract Procedures, Continued.</u>		
D. <u>Increase Internal Control Over Purchasing Procedures.</u>	Maintain and review a numerical purchase order log.	Recommendation implemented.
V. <u>Implement Accounting Procedures:</u>		
A. <u>Timely Cash Reconciliations by Fund.</u>	Prepare cash reconciliations on a timely basis.	Recommendation implemented.
B. <u>Monthly Reconciliations of Detailed Accounts Payable to the General Ledger.</u>	Reconcile accounts payable listing to the general ledger each month. Reconciliation should be reviewed by a supervisor.	Recommendation implemented. No exceptions noted.
C. <u>Reconcile Monthly All Balance Sheet Accounts to the General Ledger.*</u>		
D. <u>Evidence in Writing the Review, Approval and Comparison of Accounting Information.</u>	To clearly indicate operation of controls within the accounting system, initials or other evidence should be provided.	Reviews are generally evidenced.
E. <u>Review Account Coding of All Transactions.*</u>		
VI. <u>Improve Controls Over Cash Receipts and Disbursements:</u>		
A. <u>Cash Disbursement Procedures.*</u>		
B. <u>Cash Receipts.*</u>		
C. <u>Zoo Cash Receipts.</u>	Concessionaires must sign daily cash reconciliations to indicate balancing to cash count.	We noted instances where daily cash reconciliations were not properly signed in fiscal 1983. This is an important internal control to assure proper recording of the \$662,000 cash received as concession revenue.

METROPOLITAN SERVICE DISTRICT
STATUS OF PRIOR YEAR COMMENTS, Continued

<u>Title and Summary</u>	<u>Summary of Recommendation</u>	<u>Current Status</u>
<u>STATUS OF 1981 COMMENTS, Continued</u>		
VII. <u>Increase Internal Control Over Payroll Procedures.</u>	Time cards should be reviewed and initialed by supervisors.	We again noted several instances at the Zoo where time cards were not initialed by the supervisor. The Zoo has many temporary employees which increases risk of irregularities.
VIII. <u>Control Over Investment Activities Should Be Improved.</u>	Adopt investment policies. Verify accuracy of bank computations. Maintain safe deposit box for valuable documents.	Recommendations implemented.
IX. <u>Establish and Maintain Fixed Asset Detail Ledger.</u> Metro has not maintained a detailed fixed asset listing in the past.	Develop detailed fixed asset listing.	Metro has completed an inventory of all plant, property and equipment. A detailed listing has been obtained and is currently being reviewed by department heads. Metro anticipates a final listing in the near future which will be reconciled to the general ledger.
X. <u>Perform Periodic Audits at the Landfills.</u>	Metro staff, in accordance with contractual terms, should periodically audit the franchised landfills on a surprise basis.	Metro performed one such audit in fiscal 1983. More are planned to be performed in fiscal 1984. We recommend that a schedule be established which includes an audit of each landfill at least annually.

*Recommendation adequately implemented in fiscal 1982.

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, 1983**

**Coopers
& Lybrand**

METROPOLITAN SERVICE DISTRICT
June 30, 1983

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, Deputy Presiding Officer	District 1	January 1, 1987
Richard Waker, Councilor	District 2	January 1, 1985
Charles Williamson, Councilor	District 3	January 1, 1985
Corky Kirkpatrick, Councilor	District 4	January 1, 1985
Jack Deines, Councilor	District 5	January 1, 1985
George Van Bergen, Councilor	District 6	January 1, 1987
Sharron Kelley, Councilor	District 7	January 1, 1987
Ernie Bonner, Councilor	District 8	January 1, 1987
Bruce Etlinger, Councilor	District 10	January 1, 1985
Marge Kafoury, Councilor	District 11	January 1, 1987
Gary Hansen, Councilor	District 12	January 1, 1987

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

Registered Agent: Everlee Flanigan

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	7-22
SUPPLEMENTARY DATA:	
General Fund:	
Statement of Revenues - Budget and Actual	23
Statement of Expenditures - Budget and Actual	24
Special Revenue Funds:	
Combining Balance Sheet	25
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	26
Planning Fund:	
Statement of Revenues - Budget and Actual	27
Statement of Expenditures - Budget and Actual	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

METROPOLITAN SERVICE DISTRICT
TABLE OF CONTENTS, Continued

	<u>Page</u>
SUPPLEMENTARY DATA, Continued:	
Fiduciary (Agency and Pension Trust) Fund Types:	
Combining Balance Sheet	37
Combining Statement of Changes in Assets and Liabilities - Agency Funds	38
Statement of Revenues and Expenditures - Budget and Actual:	
Criminal Justice Assistance Fund	39
Sewer Assistance Fund	40
Transportation Technical Assistance Fund	41
Other Financial Schedules:	
Schedule of Property Tax Transactions and Outstanding Receivable	42
Schedule of Long-Term Debt Transactions	43
Schedule of Future Debt Service Requirements	44
Abbreviated Designations for Agencies	45
Schedule of General Fund and Planning Fund Resources and Expenditures - by Grant	46
Schedule of Enterprise Fund Resources and Expenditures - by Grant	47
Schedule of General Fund and Planning Fund Open Grant Projects	48
Schedule of Enterprise Fund Open Grant Projects	49
Schedule of Transportation Technical Assistance Fund Open Grant Projects	50
Schedule of General Fund Grant Projects Closed	51
Schedule of Transportation Technical Assistance Fund Closed Grant Projects	52
Schedule of Enterprise Fund Closed Grant Projects	53
AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS:	
Introduction	54
Accounting and Internal Control Systems	55
Budgeting and Compliance	57
Indebtedness	57
Collateral Securing Depository Balances	58
Insurance and Fidelity Bond Coverage	58
Programs Funded from Outside Sources	58
GRANT COMPLIANCE REVIEW	60

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, 1983 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, 1983, and the results of its operations and the changes in financial position of its proprietary fund type and similar trust fund for the year then ended, in conformity with generally accepted accounting principles 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
September 30, 1983

COMBINED FINANCIAL STATEMENTS

METROPOLITAN SERVICE DISTRICT
 COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1983

ASSETS AND OTHER DEBIT	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	\$186,914	\$1,984,005	\$3,527,261	\$1,796,670	\$4,194,250			\$11,689,100
Receivables:								
User and landfill fees, net of allowance for doubtful accounts of \$41,315				718,293				718,293
Property taxes		724,248						724,248
Federal grants	425	108,097		76,329	99,543			284,394
State and local grants/ contracts	9,557	227,779			72,034			309,370
Other	1,464	7,715	6,300	34,181	15,060			64,720
Advances	10,287							10,287
Inventory of materials and supplies		124,951						124,951
Restricted assets:								
Cash and investments				448,375				448,375
Contract receivable				193,481				193,481
Fixed assets, net				6,687,170		\$14,288,054		20,975,224
Other debit:								
Amount to be provided for payment of capital lease							\$93,667	93,667
Total assets and other debit	<u>\$208,647</u>	<u>\$3,176,795</u>	<u>\$3,533,561</u>	<u>\$9,954,499</u>	<u>\$4,380,887</u>	<u>\$14,288,054</u>	<u>\$93,667</u>	<u>\$35,636,110</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 23,834	\$ 178,902	\$ 346,780	\$ 526,855				\$ 1,076,371
Salaries, withholdings and payroll taxes payable	38,557	168,595		46,988				254,140
Accrued interest				163,197				163,197
Unearned grant revenue		30,045			\$ 22,497			52,542
Deferred revenue	2,498	713,575						716,073
Expenditures by subgrantees in excess of advances					208,408			208,408
Due to other agencies					3,103,579			3,103,579
Payable from restricted assets:								
Contracts payable				331,342				331,342
Deferred credit				310,514				310,514
Retainage payable				255,722				255,722
Loans payable				6,955,570				6,955,570
Obligation under capital lease							\$93,667	93,667
Pension benefits payable					1,046,403			1,046,403
Other		5,265		1,351				6,616
Total liabilities	<u>64,889</u>	<u>1,096,382</u>	<u>346,780</u>	<u>8,591,539</u>	<u>4,380,887</u>		<u>93,667</u>	<u>14,574,144</u>
Fund equity:								
Contributed capital, net				1,753,340				1,753,340
Investment in general fixed assets						\$14,288,054		14,288,054
Accumulated deficit				(390,380)				(390,380)
Fund balances:								
Unreserved	<u>143,758</u>	<u>2,080,413</u>	<u>3,186,781</u>					<u>5,410,952</u>
Total fund equity	<u>143,758</u>	<u>2,080,413</u>	<u>3,186,781</u>	<u>1,362,960</u>		<u>14,288,054</u>		<u>21,061,966</u>
Total liabilities and fund equity	<u>\$208,647</u>	<u>\$3,176,795</u>	<u>\$3,533,561</u>	<u>\$9,954,499</u>	<u>\$4,380,887</u>	<u>\$14,288,054</u>	<u>\$93,667</u>	<u>\$35,636,110</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 - ALL GOVERNMENTAL FUND TYPES
 for the year ended June 30, 1983

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
REVENUES:				
Taxes		\$4,894,601		\$4,894,601
Dues	\$ 579,070			579,070
Grants and contracts:				
Federal		537,466		537,466
State and local		544,593		544,593
Admissions		944,341		944,341
Charges for services		426,447		426,447
Vending and concessions		662,333		662,333
Donations and bequests		60,213	\$ 667,573	727,786
Interest	12,481	147,489	241,357	401,327
Miscellaneous	10,562	246,993		257,555
Total revenues	<u>602,113</u>	<u>8,464,476</u>	<u>908,930</u>	<u>9,975,519</u>
EXPENDITURES:				
Current:				
General government	1,646,797			1,646,797
Zoo operations		3,949,102		3,949,102
Planning and development		861,222		861,222
Expense reimbursements - General				
Fund		783,326		783,326
Capital outlay	<u>1,452</u>	<u>220,342</u>	<u>1,463,706</u>	<u>1,685,500</u>
Total expenditures	1,648,249	5,813,992	1,463,706	8,925,947
Less administrative expense				
reimbursements:				
Proprietary Fund	569,700			569,700
Special Revenue Funds	783,326			783,326
Fiduciary Fund	5,000			5,000
Net expenditures	<u>290,223</u>	<u>5,813,992</u>	<u>1,463,706</u>	<u>7,567,921</u>
Revenue over (under) net expendi- tures	311,890	2,650,484	(554,776)	2,407,598
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	<u>(209,078)</u>	<u>(1,982,177)</u>	<u>2,191,255</u>	<u> </u>
Revenue and other sources over (under) net expenditures and other uses	102,812	668,307	1,636,479	2,407,598
FUND BALANCES - July 1, 1982	37,388	1,415,664	1,550,302	3,003,354
Transfer of residual fund balance to General Fund	<u>3,558</u>	<u>(3,558)</u>	<u> </u>	<u> </u>
FUND BALANCES - June 30, 1983	<u>\$ 143,758</u>	<u>\$2,080,413</u>	<u>\$3,186,781</u>	<u>\$5,410,952</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, 1983

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes			
Dues	\$ 579,070	\$ 579,070	
Grants and contracts:			
Federal			
State and local			
Admissions			
Charges for services			
Vending and concessions			
Donations and bequests			
Interest		12,481	\$ 12,481
Miscellaneous	<u>9,100</u>	<u>10,562</u>	<u>1,462</u>
Total revenues	<u>588,170</u>	<u>602,113</u>	<u>13,943</u>
EXPENDITURES:			
Current:			
General government	1,746,184	1,646,797	99,387
Zoo operations			
Planning and development			
Expense reimbursements - General Fund			
Contingency	46,028		46,028
Capital outlay	<u>1,700</u>	<u>1,452</u>	<u>248</u>
Total expenditures	<u>1,793,912</u>	<u>1,648,249</u>	<u>145,663</u>
Less administrative expense reimbursements:			
Proprietary Fund	569,700	569,700	
Special Revenue Funds	846,815	783,326	(63,489)
Fiduciary Fund		<u>5,000</u>	<u>5,000</u>
	<u>1,416,515</u>	<u>1,358,026</u>	<u>(58,489)</u>
Net expenditures	<u>377,397</u>	<u>290,223</u>	<u>87,174</u>
Revenue over (under) net expenditures	210,773	311,890	101,117
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>(236,473)</u>	<u>(205,520)</u>	<u>30,953</u>
Revenues and other sources over (under) net expenditures and other uses	(25,700)	106,370	132,070
FUND BALANCES - July 1, 1982	<u>25,700</u>	<u>37,388</u>	<u>11,688</u>
FUND BALANCES - June 30, 1983	<u>\$ -</u>	<u>\$ 143,758</u>	<u>\$ 143,758</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)
\$4,862,237	\$4,894,601	\$ 32,364				\$ 4,862,237	\$4,894,601	\$ 32,364
						579,070	579,070	
1,395,056	537,466	(857,590)				1,395,056	537,466	(857,590)
398,198	544,593	146,395				398,198	544,593	146,395
1,015,200	944,341	(70,859)				1,015,200	944,341	(70,859)
423,960	426,447	2,487				423,960	426,447	2,487
731,500	662,333	(69,167)				731,500	662,333	(69,167)
44,000	60,213	16,213	\$ 300,000	\$ 667,573	\$ 367,573	344,000	727,786	383,786
65,442	147,489	82,047	103,000	241,357	138,357	168,442	401,327	232,885
64,833	246,993	182,160				73,933	257,555	183,622
<u>9,000,426</u>	<u>8,464,476</u>	<u>(535,950)</u>	<u>403,000</u>	<u>908,930</u>	<u>505,930</u>	<u>9,991,596</u>	<u>9,975,519</u>	<u>(16,077)</u>
						1,746,184	1,646,797	99,387
4,103,027	3,949,102	153,925				4,103,027	3,949,102	153,925
1,184,361	861,222	323,139				1,184,361	861,222	323,139
846,815	783,326	63,489				846,815	783,326	63,489
316,454		316,454	364,960		364,960	727,442		727,442
355,529	220,342	135,187	3,284,999	1,463,706	1,821,293	3,642,228	1,685,500	1,956,728
<u>6,806,186</u>	<u>5,813,992</u>	<u>992,194</u>	<u>3,649,959</u>	<u>1,463,706</u>	<u>2,186,253</u>	<u>12,250,057</u>	<u>8,925,947</u>	<u>3,324,110</u>
						569,700	569,700	
						846,815	783,326	(63,489)
							5,000	5,000
						<u>1,416,515</u>	<u>1,358,026</u>	<u>(58,489)</u>
<u>6,806,186</u>	<u>5,813,992</u>	<u>992,194</u>	<u>3,649,959</u>	<u>1,463,706</u>	<u>2,186,253</u>	<u>10,833,542</u>	<u>7,567,921</u>	<u>3,265,621</u>
2,194,240	2,650,484	456,244	(3,246,959)	(554,776)	2,692,183	(841,946)	2,407,598	3,249,544
(2,321,803)	(1,985,735)	336,068	2,213,750	2,191,255	(22,495)	(344,526)		344,526
(127,563)	664,749	792,312	(1,033,209)	1,636,479	2,669,688	(1,186,472)	2,407,598	3,594,070
1,113,867	1,415,664	301,797	1,033,209	1,550,302	517,093	2,172,776	3,003,354	830,578
<u>\$ 986,304</u>	<u>\$2,080,413</u>	<u>\$1,094,109</u>	<u>\$ -</u>	<u>\$3,186,781</u>	<u>\$3,186,781</u>	<u>\$ 986,304</u>	<u>\$5,410,952</u>	<u>\$4,424,648</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, 1983

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Pension Trust</u>	<u>Total (Memorandum Only)</u>
OPERATING REVENUES:			
Disposal fees	\$3,945,343		\$3,945,343
Solid waste collection fees	1,607,203		1,607,203
Other	27,935		27,935
Pension contributions		\$387,942	387,942
Total operating revenues	<u>5,580,481</u>	<u>387,942</u>	<u>5,968,423</u>
OPERATING AND ADMINISTRATIVE EXPENSES:			
Payroll and fringe benefits	630,062		630,062
St. Johns Landfill operating expenses, including \$183,960 rent	2,623,664		2,623,664
Clackamas Transfer and Recycling Center operating expenses	278,625		278,625
Consulting fees and contractual services	239,429		239,429
Office supplies	3,429		3,429
Bad debts	32,946		32,946
Travel expense	7,493		7,493
Public information	3,132		3,132
Depreciation	398,928		398,928
Reimbursement of administrative expenses to the General Fund	569,700		569,700
Data processing expense	712		712
Meetings	2,968		2,968
Other	33,525		33,525
Pension benefits		461,659	461,659
Distribution to participants		101,667	101,667
Total operating and administrative expenses	<u>4,824,613</u>	<u>563,326</u>	<u>5,387,939</u>
Gain (loss) from operations	<u>755,868</u>	<u>(175,384)</u>	<u>580,484</u>
NONOPERATING REVENUES (EXPENSES):			
Interest and other earnings on investments	177,534	175,384	352,918
Interest expense	(214,482)		(214,482)
Operating grants	71,615		71,615
Nonoperating revenues (expenses), net	<u>34,667</u>	<u>175,384</u>	<u>210,051</u>
Excess of revenues over expenses before extraordinary loss	<u>790,535</u>		<u>790,535</u>
EXTRAORDINARY ITEM:			
Extraordinary loss (Note 4)	(3,949,825)		(3,949,825)
Net loss	<u>(3,159,290)</u>		<u>(3,159,290)</u>
Add items charged directly to contributed capital:			
Depreciation on fixed assets acquired by capital grants	118,527		118,527
Portion of extraordinary loss financed by capital grants	1,198,632		1,198,632
Decrease in retained earnings	<u>(1,842,131)</u>		<u>(1,842,131)</u>
RETAINED EARNINGS/FUND BALANCE - July 1, 1982	<u>1,451,751</u>		<u>1,451,751</u>
ACCUMULATED DEFICIT/FUND BALANCE - June 30, 1983	<u>\$ (390,380)</u>	<u>\$ -</u>	<u>\$ (390,380)</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, 1983

	<u>Proprietary Fund Type Enterprise</u>	<u>Fiduciary Fund Type Pension Trust</u>	<u>Total (Memorandum Only)</u>
WORKING CAPITAL PROVIDED:			
From operations:			
Excess of revenues over expenses before extraordinary loss	\$ 790,535		\$ 790,535
Add charges to operations not affecting working capital in the current year:			
Depreciation	<u>398,928</u>		<u>398,928</u>
Working capital provided by operations before extraordinary loss	1,189,463		1,189,463
Extraordinary loss (including \$1,198,632 applied against contributed capital)	<u>(3,949,825)</u>		<u>(3,949,825)</u>
Working capital used in operations	<u>(2,760,362)</u>		<u>(2,760,362)</u>
Write-off of plant, property and equipment	3,874,825		3,874,825
Decrease in restricted assets	1,175,982		1,175,982
Proceeds from loan payable	1,157,700		1,157,700
Capital grants received	871,124		871,124
Write-off of deferred bond expense	25,000		25,000
Increase in pension benefits payable		<u>\$947,430</u>	<u>947,430</u>
Total working capital provided	<u>4,344,269</u>	<u>947,430</u>	<u>5,291,699</u>
WORKING CAPITAL USED:			
Additions to plant and equipment	3,669,528		3,669,528
Current maturities of loan payable	395,700		395,700
Decrease in liabilities payable from restricted assets, net	<u>357,808</u>		<u>357,808</u>
Total working capital used	<u>4,423,036</u>		<u>4,423,036</u>
Increase (decrease) in working capital	<u>\$ (78,767)</u>	<u>\$947,430</u>	<u>\$ 868,663</u>
CHANGES IN COMPONENTS WHICH INCREASED (DECREASED)			
WORKING CAPITAL:			
Cash and investments	\$ (158,333)	\$938,128	\$ 779,795
Receivables	243,973	9,302	253,275
Advances	(50,000)		(50,000)
Accounts, salaries and other payables	(29,079)		(29,079)
Unearned grant revenue	161,614		161,614
Retainage payable	(180,971)		(180,971)
Loan payable within one year	(78,700)		(78,700)
Due to other funds	<u>12,729</u>		<u>12,729</u>
Increase (decrease) in working capital	<u>\$ (78,767)</u>	<u>\$947,430</u>	<u>\$ 868,663</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 funds 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 transactions
- . 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 forty 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. Interest earned on temporary investment acquired with the proceeds of such borrowed funds from the date of the borrowing until the assets are ready for their intended use is used to reduce the interest costs capitalized on the constructed assets.

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.

Amounts received from grantor agencies for which Metro acts in a pass-through capacity are recorded in a fiduciary fund type as a liability.

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.

Metro allocates indirect costs, primarily administrative costs, to grants in compliance with a cost allocation plan subject to the approval of Metro's cognizant agency. The plan in effect for fiscal 1983 had such approval and allocated indirect costs to all grants which allow indirect costs at a rate of 58% of the direct personnel costs.

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

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Leases, Continued

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.

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.

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. Budget amounts shown in the combined financial statements include the original budget amounts and all appropriation transfer and amendment 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 and Planning Funds and total personal services, materials and services, capital outlay and other

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, Continued:

Budget, Continued:

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 or by an ordinance passed by the council amending the budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original, amended 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 budget amendment and several appropriations transfers during the year.

Total (Memorandum Only) Columns

The total (memorandum only) columns on the combined financial statements represent an aggregate of the columnar statements by fund type and account group; they do 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),

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

2. Organization and Operation, Continued:

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.

Included in the District's combined financial statements are all activities and organizations with which the District exercises oversight authority as demonstrated by financial interdependency and/or authoritative appointment of governing authority.

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 primarily for Metro's administrative activities. Principal 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 1983 rate was \$.50 per person.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

3. Description of Funds, Continued:

Governmental Fund Types, Continued

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. The Drainage Fund was closed in 1983 by a transfer to the General Fund of its remaining cash and investments.

Planning Fund - accounts for funding and operation of planning activities in the areas of transportation, development services and criminal justice. Principal sources of revenues are federal, state and local grants. The fund was established in 1983.

Capital Projects Fund

The Zoo Capital Fund accounts for the major capital improvement projects at the Washington Park Zoo. Principal resources include donations, interest and a portion of the serial levy approved for the Zoo and transferred from the Zoo Fund.

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 and Clackamas Transfer and Recycling Center operations.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

3. Description of Funds, Continued:

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.

Transportation Technical Assistance Fund - accounts for federal and state transportation planning grants received by Metro and passed through to local jurisdictions. The fund was established in 1983.

Sewer Assistance Fund - accounts for funds from the Department of Environmental Quality (DEQ) for which Metro acts in a custodial capacity for funds received and passed through to local jurisdictions. The fund was established in 1983.

Pension Trust Fund

Pension Plan Fund - accounts for Metro's contributions to two defined contribution pension plans for the benefit of substantially all employees. Resources are contributions based upon a percentage of participants' wages and interest and other earnings on investments.

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.

METROPOLITAN SERVICE DISTRICT
 NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

4. Extraordinary Item:

As a result of a local initiative passed by the voters in the November 1982 election, the Metro Council adopted a resolution terminating construction of the portion of the Resource Recovery Project relating to the Energy Recovery Facility. Project costs, including advances and deferred bond expenses amounting to \$4,560,036 which previously had been capitalized, were written down to the estimated fair market value of the remaining assets, principally land, resulting in an extraordinary loss of \$3,949,825. A portion of the write-off amounting to \$1,198,632 is allocated to contributed capital in proportion to the amount of capital grant funds used to construct the facility (see Note 10).

5. Cash and Investments:

Unrestricted and restricted cash and investments are comprised of the following at June 30, 1983:

Cash:

On hand	\$ 10,327
Bank overdrafts	(383,554)
In hands of fiscal agents	54,994

Investments:

Local Government Investment Pool	3,304,427
Certificates of deposit, with interest rates of 8.0% to 8.4% and maturing on July 1, 1983	8,114,180
Pooled short-term investment	<u>1,037,101</u>
	<u>\$12,137,475</u>

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

Unrestricted	\$11,689,100
Restricted	<u>448,375</u>
	<u>\$12,137,475</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

6. Restricted Assets and Liabilities:

Restricted cash and investments in the Enterprise Fund Type consist of:

Monies from landfill surcharges and interest received from the City of Portland restricted to use for final cover, expansion and leachate control at St. Johns Landfill	\$117,033
Contractually restricted retainages payable on construction projects	<u>331,342</u>
	<u>\$448,375</u>

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

Cash	\$1,000,000
Receivable	<u>193,481</u>
	1,193,481
Accumulated landfill cover costs	<u>(882,967)</u>
	<u>\$ 310,514</u>

7. Fixed Assets:

Changes in these accounts during the fiscal year comprised:

GENERAL FIXED ASSETS ACCOUNT GROUP

	Balance June 30, <u>1982</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance June 30, <u>1983</u>
Land and land improvements	\$ 1,171,523	\$ 2,160	\$ 16,643		\$ 1,190,326
Buildings and improvements	8,344,183	99,163	1,591,185		10,034,531
Furniture, fixtures and equipment	886,243	143,991		\$(7,204)	1,023,030
Railroad facilities under capital lease	301,891				301,891
Other capitalized leased equipment	171,545	52,368			223,913
Leasehold improvements	1,815				1,815
Construction in progress	<u>1,687,162</u>	<u>1,433,214</u>	<u>(1,607,828)</u>		<u>1,512,548</u>
	<u>\$12,564,362</u>	<u>\$1,730,896</u>	<u>\$ -</u>	<u>\$(7,204)</u>	<u>\$14,288,054</u>

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

7. Fixed Assets, Continued:

ENTERPRISE FUND

	Balance June 30, <u>1982</u>	<u>Additions</u>	<u>Transfers</u>	Write-Down (Note 4)	Balance June 30, <u>1983</u>
Land and land improvements	\$1,176,642	\$ 30,101	\$ 500,000		\$1,706,743
Buildings and improvements		2,921,833	784,225		3,706,058
Equipment	194,692	28,470			223,162
Leasehold improvements	1,949,995				1,949,995
Construction in progress	<u>4,469,926</u>	<u>689,124</u>	<u>(1,284,225)</u>	<u>\$3,874,825</u>	<u> </u>
	7,791,255	3,669,528	-	3,874,825	7,585,958
Less accumulated depreciation	<u>499,860</u>	<u>398,928</u>	<u> </u>	<u> </u>	<u>898,788</u>
	<u>\$7,291,395</u>	<u>\$3,270,600</u>	<u>\$ </u>	<u>\$3,874,825</u>	<u>\$6,687,170</u>

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 (see Note 12). 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.

Interest expense recorded in the enterprise fund for the year ended June 30, 1983 was \$437,390, of which \$222,908 was added to the cost of construction in progress.

Interest earned on tax-exempt borrowings related to construction projects in the enterprise fund was \$80,802. This amount reduced the cost of construction in progress.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

8. 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, 1983:

Loan I, payable in annual principal installments ranging from \$150,000 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	\$1,590,000
Loan III, payable in annual principal installments ranging from \$163,000 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	937,870
Loan IV, payable in annual principal installments ranging from \$12,000 to \$337,000 through August 2002. Interest rate varies from 5.2% to 7.9% over the life of the loan and is payable semi-annually on February 1 and August 1	<u>4,427,700</u>
	<u>\$6,955,570</u>

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 former Energy Recovery Facility and site development, design and construction of the Clackamas Transfer and Recycling Center. 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 a resource recovery facility accompanied by an underwriter's statement of necessity for subordination. Additionally Metro has agreed not to discontinue operation or dispose of the Clackamas Transfer and Recycling Center without the prior approval of DEQ.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

8. Loans Payable, Continued:

Loans I and III are not collateralized.

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

Fiscal Year Ending June 30,	Loan I - 4 to 6%		Loan III - 4 to 6%		Loan IV - 5.2 to 7.9%		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1983-84	\$ 150,000	\$ 68,475	\$163,000	\$ 40,630	\$ 82,700	\$ 318,756	\$ 395,700	\$ 427,861
1984-85	150,000	61,725	174,000	31,508	87,000	313,298	411,000	406,531
1985-86	150,000	54,900	184,870	23,003	133,000	306,177	467,870	384,080
1986-87	150,000	47,925	200,000	14,436	173,000	296,074	523,000	358,435
1987-88	160,000	40,600	216,000	4,968	212,000	282,692	588,000	328,260
Later years	<u>830,000</u>	<u>90,200</u>			<u>3,740,000</u>	<u>2,038,510</u>	<u>4,570,000</u>	<u>2,128,710</u>
	<u>\$1,590,000</u>	<u>\$363,825</u>	<u>\$937,870</u>	<u>\$114,545</u>	<u>\$4,427,700</u>	<u>\$3,555,507</u>	<u>\$6,955,570</u>	<u>\$4,033,877</u>

9. Capital Lease Obligations:

Metro has several lease agreements for copy machines, a word processing unit, a computer and computer software for varying periods through 1988. Interest rates range from 6.5% - 17.7%.

The future minimum lease payments are:

Fiscal Year Ending June 30,	Amount
1984	\$ 44,469
1985	33,892
1986	12,384
1987	12,384
1988	<u>5,542</u>
Total minimum lease payments	108,671
Less amount representing interest	<u>(15,004)</u>
Net present value of future minimum lease payments	<u>\$ 93,667</u>

10. Contributed Capital:

Changes in contributed capital in the enterprise fund for the year ended June 30, 1983 are as follows:

Balance, June 30, 1982	\$2,199,375
Federal and state grant proceeds used for acquisition of fixed assets	871,124
Depreciation on fixed assets acquired with capital grants (\$258,591 total to June 30, 1983)	(118,527)
Write-down of contributed capital related to capital grants used to construct the terminated Energy Recovery Facility	<u>(1,198,632)</u>
Balance, June 30, 1983	<u>\$1,753,340</u>

11. 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

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

11. Pension Plans, Continued:

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. These plans are administered by the Executive Officer of Metro and are included in the Pension Trust Fund. The 5% Plan was not included in the Pension Trust Fund in the prior year. The effect of the inclusion of the Plan in the Pension Trust Fund is to increase cash and investments, and pension benefits payable at June 30, 1982 by \$485,771.

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 contribute. Metro's contribution rate was 7.3% of employee compensation. Effective January 1, 1984 the contribution rate will be 6.52% until the next actuarial valuation is performed. Pension expenditures are recorded as funded. Assuming a 7-1/2% rate of return on investments, the plan's net assets (\$267,362) as of December 31, 1982, the latest actuarial valuation, exceeded the actuarially computed present value of vested and nonvested accumulated plan benefits by \$128,744 and the total unfunded supplemental value (prior service cost liability) for active employees at that date was \$11,460. 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 \$395,000 for the year ended June 30, 1983 for all of the above plans.

12. Commitments and Contingencies:

Vacations

Earned but unpaid and unaccrued vacations payable in the governmental fund types approximated \$193,500 at June 30, 1983.

Contracts

Total contract commitments, primarily for construction projects, at June 30, 1983 were approximately \$1,675,000 for the Capital Projects fund and \$72,000 for the Enterprise Fund.

METROPOLITAN SERVICE DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS, Continued

12. Commitments and Contingencies, Continued:

Reviews by Grantor Agencies

Grant costs are subject to review by the grantor agencies. Any costs disallowed as the 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:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Amount</u>
1984	\$274,647
1985	264,945
1986	<u>259,863</u>
	<u>\$799,455</u>

Rental expense under the lease for the year ended June 30, 1983 amounted to \$273,261.

St. Johns Landfill

Metro is leasing the landfill from the City of Portland. A three-year lease expired June 1, 1983. Currently the City of Portland and Metro are negotiating a new lease. Metro is leasing the landfill on a month-to-month basis until a new agreement is in effect. 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

12. Commitments and Contingencies, Continued:

St. Johns Landfill, Continued

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

Fiscal Year Ended June 30,	Amount
1984	\$ 4,474,284
1985	4,786,443
1986	<u>1,144,584</u>
	<u>\$10,405,311</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, \$2,126,772, relates to landfill improvements, primarily final ground cover.

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 in April 1983.

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

Fiscal Year Ended June 30,	Amount
1984	\$1,700,000
1985	1,836,000
1986	1,818,000
1987	<u>450,000</u>
	<u>\$5,804,000</u>

Legal Matters

The District is involved in potential claims, and other disputes which, for the most part, are normal to the District's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon its financial position or operations.

SUPPLEMENTARY DATA

METROPOLITAN SERVICE DISTRICT
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Dues	\$ 579,070	\$ 579,070	
Interest		12,481	\$12,481
Miscellaneous	<u>9,100</u>	<u>10,562</u>	<u>1,462</u>
Total revenues	<u>588,170</u>	<u>602,113</u>	<u>13,943</u>
OTHER FINANCING SOURCES:			
Operating transfers from:			
Solid Waste Fund	569,700	569,700	
Zoo Fund	389,252	389,252	
Planning Fund	457,563	394,074	(63,489)
Sewer Assistance Fund		5,000	5,000
Residual equity transfer - Drainage Fund		<u>3,558</u>	<u>3,558</u>
Total other financing sources	<u>1,416,515</u>	<u>1,361,584</u>	<u>(54,931)</u>
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>25,700</u>	<u>37,388</u>	<u>11,688</u>
	<u>\$2,030,385</u>	<u>\$2,001,085</u>	<u>\$(29,300)</u>

METROPOLITAN SERVICE DISTRICT
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Transfers In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Council:					
Personal services	\$ 69,514		\$ 69,514	\$ 62,524	\$ 6,990
Materials and services	<u>49,220</u>		<u>49,220</u>	<u>44,369</u>	<u>4,851</u>
	<u>118,734</u>		<u>118,734</u>	<u>106,893</u>	<u>11,841</u>
Executive Management:					
Personal services	214,909	\$10,269	225,178	214,210	10,968
Materials and services	<u>11,420</u>	<u>4,000</u>	<u>15,420</u>	<u>10,643</u>	<u>4,777</u>
	<u>226,329</u>	<u>14,269</u>	<u>240,598</u>	<u>224,853</u>	<u>15,745</u>
Public Affairs:					
Personal services	191,684	17,106	208,790	203,021	5,769
Materials and services	30,113		30,113	24,104	6,009
Capital outlay		<u>1,200</u>	<u>1,200</u>	<u>1,002</u>	<u>198</u>
	<u>221,797</u>	<u>18,306</u>	<u>240,103</u>	<u>228,127</u>	<u>11,976</u>
Finance and Administration:					
Personal services	428,331	10,000	438,331	423,269	15,062
Materials and services	709,618		709,618	664,657	44,961
Capital outlay		<u>500</u>	<u>500</u>	<u>450</u>	<u>50</u>
	<u>1,137,949</u>	<u>10,500</u>	<u>1,148,449</u>	<u>1,088,376</u>	<u>60,073</u>
General operating contingency	<u>93,270</u>	<u>(47,242)</u>	<u>46,028</u>		<u>46,028</u>
Total expenditures	1,798,079	(4,167)	1,793,912	1,648,249	145,663
OTHER FINANCING USES:					
Operating transfer to Planning fund	<u>232,306</u>	<u>4,167</u>	<u>236,473</u>	<u>209,078</u>	<u>27,395</u>
	<u>\$2,030,385</u>	<u>\$ -</u>	<u>\$2,030,385</u>	<u>\$1,857,327</u>	<u>\$173,058</u>

METROPOLITAN SERVICE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1983

	<u>Planning Fund</u>	<u>Zoo Fund</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$(212,687)	\$2,196,692	\$1,984,005
Receivables:			
Property taxes		724,248	724,248
Federal grants	97,897	10,200	108,097
State grants	126,925	2,348	129,273
Local grants/contracts	98,506		98,506
Other	913	6,802	7,715
Inventory of materials and supplies		<u>124,951</u>	<u>124,951</u>
	<u>\$111,554</u>	<u>\$3,065,241</u>	<u>\$3,176,795</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 19,724	\$ 159,178	\$ 178,902
Salaries, withholdings and payroll taxes payable	32,248	136,347	168,595
Unearned grant revenue	5,045	25,000	30,045
Deferred revenue	19,527	694,048	713,575
Other	<u>5,265</u>		<u>5,265</u>
Total liabilities	81,809	1,014,573	1,096,382
Fund balances - unreserved	<u>29,745</u>	<u>2,050,668</u>	<u>2,080,413</u>
Total liabilities and fund balances	<u>\$111,554</u>	<u>\$3,065,241</u>	<u>\$3,176,795</u>

METROPOLITAN SERVICE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 1983

	<u>Planning Fund</u>	<u>Zoo Fund</u>	<u>Drainage Fund</u>	<u>Totals</u>
REVENUES:				
Taxes		\$4,894,601		\$4,894,601
Federal grants	\$ 483,838	53,628		537,466
State grants	291,377			291,377
Local grants	157,779			157,779
Local government contract	95,437			95,437
Admissions		944,341		944,341
Charges for services		426,447		426,447
Vending and concessions		662,333		662,333
Donations and bequests		60,213		60,213
Interest		147,489		147,489
Miscellaneous	50,183	196,810		246,993
Total revenues	<u>1,078,614</u>	<u>7,385,862</u>		<u>8,464,476</u>
OTHER FINANCING SOURCE - operating transfer from General Fund	<u>209,078</u>			<u>209,078</u>
Total revenue and other financing source	<u>1,287,692</u>	<u>7,385,862</u>		<u>8,673,554</u>
EXPENDITURES:				
Current:				
Zoo operations		3,949,102		3,949,102
Planning and development:				
Personal services	752,221			752,221
Materials and services	109,001			109,001
Expense reimbursement - General Fund	394,074	389,252		783,326
Capital outlay	<u>2,651</u>	<u>217,691</u>		<u>220,342</u>
Total expenditures	<u>1,257,947</u>	<u>4,556,045</u>		<u>5,813,992</u>
OTHER FINANCING USES:				
Operating transfers to other funds:				
Zoo capital		<u>2,191,255</u>		<u>2,191,255</u>
Total expenditures and other financing uses	<u>1,257,947</u>	<u>6,747,300</u>		<u>8,005,247</u>
Revenues and other financing sources over (under) expenditures and other financing uses	29,745	638,562		668,307
FUND BALANCES - July 1, 1982		1,412,106	\$3,558	1,415,664
Transfer of residual fund balance to General Fund			<u>(3,558)</u>	<u>(3,558)</u>
FUND BALANCES - June 30, 1983	<u>\$ 29,745</u>	<u>\$2,050,668</u>	<u>\$ -</u>	<u>\$2,080,413</u>

METROPOLITAN SERVICE DISTRICT
 PLANNING FUND
 STATEMENT OF REVENUES - BUDGET AND ACTUAL
 for the year ended June 30, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Federal Grants:			
Urban Mass Transit Administration	\$ 838,357		
Federal Highway Administration	500,699		
Environmental Protection Agency	<u>22,500</u>		
	<u>1,361,556</u>	\$ <u>483,838</u>	\$(<u>877,718</u>)
State Grants:			
Oregon Department of Transportation	46,224		
Oregon Law Enforcement Council	92,584		
Land Conservation Development Commission	51,088		
Other	<u>20,000</u>		
	<u>209,896</u>	<u>291,377</u>	<u>81,481</u>
Local Grants/Contracts:			
Tri-Met	58,041		
Miscellaneous	<u>19,664</u>		
	<u>77,705</u>	<u>157,779</u>	<u>80,074</u>
Local government contracts	<u>110,597</u>	<u>95,437</u>	<u>(15,160)</u>
Miscellaneous	<u>16,453</u>	<u>50,183</u>	<u>33,730</u>
Total revenues	<u>1,776,207</u>	<u>1,078,614</u>	<u>(697,593)</u>
OTHER FINANCING SOURCES:			
Operating transfers from:			
General Fund	236,473	209,078	(27,395)
Criminal Justice Assistance Fund	<u>41,732</u>		<u>(41,732)</u>
Total other financing sources	<u>278,205</u>	<u>209,078</u>	<u>(69,127)</u>
	<u>\$2,054,412</u>	<u>\$1,287,692</u>	<u>\$(766,720)</u>

*Original budget of \$1,949,462 was amended for unexpected grant resources totaling \$104,950 in accordance with ORS 294.326(2).

METROPOLITAN SERVICE DISTRICT
 PLANNING FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1983

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original as Amended*</u>	<u>Transfers In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Transportation:					
Personal services	\$ 555,235		\$ 555,235	\$ 549,432	\$ 5,803
Materials and services	211,832	\$(29,230)	182,602	100,839	81,763
Capital outlay	<u>1,000</u>	<u>29,230</u>	<u>30,230</u>	<u>2,651</u>	<u>27,579</u>
	<u>768,067</u>		<u>768,067</u>	<u>652,922</u>	<u>115,145</u>
Development services:					
Personal services	210,285		210,285	133,469	76,816
Materials and services	<u>137,653</u>		<u>137,653</u>	<u>6,147</u>	<u>131,506</u>
	<u>347,938</u>		<u>347,938</u>	<u>139,616</u>	<u>208,322</u>
Criminal justice:					
Personal services	96,086		96,086	69,320	26,766
Materials and services	<u>2,500</u>		<u>2,500</u>	<u>2,015</u>	<u>485</u>
	<u>98,586</u>		<u>98,586</u>	<u>71,335</u>	<u>27,251</u>
Total expenditures	<u>1,214,591</u>		<u>1,214,591</u>	<u>863,873</u>	<u>350,718</u>
OTHER FINANCING USES:					
Operating transfers to other funds:					
General	457,563		457,563	394,074	63,489
Transportation Technical Assistance Fund	<u>382,258</u>		<u>382,258</u>	<u> </u>	<u>382,258</u>
Total other financing uses	<u>839,821</u>		<u>839,821</u>	<u>394,074</u>	<u>445,747</u>
Total expenditures and other financing uses	<u>\$2,054,412</u>	<u>\$ -</u>	<u>\$2,054,412</u>	<u>\$1,257,947</u>	<u>\$796,465</u>

*Appropriations were amended for unexpected grant resources by \$104,950 in accordance with ORS 294.326(2).

METROPOLITAN SERVICE DISTRICT
ZOO FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Original Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$4,862,237	\$4,894,601	\$ 32,364
Admissions	1,015,200	944,341	(70,859)
Concessions	731,500	662,333	(69,167)
Railroad	231,000	218,517	(12,483)
Gift shop	192,960	207,930	14,970
Federal grants	33,500	53,628	20,128
Donations	44,000	60,213	16,213
Interest	65,000	147,489	82,489
Miscellaneous	<u>48,380</u>	<u>196,810</u>	<u>148,430</u>
Total revenues	7,223,777	7,385,862	162,085
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>1,110,309</u>	<u>1,412,106</u>	<u>301,797</u>
	<u>\$8,334,086</u>	<u>\$8,797,968</u>	<u>\$463,882</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Transfer In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Personal services	\$2,429,775	\$160,323	\$2,590,098	\$2,585,222	\$ 4,876
Materials and services	1,512,929		1,512,929	1,363,880	149,049
Capital outlay	325,299		325,299	217,691	107,608
General operating contingency	<u>476,777</u>	<u>(160,323)</u>	<u>316,454</u>	<u> </u>	<u>316,454</u>
Total expenditures	<u>4,744,780</u>	<u> </u>	<u>4,744,780</u>	<u>4,166,793</u>	<u>577,987</u>
OTHER FINANCING USES:					
Operating transfers to other funds:					
General	389,252		389,252	389,252	
Zoo Capital	<u>2,213,750</u>		<u>2,213,750</u>	<u>2,191,255</u>	<u>22,495</u>
Total other financing uses	<u>2,603,002</u>		<u>2,603,002</u>	<u>2,580,507</u>	<u>22,495</u>
Total expenditures and other financing uses	7,347,782		7,347,782	<u>\$6,747,300</u>	<u>\$600,482</u>
UNAPPROPRIATED ENDING FUND BALANCE	<u>986,304</u>	<u> </u>	<u>986,304</u>		
	<u>\$8,334,086</u>	<u>\$ -</u>	<u>\$8,334,086</u>		

METROPOLITAN SERVICE DISTRICT
DRAINAGE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Interest	\$ 442		\$(442)
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>3,558</u>	<u>\$3,558</u>	—
	<u>\$4,000</u>	<u>\$3,558</u>	\$(442)

	<u>Budgeted Appropriations</u>				<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amendment*</u>	<u>Revised</u>	<u>Actual</u>	
EXPENDITURES:					
Contingency	\$10,690	\$(10,690)			
OTHER FINANCING USE - RESIDUAL FUND TRANSFER TO GENERAL FUND	—	<u>4,000</u>	<u>\$4,000</u>	<u>\$3,558</u>	<u>\$442</u>
	<u>\$10,690</u>	<u>\$(6,690)</u>	<u>\$4,000</u>	<u>\$3,558</u>	<u>\$442</u>

*Decrease in budgeted revenues and appropriations per Council Ordinance No. 82-150.

METROPOLITAN SERVICE DISTRICT
 ZOO CAPITAL FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1983

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Donations and bequests	\$ 300,000	\$ 667,573	\$ 367,573
Interest	<u>103,000</u>	<u>241,357</u>	<u>138,357</u>
Total revenues	403,000	908,930	505,930
OTHER FINANCING SOURCE - TRANSFER FROM ZOO FUND	2,213,750	2,191,255	(22,495)
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>1,033,209</u>	<u>1,550,302</u>	<u>517,093</u>
	<u>\$3,649,959</u>	<u>\$4,650,487</u>	<u>\$1,000,528</u>

	<u>Original Budgeted Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Capital outlay	\$3,284,999	\$1,463,706	\$1,821,293
General operating contingency	<u>364,960</u>	<u> </u>	<u>364,960</u>
	<u>\$3,649,959</u>	<u>\$1,463,706</u>	<u>\$2,186,253</u>

METROPOLITAN SERVICE DISTRICT
PROPRIETARY FUND TYPE
DESCRIPTION OF SOLID WASTE BUDGETARY FUNDS

For financial reporting and operating purposes, management considers the activities relating to solid waste management as those of a 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 34 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 and Clackamas Transfer and Recycling Center. Disposal fees and user fees provide the primary sources of revenue.

Solid Waste Debt Service Fund

The Solid Waste Debt Service Fund accounts for repayment of loans from the State of Oregon Department of Environmental Quality (DEQ). 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, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Disposal fees	\$5,174,400	\$3,912,397	\$(1,262,003)
User fees	1,300,000	1,726,172	426,172
Federal grants	59,000	71,615	12,615
Interest	60,000	33,392	(26,608)
Miscellaneous	<u>4,600</u>	<u>27,929</u>	<u>23,329</u>
Total revenues	6,598,000	5,771,505	(826,495)
OTHER FINANCING SOURCE - OPERATING TRANSFER FROM SOLID WASTE CAPITAL FUND	198,185	198,185	
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>711,762</u>	<u>711,762</u>	
	<u>\$7,507,947</u>	<u>\$6,681,452</u>	<u>\$ (826,495)</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Transfers In (Out)</u>	<u>Revised</u>		
EXPENDITURES:					
Personal services	\$ 677,156	\$ 33,748	\$ 710,904	\$ 686,328	\$ 24,576
Materials and services	4,380,189	47,611	4,427,800	3,390,586	1,037,214
Capital outlay	52,835		52,835	28,554	24,281
Contingency	<u>673,905</u>	<u>(399,447)</u>	<u>274,458</u>	<u> </u>	<u>274,458</u>
Total expenditures	<u>5,784,085</u>	<u>(318,088)</u>	<u>5,465,997</u>	<u>4,105,468</u>	<u>1,360,529</u>
OTHER FINANCING USES:					
Operating transfers to other Funds:					
General	569,700		569,700	569,700	
Solid Waste Debt Service	810,200	(91,200)	719,000	718,705	295
Solid Waste Capital	<u>344,000</u>	<u>409,250</u>	<u>753,250</u>	<u>753,250</u>	<u> </u>
Total other financing uses	<u>1,723,900</u>	<u>318,050</u>	<u>2,041,950</u>	<u>2,041,655</u>	<u>295</u>
	<u>\$7,507,985</u>	<u>\$ (38)*</u>	<u>\$7,507,947</u>	<u>\$6,147,123</u>	<u>\$1,360,824</u>

*Decrease in budgeted revenues and appropriations per Council Ordinance No. 82-150.

METROPOLITAN SERVICE DISTRICT
SOLID WASTE DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES:			
Operating transfers from Solid Waste Debt Service Fund	\$719,000	\$718,705	\$(295)
BEGINNING FUND BALANCE (DEFICIT) AVAILABLE FOR APPROPRIATION	<u>(2,110)</u>	<u>(2,110)</u>	—
	<u>\$716.890</u>	<u>\$716.595</u>	<u>\$(295)</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amendment*</u>	<u>Revised</u>		
EXPENDITURES:					
Interest expense and principal payment on Department of Environmental Quality loans	<u>\$810,200</u>	<u>\$(93,310)</u>	<u>\$716.890</u>	<u>\$716.595</u>	<u>\$295</u>

*Decrease in budgeted other financing sources and appropriations per Council Ordinance No. 82-150.

METROPOLITAN SERVICE DISTRICT
SOLID WASTE CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Department of Environmental Quality loan proceeds	\$ 7,901,900	\$1,157,700	\$(6,744,200)
Federal and state grants	871,124	871,124	
Interest	150,000	224,944	74,944
Landfill cover and contract receipts	<u> </u>	<u>209,046</u>	<u>209,046</u>
Total revenues	8,923,024	2,462,814	(6,460,210)
OTHER FINANCING SOURCES:			
Operating transfers from Solid Waste Fund	<u>753,250</u>	<u>753,250</u>	<u> </u>
Total revenues and other financing sources	9,676,274	3,216,064	(6,460,210)
BEGINNING FUND BALANCE AVAILABLE FOR APPROPRIATION	<u>2,226,111</u>	<u>2,226,111</u>	<u> </u>
	<u>\$11,902,385</u>	<u>\$5,442,175</u>	<u>\$(6,460,210)</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amendment</u>	<u>Revised</u>		
EXPENDITURES:					
Capital outlay	\$11,082,800	\$ 44,000	\$11,126,800	\$3,608,278	\$7,518,522
General operating contingency	<u>1,913,197</u>	<u>(1,335,797)</u>	<u>577,400</u>	<u> </u>	<u>577,400</u>
Total expenditures	12,995,997	(1,291,797)	11,704,200	3,608,278	8,095,922
OTHER FINANCING USES:					
Operating transfers to Solid Waste Fund	<u>566,735</u>	<u>(368,550)</u>	<u>198,185</u>	<u>198,185</u>	<u> </u>
	<u>\$13,562,732</u>	<u>\$(1,660,347)*</u>	<u>\$11,902,385</u>	<u>\$3,806,463</u>	<u>\$8,095,922</u>

*Decrease in budgeted revenues and appropriations per Council Ordinance No. 82-150.

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, 1983

	Solid Waste	Solid Waste Debt Service	Solid Waste Capital Improvement	Total
BUDGETARY BASIS:				
Revenues	\$5,771,505		\$2,462,814	\$8,234,319
Expenditures	<u>4,105,468</u>	<u>\$716,595</u>	<u>3,608,278</u>	<u>8,430,341</u>
	<u>\$1,666,037</u>	<u>\$(716,595)</u>	<u>\$(1,145,464)</u>	(196,022)
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				58,994
Materials and services capitalized				197,374
Capital outlay expenditures, less \$83,797 not capitalized				3,190,252
Capital outlay expenditures for landfill cover charges				362,783
Interest capitalized				222,908
Principal payments on loans				317,000
Principal payments on contract				74,751
Less amounts included as revenues in budgetary schedules not included as revenues in statement of revenues, expenses and changes in retained earnings:				
Increase in DEQ loan payable				(1,157,700)
Increase in capital grants				(871,124)
Decrease in restricted landfill cover charges receivable				(193,481)
Decrease in contract receivable				(15,559)
Add (less) adjustment for conversion from modified accrual (budgetary basis) to accrual basis of account- ing (enterprise basis):				
Decrease in accrual of user fees				(118,969)
Increase in accrued interest payable				(34,330)
Increase in accrued vacation payable				(2,716)
Other				(74,998)
Less administrative reimbursement to the General Fund recorded as a transfer in budgetary schedules				(569,700)
Less depreciation expense				(398,928)
Less extraordinary loss				<u>(3,949,825)</u>
Net loss per combined statement of revenues, expenses and changes in retained earnings (page 5)				<u>\$(3,159,290)</u>

METROPOLITAN SERVICE DISTRICT
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 1983

	<u>Transportation Technical Assistance</u>	<u>Agency Sewer Assistance</u>	<u>Criminal Justice Assistance</u>	<u>Pension Trust Pension Plan</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 2,272	\$3,097,821	\$57,056	\$1,037,101	\$4,194,250
Receivables:					
Federal grants	94,271		5,272		99,543
State grants	72,034				72,034
Other		5,758		9,302	15,060
	<u>\$168,577</u>	<u>\$3,103,579</u>	<u>\$62,328</u>	<u>\$1,046,403</u>	<u>\$4,380,887</u>
LIABILITIES					
Unearned grant revenues			\$22,497		\$ 22,497
Expenditures by subgrantees in excess of advances	\$168,577		39,831		208,408
Due to other agencies		\$3,103,579			3,103,579
Pension benefits payable				\$1,046,403	1,046,403
	<u>\$168,577</u>	<u>\$3,103,579</u>	<u>\$62,328</u>	<u>\$1,046,403</u>	<u>\$4,380,887</u>

METROPOLITAN SERVICE DISTRICT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 for the year ended June 30, 1983

	<u>Balance</u> <u>June 30, 1982</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1983</u>
<u>Criminal Justice Assistance Fund</u>				
ASSETS				
Cash	\$233,544	\$ 378,883	\$ 555,371	\$ 57,056
Receivables:				
Federal grants		5,272		5,272
Advances	<u>48,239</u>	<u>5,272</u>	<u>53,511</u>	
	<u>\$281,783</u>	<u>\$ 389,427</u>	<u>\$ 608,882</u>	<u>\$ 62,328</u>
LIABILITIES				
Unearned grant revenue	\$152,697	\$ 22,497	\$ 152,697	\$ 22,497
Deferred revenue	34,951	14,817	49,768	
Due to other funds	4,094		4,094	
Expenditures by subgrantees in excess of advances	<u>90,041</u>	<u>426,201</u>	<u>476,411</u>	<u>39,831</u>
	<u>\$281,783</u>	<u>\$ 463,515</u>	<u>\$ 682,970</u>	<u>\$ 62,328</u>
<u>Sewer Assistance Fund</u>				
ASSETS				
Cash and investments		\$3,168,611	\$ 70,790	\$3,097,821
Interest receivable		<u>174,369</u>	<u>168,611</u>	<u>5,758</u>
		<u>\$3,342,980</u>	<u>\$ 239,401</u>	<u>\$3,103,579</u>
LIABILITIES				
Due to other agencies		<u>\$3,174,369</u>	<u>\$ 70,790</u>	<u>\$3,103,579</u>
<u>Transportation Technical Assistance Fund</u>				
ASSETS				
Cash and investments		\$ 416,860	\$ 414,588	\$ 2,272
Receivables:				
Federal grants		465,380	371,109	94,271
State grants		<u>146,443</u>	<u>74,409</u>	<u>72,034</u>
		<u>\$1,028,683</u>	<u>\$ 860,106</u>	<u>\$ 168,577</u>
LIABILITIES				
Expenditures by subgrantees in excess of advances		<u>\$ 611,823</u>	<u>\$ 443,246</u>	<u>\$ 168,577</u>
<u>Totals Agency Funds</u>				
ASSETS				
Cash and investments	\$233,544	\$3,964,354	\$1,040,749	\$3,157,149
Receivables:				
Interest		174,369	168,611	5,758
Federal grants		470,652	371,109	99,543
State grants		146,443	74,409	72,034
Advances	<u>48,239</u>	<u>5,272</u>	<u>53,511</u>	
	<u>\$281,783</u>	<u>\$4,761,090</u>	<u>\$1,708,389</u>	<u>\$3,334,484</u>
LIABILITIES				
Unearned grant revenue	\$152,697	\$ 22,497	\$ 152,697	\$ 22,497
Deferred revenue	34,951	14,817	49,768	
Due to other funds	4,094		4,094	
Expenditures by subgrantees in excess of advances	<u>90,041</u>	<u>1,038,024</u>	<u>919,657</u>	<u>208,408</u>
Due to other agencies		<u>3,174,369</u>	<u>70,790</u>	<u>3,103,579</u>
	<u>\$281,783</u>	<u>\$4,249,707</u>	<u>\$1,197,006</u>	<u>\$3,334,484</u>

METROPOLITAN SERVICE DISTRICT
 CRIMINAL JUSTICE ASSISTANCE FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1983

	<u>Original Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Federal LEAA Grants	\$420,000	\$479,411	\$ 59,411
Interest	41,732		(41,732)
Other	<u>180,000</u>		<u>(180,000)</u>
Total revenues	<u>\$641,732</u>	<u>\$479,411</u>	<u>\$(162,321)</u>

	<u>Original Budgeted Appropriations</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES:			
Materials and services	\$600,000	\$479,411	\$120,589
OTHER FINANCING USE - OPERATING TRANSFER TO GENERAL FUND	<u>41,732</u>		<u>41,732</u>
	<u>\$641,732</u>	<u>\$479,411</u>	<u>\$162,321</u>

METROPOLITAN SERVICE DISTRICT
SEWER ASSISTANCE FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
for the year ended June 30, 1983

	<u>Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Department of Environmental Quality			
loan proceeds	\$3,000,000	\$3,000,000	
Interest	<u>150,000</u>	<u>174,369</u>	\$ 24,369
	<u>\$3,150,000</u>	<u>\$3,174,369</u>	<u>\$ 24,369</u>

	<u>Budgeted Appropriations*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Materials and services	\$1,500,000	\$ 65,790	\$1,434,210
Contingency	1,645,000		1,645,000
OTHER FINANCING USES - OPERATING TRANSFER TO GENERAL FUND	<u>5,000</u>	<u>5,000</u>	
	<u>\$3,150,000</u>	<u>\$ 70,790</u>	<u>\$3,079,210</u>

*Budget adopted per Council Ordinance No. 82-150 for unexpected loan proceeds, \$3,000,000, in accordance with ORS 294.326(2).

METROPOLITAN SERVICE DISTRICT
 TRANSPORTATION TECHNICAL ASSISTANCE FUND
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 for the year ended June 30, 1983

	<u>Revised Budget*</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Federal grants	\$151,400	\$237,913	\$ 86,513
State grants	<u> </u>	<u>129,951</u>	<u>129,951</u>
Total revenues	151,400	367,864	216,464
OTHER FINANCING SOURCE:			
Operating transfer from Planning Fund	<u>382,258</u>	<u> </u>	<u>(382,258)</u>
	<u>\$533.658</u>	<u>\$367.864</u>	<u>\$(165.794)</u>

	<u>Budgeted Appropriations</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amendment*</u>	<u>Revised</u>		
EXPENDITURES:					
Materials and services	<u>\$473,100</u>	<u>\$60,558</u>	<u>\$533,658</u>	<u>\$367,864</u>	<u>\$165,794</u>

*Original budgeted revenues and appropriations of \$473,100 revised for unexpected grant resources by \$60,558 in accordance with ORS 294.326(2).

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 AND OUTSTANDING RECEIVABLE
 for the year ended June 30, 1983

Fiscal Year	Property Taxes Receivable June 30, 1982	Current Levy as Extended by Assessors	Add (Deduct)			Property Taxes Receivable June 30, 1983
			Adjustments	Interest	Discounts Collections	
1982-83		\$5,232,750	\$ (32,508)	\$ 3,421	\$(89,126) \$(4,669,954)	\$444,583
1981-82	\$417,976		(10,362)	11,874	(202,055)	217,433
1980-81	68,126		(291)	5,337	(31,803)	41,369
1979-80	29,881		(6,052)	3,492	(9,773)	17,548
1978-79 and prior	15,720		(2,200)	3,920	(14,125)	3,315
	<u>\$531,703</u>	<u>\$5,232,750</u>	<u>\$ (51,413)</u>	<u>\$28,044</u>	<u>\$(89,126) \$(4,927,710)</u>	<u>\$724,248</u>

Reconciliation to property tax revenue per combined financial statements:

Collections above	\$4,927,710
Property taxes susceptible to accrual at June 30, 1983	30,200
Taxes in lieu of property taxes	29,062
Property tax revenue susceptible to accrual at June 30, 1982	<u>(92,371)</u>
	<u>\$4,894,601</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
 (LOANS FROM DEPARTMENT OF ENVIRONMENTAL QUALITY)
 for the year ended June 30, 1983

	<u>Original Issue</u>		<u>Outstanding June 30, 1982</u>	<u>1982-1983 Transactions</u>			<u>Outstanding June 30, 1983</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>\$1,725,000</u>		<u>\$135,000</u>	<u>\$135,000</u>	<u>\$1,590,000</u>
Interest					<u>\$ 74,955</u>	<u>\$ 74,955</u>	
Loan III:							
Principal	2/1/80	<u>\$1,360,870</u>	<u>\$1,089,870</u>		<u>\$152,000</u>	<u>\$152,000</u>	<u>\$ 937,870</u>
Interest					<u>\$ 49,725</u>	<u>\$ 49,725</u>	
Loan IV:							
Principal	6/1/81	\$2,930,000	\$2,900,000		\$ 30,000	\$ 30,000	\$2,870,000
Addition	4/1/82	400,000	400,000				400,000
Addition	8/1/82	<u>1,157,700</u>		<u>\$1,157,700</u>			<u>1,157,700</u>
Total		<u>\$4,487,700</u>	<u>\$3,300,000</u>	<u>\$1,157,700</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$4,427,700</u>
Interest					<u>\$274,915</u>	<u>\$274,915</u>	

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
 (LOANS FROM DEPARTMENT OF ENVIRONMENTAL QUALITY)
 June 30, 1983

Fiscal Year	Loan I - 4 to 6%		Loan III - 4 to 6%		Loan IV - 5.2 to 7.9%		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1983-84	\$ 150,000	\$ 68,475	\$163,000	\$ 40,630	\$ 82,700	\$ 318,756	\$ 395,700	\$ 427,861
1984-85	150,000	61,725	174,000	31,508	87,000	313,298	411,000	406,531
1985-86	150,000	54,900	184,870	23,003	133,000	306,177	467,870	384,080
1986-87	150,000	47,925	200,000	14,436	173,000	296,074	523,000	358,435
1987-88	160,000	40,600	216,000	4,968	212,000	282,692	588,000	328,260
1988-89	160,000	33,000			224,000	266,918	384,000	299,918
1989-90	160,000	25,400			225,000	250,677	385,000	276,077
1990-91	160,000	17,800			225,000	235,298	385,000	253,098
1991-92	175,000	10,500			229,000	220,463	404,000	230,963
1992-93	175,000	3,500			264,000	204,092	439,000	207,592
1993-94					270,000	185,572	270,000	185,572
1994-95					299,000	165,129	299,000	165,129
1995-96					299,000	143,208	299,000	143,208
1996-97					305,000	120,458	305,000	120,458
1997-98					305,000	97,178	305,000	97,178
1998-99					316,000	73,160	316,000	73,160
1999-2000					318,000	48,326	318,000	48,326
2000-01					337,000	22,671	337,000	22,671
2001-02					112,000	5,048	112,000	5,048
2002-03					12,000	312	12,000	312
	<u>\$1,590,000</u>	<u>\$363,825</u>	<u>\$937,870</u>	<u>\$114,545</u>	<u>\$4,427,700</u>	<u>\$3,555,507</u>	<u>\$6,955,570</u>	<u>\$4,033,877</u>

METROPOLITAN SERVICE DISTRICT
ABBREVIATED DESIGNATIONS FOR AGENCIES

Abbreviated
Designation

Description

DEQ	U.S. Department of Environmental Quality
DHHS	U.S. Department of Health and Human Services
DOE	U.S. Department of Energy
EPA	U.S. Environmental Protection Agency
EDA	U.S. Economic Development Administration
FHWA	U.S. Federal Highways Administration
HUD	U.S. Department of Housing and Urban Development
LCDC	Oregon Land Conservation and Development Commission
ODOT	Oregon Department of Transportation
ODOT/PL	Oregon Department of Transportation - Federal Highway Planning Grant
OLEC	Oregon Law Enforcement Council
UMTA	U.S. Urban Mass Transportation Administration

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND AND PLANNING FUND RESOURCES AND EXPENDITURES -
 BY GRANT
 for the year ended June 30, 1983

	Resources				Expenditures				
	Federal Grants	State and Other Grants	Contributed Resources		Direct Costs			Indirect Costs	Total
			Required Match	Match in Excess	Wages and Fringe Benefits	Consultants and Other Direct Charges			
General Fund:									
UMTA OR-09-7002	\$ <u>425</u>				\$ <u>425</u>		\$ <u>425</u>		\$ <u>425</u>
Planning Fund:									
UMTA OR-09-0032	\$176,828		\$ 44,240		\$221,068	\$132,244	\$12,122	\$ 76,702	\$221,068
UMTA OR-29-9004	81,517		14,385		95,902	60,124	907	34,871	95,902
UMTA OR-09-0026	3,716		929		4,645	1,254	2,664	727	4,645
EPA/UMTA OR-19-0004	28,879				28,879	15,554	4,304	9,021	28,879
EPA/UMTA OR-19-0005	7,000				7,000	3,854	911	2,235	7,000
UMTA OR-29-9007	58,040		10,244		-68,284	39,323	6,154	22,807	68,284
UMTA OR-09-0029	16,144		4,033		20,177	12,593	281	7,303	20,177
EDA 07-25-01682	448				448		448*		448
HUD CPA-OR-10-16-1035	1,060				1,060		1,060*		1,060
ODOT/FHWA IX-0000(39)	13,526		2,387	\$ 130	16,043	15,981	62		16,043
LEAA/OLEC 80-A-2.1	21,232				21,232	13,053	608	7,571	21,232
LEAA/OLEC 82-J-2	8,560		8,560		17,120	10,134	1,108	5,878	17,120
LEAA/OLEC 81-149	38,664			2,749	41,413	26,081	205	15,127	41,413
LEAA/OLEC 81-J-2.1	10,526				10,526	6,662		3,864	10,526
ODOT/PL 1983		\$132,322	33,080		165,402	100,672	6,340	58,390	165,402
DHHS 90C.A	17,698				17,698	11,201		6,497	17,698
LCDC 1983		51,088			51,088	32,055	441	18,592	51,088
ODOT/FHWA NRD-0032		211	71		282	179		103	282
ODOT/FHWA TOR-1008		63,044			63,044	21,527	29,031	12,486	63,044
Tri-Met OR-23-9001		113,501	20,030		133,531	82,586	3,045	47,900	133,531
	<u>\$483,838</u>	<u>\$360,166</u>	<u>\$137,959</u>	<u>\$2,879</u>	984,842	<u>\$585,077</u>	<u>\$69,691</u>	<u>\$330,074</u>	984,842
Less amounts provided by Metropolitan Service District as required match or match in excess included as resources and expenditures in above schedule					51,848				51,848
					<u>\$932,994</u>				<u>\$932,994</u>

*Return of unearned grant revenue from prior year.

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF ENTERPRISE FUND RESOURCES AND EXPENDITURES - BY GRANT
 for the year ended June 30, 1983

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Required Metro Match</u>	<u>Total</u>	<u>Expenditures</u>			<u>Total</u>
					<u>Direct Costs</u>		<u>Indirect Costs</u>	
					<u>Wages and Fringe Benefits</u>	<u>Consultants and Other Direct Costs</u>		
Operating grants: EPA - Yard Debris	\$71,615		\$15,799	\$ 87,414	\$9,999	\$ 71,615	\$5,800	\$ 87,414
Capital grants: DEQ #118		\$871,124		871,124		871,124		871,124
	<u>\$71,615</u>	<u>\$871,124</u>	<u>\$15,799</u>	<u>\$958,538</u>	<u>\$9,999</u>	<u>\$942,739</u>	<u>\$5,800</u>	<u>\$958,538</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND AND PLANNING FUND OPEN GRANT PROJECTS
 June 30, 1983

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
General Fund:										
UMTA OR-09-7002	Transit Mall Study	\$ 133,303		\$ 133,303	\$ 132,878	\$ 425		\$ 133,303	\$ 133,303	
Planning Fund:										
UMTA OR-09-0032	Transportation Planning	\$ 228,648	\$ 57,162	\$ 285,810	\$ 157,823	\$ 63,245		\$ 221,068	\$ 221,068	\$ 64,742
UMTA OR-29-9003	Transportation Planning	117,883	20,803	138,686	134,853			134,853	134,853	3,833
UMTA OR-29-9004	Transportation Planning	969,240	171,041	1,140,281	1,101,185		\$3,189	1,097,996	1,097,996	42,285
UMTA OR-09-0026	Transportation Planning	120,000	30,000	150,000	150,000			150,000	150,000	
EPA/UMTA OR-19-0004	Transportation Planning	282,000		282,000	281,738	238		281,976	281,976	24
EPA/UMTA OR-19-0005	Transportation Planning	45,000		45,000	35,000	7,000		42,000	42,000	3,000
UMTA OR-29-9007	Transportation Planning	249,311	43,996	293,307	274,389	18,918		293,307	293,307	
UMTA OR-09-0029	Transportation Planning	248,000	62,000	310,000	309,328	144		309,472	309,472	528
EDA 07-25-01682	Planning	225,000	75,000	300,000	299,850			299,850	299,850	150
HUD CPA-OR-10-16-1035	Planning	56,950	28,143	85,093	84,898			84,898	84,898	195
ODOT/FHWA IX-0000 (39)	Westside Corridor	58,650	10,350	69,000	41,940	3,759		45,699	45,699	23,301
LEAA/OLEC 80-A-2.1	Planning	35,507	1,143	36,650	36,650			36,650	36,650	
OJJDP/OLEC 82-J-2	Planning	8,560	8,560	17,120	17,120			17,120	17,120	
University of Illinois	Planning	57,159	11,553	68,712	55,983	12,729		68,712	68,712	
LEAA/OLEC 81-J-2.1	Planning	16,722	6,196	22,918	22,918			22,918	22,918	
ODOT/PL 1983	Transportation Planning	132,329	33,082	165,411	97,028	68,374		165,402	165,402	9
DHHS 90C.A	Criminal Justice Planning	17,698		17,698	8,294	9,404		17,698	17,698	
LCDC 1983	Land Use Coordination	51,088		51,088	38,316	12,772		51,088	51,088	
ODOT/FHWA NRD-0032	Transportation Planning	22,500	7,500	30,000	24,433	2	1,856	22,579	22,579	7,421
ODOT/FHWA TOR-1008	Transportation Planning	154,500		154,500	38,104	40,746		78,850	78,850	75,650
Tri-Met OR-23-9001	Transportation Planning	200,000	35,294	235,294	68,860	64,671		133,531	133,531	101,763
		<u>\$3,296,745</u>	<u>\$601,823</u>	<u>\$3,898,568</u>	<u>\$3,278,710</u>	302,002	<u>\$5,045</u>	<u>\$3,575,667</u>	<u>\$3,575,667</u>	<u>\$322,901</u>
Less receivables recorded in other funds						974				
						<u>\$301,028</u>				

48

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF ENTERPRISE FUND OPEN GRANT PROJECTS
 June 30, 1983

<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>Total Revenues</u>	<u>Total Expenditures</u>	<u>Continuing or Lapsed Project Balance</u>
EPA	Air Pollution Control	\$ 265,000	\$89,928	\$ 354,928	\$ 252,871	\$71,615	\$ 324,486	\$ 324,486	\$30,442
DOE	Methane Gas Feasibility	94,302		94,302	89,588	4,714	94,302	94,302	
DEQ #117	St. Johns Landfill Expansion	583,230		583,230	583,230		583,230	583,230	
DEQ #118	Resource Recovery	<u>1,923,300</u>	<u> </u>	<u>1,923,300</u>	<u>1,923,300</u>	<u> </u>	<u>1,923,300</u>	<u>1,923,300</u>	<u> </u>
		<u>\$2,865,832</u>	<u>\$89,928</u>	<u>\$2,955,760</u>	<u>\$2,848,989</u>	<u>\$76,329</u>	<u>\$2,925,318</u>	<u>\$2,925,318</u>	<u>\$30,442</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF TRANSPORTATION TECHNICAL ASSISTANCE FUND
 OPEN GRANT PROJECTS*
 June 30, 1983

<u>Name of Project</u>	<u>Administered By</u>	<u>Grant Award</u>	<u>Total Award 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	\$ 113,127	\$ 2,607	\$ 115,734	\$ 115,734	\$ 16,982
UMTA OR-09-0023	Tri-Met	191,640	177,246	14,394	191,640	191,640	
UMTA OR-19-0005	City of Portland	55,000	44,271		44,271	44,271	10,729
UMTA OR-29-9004	Tri-Met	523,323	468,671	54,652	523,323	523,323	
UMTA OR-29-9007	Tri-Met	65,750	52,350	13,400	65,750	65,750	
UMTA OR-29-9007	Clackamas County	85,000	71,474	5,435	76,909	76,909	8,091
ODOT/FHWA TOR-1008	City of Portland	85,000	54,158	20,230	74,388	74,388	10,612
UMTA OR-09-0029	Tri-Met	16,000	4,222	3,778	8,000	8,000	8,000
ODOT/FHWA NRD-0032	Tri-Met	172,750	21,194	51,805	72,999	72,999	99,751
		<u>\$1,327,179</u>	<u>\$1,006,713</u>	<u>\$166,301</u>	<u>\$1,173,014</u>	<u>\$1,173,014</u>	<u>\$154,165</u>

*Information provided is for grant award only. Matching amounts provided by administrating agencies not included.

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF GENERAL FUND GRANT PROJECTS CLOSED
 June 30, 1983

<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>
UMTA OR-09-0023	Transportation Planning	\$ 63,360	\$ 15,840	\$ 79,200	\$ 79,200	
UMTA OR-29-9006	Transportation Planning	300,000	52,943	352,943	352,943	
DEQ	Urban Runoff Study	34,269	11,456	45,725	45,725	
EPA 208	Planning	262,460	88,145	350,605	350,605	
LEAA/OLEC 81 x 2.1	Planning	74,490	8,311	82,801	82,801	
LEAA/OLEC 80 J-2	Planning	11,400	13,503	24,903	24,903	
LEAA/OLEC 79 A2.1	Planning	37,950	3,050	41,000	41,000	
LEAA/OLEC 82 x 2.1	Planning	19,094	2,773	21,867	21,867	
LEAA/OLEC 80 J2.1	Planning	6,196	6,196	12,392	12,392	
LEAA/OLEC 81 J-2	Planning	12,630	12,630	25,260	25,260	
ODOT/PL 1981	Transportation Planning	130,569	33,422	163,991	163,991	
ODOT/PL 1982	Transportation Planning	130,517	32,631	163,148	163,148	
LCDC 1982	Land Use Coordination	57,018	443	57,461	57,461	
RPC	Transportation Planning	7,737		7,737	7,737	
Tri-Met TSAPP	Transit Station Area Planning	<u>632,767</u>	<u> </u>	<u>632,767</u>	<u>464,441</u>	<u>\$168,326</u>
		<u>\$1,780,457</u>	<u>\$281,343</u>	<u>\$2,061,800</u>	<u>\$1,893,474</u>	<u>\$168,326</u>

METROPOLITAN SERVICE DISTRICT
 SCHEDULE OF TRANSPORTATION
 TECHNICAL ASSISTANCE FUND
 CLOSED GRANT PROJECTS
 June 30, 1983

<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-09-0022	Tri-Met	\$ 267,953	\$133,977	\$ 401,930	\$ 401,930	
UMTA OR-09-0030	Tri-Met	602,667	242,333	845,000	845,000	
UMTA OR-09-0059	Tri-Met	125,000	31,250	156,250	156,250	
UMTA OR-09-7002	Tri-Met	22,500		22,500	22,500	
UMTA OR-09-7002	City of Portland	44,300		44,300	44,014	\$ 286
UMTA OR-19-0005	Clackamas County	35,000		35,000	34,265	735
UMTA OR-29-9002	Clackamas County	21,250	3,750	25,000	25,000	
UMTA OR-29-9004	Washington County	52,700	9,300	62,000	62,000	
UMTA OR-29-9004	City of Portland	<u>146,200</u>	<u>25,800</u>	<u>172,000</u>	<u>172,000</u>	
		<u>\$1,317,570</u>	<u>\$446,410</u>	<u>\$1,763,980</u>	<u>\$1,762,959</u>	<u>\$1,021</u>

5

METROPOLITAN SERVICE DISTRICT
SCHEDULE OF ENTERPRISE FUND CLOSED GRANT PROJECTS
June 30, 1983

<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>Total Revenues</u>	<u>Total Expenditures</u>
EPA 149-02	Resource Recovery	<u>\$450,500</u>	<u>\$150,167</u>	<u>\$600,667</u>	<u>\$600,667</u>	<u>\$600,667</u>	<u>\$600,667</u>

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, 1983, and have issued our report thereon dated September 30, 1983. As part of our examination, we have obtained an understanding of accounting systems and controls incorporated therein as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" 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. 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. For grant reporting purposes, we have classified the significant internal accounting controls in the following categories:

- . Grant administration
- . Grant receipts
- . Purchasing (includes grant disbursements)
- . Payroll

AUDIT COMMENTS AND DISCLOSURES, Continued

I. Accounting and Internal Control Systems, Continued:

Our study included the payroll control category listed above. We did not evaluate the other accounting control categories because we concluded that the audit could be performed more efficiently by expanding substantive audit tests, thus placing little reliance on the internal control system.

The management of Metro is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

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,

AUDIT COMMENTS AND DISCLOSURES, Continued

I. Accounting and Internal Control Systems, Continued:

based solely on the procedures described above, nothing came to our attention during our examination that indicated the existence of a material weakness. For this purpose, a weakness is considered material if it results 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 Metropolitan Service District may occur and not be detected within a timely period.

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 below, Metro appears to have complied with the statutory provisions relating to budgeting and adoption of tax levies for fiscal years 1983 and 1984.

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). This provision was complied with for fiscal 1984.

III. Indebtedness:

The District had no bonded indebtedness during the year ended June 30, 1983.

AUDIT COMMENTS AND DISCLOSURES, Continued

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, 1983.

V. Insurance and Fidelity Bond Coverage:

We have examined Metro's insurance and fidelity bond coverage at June 30, 1983. 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, 1983.

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 engagement as requiring us to make a complete audit examination of each project and our audit opinion on Metro's

AUDIT COMMENTS AND DISCLOSURES, Continued

VI. Programs Funded from Outside Sources, Continued

combined financial statements does not cover each individual grant. 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, 1983, 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, 1983 and for the year then ended and have issued our report thereon dated September 30, 1983. 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>
UMTA	OR-09-0032	\$ 228,648
UMTA	OR-20-9008	170,000
UMTA	OR-29-9007	293,307
UMTA	OR-29-9007*	150,750
FHWA	1983 PL	132,329
FHWA	NRD-0032	30,000
FHWA	TOR-1008	154,500
FHWA	NRD-0032*	172,750
OJJDP/OLEC	82-J-2	8,560
Smithsonian	FC206236	10,000
		<u>\$1,350,844</u>

*Designates pass-through grant

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.

Further, based upon our examination nothing came to our attention to indicate that the District had not complied with its approved indirect cost allocation plan and application rate, or the material terms and conditions of federal grant contracts and agreements which were not specifically tested. However, it should be noted that our examination was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

This report is intended solely for the use of Metropolitan Service District, the cognizant audit agency and other federal and state audit agencies and should not be used for any other purpose.

Coopers & Lybrand

Portland, Oregon
September 30, 1983