



Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
Suite 2000  
1211 South West Fifth Avenue  
Portland, Oregon 97204

September 13, 1985

CONFIDENTIAL

To the Council and Management  
Metropolitan Service District  
Portland, Oregon

Dear Members of the Council and Management:

We have completed our examination of the combined financial statements of the Metropolitan Service District (Metro) as of and for the year ended June 30, 1985 and have issued our report thereon dated September 13, 1985. As part of our examination, we made a study and evaluation of the system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on Metro's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

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.



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Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Metro taken as a whole. However, our study and evaluation disclosed no condition that we believe to be a material weakness. Certain observations were made that we feel are important to bring to your attention. These matters present opportunities for improving management information and improving operational efficiency, but do not represent material weaknesses in internal control as defined under generally accepted auditing standards.

#### CASH CONTROLS AT ST. JOHNS LANDFILL

In the previous year, the prior auditors assisted Metro personnel in an on-site review of cash procedures at the St. Johns landfill (St. Johns) and Clackamas Transfer & Recycling Center (CTRC). During their review, several control weaknesses were noted in the area of cash receipts. As a follow-up to those findings, we visited the St. Johns landfill in the current year to determine what action had been taken to correct weaknesses noted. The results of our review at St. Johns indicated that many recommendations and controls have been implemented to help ensure the accuracy and completeness of cash receipts and revenues. However, we feel the following situations warrant further management attention.

#### Establish System for Tracking Customers at Solid Waste Disposal Sites

The cash receipts systems at St. Johns and CTRC rely on the gatekeeper's manual input to a cash register for recording a sale to the general public. The lack of control over gatekeeper input is a control weakness.



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We recommend Metro implement a control procedure whereby an independent check can be made of general public transaction recordings. Possible alternatives would include establishing an "authorized entry" system or developing a method for counting/measuring traffic flow. Under an "authorized entry" system, each customer could be given a token or receipt to be used for operating an access gate or swing arm similar to those used on parking structure entrances, or to be collected by a second individual prior to actual unloading of refuse. Under either option, the tokens or receipts should be periodically reconciled to the daily cash register tapes by a person independent of the gatekeeper. An alternative to using an "authorized entry" system would be a method of counting or measuring traffic flow and periodic reconciliation, by an independent person, to the daily cash register tapes. One option would be a traffic counter while another would be a video camera recorder with periodic review of the traffic flow made by an independent individual.

#### Separate Vault Compartments for Cash

Each gatekeeper is responsible for their own cash bag for collection of receipts, however, access to individual cash bags within the vault is not restricted, thereby mitigating the control of individual responsibility.

We recommend Metro consider purchasing a new vault with separate compartments or revise the old vault to include separate compartments, thereby restricting unauthorized access to cash bags. As a result, individual responsibility of cash funds would be improved.

#### Maintenance of Petty Cash Fund

Petty cash at St. Johns is maintained at a \$50 level. During our review, we noted a balance of 14¢ with no explanation for the types of expenditures made.

We recommend Metro implement the use of individual vouchers showing the amount and type of expenditure each time a petty cash payment is made. This would help ensure controls over petty cash are adequate and would minimize the possibility of unauthorized use.



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### CASH CONTROLS AT WASHINGTON PARK ZOO

We accompanied Metro personnel on a visit to the Washington Park Zoo to assess the adequacy of existing cash controls. Based on our review, it appeared many controls are currently in effect to help ensure the accuracy and completeness of cash receipts at the zoo, however, we feel the following situations are worthy of management's attention.

#### Restricted Access to Cash Room

Access to the cash room at the zoo is not adequately restricted.

We recommend that cash room access be restricted to managers only. Other employees in need of change should submit a written request or wait outside the cash room for assistance from an authorized manager. Restricted access would minimize the possibility of cash theft.

#### Timely Deposit of Zoo Cash Receipts

Cash deposits are not being made on a daily basis. At times, up to three days cash receipts have been accumulated before a deposit to the bank has been made. During the summer months, the accumulation can be quite significant. At June 30, 1985, the outstanding bank deposit was approximately \$100,000.

We recommend that cash deposits be made at least daily during the summer when zoo attendance and receipts are at their peak. Timely deposits would minimize the risk of cash theft and would help Metro maximize earnings on idle funds.



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RECORDING ESTIMATED ST. JOHNS LANDFILL POST-CLOSURE COSTS

Metro must to perform certain post-closure environmental control measures at the St. Johns landfill upon closure. Currently, Metro is providing for estimated future costs through its rate base and, on a budgetary basis, has been annually accumulating funds in the St. Johns Reserve Fund. The process used by Metro to estimate the annual budgetary transfer to the Reserve Fund considers such factors as the estimated total of post-closure costs, the estimated remaining life of the landfill in years and, as a component of the annual rate study, the estimated volume of refuse to be received in the ensuing year. Under generally accepted accounting principles (GAAP), an estimate of current year costs should be made based upon the best available information as to estimated total costs and volume capacity. During our review, we noted that the cost estimation, performed as part of the rate study, was generally based on reasonable estimates of ultimate post-closure costs and remaining life of the landfill. In addition, anticipated annual landfill volume was based upon historical trends while also considering new developments that would impact the current year volume level. Our review of the accounting treatment, however, identified a problem in recording annual costs. The annual cost estimate included in the rate study was not revised to reflect fluctuations between actual and estimated annual volumes. In order to achieve appropriate matching of revenues and costs as required by GAAP, this volume factor needs to be considered.

We recommend that, for reporting in conformity with GAAP, Metro record the annual post-closure costs on a basis of volume receipts. In addition, although not required, it would be preferable for Metro to record the budgetary transfer to the Reserve Fund on a volume basis also. This would result in consistency between GAAP reporting and budgetary reporting. To accomplish this objective, the budgetary transfer could be adjusted monthly or quarterly to reflect actual volume receipts.



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#### CLASSIFICATION OF SOLID WASTE DISPOSAL REVENUES

During the current year, Metro revised its reporting system to segregate solid waste disposal revenues into four source categories previously accounted for under one classification. When performing testwork on solid waste revenues by source classification, differences between expected revenues and actual recorded revenues were noted. Although total solid waste disposal recorded revenues appear appropriate, there may be misclassifications between the source categories: disposal fees, user fees, regional transfer charges, and convenience charges.

We recommend that Metro accounting personnel investigate the possible causes. Although the amounts involved are not material misstatements, we feel an investigation is appropriate in order to minimize future misclassifications and lend validity to revenue categories included in the financial statements.

#### SOLID WASTE BUDGETARY FUNDS

Currently, Metro maintains five solid waste budgetary funds which are combined into one fund for GAAP reporting purposes.

To simplify transaction recording and fund reporting, management could eliminate all solid waste budgetary funds that are not necessary for reporting in conformity with GAAP and account for the department's activity in one solid waste fund with appropriate detailed breakdowns by function or program. By reducing the inconsistency between budget and GAAP reporting, several benefits to Metro could be realized, including: (a) the availability of condensed interim financial statements that demonstrate the financial substance of the department's activities; (b) time savings by the accounting department in the areas of transaction recording and periodic financial statement preparation, and (c) the elimination of several supplementary budget schedules currently required in the annual report for each budgetary fund.



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#### AUDITS OF NON-METRO OWNED LANDFILLS

During the fiscal year ended June 30, 1985, Metro accounting personnel conducted and completed an audit of the Killingsworth landfill to verify the propriety of funds remitted to Metro by the landfill. Findings indicated that the Killingsworth landfill had underpaid Metro \$38,000 due to underreported fees for commercial loose, compacted, heavy, and demolition types of disposals.

Periodic audits such as this are indicative of the control conscious attitude within Metro accounting personnel. We encourage the accounting department to continue performing audits of non-Metro owned sites as resources permit. Periodic audits of these landfills would help assure Metro that funds remitted by the sites are appropriate.

#### EMPLOYER CONTRIBUTION PENSION FORFEITURE

During the current year, Metro received a \$105,000 credit under its Banker's Life 5% defined contribution plan. The credit is the result of a forfeiture of benefits, accumulated by terminated employees but not retained since vesting requirements had not been met prior to termination. Banker's Life has retained the funds and is reducing Metro's monthly pension contribution accordingly until such time as forfeitures are reduced to zero. At June 30, 1985, a \$17,000 credit remains.

We recommend that Metro monitor the Banker's Life forfeiture account closely to avoid excessive build-ups. Any significant forfeitures should be requested by Metro on a timely basis and applied to the annual pension contribution in order to reflect the true cost of the pension benefits.



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#### DETAIL BUDGET-BASIS GENERAL LEDGER

Metro accounting personnel maintain a budget-basis general ledger which compares the current year budget to actual year-to-date revenues and expenditures for detail line items within each fund. When performing testwork on the budget-basis general ledger, several instances were noted whereby the ledger did not reflect all the ordinances which impacted budgeted amounts during the year, and as such, the budget-basis general ledger was not considered a reliable source for accumulating budget figures included in the annual audited financial statements.

We recommend that Metro design and implement controls between the budget and accounting departments to help ensure that all budget activity for the year is reflected in the budget-basis general ledger. As a result, the budget-basis general ledger could be relied on by user departments and managers to monitor actual spending in light of budgeted amounts.

#### WRITTEN DISASTER RECOVERY PLAN

When performing a review of Metro's data processing functions, it was discovered that there is not a written disaster recovery plan in the event that the computerized system failed for an extended period of time.

We recommend that data processing personnel develop and document an effective written disaster recovery plan that covers hardware, software, data and personnel, and that such plan is tested periodically. As Metro depends on data processing to perform certain day-to-day functions on many accounts, implementation of a written plan would minimize the business interruptions incurred in the event of a system failure.

#### COMMENTS CONTAINED IN OTHER REPORTS

We also direct your attention to the comments contained in Metro's combined annual financial statements under the section entitled Audit Comments and Disclosures Required by State Regulations.

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Metropolitan Service District  
September 13, 1985  
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Our examination referred to in the first paragraph of this letter was based on selective tests of the accounting records and related data. Accordingly, it would not necessarily disclose all opportunities for improvement or all weaknesses in Metro's system of internal accounting control. Metro must rely upon an adequate system of internal accounting control as its principal safeguard against irregularities and it is management's responsibility to ensure that the system is adequate.

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.

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

We sincerely appreciate the opportunity to bring to your attention our comments and suggestions to improve internal controls and operations at Metro. We would be pleased to discuss these matters with you.

We would also like to thank the Deputy Executive Officer, Mr. Don Carlson, the Acting Accounting Manager, Mr. Don Cox, and their staff for the cooperation and courtesies extended to us during the course of our examination.

*Pest, Marwick, Mitchell & Co.*

# **ANNUAL FINANCIAL STATEMENTS**

*& Supplementary Data*

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*Report on Examination of Financial Statements  
& Supplementary Data*

*Containing Audit Comments & Disclosures Required  
by State Regulations & Grant Compliance Review*

*for the Year Ended June 30, 1985*

*Portland Metropolitan Area, Oregon*

**METROPOLITAN SERVICE DISTRICT**  
*Providing Zoo, Solid Waste and Local  
Government Services*



METROPOLITAN SERVICE DISTRICT

June 30, 1985

Rick Gustafson, Executive Officer

COUNCIL

<u>Members</u>	<u>Representing</u>	<u>Term expires</u>
Ernie Bonner, Presiding Officer	District 8	January 1, 1987
Richard Waker, Deputy Presiding Officer	District 2	January 1, 1989
Bob Oleson, Councilor	District 1	January 1, 1987
Jim Gardner, Councilor	District 3	January 1, 1989
Corky Kirkpatrick, Councilor	District 4	January 1, 1989
Tom DeJardin, Councilor	District 5	January 1, 1989
George Van Bergen, Councilor	District 6	January 1, 1987
Sharron Kelley, Councilor	District 7	January 1, 1987
Hardy Myers, Councilor	District 9	January 1, 1989
Larry Cooper, Councilor	District 10	January 1, 1989
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:

A. Marie Nelson

Address of Registered Office:

527 S. W. Hall Street  
Portland, Oregon

METROPOLITAN SERVICE DISTRICT

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COMBINED FINANCIAL STATEMENTS



Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
Suite 2000  
1211 South West Fifth Avenue  
Portland, Oregon 97204

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, 1985, as listed in the accompanying 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 aforementioned combined financial statements present fairly the financial position of the Metropolitan Service District at June 30, 1985 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 after giving retroactive effect to the change, with which we concur, in the method of accounting for landfill post-closure costs as described in note 4 to the combined financial statements.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. 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.

PEAT, MARWICK, MITCHELL & CO.

By Joseph F. Hoffman  
Joseph F. Hoffman, Partner

September 13, 1985



METROPOLITAN SERVICE DISTRICT

Combined Balance Sheet -  
All Fund Types and Account Groups

June 30, 1985

<u>Assets</u>	<u>Governmental Fund types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash and investments	\$ 617,927	2,103,716	6,334,746
Receivables:			
User and landfill fees, net of allowance for doubtful accounts of \$39,392	-	-	-
Property taxes	-	776,203	-
Federal grants	-	73,315	-
State and local grants/contracts	-	115,721	-
Other	5,484	32,555	13,501
Inventory of materials and supplies	-	144,094	-
Other assets	18,297	21,971	-
Restricted assets -			
Cash and investments	-	-	24,082
Fixed assets, net	-	-	-
Other debits:			
Amount to be provided for payment of capital leases	-	-	-
Amount to be provided for payment of compensated absences	-	-	-
	<u>\$ 641,708</u>	<u>3,267,575</u>	<u>6,372,329</u>

(Continued)

<u>Proprietary Fund type Enterprise</u>	<u>Fiduciary Fund type Trust and Agency</u>	<u>Account groups</u>		<u>Total (memorandum only)</u>
		<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	
4,466,915	3,089,799	-	-	16,613,103
1,365,461	-	-	-	1,365,461
-	-	-	-	776,203
-	2,123	-	-	75,438
-	4,998	-	-	120,719
266	32,592	-	-	84,398
-	-	-	-	144,094
4,171	-	-	-	44,439
1,017,476	-	-	-	1,041,558
7,017,574	-	18,173,407	-	25,190,981
-	-	-	68,231	68,231
-	-	-	182,544	182,544
<u>13,871,863</u>	<u>3,129,512</u>	<u>18,173,407</u>	<u>250,775</u>	<u>45,707,169</u>

METROPOLITAN SERVICE DISTRICT

Combined Balance Sheet -  
All Fund Types and Account Groups, Continued

<u>Liabilities and Fund Equity</u>	<u>Governmental Fund types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<b>Liabilities:</b>			
Accounts payable	\$ 37,284	320,343	142,155
St. Johns lease payable	-	-	-
Salaries, withholdings and payroll taxes payable	50,581	262,230	-
Accrued interest	-	-	-
Contracts payable	-	2,590	66,138
Post-closure costs payable	-	-	-
Deferred revenue	-	744,579	-
Expenditures by subgrantees in excess of advances	-	-	-
Due to other agencies	5,394	-	-
Payable from restricted assets - Contracts payable	-	-	-
Loans payable	-	-	-
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Pension benefits payable	-	-	-
Other	18,929	5,554	-
<b>Total liabilities</b>	<u>112,188</u>	<u>1,335,296</u>	<u>208,293</u>
<b>Fund equity:</b>			
Contributed capital, net	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings	-	-	-
Fund balances - Unreserved	529,520	1,932,279	6,164,036
<b>Total fund equity</b>	<u>529,520</u>	<u>1,932,279</u>	<u>6,164,036</u>
<b>Commitments and contingencies</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities and fund equity</b>	<u>\$ 641,708</u>	<u>3,267,575</u>	<u>6,372,329</u>

See accompanying notes to combined financial statements.

<u>Proprietary Fund type Enterprise</u>	<u>Fiduciary Fund type Trust and Agency</u>	<u>Account groups</u>		<u>Total (memorandum only)</u>
		<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	
632,275	-	-	-	1,132,057
423,043	-	-	-	423,043
63,775	-	-	-	376,586
150,712	-	-	-	150,712
30,461	-	-	-	99,189
722,990	-	-	-	722,990
-	-	-	-	744,579
-	14,318	-	-	14,318
-	1,306,598	-	-	1,311,992
1,017,476	-	-	-	1,017,476
6,148,870	-	-	-	6,148,870
-	-	-	68,231	68,231
-	-	-	182,544	182,544
-	1,808,596	-	-	1,808,596
-	-	-	-	24,483
<u>9,189,602</u>	<u>3,129,512</u>	<u>-</u>	<u>250,775</u>	<u>14,225,666</u>
1,484,664	-	-	-	1,484,664
-	-	18,173,407	-	18,173,407
3,197,597	-	-	-	3,197,597
-	-	-	-	8,625,835
<u>4,682,261</u>	<u>-</u>	<u>18,173,407</u>	<u>-</u>	<u>31,481,503</u>
<u>13,871,863</u>	<u>3,129,512</u>	<u>18,173,407</u>	<u>250,775</u>	<u>45,707,169</u>

METROPOLITAN SERVICE DISTRICT

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances - All Governmental Fund Types

For the year ended June 30, 1985

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (memorandum only)</u>
<b>Revenues:</b>				
Property taxes	\$ -	5,015,301	-	5,015,301
Dues	587,259	-	-	587,259
<b>Grants and contracts:</b>				
Federal	-	581,406	75,558	656,964
State and local	-	327,357	-	327,357
Admissions	-	1,202,204	-	1,202,204
Charges for services	-	496,426	-	496,426
Vending and concessions	-	901,251	-	901,251
Donations and bequests	-	39,179	76,282	115,461
Documents and publications	3,729	-	-	3,729
Professional and contract services	35,799	44,020	-	79,819
Interest	115,284	126,264	533,004	774,552
Miscellaneous	51,738	117,445	585	169,768
<b>Total revenues</b>	<u>793,809</u>	<u>8,850,853</u>	<u>685,429</u>	<u>10,330,091</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,811,235	-	-	1,811,235
Zoo operations	-	4,619,519	-	4,619,519
Planning and development	-	819,488	-	819,488
Expense reimbursements - General Fund	-	971,916	-	971,916
Capital outlay	<u>23,026</u>	<u>359,617</u>	<u>1,301,684</u>	<u>1,684,327</u>
<b>Total expenditures</b>	<u>1,834,261</u>	<u>6,770,540</u>	<u>1,301,684</u>	<u>9,906,485</u>
<b>Less administrative expense reimbursements:</b>				
Proprietary Fund	797,546	-	-	797,546
Special Revenue Funds	<u>971,916</u>	<u>-</u>	<u>-</u>	<u>971,916</u>
<b>Net expenditures</b>	<u>64,799</u>	<u>6,770,540</u>	<u>1,301,684</u>	<u>8,137,023</u>

(Continued)



METROPOLITAN SERVICE DISTRICT

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances - All Governmental Fund Types, Continued

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (memorandum only)</u>
Revenue over (under) net expenditures	\$ 729,010	2,080,313	(616,255)	2,193,068
Other financing sources (uses) - Operating transfers in (out)	<u>(466,887)</u>	<u>(1,486,794)</u>	<u>1,958,681</u>	<u>5,000</u>
Revenue and other sources over net expenditures and other uses	262,123	593,519	1,342,426	2,198,068
Fund balances - June 30, 1984	<u>267,397</u>	<u>1,338,760</u>	<u>4,821,610</u>	<u>6,427,767</u>
Fund balances - June 30, 1985	<u>\$ 529,520</u>	<u>1,932,279</u>	<u>6,164,036</u>	<u>8,625,835</u>

See accompanying notes to 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, 1985

	General Fund		Variance favorable (unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Property taxes	\$ -	-	-
Dues	587,258	587,259	1
Grants and contracts:			
Federal	-	-	-
State and local	-	-	-
Admissions	-	-	-
Charges for services	-	-	-
Vending and concessions	-	-	-
Donations and bequests	-	-	-
Documents and publications	4,000	3,729	(271)
Professional and contract services	35,000	35,799	799
Interest	125,000	115,284	(9,716)
Miscellaneous	8,000	51,738	43,738
<b>Total revenues</b>	<u>759,258</u>	<u>793,809</u>	<u>34,551</u>
<b>Expenditures:</b>			
Current:			
General government	1,969,188	1,811,235	157,953
Zoo operations	-	-	-
Planning and development	-	-	-
General operating contingency	183,223	-	183,223
Capital outlay	111,305	23,026	88,279
<b>Total expenditures</b>	<u>2,263,716</u>	<u>1,834,261</u>	<u>429,455</u>
Revenue over (under) expenditures	(1,504,458)	(1,040,452)	464,006
<b>Other financing sources (uses):</b>			
Operating transfers in	1,861,726	1,769,462	(92,264)
Operating transfers out	(595,625)	(466,887)	128,738
<b>Total other financing sources (uses)</b>	<u>1,266,101</u>	<u>1,302,575</u>	<u>36,474</u>
Revenues and other sources over (under) expenditures and other uses	(238,357)	262,123	500,480
Fund balances - June 30, 1984	267,395	267,397	2
Fund balances - June 30, 1985	\$ <u>29,038</u>	<u>529,520</u>	<u>500,482</u>

See accompanying notes to 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)
4,910,000	5,015,301	105,301	-	-	-	4,910,000	5,015,301	105,301
-	-	-	-	-	-	587,258	587,259	1
794,069	581,406	(212,663)	-	75,558	75,558	794,069	656,964	(137,105)
309,805	327,357	17,552	-	-	-	309,805	327,357	17,552
1,103,202	1,202,204	99,002	-	-	-	1,103,202	1,202,204	99,002
499,100	496,426	(2,674)	-	-	-	499,100	496,426	(2,674)
781,550	901,251	119,701	-	-	-	781,550	901,251	119,701
54,263	39,179	(15,084)	200,000	76,282	(123,718)	254,263	115,461	(138,802)
-	-	-	-	-	-	4,000	3,729	(271)
53,250	44,020	(9,230)	-	-	-	88,250	79,819	(8,431)
90,024	126,264	36,240	319,000	533,004	214,004	534,024	774,552	240,528
89,833	117,445	27,612	-	585	585	97,833	169,768	71,935
<u>8,685,096</u>	<u>8,850,853</u>	<u>165,757</u>	<u>519,000</u>	<u>685,429</u>	<u>166,429</u>	<u>9,963,354</u>	<u>10,330,091</u>	<u>366,737</u>
-	-	-	-	-	-	1,969,188	1,811,235	157,953
4,683,193	4,619,519	63,674	-	-	-	4,683,193	4,619,519	63,674
1,130,552	819,488	311,064	-	-	-	1,130,552	819,488	311,064
500	-	500	-	-	-	183,723	-	183,723
<u>381,031</u>	<u>359,617</u>	<u>21,414</u>	<u>3,695,783</u>	<u>1,301,684</u>	<u>2,394,099</u>	<u>4,188,119</u>	<u>1,684,327</u>	<u>2,503,792</u>
6,195,276	5,798,624	396,652	3,695,783	1,301,684	2,394,099	12,154,775	8,934,569	3,220,206
2,489,820	3,052,229	562,409	(3,176,783)	(616,255)	2,560,528	(2,191,421)	1,395,523	3,586,943
600,625	471,887	(128,738)	1,964,000	1,958,681	(5,319)	4,426,351	4,200,030	226,321
(3,028,180)	(2,930,597)	97,583	-	-	-	(3,623,805)	(3,397,484)	226,321
(2,427,555)	(2,458,710)	(31,155)	1,964,000	1,958,681	(5,319)	802,546	802,546	-
62,265	593,519	531,254	(1,212,783)	1,342,426	2,555,209	(1,388,875)	2,198,068	3,586,943
<u>938,735</u>	<u>1,338,760</u>	<u>400,025</u>	<u>4,440,483</u>	<u>4,821,610</u>	<u>381,127</u>	<u>5,646,613</u>	<u>6,427,767</u>	<u>781,154</u>
1,001,000	1,932,279	931,279	3,227,700	6,164,036	2,936,336	4,257,738	8,625,835	4,368,097

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, 1985

	<u>Proprietary fund type Enterprise</u>	<u>Fiduciary fund type Pension Trust</u>	<u>Total (memorandum only)</u>
<b>Operating revenues:</b>			
Disposal fees	\$ 6,482,406	-	6,482,406
User fees	1,499,345	-	1,499,345
Regional transfer charge	2,015,506	-	2,015,506
Convenience charge	536,737	-	536,737
Change in investment value	-	263,031	263,031
Pension contributions	-	392,046	392,046
Miscellaneous	57,136	-	57,136
Total operating revenues	<u>10,591,130</u>	<u>655,077</u>	<u>11,246,207</u>
<b>Operating and administrative expenses:</b>			
Payroll and fringe benefits	666,368	-	666,368
St. Johns Landfill operating contract, including \$356,996 rent	3,928,808	-	3,928,808
Clackamas Transfer & Recycling Center operating contract	1,855,237	-	1,855,237
Depreciation	643,871	-	643,871
Payment of administrative expenses to the General Fund	797,546	-	797,546
Payment to IRC Fund for services	5,000	-	5,000
Post-closure costs	165,876	-	165,876
Other materials and services	323,802	-	323,802
Pension benefits	-	450,860	450,860
Distribution to participants	-	204,217	204,217
Total operating and administrative expenses	<u>8,386,508</u>	<u>655,077</u>	<u>9,041,585</u>
Income from operations	<u>2,204,622</u>	<u>-</u>	<u>2,204,622</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Combined Statement of Revenues, Expenses and Changes  
in Retained Earnings/Fund Balance - Proprietary Fund  
Type and Similar Trust Fund, Continued

	<u>Proprietary fund type Enterprise</u>	<u>Fiduciary fund type Pension Trust</u>	<u>Total (memorandum only)</u>
Nonoperating revenues (expenses):			
Interest and other earnings on investments	\$ 270,037	-	270,037
Interest expense	<u>(400,256)</u>	<u>-</u>	<u>(400,256)</u>
Nonoperating revenues (expenses), net	(130,219)	-	(130,219)
Net income	2,074,403	-	2,074,403
Add depreciation on fixed assets acquired by capital grants which reduce contributed capital	<u>134,338</u>	<u>-</u>	<u>134,338</u>
Increase in retained earnings	<u>2,208,741</u>	<u>-</u>	<u>2,208,741</u>
Retained earnings/fund balance - June 30, 1984 as previously stated	1,545,969	-	1,545,969
Restatement (note 4)	<u>(557,113)</u>	<u>-</u>	<u>(557,113)</u>
Retained earnings/fund balance - June 30, 1984 as restated	<u>988,856</u>	<u>-</u>	<u>988,856</u>
Retained earnings/fund balance - June 30, 1985	<u>\$ 3,197,597</u>	<u>-</u>	<u>3,197,597</u>

See accompanying notes to 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, 1985

	<u>Proprietary fund type Enterprise</u>	<u>Fiduciary fund type Pension Trust</u>	<u>Total (memorandum only)</u>
Working capital provided from operations:			
Net income	\$ 2,074,403	-	2,074,403
Add charges to operations not affecting working capital in the current year:			
Depreciation	643,871	-	643,871
Post-closure costs	<u>165,876</u>	<u>-</u>	<u>165,876</u>
Working capital provided from operations	2,884,150	-	2,884,150
Increase in liabilities payable from restricted assets, net	380,305	-	380,305
Increase in pension benefits payable	<u>-</u>	<u>450,860</u>	<u>450,860</u>
Total working capital provided	<u>3,264,455</u>	<u>450,860</u>	<u>3,715,315</u>
Working capital used:			
Additions to plant and equipment	817,553	-	817,553
Current maturities of loan payable	467,869	-	467,869
Increase in restricted assets	<u>380,305</u>	<u>-</u>	<u>380,305</u>
Total working capital used	<u>1,665,727</u>	<u>-</u>	<u>1,665,727</u>
Increase in working capital	<u>\$ 1,598,728</u>	<u>450,860</u>	<u>2,049,588</u>
Increase (decrease) in components of working capital:			
Cash and investments	1,576,232	449,303	2,025,535
Receivables	287,598	1,557	289,155
Inventory and other assets	4,171	-	4,171
Accounts, salaries and other payables	(222,323)	-	(222,323)
Contracts payable	9,920	-	9,920
Loan payable within one year	<u>(56,870)</u>	<u>-</u>	<u>(56,870)</u>
Increase in working capital	<u>\$ 1,598,728</u>	<u>450,860</u>	<u>2,049,588</u>

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements

June 30, 1985

(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.

(a) Basis 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:

- o interfund transactions;
- o revenues from grants and contracts which are recorded as earned.

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

- o Federal and state grants;
- o interest earned on temporary investments;
- o property taxes received within approximately 60 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.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(b) Investments

Investments are stated at cost, which approximates market.

(c) Property Taxes Receivable

Uncollected property taxes are shown on the combined balance sheet as a receivable. Property taxes collected and remitted to Metro by county treasurers within approximately 60 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.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes become a lien against the property as of January 1 for personal property and on July 1 for real property and are payable in three installments which are due on November 15, February 15 and May 15.

(d) Inventory of Materials and Supplies

Inventory, 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.

(e) 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.

(f) 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 as there is no reasonable basis for valuing these donations.

(Continued)



METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(g) 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.

(h) 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 using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 40 years. Gains or losses realized from sales or retirements are credited or charged to operations.

(i) Restricted Assets and Liabilities

Cash and investments have been restricted for future payment of retainages on several construction projects.

(j) 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 investments 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. During fiscal 1985, no interest costs were capitalized.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(k) Grants

Unreimbursed expenditures for all grants in the Governmental Fund types 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 combined 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 contributed capital as received and the 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 1985 allocated indirect costs to all grants which allow indirect costs at a rate of approximately 60% of the direct personnel costs.

(l) 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 lease term. Capital leases of general fixed assets are recorded at the inception of the leases as expenditures and other financing sources in Governmental Fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt Account groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the leases, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt Account Group. 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.

(m) Transactions with Subgrantees

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

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(n) 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.

(o) Liability for Compensated Absences

Accumulated unpaid vacation benefits in the Governmental Fund types are recorded as expenditures to the extent they are expected to be liquidated with expendable available resources. The amount payable from future resources is recorded in the General Long-term Debt Account Group. Accumulated sick leave does not vest and is, therefore, recorded when leave is taken. Accumulated unpaid vacation benefits in the Proprietary Fund type are recorded as earned.

(p) 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. The original budget is adopted by the Council by resolution prior to the beginning of the District's fiscal year (July 1 through June 30). 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 Fund and total personal services, materials and services, capital outlay and other expenditures in all other budgeted funds are the levels of control established by ordinance. The detail budget document, however, is required to contain more specific, detailed information about the above mentioned expenditure categories. Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget 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 three budget amendments, including one supplemental budget during the year ended June 30, 1985.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (q) Total (Memorandum Only) Columns

The total (memorandum only) columns in 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 (ORS) 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 operations and maintenance of zoo facilities. As a result of this enabling legislation and the passage of a special tax levy, 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. The District has no potential component units.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (3) Description of Funds

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

##### Governmental Fund Types

###### General Fund

This fund accounts 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 1985 rate was \$.50 per person. Beginning July 1, 1985 and continuing through July 1, 1989, Metro has the authority to assess up to \$.51 per person.

###### Special Revenue Funds

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

Intergovernmental Resource Center Fund - accounts for funding and operation of planning activities in the area of data services, transportation, development services and criminal justice. Principal sources of revenues are Federal, state and local grants.

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, which was extended annually through fiscal 1987 by a vote of the electorate on May 15, 1984.

###### 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.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Proprietary Fund Type

The Solid Waste Fund (Enterprise Fund) accounts for revenues, derived primarily from 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 & Recycling Center (CTRC) operations. This fund consists of five budgetary funds accounted for as an Enterprise Fund in accordance with generally accepted accounting principles.

Fiduciary Fund Types

Agency Funds

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

Transportation Technical Assistance Fund - accounts for Federal and state transportation planning grants received by Metro and passed through to local jurisdictions.

Sewer Assistance Fund - accounts for funds from the State of Oregon Department of Environmental Quality (DEQ). Metro acts in a custodial capacity for funds received and passed through to local jurisdictions.

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 type.

General Long-term Debt - accounts for Metro's obligation under capital leases and accrued vacation liabilities payable from future resources.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(4) Change in Accounting

Certain June 30, 1984 account balances have been restated in order to reflect a change in the application of accounting principles in the Solid Waste Fund. In previous years, a portion of disposal fees collected specifically for payment of post-closure costs at the St. Johns Landfill were recorded as designated retained earnings. Under generally accepted accounting principles, a portion of the estimated total post-closure costs to be incurred should be recorded as a liability each year based on the actual volume of refuse received by the landfill during that year. To appropriately reflect prior years' activity, retained earnings as of June 30, 1984 have been reduced by \$557,113 and an offsetting liability for estimated post-closure costs has been recorded.

(5) Cash and Investments

Unrestricted and restricted cash and investments are comprised of the following at June 30, 1985:

Cash:	
On hand	\$ 15,100
Bank overdrafts	(18,187)
In hands of fiscal agents	65,002
Investments:	
Oregon State Treasurer's short-term investment pool	10,751,851
Certificates of deposit, with interest rates of 7.5% maturing July 2, 1985	4,795,873
Money market investments with financial institutions	269,018
Pooled short-term pension investments with fiduciaries	<u>1,776,004</u>
	<u>\$ 17,654,661</u>

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

Unrestricted	\$ 16,613,103
Restricted	<u>1,041,558</u>
	<u>\$ 17,654,661</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(6) Fixed Assets

Fixed assets by major classes for the General Fixed Asset Account Group and the Enterprise Fund are as follows:

	Balance June 30, <u>1984</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance June 30, <u>1985</u>
<u>General Fixed Asset Account Group</u>					
Land	\$ 2,573,449	-	-	-	2,573,449
Buildings	11,562,439	1,379,249	-	-	12,941,688
Improvements	689,031	37,093	-	-	726,124
Equipment	687,987	183,998	122,497	(1,054)	993,428
Office furniture	285,122	11,363	-	(5,179)	291,306
Railroad equipment and facilities	467,105	70,859	-	-	537,964
Capitalized leased equipment	185,370	56,566	(122,497)	(13,572)	105,867
Leasehold improvements	<u>1,815</u>	<u>1,766</u>	<u>-</u>	<u>-</u>	<u>3,581</u>
	<u>\$ 16,452,318</u>	<u>1,740,894</u>	<u>-</u>	<u>(19,805)</u>	<u>18,173,407</u>
<u>Enterprise Fund</u>					
Land	1,706,743	-	-	-	1,706,743
Buildings	3,980,640	13,540	-	-	3,994,180
Improvements	208,000	-	-	-	208,000
Equipment	183,357	12,432	-	-	195,789
Office furniture	44,725	-	-	-	44,725
Leasehold improvements	<u>2,202,523</u>	<u>791,581</u>	<u>-</u>	<u>-</u>	<u>2,994,104</u>
	8,325,988	817,553	-	-	9,143,541
Less accumulated depreciation	<u>1,482,096</u>	<u>643,871</u>	<u>-</u>	<u>-</u>	<u>2,125,967</u>
	<u>\$ 6,843,892</u>	<u>173,682</u>	<u>-</u>	<u>-</u>	<u>7,017,574</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 ceases to be used for such purposes or is used for other purposes, title reverts to the City.

(Continued)



METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

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 13). Under this agreement, the City of Portland retains ownership of the property. Therefore, Metro's cost of expansion and improvements at the landfill are recorded as leasehold improvements in the Enterprise Fund and are amortized over the expected life of the landfill.

(7) 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, 1985:

	Balance June 30, <u>1984</u>	Principal <u>payments</u>	Balance June 30, <u>1985</u>
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	\$ 1,440,000	150,000	1,290,000
Loan III, payable in annual principal installments ranging from \$174,000 to \$216,000 through October 1987. Interest rate varies from 4% to 6% over the life of the loan and is payable semi-annually on April 1 and October 1	774,870	174,000	600,870
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>4,345,000</u>	<u>87,000</u>	<u>4,258,000</u>
	<u>\$ 6,559,870</u>	<u>411,000</u>	<u>6,148,870</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Loan I is for implementation of the solid waste plan. 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 (see note 13).

Loan III is for expansion of the St. Johns Landfill.

Loan IV is for the site development for the former Energy Recovery Facility and site development, design and construction of the Clackamas Transfer & 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. In addition, Metro has agreed not to discontinue operation or dispose of the Clackamas Transfer & Recycling Center without the prior approval of DEQ.

Loans I and III are not collateralized.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

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

Fiscal year ending June 30	Loan I		Loan III		Loan IV		Total requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1986	\$ 150,000	54,900	184,870	23,003	133,000	306,177	467,870	384,080
1987	150,000	47,925	200,000	14,436	173,000	296,074	523,000	358,435
1988	160,000	40,600	216,000	4,968	212,000	282,692	588,000	328,260
1989	160,000	33,000	-	-	224,000	266,918	384,000	299,918
1990	160,000	25,400	-	-	225,000	250,677	385,000	276,077
Later years	510,000	31,800	-	-	3,291,000	1,520,915	3,801,000	1,552,715
	<u>\$ 1,290,000</u>	<u>233,625</u>	<u>600,870</u>	<u>42,407</u>	<u>4,258,000</u>	<u>2,923,453</u>	<u>6,148,870</u>	<u>3,199,485</u>

(8) General Long-term Debt Account Group

The change in the balance of the liability in the General Long-term Debt Account Group is:

	Balance at June 30, 1984	Increase liability	Balance at June 30, 1985
Liability for compensated absences	\$ 165,053	17,491	182,544
Obligations under capital leases	<u>59,892</u>	<u>8,339</u>	<u>68,231</u>
	<u>\$ 224,945</u>	<u>25,830</u>	<u>250,775</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(9) Capital Lease Obligations

Metro has lease agreements for a copy machine, high speed printer and a telephone system. The agreements are for varying periods through 1988. Interest rates range from 6.5% to 13%.

The future minimum lease payments are:

Fiscal year ending <u>June 30</u>	
1986	\$ 28,803
1987	28,803
1988	<u>22,995</u>
Total minimum lease payments	80,601
Less amount representing interest	<u>12,370</u>
Net present value of future minimum lease payments	<u>\$ 68,231</u>

(10) Contributed Capital

Changes in contributed capital in the Enterprise Fund for the year ended June 30, 1985 are as follows:

Balance, June 30, 1984	\$ 1,619,002
Depreciation on fixed assets acquired with capital grants (\$527,267 total accumulated depreciation at June 30, 1985)	<u>(134,338)</u>
Balance, June 30, 1985	<u>\$ 1,484,664</u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (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 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 20 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.

In addition to the above plans, Metro makes contributions to PERS, a statewide multi-employer 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 6.52% of employee compensation for the year ended June 30, 1985 and will remain at that rate until the next actuarial valuation is performed. Pension expenditures are recorded as funded. Assuming a 7.5% 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.

Metro's pension contributions approximated \$392,000 for the year ended June 30, 1985 for all of the above plans.

#### (12) Miscellaneous Income

Included in miscellaneous income for the General Fund is \$38,000 related to accumulated employer pension contributions forfeited by terminating employees and refunded to Metro during the year ended June 30, 1985.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(13) Commitments and Contingencies

Contracts

Total contract commitments at June 30, 1985, primarily for construction projects, were approximately \$2,778,000 for the Capital Projects Fund.

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 amount 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 and at 2000 S. W. First Avenue, Portland, Oregon. The University Center Building lease, which terminates June 30, 1986, requires annual adjustments for certain operating expenses. Metro also leases parking space in the same building. The term of the lease for property located at 2000 S. W. First Avenue is eleven years and four months beginning March 1985, with a five-year renewal option at the end of the initial term. Under this lease, Metro is required to pay all utilities and certain other maintenance costs. Metro intends to sublease a significant portion of the office space and as of June 30, 1985 has entered into one sublease agreement.

The following is a schedule by years of future minimum rental payments required under these operating leases that have initial or remaining lease terms in excess of one year as of June 30, 1985:

Fiscal year ending <u>June 30</u>	
1986	\$ 341,000
1987	234,000
1988	234,000
1989	234,000
1990	234,000
Later years	<u>1,688,000</u>
Total minimum payments required	<u>\$ 2,965,000</u>

Minimum payments presented in the schedule have not been reduced by future minimum sublease rentals totalling approximately \$102,000 at June 30, 1985.

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Rental expense under the leases for the year ended June 30, 1985 amounted to approximately \$370,000, which has not been reduced by approximately \$30,000 of sublease rental receipts.

St. Johns Landfill

Metro is leasing the landfill from the City of Portland. The rental terms for the lease were to be revised as of June 1, 1983. Final settlement on the lease terms has not been reached as of September 13, 1985, except for the monthly lease payment of \$31,231. This lease payment is retroactive to June 1, 1983, for which a liability of \$423,043 has been accrued at June 30, 1985. The lease agreement also commits Metro to finance certain post-closure environmental control measures for the expansion area of the landfill. At June 30, 1985, a liability of \$722,990 has been recorded to cover post-closure costs (see note 4).

Additionally, Metro contracts for the maintenance and operation of the landfill (other than the gatehouse which Metro operates). The contract in force at June 30, 1985 terminates October 1, 1985. The existing contract was replaced with a new agreement covering a three and one-half year period commencing October 1, 1985.

The approximate annual commitments for maintenance and operations of the St. Johns Landfill, based on forecasted tons of refuse, are:

Fiscal year ending <u>June 30</u>	
1986	\$ 4,266,000
1987	3,562,000
1988	3,616,000
1989	<u>2,385,000</u>
	<u>\$ 13,829,000</u>

A portion of the commitment, estimated by management to be \$4,463,000, relates to landfill improvements, primarily final ground cover.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Clackamas Transfer & Recycling Center

Metro contracts for operations of the Clackamas Transfer & Recycling Center (CTRC). The contract term is three and one-half years from the start of operation in April 1983.

The approximate annual commitments based on forecasted usage relative to the CTRC are:

<u>Fiscal year</u> <u>ending</u> <u>June 30</u>	
1986	\$ 1,932,000
1987	<u>644,000</u>
	<u>\$ 2,576,000</u>

Waste Reduction Program Contingency

Metro is required under Oregon Revised Statutes (ORS) 459 as amended by Senate Bill 662, which became effective July 13, 1985, to develop a solid waste reduction program which presents effective and appropriate methods for reducing dependence on land disposal sites. The program must be submitted to the State of Oregon Environmental Quality Commission (EQC) not later than January 1, 1986 for their approval. If the EQC does not approve the solid waste reduction program submitted by Metro after a period allowed for modification by the EQC, all duties, functions and powers of Metro relating to solid waste disposal would be transferred to the State of Oregon Department of Environmental Quality (DEQ). This transfer would take effect July 1, 1986. Metro intends to submit to the EQC the required program in a timely manner and in a form which the EQC will accept. Therefore, Metro considers the probability of transferring all solid waste activities to DEQ to be remote.

In addition, beginning in fiscal year 1986, Metro is required to apportion the charges collected for disposal of solid waste; \$.50 per ton of solid waste is to be set aside for rehabilitation and enhancement of the area in and around the landfill from which the fees were collected and \$1.00 per ton is to be paid into the State's Land Disposal Mitigation Account, which will be used by the DEQ in the process of siting a regional landfill. Metro would have the responsibility for the operation of the disposal site selected by DEQ, contingent upon the events noted in the preceding paragraph.

(Continued)



METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Legal Matters

Metro is in litigation against certain bonding companies seeking reimbursement of cost overruns incurred as a result of the default by the original contractor on the Alaska Tundra project at the Washington Park Zoo. Metro and its legal counsel believe that the suit is meritorious; however, no estimate can presently be made as to the amount of ultimate recovery therefrom, if any.

Metro is involved in other potential claims and disputes which, for the most part, are normal to Metro'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, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Dues	\$ 587,258	587,259	1
Documents and publications	4,000	3,729	(271)
Professional and contract services	35,000	35,799	799
Interest	125,000	115,284	(9,716)
Miscellaneous	8,000	51,738	43,738
Total revenues	<u>759,258</u>	<u>793,809</u>	<u>34,551</u>
Other financing sources:			
Operating transfers from:			
Solid Waste Fund	797,546	797,546	-
Zoo Fund	494,223	494,223	-
Intergovernmental Resource Center Fund	<u>569,957</u>	<u>477,693</u>	<u>(92,264)</u>
Total other financing sources	<u>1,861,726</u>	<u>1,769,462</u>	<u>(92,264)</u>
Beginning fund balance available for appropriation	<u>267,395</u>	<u>267,397</u>	<u>2</u>
	<u>\$ 2,888,379</u>	<u>2,830,668</u>	<u>(57,711)</u>

METROPOLITAN SERVICE DISTRICT

General Fund

Statement of Expenditures - Budget and Actual

For the year ended June 30, 1985

	Budgeted appropriations			Actual	Variance favorable (unfavorable)
	Original	Transfers in (out)	Revised		
<b>Expenditures:</b>					
<b>Council:</b>					
Personal services	\$ 65,693	888	66,581	64,651	1,930
Materials and services	58,120	(250)	57,870	34,763	23,107
	<u>123,813</u>	<u>638</u>	<u>124,451</u>	<u>99,414</u>	<u>25,037</u>
<b>Executive management:</b>					
Personal services	229,380	2,287	231,667	223,376	8,291
Materials and services	28,845	5,000	33,845	16,515	17,330
	<u>258,225</u>	<u>7,287</u>	<u>265,512</u>	<u>239,891</u>	<u>25,621</u>
<b>Public affairs:</b>					
Personal services	216,450	2,128	218,578	204,097	14,481
Materials and services	40,950	-	40,950	39,363	1,587
Capital outlay	1,750	-	1,750	1,534	216
	<u>259,150</u>	<u>2,128</u>	<u>261,278</u>	<u>244,994</u>	<u>16,284</u>
<b>Finance and administration:</b>					
Personal services	548,224	2,744	550,968	538,207	12,761
Materials and services	626,465	142,264	768,729	690,263	78,466
Capital outlay	22,055	87,500	109,555	21,492	88,063
	<u>1,196,744</u>	<u>232,508</u>	<u>1,429,252</u>	<u>1,249,962</u>	<u>179,290</u>
<b>General operating contingency</b>	<u>77,396</u>	<u>105,827</u>	<u>183,223</u>	<u>-</u>	<u>183,223</u>
<b>Total expenditures</b>	<u>1,915,328</u>	<u>348,388</u>	<u>2,263,716</u>	<u>1,834,261</u>	<u>429,455</u>
<b>Other financing uses:</b>					
Operating transfers to -					
Intergovernmental Resource Center Fund	587,219	8,406	595,625	466,887	128,738
	<u>\$ 2,502,547</u>	<u>356,794</u>	<u>2,859,341</u>	<u>2,301,148</u>	<u>558,193</u>

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Balance Sheet

June 30, 1985

<u>Assets</u>	Intergovernmental Resource <u>Center Fund</u>	Zoo <u>Fund</u>	<u>Totals</u>
Cash and investments	\$ (40,233)	2,143,949	2,103,716
Receivables:			
Property taxes	-	776,203	776,203
Federal grants	73,315	-	73,315
State grants	73,931	-	73,931
Local grants/contracts	41,790	-	41,790
Other	2,359	30,196	32,555
Inventory of materials and supplies	-	144,094	144,094
Other assets	<u>21,971</u>	<u>-</u>	<u>21,971</u>
	<u>\$ 173,133</u>	<u>3,094,442</u>	<u>3,267,575</u>
 <u>Liabilities and Fund Balances</u> 			
Liabilities:			
Accounts payable	81,300	239,043	320,343
Salaries, withholdings and payroll taxes payable	42,262	219,968	262,230
Deferred revenue	21,971	722,608	744,579
Contracts payable	2,590	-	2,590
Other	<u>5,554</u>	<u>-</u>	<u>5,554</u>
Total liabilities	153,677	1,181,619	1,335,296
Fund balances - unreserved	<u>19,456</u>	<u>1,912,823</u>	<u>1,932,279</u>
	<u>\$ 173,133</u>	<u>3,094,442</u>	<u>3,267,575</u>

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For the year ended June 30, 1985

	Intergovernmental Resource <u>Center Fund</u>	Zoo <u>Fund</u>	<u>Totals</u>
<b>Revenues:</b>			
Property taxes	\$ -	5,015,301	5,015,301
Federal grants	515,341	66,065	581,406
State grants	279,931	-	279,931
Local grants	47,426	-	47,426
Admissions	-	1,202,204	1,202,204
Charges for services	-	496,426	496,426
Vending and concessions	-	901,251	901,251
Donations and bequests	-	39,179	39,179
Professional and contract services	44,020	-	44,020
Interest	-	126,264	126,264
Miscellaneous	7,558	109,887	117,445
Total revenues	894,276	7,956,577	8,850,853
<b>Other financing sources:</b>			
Operating transfer from:			
General Fund	466,887	-	466,887
Proprietary Fund	5,000	-	5,000
Total revenue and other financing sources	1,366,163	7,956,577	9,322,740
<b>Expenditures:</b>			
Current:			
Zoo operations	-	4,619,519	4,619,519
Planning and development:			
Personal services	739,142	-	739,142
Materials and services	80,346	-	80,346
Capital outlay	61,184	298,433	359,617
Total expenditures	880,672	4,917,952	5,798,624

(Continued)

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances, Continued

	Intergovernmental Resource Center Fund	Zoo Fund	Totals
Other financing uses:			
Operating transfers to:			
General Fund	477,693	494,223	971,916
Zoo Capital Fund	-	<u>1,958,681</u>	<u>1,958,681</u>
Total other financing uses	<u>477,693</u>	<u>2,452,904</u>	<u>2,930,597</u>
Total expenditures and other financing uses	<u>1,358,365</u>	<u>7,370,856</u>	<u>8,729,221</u>
Revenue and other financing sources over expenditures and other financing uses	7,798	585,721	593,519
Fund balances - June 30, 1984	<u>11,658</u>	<u>1,327,102</u>	<u>1,338,760</u>
Fund balances - June 30, 1985	<u>\$ 19,456</u>	<u>1,912,823</u>	<u>1,932,279</u>



METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>		
<b>Revenues:</b>					
Federal grants	\$ 766,186	515,341	(250,845)		
State grants	259,250	279,931	20,681		
Local grants	50,555	47,426	(3,129)		
Professional and contract services	53,250	44,020	(9,230)		
Miscellaneous	<u>33,443</u>	<u>7,558</u>	<u>(25,885)</u>		
Total revenues	1,162,684	894,276	(268,408)		
<b>Other financing sources:</b>					
Operating transfers from:					
General Fund	595,625	466,887	(128,738)		
Proprietary Fund	<u>5,000</u>	<u>5,000</u>	<u>-</u>		
Total revenues and other financing sources	1,763,309	1,366,163	(397,146)		
Beginning fund balance available for appropriation	<u>2,000</u>	<u>11,658</u>	<u>9,658</u>		
	<u>\$ 1,765,309</u>	<u>1,377,821</u>	<u>(387,488)</u>		
	<u>Budgeted appropriations</u>				
		Transfers			
	<u>Original</u>	<u>in (out)</u>	<u>Revised</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>Expenditures:</b>					
Personal services	\$ 865,758	(7,770)	857,988	739,142	118,846
Materials and services	256,364	16,200	272,564	80,346	192,218
Capital outlay	<u>1,000</u>	<u>63,800</u>	<u>64,800</u>	<u>61,184</u>	<u>3,616</u>
Total expenditures	1,123,122	72,230	1,195,352	880,672	314,680
<b>Other financing uses:</b>					
Operating transfer to -					
General Fund	<u>597,943</u>	<u>(27,986)</u>	<u>569,957</u>	<u>477,693</u>	<u>92,264</u>
Total expenditures and other financing uses	<u>\$ 1,721,065</u>	<u>44,244</u>	<u>1,765,309</u>	<u>1,358,365</u>	<u>406,944</u>

METROPOLITAN SERVICE DISTRICT

Zoo Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>		
<b>Revenues:</b>					
Property taxes	\$ 4,910,000	5,015,301	105,301		
Admissions	1,103,202	1,202,204	99,002		
Vending and concessions	781,550	901,251	119,701		
Railroad	234,900	222,732	(12,168)		
Gift shop	264,200	273,694	9,494		
Federal grants	27,883	66,065	38,182		
Donations and bequests	54,263	39,179	(15,084)		
Interest	90,024	126,264	36,240		
Miscellaneous	56,390	109,887	53,497		
<b>Total revenues</b>	<u>7,522,412</u>	<u>7,956,577</u>	<u>434,165</u>		
Beginning fund balance available for appropriation	<u>936,735</u>	<u>1,327,102</u>	<u>390,367</u>		
	<u>\$ 8,459,147</u>	<u>9,283,679</u>	<u>824,532</u>		
	<u>Budgeted appropriations</u>		<u>Variance</u>		
		<u>Transfers</u>	<u>favorable</u>		
	<u>Original</u>	<u>in (out)</u>	<u>Revised</u>	<u>Actual</u>	<u>(unfavorable)</u>
<b>Expenditures:</b>					
Personal services	2,878,483	110,076	2,988,559	2,966,458	22,101
Materials and services	1,601,634	93,000	1,694,634	1,653,061	41,573
Capital outlay	305,648	10,583	316,231	298,433	17,798
General operating contingency	256,335	(255,835)	500	-	500
<b>Total expenditures</b>	<u>5,042,100</u>	<u>(42,176)</u>	<u>4,999,924</u>	<u>4,917,952</u>	<u>81,972</u>
<b>Other financing uses:</b>					
Operating transfers to:					
General Fund	452,047	42,176	494,223	494,223	-
Zoo Capital Fund	<u>1,964,000</u>	<u>-</u>	<u>1,964,000</u>	<u>1,958,681</u>	<u>5,319</u>
<b>Total other financing uses</b>	<u>2,416,047</u>	<u>42,176</u>	<u>2,458,223</u>	<u>2,452,904</u>	<u>5,319</u>
<b>Total expenditures and other financing uses</b>	<u>7,458,147</u>	<u>-</u>	<u>7,458,147</u>	<u>7,370,856</u>	<u>87,291</u>
Unappropriated ending fund balance	<u>1,001,000</u>	<u>-</u>	<u>1,001,000</u>	<u>1,912,825</u>	<u>911,823</u>
	<u>\$ 8,459,147</u>	<u>-</u>	<u>8,459,147</u>	<u>9,283,679</u>	<u>824,532</u>

METROPOLITAN SERVICE DISTRICT

Zoo Capital Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>		
Revenues:					
Federal grants	\$ -	75,558	75,558		
Donations and bequests	200,000	76,282	(123,718)		
Interest	319,000	533,004	214,004		
Miscellaneous	-	585	585		
Total revenues	<u>519,000</u>	<u>685,429</u>	<u>166,429</u>		
Other financing source:					
Transfer from - Zoo Fund	1,964,000	1,958,681	(5,319)		
Beginning fund balance available for appropriation	<u>4,440,483</u>	<u>4,821,610</u>	<u>381,127</u>		
	<u>\$ 6,923,483</u>	<u>7,465,720</u>	<u>542,237</u>		
	<u>Budgeted appropriations</u>				
		Transfers			
	<u>Original</u>	<u>in (out)</u>	<u>Revised</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures -					
Capital outlay	\$ 3,695,783	-	3,695,783	1,301,684	2,394,099
Unappropriated ending fund balance	<u>3,227,700</u>	-	<u>3,227,700</u>	<u>6,164,036</u>	<u>2,936,336</u>
	<u>\$ 6,923,483</u>	-	<u>6,923,483</u>	<u>7,465,720</u>	<u>542,237</u>

# METROPOLITAN SERVICE DISTRICT

## Proprietary Fund Type

### Description of Solid Waste Budgetary Funds

For financial reporting purposes, management considers the activities relating to solid waste management as those of a unitary enterprise operation and as such the activities 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 presented on pages 44 through 48.

#### Solid Waste Fund

The primary activities accounted for in the Solid Waste Fund are expenditures relating to the implementation, administration and enforcement of Metro's Solid Waste Management Plan and operation of the St. Johns Landfill and Clackamas Transfer & Recycling Center. Disposal 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 the Solid Waste Operating Fund.

#### Solid Waste Capital Improvement Fund

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

#### Solid Waste St. Johns Reserve Fund

The Solid Waste St. Johns Reserve Fund accounts for the funding of two environmental control activities which will begin after the St. Johns Landfill is closed. The activities are:

- o annual maintenance of the landfill, including grading, compacting and reseeding;
- o leachate processing and transportation.

#### Solid Waste St. Johns Final Improvement Fund

The Solid Waste St. Johns Final Improvement Fund accounts for revenues provided and expenditures incurred to properly close out the St. Johns Landfill. The primary expenditures in the fund are for the placement of final cover, roads and drainage structures. The principal sources of revenues are transfers from the Solid Waste Operating Fund and interest earnings on cash and investments.

METROPOLITAN SERVICE DISTRICT

Solid Waste Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	Budget	Actual	Variance favorable (unfavorable)		
<b>Revenues:</b>					
Disposal fees	\$ 6,143,780	6,482,406	338,626		
User fees	1,387,200	1,499,345	112,145		
Regional transfer charge	1,840,000	2,015,506	175,506		
Convenience charge	601,000	536,737	(64,263)		
Interest	16,000	116,765	100,765		
Miscellaneous	74,700	57,136	(17,564)		
<b>Total revenues</b>	<b>10,062,680</b>	<b>10,707,895</b>	<b>645,215</b>		
<b>Beginning fund balance available for appropriation</b>	<b>683,000</b>	<b>1,420,875</b>	<b>737,875</b>		
	<b>\$ 10,745,680</b>	<b>12,128,770</b>	<b>1,383,090</b>		
	<b>Budgeted appropriations</b>				
		<b>Transfers</b>			
	<b>Original</b>	<b>in (out)</b>	<b>Revised</b>		
			<b>Actual</b>		
			<b>Variance favorable (unfavorable)</b>		
<b>Expenditures:</b>					
Personal services	\$ 794,867	-	794,867	669,743	125,124
Materials and services	6,017,483	401,000	6,418,483	6,107,847	310,636
Capital outlay	39,400	10,000	49,400	12,432	36,968
Contingency	643,263	382,791	1,026,054	-	1,026,054
<b>Total expenditures</b>	<b>7,495,013</b>	<b>793,791</b>	<b>8,288,804</b>	<b>6,790,022</b>	<b>1,498,782</b>
<b>Other financing uses:</b>					
<b>Operating transfers to:</b>					
General Fund	691,337	106,209	797,546	797,546	-
Solid Waste Debt Service Fund	887,530	-	887,530	817,530	70,000
Solid Waste Capital Improvement Fund	75,000	-	75,000	75,000	-
Solid Waste St. Johns Reserve Fund	171,800	-	171,800	171,800	-
Solid Waste St. Johns Final Improvement Fund	520,000	-	520,000	520,000	-
Intergovernmental Resource Center Fund	5,000	-	5,000	5,000	-
<b>Total other financing uses</b>	<b>2,350,667</b>	<b>106,209</b>	<b>2,456,876</b>	<b>2,386,876</b>	<b>70,000</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 9,845,680</b>	<b>900,000</b>	<b>10,745,680</b>	<b>9,176,898</b>	<b>1,568,782</b>

METROPOLITAN SERVICE DISTRICT

Solid Waste Debt Service Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Other financing sources -			
Operating transfers from Solid Waste Fund	\$ <u>887,530</u>	<u>817,530</u>	<u>70,000</u>
Expenditures -			
Interest expense and principal payment on Department of Environmental Quality loans	\$ <u>887,530</u>	<u>817,530</u>	<u>70,000</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste Capital Improvement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues:			
Interest	\$ -	23,308	23,308
Miscellaneous	-	15,560	15,560
Total revenues	-	38,868	38,868
Other financing sources:			
Department of Environmental Quality loan proceeds	9,160,000	-	(9,160,000)
Operating transfers from Solid Waste Fund	75,000	75,000	-
Total revenues and other financing sources	9,235,000	113,868	(9,121,132)
Beginning fund balance available for appropriation	1,111,000	1,276,723	165,723
Less equity transfer to St. Johns Final Improvement Fund	1,111,000	1,111,000	-
	<u>\$ 9,235,000</u>	<u>279,591</u>	<u>(8,955,409)</u>
	<u>Budgeted appropriations</u>		
		Transfers	
	<u>Original</u>	<u>in (out)</u>	<u>Revised</u>
Expenditures -			Variance
Capital outlay	<u>\$ 9,235,000</u>	<u>-</u>	<u>9,235,000</u>
			favorable
			(unfavorable)
			<u>36,683</u>
			<u>9,198,317</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Reserve Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 32,400	43,768	11,368
Other financing sources:			
Operating transfers from - Solid Waste Fund	<u>171,800</u>	<u>171,800</u>	<u>-</u>
Total revenues and other financing sources	204,200	215,568	11,368
Beginning fund balance available for appropriations	<u>359,500</u>	<u>362,887</u>	<u>3,387</u>
Unappropriated ending fund balance	<u><u>\$ 563,700</u></u>	<u><u>578,455</u></u>	<u><u>14,755</u></u>



METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Final Improvement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 34,000	86,196	52,196
Other financing sources:			
Operating transfers from - Solid Waste Fund	<u>520,000</u>	<u>520,000</u>	<u>-</u>
Total revenues and other financing sources	554,000	606,196	52,196
Beginning fund balance available for appropriations	-	-	-
Add equity transfer from Solid Waste Capital Improvement Fund	<u>1,111,000</u>	<u>1,111,000</u>	<u>-</u>
	<u>\$ 1,665,000</u>	<u>1,717,196</u>	<u>52,196</u>
		<u>Original budgeted appropriations</u>	
Expenditures -			
Capital outlay	\$ 1,119,700	768,438	351,262
Unappropriated ending fund balance	<u>545,300</u>	<u>948,758</u>	<u>403,458</u>
	<u>\$ 1,665,000</u>	<u>1,717,196</u>	<u>52,196</u>

METROPOLITAN SERVICE DISTRICT

Reconciliation of Solid Waste Funds' Revenues  
and Expenditures (Budgetary Basis) to Combined  
Statement of Revenues and Expenses

For the year ended June 30, 1985

	Solid Waste Fund	Solid Waste Debt Service Fund	Solid Waste Capital Improvement Fund	Solid Waste Reserve St. Johns Fund	Solid Waste St. Johns Final Improvement Fund	Total
Budgetary basis:						
Revenues	\$ 10,707,895	-	38,868	43,768	86,196	10,876,727
Expenditures	<u>6,790,022</u>	<u>817,530</u>	<u>36,683</u>	<u>-</u>	<u>768,438</u>	<u>8,412,673</u>
	<u>\$ 3,917,873</u>	<u>(817,530)</u>	<u>2,185</u>	<u>43,768</u>	<u>(682,242)</u>	<u>2,464,054</u>
Add amounts included as expenditures in budgetary schedules not deducted as expenses in statement of revenues, expenses and changes in retained earnings:						
Capital outlay expenditures, recorded as fixed asset additions						817,553
Principal payments on loans						411,000
Less amounts included as revenues in budgetary schedules not included as revenues in statement of revenues, expenses and changes in retained earnings -						
Decrease in contract receivable						(15,560)
Add adjustment for conversion from modified accrual (budgetary basis) to accrual basis of accounting (GAAP basis):						
Decrease in accrued interest payable						6,274
Decrease in accrued vacation payable						3,375
Less administrative costs paid to the General Fund recorded as a transfer in budgetary schedules						(797,546)
Less payment of services provided by Intergovernmental Resource Center Fund recorded as a transfer in budgetary schedules						(5,000)
Less depreciation expense						(643,871)
Less post-closure costs						<u>(165,876)</u>
Net income per combined statement of revenues, expenses and changes in retained earnings						<u>\$ 2,074,403</u>



METROPOLITAN SERVICE DISTRICT

Trust and Agency Funds

Combining Balance Sheet

June 30, 1985

	<u>Agency</u>			<u>Pension</u>	<u>Total</u>
	<u>Criminal Justice Assistance</u>	<u>Sewer Assistance</u>	<u>Transportation Technical Assistance</u>	<u>Trust Pension Plan</u>	
<u>Assets</u>					
Cash and investments	\$ 87	1,306,598	7,110	1,776,004	3,089,799
Receivables:					
Federal grants	609	-	1,514	-	2,123
State grants	-	-	4,998	-	4,998
Other	-	-	-	32,592	32,592
	<u>\$ 696</u>	<u>1,306,598</u>	<u>13,622</u>	<u>1,808,596</u>	<u>3,129,512</u>
<u>Liabilities</u>					
Expenditures by subgrantees in excess of advances	696	-	13,622	-	14,318
Due to other agencies	-	1,306,598	-	-	1,306,598
Pension benefits payable	-	-	-	1,808,596	1,808,596
	<u>\$ 696</u>	<u>1,306,598</u>	<u>13,622</u>	<u>1,808,596</u>	<u>3,129,512</u>

METROPOLITAN SERVICE DISTRICT

Agency Funds

Combining Statement of Changes  
in Assets and Liabilities

For the year ended June 30, 1985

	Balance June 30, <u>1984</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1985</u>
<u>Criminal Justice Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	\$ 24,495	84,242	108,650	87
Receivables -				
Federal grants	64,536	20,315	84,242	609
Advances	<u>9,459</u>	<u>-</u>	<u>9,459</u>	<u>-</u>
	<u>\$ 98,490</u>	<u>104,557</u>	<u>202,351</u>	<u>696</u>
<u>Liabilities</u>				
Unearned grant revenue	9,459	-	9,459	-
Expenditures by subgrantees in excess of advances	<u>89,031</u>	<u>20,315</u>	<u>108,650</u>	<u>696</u>
	<u>\$ 98,490</u>	<u>20,315</u>	<u>118,109</u>	<u>696</u>
<u>Sewer Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	2,343,283	181,095	1,217,780	1,306,598
Interest receivable	<u>20,844</u>	<u>160,251</u>	<u>181,095</u>	<u>-</u>
	<u>\$ 2,364,127</u>	<u>341,346</u>	<u>1,398,875</u>	<u>1,306,598</u>
<u>Liabilities</u>				
Due to other agencies	<u>\$ 2,364,127</u>	<u>160,251</u>	<u>1,217,780</u>	<u>1,306,598</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Agency Funds

Combining Statement of Changes  
in Assets and Liabilities, Continued

	Balance June 30, <u>1984</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1985</u>
<u>Transportation Technical Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	\$ -	119,294	112,184	7,110
Receivables:				
Federal grants	41,196	36,777	76,459	1,514
State grants	<u>31,399</u>	<u>16,435</u>	<u>42,836</u>	<u>4,998</u>
	\$ <u>72,595</u>	<u>172,505</u>	<u>231,478</u>	<u>13,622</u>
<u>Liabilities</u>				
Expenditures by subgrantees in excess of advances	\$ <u>72,595</u>	<u>53,212</u>	<u>112,185</u>	<u>13,622</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	2,367,778	384,631	1,438,614	1,313,795
Receivables:				
Interest	20,844	160,251	181,095	-
Federal grants	105,732	57,091	160,700	2,123
State grants	31,399	16,435	42,836	4,998
Advances	<u>9,459</u>	<u>-</u>	<u>9,459</u>	<u>-</u>
	\$ <u>2,535,212</u>	<u>618,408</u>	<u>1,832,704</u>	<u>1,320,916</u>
<u>Liabilities</u>				
Unearned grant revenue	9,459	-	9,459	-
Expenditures by subgrantees in excess of advances	161,626	73,526	220,834	14,318
Due to other agencies	<u>2,364,127</u>	<u>160,251</u>	<u>1,217,780</u>	<u>1,306,598</u>
	\$ <u>2,535,212</u>	<u>233,777</u>	<u>1,448,073</u>	<u>1,320,916</u>

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Federal grants	\$ 32,000	29,774	(2,226)
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures -			
Materials and services	\$ 32,000	29,774	2,226
	<u>          </u>	<u>          </u>	<u>          </u>

METROPOLITAN SERVICE DISTRICT

Sewer Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 300,000	160,251	(139,749)
Beginning fund balance available for appropriation	<u>2,500,000</u>	<u>2,364,127</u>	<u>(135,873)</u>
	<u>\$ 2,800,000</u>	<u>2,524,378</u>	<u>(275,622)</u>
Expenditures -			
Materials and services	<u>\$ 2,800,000</u>	<u>950,351</u>	<u>1,849,649</u>



METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1985

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Federal grants	\$ 56,000	36,777	(19,223)
State grants	<u>74,000</u>	<u>16,435</u>	<u>(57,565)</u>
Total revenues	<u>\$ 130,000</u>	<u>53,212</u>	<u>(76,788)</u>
Expenditures -			
Materials and services	<u>\$ 130,000</u>	<u>53,212</u>	<u>76,788</u>

METROPOLITAN SERVICE DISTRICT

Schedule of Property Tax Transactions  
and Outstanding Receivable

For the year ended June 30, 1985

Fiscal year	Property taxes receivable June 30, 1984	Current levy as extended by assessors	Add (deduct)			Property taxes receivable June 30, 1985	
			Adjustments	Interest	Discounts	Collections	
1984-85	\$ -	5,033,645	(46,177)	4,339	(91,467)	(4,544,731)	355,609
1983-84	424,557	-	(5,675)	17,257	-	(204,406)	231,733
1982-83	241,676	-	(2,371)	21,609	-	(118,802)	142,112
1981-82	123,288	-	(991)	27,498	-	(105,636)	44,159
1980-81	16,396	-	(739)	5,796	-	(19,452)	2,001
1979-80 and prior	3,169	-	(1,951)	245	-	(874)	589
	<u>\$ 809,086</u>	<u>5,033,645</u>	<u>(57,904)</u>	<u>76,744</u>	<u>(91,467)</u>	<u>(4,993,901)</u>	<u>776,203</u>
Reconciliation to property tax revenue per combined financial statements:							
Collections above						\$ 4,993,901	
Property taxes susceptible to accrual at June 30, 1985						53,595	
Taxes in lieu of property taxes						15,603	
Property tax revenue susceptible to accrual at June 30, 1984						<u>(47,798)</u>	
Property tax revenue per combined statement of revenues, expenditures and changes in fund balances - all governmental fund types						<u>\$ 5,015,301</u>	

METROPOLITAN SERVICE DISTRICT

Schedule of Long-term Debt Transactions  
(Loans from Department of Environmental Quality)

For the year ended June 30, 1985

	Original issue		Outstanding June 30, 1984	1984-1985 transactions		Outstanding June 30, 1985
	Date	Amount		Matured	Paid	
Loan I:						
Principal	Apr. 21, 1977	\$ <u>2,150,000</u>	<u>1,440,000</u>	<u>150,000</u>	<u>150,000</u>	<u>1,290,000</u>
Interest				\$ <u>61,725</u>	<u>61,725</u>	
Loan III:						
Principal	Feb. 1, 1980	\$ <u>1,360,870</u>	<u>774,870</u>	<u>174,000</u>	<u>174,000</u>	<u>600,870</u>
Interest				\$ <u>31,508</u>	<u>31,508</u>	
Loan IV:						
Principal	Jun. 1, 1981	\$ 2,930,000	2,811,000	59,000	59,000	2,752,000
Addition	Apr. 1, 1982	400,000	400,000	4,000	4,000	396,000
Addition	Aug. 1, 1982	<u>1,157,000</u>	<u>1,134,000</u>	<u>24,000</u>	<u>24,000</u>	<u>1,110,000</u>
Total		\$ <u>4,487,000</u>	<u>4,345,000</u>	<u>87,000</u>	<u>87,000</u>	<u>4,258,000</u>
Interest				\$ <u>313,297</u>	<u>313,297</u>	

METROPOLITAN SERVICE DISTRICT

Schedule of Future Debt Service Requirements  
(Loans from Department of Environmental Quality)

For the year ended June 30, 1985

Fiscal year	Loan I		Loan III		Loan IV		Total requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 1,290,000</u>	<u>233,625</u>	<u>600,870</u>	<u>42,407</u>	<u>4,258,000</u>	<u>2,923,453</u>	<u>6,148,870</u>	<u>3,199,485</u>



**GRANT COMPLIANCE SCHEDULES**

METROPOLITAN SERVICE DISTRICT

Abbreviated Designations for Grantor Agencies

<u>Abbreviated designation</u>	<u>Description</u>
DEQ	Oregon 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
FHWA	U. S. Federal Highway Administration
IMS	U. S. Department of Education, Institute of Museum Services
LCDC	Oregon Land Conservation and Development Commission
LEAA	Law Enforcement Assistance Administration
NEH	National Endowment for the Humanities
OCH	Oregon Committee for the Humanities
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

Zoo Operating Fund and Zoo Capital Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1985

	Zoo Operating Fund				Zoo Capital Fund
	Smithsonian Elephant Symposium	DMS-FY84 G008303354	DMS-FY85 IG-40661-84	Total	NEH Elephant Museum GM-20806-82
	<u>100%</u>	<u>100%</u>	<u>100%</u>		<u>100%</u>
<b>Federal funding percentage</b>					
<b>Revenues:</b>					
Federal grants	\$(435)	16,500	50,000	66,065	75,558
State and state administered grants	-	-	-	-	-
Required match	<u>435</u>	-	-	<u>435</u>	-
<b>Total revenues</b>	<u>\$ -</u>	<u>16,500</u>	<u>50,000</u>	<u>66,500</u>	<u>75,558</u>
<b>Expenditures:</b>					
<b>Direct costs:</b>					
Salaries	-	11,600	35,150	46,750	-
Fringe benefits	-	4,900	14,850	19,750	-
Travel	-	-	-	-	-
Contractual services	-	-	-	-	75,558
Data processing	-	-	-	-	-
Supplies	-	-	-	-	-
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Other	-	-	-	-	-
<b>Total direct costs</b>	-	16,500	50,000	66,500	75,558
<b>Indirect costs*</b>	-	-	-	-	-
<b>Total expenditures</b>	<u>\$ -</u>	<u>16,500</u>	<u>50,000</u>	<u>66,500</u>	<u>75,558</u>

\*Indirect costs are not allowed under grant agreements.



METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grantor

For the year ended June 30, 1985

	<u>UMTA</u>	<u>FHWA/ODOT</u>	<u>LCDC</u>	<u>Total</u>
<b>Revenues earned:</b>				
Federal grants	\$ 515,341	-	-	515,341
State and state administered grants	9,787	242,031	28,113	279,931
Local and local administered grants/match	47,426	-	-	47,426
Required match	68,625	1,554	-	70,179
Metro match in excess	4,273	2,904	-	7,177
<b>Total revenues</b>	<b>\$ 645,452</b>	<b>246,489</b>	<b>28,113</b>	<b>920,054</b>
<b>Expenditures:</b>				
<b>Direct costs:</b>				
Salaries	282,320	99,767	13,553	395,640
Fringe benefits	82,090	28,456	4,025	114,571
Travel	793	231	-	1,024
Contractual services	11,682	406	-	12,088
Data processing	19,285	11,777	-	31,062
Supplies	119	-	-	119
Printing	561	204	-	765
Equipment	29,999	29,998	-	59,997
Other	212	-	-	212
<b>Total direct costs</b>	<b>427,061</b>	<b>170,839</b>	<b>17,578</b>	<b>615,478</b>
<b>Indirect costs</b>	<b>218,391</b>	<b>75,650*</b>	<b>10,535</b>	<b>304,576</b>
<b>Total expenditures</b>	<b>\$ 645,452</b>	<b>246,489</b>	<b>28,113</b>	<b>920,054</b>

\*Indirect costs are not allowed under certain grant agreements.

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1985

	<u>UMTA/EPA</u> <u>OR 19-0005</u>	<u>UMTA</u> <u>OR-09-0032</u>	<u>UMTA</u> <u>OR-29-9008</u>	<u>UMTA</u> <u>OR-29-9009</u>
Federal funding percentage	<u>100%</u>	<u>80%</u>	<u>100%</u>	<u>85%</u>
Revenues earned:				
Federal grants	\$ 1,300	2,078	11,077	12,087
State and state administered grants	-	-	-	-
Local and local administered grants/match	-	-	-	-
Required match	-	519	-	2,133
Metro match in excess	-	152	-	-
Total revenues	<u>\$ 1,300</u>	<u>2,749</u>	<u>11,077</u>	<u>14,220</u>
Expenditures:				
Direct costs:				
Salaries	625	1,289	-	6,854
Fringe benefits	188	381	-	2,036
Travel	-	2	-	-
Contractual services	-	-	11,077	-
Data processing	-	66	-	-
Supplies	-	-	-	-
Printing	-	9	-	2
Equipment	-	-	-	-
Other	-	-	-	-
Total direct costs	813	1,747	11,077	8,892
Indirect costs	487	1,002	-	5,328
Total expenditures	<u>\$ 1,300</u>	<u>2,749</u>	<u>11,077</u>	<u>14,220</u>

(Continued)

<u>UMTA</u> <u>OR-09-0034</u>	<u>UMTA</u> <u>OR-23-9001</u>	<u>UMTA</u> <u>OR-29-9010</u>	<u>UMTA</u> <u>OR-08-0041</u>	<u>UMTA</u> <u>OR-09-0003</u>	<u>UMTA/EPA</u> <u>A-000287-</u> <u>84-0</u>	<u>Total</u> <u>UMTA</u>
<u>80%</u>	<u>85%**</u>	<u>85%</u>	<u>80%</u>	<u>80%**</u>	<u>75%</u>	
11,418	-	198,798	244,160	23,999	10,424	515,341
-	-	8,037	1,750	-	-	9,787
-	12,525	13,776	18,125	3,000	-	47,426
2,855	2,211	13,268	41,164	3,000	3,475	68,625
-	-	-	4,121	-	-	4,273
<u>14,273</u>	<u>14,736</u>	<u>233,879</u>	<u>309,320</u>	<u>29,999</u>	<u>13,899</u>	<u>645,452</u>
6,793	7,104	111,667	141,341	-	6,647	282,320
2,010	2,110	33,165	40,226	-	1,974	82,090
74	-	478	239	-	-	793
-	-	-	605	-	-	11,682
-	-	1,284	17,823	-	112	19,285
-	-	119	-	-	-	119
9	1	268	272	-	-	561
-	-	-	-	29,999	-	29,999
112	-	100	-	-	-	212
<u>8,998</u>	<u>9,215</u>	<u>147,081</u>	<u>200,506</u>	<u>29,999</u>	<u>8,733</u>	<u>427,061</u>
5,275	5,521	86,798	108,814	-	5,166	218,391
<u>14,273</u>	<u>14,736</u>	<u>233,879</u>	<u>309,320</u>	<u>29,999</u>	<u>13,899</u>	<u>645,452</u>



METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grant, Continued

	FHWA/ODOT				Total	LCDC FY 85	LCDC discretionary	Total LCDC
	NRD-0032	FY 85 PL	FY 86 PL	FY 84 central area				
Federal funding percentage	<u>75%</u>	<u>85%**</u>	<u>85%**</u>	<u>100%**</u>		<u>0%</u>	<u>0%</u>	
Revenues earned:								
State and state administered grants	\$ 4,660	229,016	5,232	3,123	242,031	11,614	16,499	28,113
Required match	1,554	-	-	-	1,554	-	-	-
Metro match in excess	-	2,904	-	-	2,904	-	-	-
Total revenues	<u>\$ 6,214</u>	<u>231,920</u>	<u>5,232</u>	<u>3,123</u>	<u>246,489</u>	<u>11,614</u>	<u>16,499</u>	<u>28,113</u>
Expenditures:								
Direct costs:								
Salaries	2,996	95,119	-	1,652	99,767	5,599	7,954	13,553
Fringe benefits	890	27,228	-	338	28,456	1,663	2,362	4,025
Travel	-	231	-	-	231	-	-	-
Contractual services	-	406	-	-	406	-	-	-
Data processing	-	10,644	-	1,133	11,777	-	-	-
Supplies	-	-	-	-	-	-	-	-
Printing	-	204	-	-	204	-	-	-
Equipment	-	24,766	5,232	-	29,998	-	-	-
Other	-	-	-	-	-	-	-	-
Total direct costs	<u>3,886</u>	<u>158,598</u>	<u>5,232</u>	<u>3,123</u>	<u>170,839</u>	<u>7,262</u>	<u>10,316</u>	<u>17,578</u>
Indirect costs	<u>2,328</u>	<u>73,322</u>	<u>-</u>	<u>- *</u>	<u>75,650</u>	<u>4,352</u>	<u>6,183</u>	<u>10,535</u>
Total expenditures	<u>\$ 6,214</u>	<u>231,920</u>	<u>5,232</u>	<u>3,123</u>	<u>246,489</u>	<u>11,614</u>	<u>16,499</u>	<u>28,113</u>

\*Indirect costs are not allowed under grant agreement.

\*\*Metro is a subgrantee of the state who is receiving funds from the Federal government at the rate indicated.

METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1985

	UMTA		
	OR-19-0005 Clackamas County	OR-19-0005 City of Portland	OR-29-9007 Clackamas County
Federal funding percentage	<u>100%</u>	<u>100%</u>	<u>100%</u>
Revenues earned:			
Federal grants	\$ 735	3,043	2,733
State and state administered grants	-	-	-
Total revenues	<u>\$ 735</u>	<u>3,043</u>	<u>2,733</u>
Expenditures by subgrantees	<u>\$ 735</u>	<u>3,043</u>	<u>2,733</u>

\*Metro is a subgrantee of the state who is receiving funds from the Federal government at the rate indicated.

UMTA (continued)

OR-29-9008 <u>Tri-Met</u>	OR-29-9008 City of <u>Portland</u>	OR-29-0029 <u>Tri-Met</u>	OR-09-0020 <u>Tri-Met</u>	<u>Total</u>	FHWA/ODOT NRD-0032 <u>Tri-Met</u>	<u>Total fund</u>
<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>		<u>100%*</u>	
9,500	5,653	8,000	7,113	36,777	-	36,777
-	-	-	-	-	16,435	16,435
<u>9,500</u>	<u>5,653</u>	<u>8,000</u>	<u>7,113</u>	<u>36,777</u>	<u>16,435</u>	<u>53,212</u>
<u>9,500</u>	<u>5,653</u>	<u>8,000</u>	<u>7,113</u>	<u>36,777</u>	<u>16,435</u>	<u>53,212</u>

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1985

	<u>LEAA/OLEC</u>			<u>DHHS</u>	<u>Fund</u>
	<u>82J2.1</u>	<u>83J2.1</u>	<u>Total</u>	<u>90C.A.</u>	<u>total</u>
Revenues earned - Federal grants	\$ 5,361	20,316	25,677	4,097	29,774
Expenditures by subgrantees	\$ 5,361	20,316	25,677	4,097	29,774



METROPOLITAN SERVICE DISTRICT

Zoo Operating Fund and Zoo Capital Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1985

	Zoo Operating Fund			Zoo Capital Fund	
	IMS-FY84 IG-40661-84	IMS-FY83 G008303354	Smithsonian Elephant Symposium	NEH Elephant Museum GM-20806-82	
Grant award date	Oct. 1, 1984	Oct. 1, 1983	Jul. 1, 1983	Sep. 1, 1982	
Grant award total	\$ 50,000	33,000	3,000	86,000	100,500
Unexpended grant award	\$ -	-	-	-	-
Federal funding percentage	100%	100%	100%		100%
Revenues:					
Federal grants	\$ 50,000	33,000	2,565	85,565	100,500
State and state administered grants	-	-	-	-	-
Required match	-	-	435	435	-
Total revenues	\$ 50,000	33,000	3,000	86,000	100,500
Expenditures:					
Direct costs:					
Salaries and fringe benefits	50,000	33,000	-	83,000	-
Consultant and other	-	-	3,000	3,000	100,500
Total direct costs	50,000	33,000	3,000	86,000	100,500
Indirect costs	-	-	-	-	-
Total expenditures	\$ 50,000	33,000	3,000	86,000	100,500
Funding activity:					
Total expenditures	50,000	33,000	3,000	86,000	100,500
Total award and match received to date	50,000	33,000	3,000	86,000	100,500
Amount receivable from grantor agencies	\$ -	-	-	-	-



METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grantor

From inception through June 30, 1985

	<u>UMTA</u>	<u>FHWA/ODOT</u>	<u>LCDC</u>	<u>Total</u>
Grant award total	\$ <u>3,753,971</u>	<u>924,824</u>	<u>48,280</u>	<u>4,727,075</u>
Revenues:				
Federal grants	2,540,300	-	-	2,540,300
State and state administered grants	270,068	632,033	39,000	941,101
Required match	500,179	8,664	-	508,843
Metro match in excess	<u>4,273</u>	<u>2,904</u>	<u>-</u>	<u>7,177</u>
Total revenues	\$ <u>3,314,820</u>	<u>643,601</u>	<u>39,000</u>	<u>3,997,421</u>
Expenditures:				
Direct costs:				
Salaries and fringe benefits	1,759,051	307,776	24,679	2,091,506
Consultants and other	<u>577,893</u>	<u>173,319</u>	<u>-</u>	<u>751,212</u>
Total direct costs	2,336,944	481,095	24,679	2,842,718
Indirect costs	<u>977,876</u>	<u>162,506</u>	<u>14,321</u>	<u>1,154,703</u>
Total expenditures	\$ <u>3,314,820</u>	<u>643,601</u>	<u>39,000</u>	<u>3,997,421</u>
Funding activity:				
Total expenditures	3,314,820	643,601	39,000	3,997,421
Total award and match received to date	<u>3,222,325</u>	<u>572,167</u>	<u>39,000</u>	<u>3,833,492</u>
Amount receivable from grantor agencies	\$ <u>92,495</u>	<u>71,434</u>	<u>-</u>	<u>163,929</u>

METROPOLITAN SERVICE DISTRICT  
Intergovernmental Resource Center Fund  
Schedule of Revenues and Expenditures by Grant  
From inception through June 30, 1985

	<u>UMTA</u> <u>OR-29-9003</u>	<u>UMTA</u> <u>OR-29-9004</u>	<u>UMTA/EPA</u> <u>OR-19-0005</u>	<u>UMTA</u> <u>OR-09-0029</u>	<u>UMTA</u> <u>OR-09-0032</u>
Grant award date	Jul. 1, 1980	Apr. 22, 1980	Oct. 30, 1980	Jan. 12, 1981	Jun. 24, 1982
Grant award total	\$ <u>138,686</u>	<u>1,140,281</u>	<u>46,500</u>	<u>310,000</u>	<u>285,810</u>
Unexpended grant award	\$ <u>2,355</u>	<u>38,678</u>	<u>247</u>	-	-
Federal funding percentage	<u>85%</u>	<u>85%</u>	<u>100%</u>	<u>80%</u>	<u>80%</u>
Revenues:					
Federal grants	\$ 115,881	936,362	46,253	248,000	228,622
State and state administered grants	-	-	-	-	-
Required match	20,450	165,241	-	62,000	57,188
Metro match in excess	-	-	-	-	153
Total revenues	\$ <u>136,331</u>	<u>1,101,603</u>	<u>46,253</u>	<u>310,000</u>	<u>285,963</u>
Expenditures:					
Direct costs:					
Salaries and fringe benefits	67,945	471,029	28,499	199,761	174,016
Consultants and other direct	<u>28,978</u>	<u>367,237</u>	<u>1,959</u>	<u>13,825</u>	<u>12,862</u>
	96,923	838,266	30,458	213,586	186,878
Indirect costs	<u>39,408</u>	<u>263,337</u>	<u>15,795</u>	<u>96,414</u>	<u>99,085</u>
Total expenditures	\$ <u>136,331</u>	<u>1,101,603</u>	<u>46,253</u>	<u>310,000</u>	<u>285,963</u>
Funding activity:					
Total expenditures	136,331	1,101,603	46,253	310,000	285,963
Total award and match received to date	<u>136,331</u>	<u>1,101,603</u>	<u>46,240</u>	<u>310,000</u>	<u>285,903</u>
Amount receivable from grantor agencies	\$ -	-	13	-	60

(Continued)

<u>UMTA</u> <u>OR-23-9001</u> Jul. 1, 1982	<u>UMTA</u> <u>OR-29-9008</u> Mar. 30, 1983	<u>UMTA</u> <u>OR-29-9009</u> Jul. 1, 1983	<u>UMTA</u> <u>OR-09-0034</u> Jul. 1, 1983	<u>UMTA</u> <u>OR-09-0003</u> Sep. 30, 1983	<u>UMTA</u> <u>OR-29-9010</u> Jun. 8, 1984	<u>UMTA</u> <u>OR-08-0041</u> Jun. 8, 1984	<u>UMTA/EPA</u> <u>A-000287-84-0</u> Sep. 25, 1984	<u>Total</u> <u>UMTA</u>
<u>235,294</u>	<u>133,000</u>	<u>352,960</u>	<u>280,000</u>	<u>65,280</u>	<u>447,060</u>	<u>305,200</u>	<u>13,900</u>	<u>3,753,971</u>
<u>36,286</u>	<u>107,099</u>	<u>33,155</u>	<u>12,423</u>	<u>-</u>	<u>213,181</u>	<u>-</u>	<u>-</u>	<u>443,424</u>
<u>85%*</u>	<u>100%*</u>	<u>85%</u>	<u>80%</u>	<u>80%*</u>	<u>85%</u>	<u>80%</u>	<u>75%</u>	
-	25,901	271,835	214,063	-	198,798	244,160	10,425	2,540,300
169,156	-	-	7,000	52,224	21,813	19,875	-	270,068
29,852	-	47,970	46,514	13,056	13,268	41,165	3,475	500,179
-	-	-	-	-	-	4,120	-	4,273
<u>199,008</u>	<u>25,901</u>	<u>319,805</u>	<u>267,577</u>	<u>65,280</u>	<u>233,879</u>	<u>309,320</u>	<u>13,900</u>	<u>3,314,820</u>
124,395	-	189,178	169,207	-	144,832	181,568	8,621	1,759,051
<u>3,811</u>	<u>25,901</u>	<u>29,171</u>	<u>7,569</u>	<u>65,280</u>	<u>2,249</u>	<u>18,939</u>	<u>112</u>	<u>577,893</u>
128,206	25,901	218,349	176,776	65,280	147,081	200,507	8,733	2,336,944
<u>70,802</u>	<u>-</u>	<u>101,456</u>	<u>90,801</u>	<u>-</u>	<u>86,798</u>	<u>108,813</u>	<u>5,167</u>	<u>977,876</u>
<u>199,008</u>	<u>25,901</u>	<u>319,805</u>	<u>267,577</u>	<u>65,280</u>	<u>233,879</u>	<u>309,320</u>	<u>13,900</u>	<u>3,314,820</u>
199,008	25,901	319,805	267,577	65,280	233,879	309,320	13,900	3,314,820
<u>194,369</u>	<u>23,440</u>	<u>318,665</u>	<u>264,002</u>	<u>38,280</u>	<u>201,251</u>	<u>288,908</u>	<u>13,333</u>	<u>3,222,325</u>
4,639	2,461	1,140	3,575	27,000	32,628	20,412	567	92,495

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grant, Continued

	<u>FHWA/ODOT</u>		
	<u>NRD-0032</u>	<u>TOR-1008</u>	<u>PL 1984</u>
Grant award date	Nov. 25, 1981	Nov. 25, 1981	Jul. 1, 1983
Grant award total	\$ <u>34,652</u>	<u>154,500</u>	<u>217,019</u>
Unexpended grant award	\$ <u>-</u>	<u>13,762</u>	<u>5,232</u>
Federal funding percentage	<u>75%</u>	<u>100%</u>	<u>85%*</u>
Revenues:			
Federal grants	\$ -	-	-
State and state administered grants	25,988	140,738	211,787
Required match	8,664	-	-
Metro match in excess	-	-	-
Total revenues	\$ <u>34,652</u>	<u>140,738</u>	<u>211,787</u>
Expenditures:			
Direct costs:			
Salaries and fringe benefits	22,514	40,303	104,472
Consultants and other	<u>730</u>	<u>78,363</u>	<u>51,611</u>
Total direct costs	23,244	118,666	156,083
Indirect costs	<u>11,408</u>	<u>22,072</u>	<u>55,704</u>
Total expenditures	\$ <u>34,652</u>	<u>140,738</u>	<u>211,787</u>
Funding activity:			
Total expenditures	34,652	140,738	211,787
Total award and match received to date	<u>34,652</u>	<u>140,738</u>	<u>211,787</u>
Amount receivable from grantor agencies	\$ <u>-</u>	<u>-</u>	<u>-</u>

\*Metro is a subgrantee of the state who receives funds from the Federal government at the rate indicated.

FHWA/ODOT (continued)

<u>PL 1985</u>	<u>PL 1986</u>	<u>FY 84 central area</u>	<u>Total</u>	<u>LCDC FY 84-85</u>	<u>LCDC discretionary</u>	<u>Total LCDC</u>
Jul. 1, 1984	May 21, 1985	May 8, 1984		May 1, 1984	May 1, 1984	
<u>238,802</u>	<u>256,701</u>	<u>23,150</u>	<u>924,824</u>	<u>22,500</u>	<u>25,780</u>	<u>48,280</u>
<u>6,885</u>	<u>251,469</u>	<u>3,875</u>	<u>281,223</u>	<u>-</u>	<u>9,280</u>	<u>9,280</u>
<u>85%*</u>	<u>85%*</u>	<u>100%</u>		<u>0%</u>	<u>0%</u>	
-	-	-	-	-	-	-
229,013	5,232	19,275	632,033	22,500	16,500	39,000
-	-	-	8,664	-	-	-
<u>2,904</u>	<u>-</u>	<u>-</u>	<u>2,904</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>231,917</u>	<u>5,232</u>	<u>19,275</u>	<u>643,601</u>	<u>22,500</u>	<u>16,500</u>	<u>39,000</u>
122,345	-	18,142	307,776	14,362	10,317	24,679
<u>36,250</u>	<u>5,232</u>	<u>1,133</u>	<u>173,319</u>	<u>-</u>	<u>-</u>	<u>-</u>
158,595	5,232	19,275	481,095	14,362	10,317	24,679
<u>73,322</u>	<u>-</u>	<u>-</u>	<u>162,506</u>	<u>8,138</u>	<u>6,183</u>	<u>14,321</u>
<u>231,917</u>	<u>5,232</u>	<u>19,275</u>	<u>643,601</u>	<u>22,500</u>	<u>16,500</u>	<u>39,000</u>
231,917	5,232	19,275	643,601	22,500	16,500	39,000
<u>166,849</u>	<u>-</u>	<u>18,141</u>	<u>572,167</u>	<u>22,500</u>	<u>16,500</u>	<u>39,000</u>
<u>65,068</u>	<u>5,232</u>	<u>1,134</u>	<u>71,434</u>	<u>-</u>	<u>-</u>	<u>-</u>





METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1985

	LEAA/OLEC		Total	DHHS 90C.A.	Criminal Justice Assistance Fund total
	82J2.1	83J2.1			
Grant award date	Jul. 1, 1982	Jul. 1, 1982		Oct. 1, 1982	
Grant award total	\$ <u>145,080</u>	<u>126,699</u>	<u>271,779</u>	<u>182,225</u>	<u>454,004</u>
Unexpended grant award	\$ <u>-</u>	<u>6,093</u>	<u>6,093</u>	<u>366</u>	<u>6,459</u>
Federal funding percentage*	<u>95%</u>	<u>100%</u>		<u>100%</u>	
Revenues:					
Federal grants	\$ 138,991	120,606	259,597	181,859	441,456
Required match	<u>6,089</u>	<u>-</u>	<u>6,089</u>	<u>-</u>	<u>6,089</u>
Total revenues	\$ <u>145,080</u>	<u>120,606</u>	<u>265,686</u>	<u>181,859</u>	<u>447,545</u>
Expenditures -					
Expenditures by subgrantees	\$ <u>145,080</u>	<u>120,606</u>	<u>265,686</u>	<u>181,859</u>	<u>447,545</u>
Funding activity:					
Total expenditures	145,080	120,606	265,686	181,859	447,545
Total award and match received to date	<u>145,080</u>	<u>119,997</u>	<u>265,077</u>	<u>181,859</u>	<u>446,936</u>
Amount receivable from grantor agencies	\$ <u>-</u>	<u>609</u>	<u>609</u>	<u>-</u>	<u>609</u>

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

METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1985

	<u>UMTA</u>	
	<u>OR-09-0020</u> <u>Tri-Met</u>	<u>OR-09-0029</u> <u>Tri-Met</u>
Grant award date	Mar. 27, 1980	Jan. 12, 1981
Grant award total	\$ <u>132,723</u>	<u>16,000</u>
Unexpended grant award	\$ <u>-</u>	<u>-</u>
Federal funding percentage*	<u>100%</u>	<u>100%</u>
Revenues:		
Federal grants	\$ 132,723	16,000
State and state administered grants	<u>-</u>	<u>-</u>
Total revenues	\$ <u>132,723</u>	<u>16,000</u>
Expenditures -		
Expenditures by subgrantees	\$ <u>132,723</u>	<u>16,000</u>
Funding activity:		
Total expenditures	132,723	16,000
Total award and match received to date	<u>132,723</u>	<u>16,000</u>
Amount receivable from grantor agencies	\$ <u>-</u>	<u>-</u>

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

UMTA (continued)						FHWA/ODOT			
OR-19-0005 Clackamas County	OR-19-0005 City of Portland	OR-29-9007 Clackamas County	OR-29-9008 Tri-Met	OR-29-9008 City of Portland	Total	NRD-0032 Tri-Met	TOR-1008 City of Portland	Total	Fund total
Jan.12,1981	Sep.18,1980	Aug. 6,1981	Mar.30,1983	Mar.30,1984		Nov.25,1981	Nov.25,1981		
<u>35,000</u>	<u>55,000</u>	<u>85,000</u>	<u>133,000</u>	<u>8,500</u>	<u>465,223</u>	<u>169,698</u>	<u>97,120</u>	<u>266,818</u>	<u>732,041</u>
<u>-</u>	<u>1,299</u>	<u>-</u>	<u>23,817</u>	<u>2,847</u>	<u>27,963</u>	<u>50,342</u>	<u>286</u>	<u>50,628</u>	<u>78,591</u>
<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>		<u>100%</u>	<u>100%</u>		
35,000	53,701	85,000	109,183	5,653	437,260	-	-	-	437,260
-	-	-	-	-	-	119,356	96,834	216,190	216,190
<u>35,000</u>	<u>53,701</u>	<u>85,000</u>	<u>109,183</u>	<u>5,653</u>	<u>437,260</u>	<u>119,356</u>	<u>96,834</u>	<u>216,190</u>	<u>653,450</u>
<u>35,000</u>	<u>53,701</u>	<u>85,000</u>	<u>109,183</u>	<u>5,653</u>	<u>437,260</u>	<u>119,356</u>	<u>96,834</u>	<u>216,190</u>	<u>653,450</u>
35,000	53,701	85,000	109,183	5,653	437,260	119,356	96,834	216,190	653,450
35,000	53,701	85,000	109,183	4,139	435,746	119,198	91,994	211,192	646,938
-	-	-	-	1,514	1,514	158	4,840	4,998	6,512



METROPOLITAN SERVICE DISTRICT

Zoo Operating Fund and Enterprise Fund

Schedule of Closed Grant Projects

June 30, 1985

	Zoo Operating Fund			Enterprise Fund	
	IMS-FY83 G008202066	Smithsonian Elephant Symposium	Smithsonian Cascade Exhibit	EPA air pollution control	DOE methane gas feasibility
Grant award total	\$ <u>35,000</u>	<u>3,000</u>	<u>11,500</u>	<u>354,928</u>	<u>94,302</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>30,442</u>	<u>-</u>
Revenues:					
Federal grants	35,000	3,000	9,754	243,745	94,302
State and state administered grants	-	-	-	80,741	-
Required match	-	-	1,796	-	-
Total revenues	\$ <u>35,000</u>	<u>3,000</u>	<u>11,550</u>	<u>324,486</u>	<u>94,302</u>
Expenditures:					
Direct costs:					
Salaries and fringe benefits	35,000	-	9,384	69,237	15,956
Consultants and other	-	<u>3,000</u>	<u>2,166</u>	<u>219,278</u>	<u>70,000</u>
Total direct costs	35,000	3,000	11,550	288,515	85,956
Indirect costs	-	-	-	<u>35,971</u>	<u>8,346</u>
Total expenditures	\$ <u>35,000</u>	<u>3,000</u>	<u>11,550</u>	<u>324,486</u>	<u>94,302</u>

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Closed Grant Projects

June 30, 1985

	<u>UMTA</u> <u>OR-09-7002</u>	<u>UMTA/EPA</u> <u>OR-19-0004</u>
Grant award total	\$ <u>133,303</u>	<u>282,000</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>24</u>
Revenues:		
Federal grants	133,303	281,976
State and state administered grants	-	-
Required match	-	-
Metro match in excess	<u>-</u>	<u>-</u>
Total revenue	\$ <u>133,303</u>	<u>281,976</u>
Expenditures:		
Direct costs:		
Salaries and fringe benefits	12,135	123,425
Consultants and other	<u>114,624</u>	<u>90,060</u>
Total direct costs	126,759	213,485
Indirect costs	<u>6,544</u>	<u>68,491</u>
Total expenditures	\$ <u>133,303</u>	<u>281,976</u>

<u>UMTA</u> <u>OR-29-9007</u>	<u>UMTA/EPA</u> <u>A-000265-83</u>	<u>EHWA/ODOT</u> <u>IX-0000(39)</u>	<u>EHWA/ODOT</u> <u>PL 1983</u>	<u>LCDC</u> <u>1983</u>	<u>DHHS</u> <u>90C.A.</u>	<u>University</u> <u>of Illinois</u> <u>81-149</u>
<u>293,307</u>	<u>9,300</u>	<u>69,000</u>	<u>165,411</u>	<u>51,088</u>	<u>17,698</u>	<u>73,712</u>
<u>-</u>	<u>-</u>	<u>23,301</u>	<u>219</u>	<u>-</u>	<u>-</u>	<u>-</u>
249,311	6,975	37,147	-	-	17,698	62,159
-	-	-	131,902	51,088	-	-
43,996	2,325	7,990	33,080	-	-	11,553
-	-	562	210	-	-	-
<u>293,307</u>	<u>9,300</u>	<u>45,699</u>	<u>165,192</u>	<u>51,088</u>	<u>17,698</u>	<u>73,712</u>
186,514	5,907	35,713	100,672	32,055	11,201	47,822
13,924	243	62	6,130	441	-	227
200,438	6,150	35,775	106,802	32,496	11,201	48,049
<u>92,869</u>	<u>3,150</u>	<u>9,924</u>	<u>58,390</u>	<u>18,592</u>	<u>6,497</u>	<u>25,663</u>
<u>293,307</u>	<u>9,300</u>	<u>45,699</u>	<u>165,192</u>	<u>51,088</u>	<u>17,698</u>	<u>73,712</u>

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Closed Grant Projects

June 30, 1985

	<u>University of Illinois</u> 81-149
Grant award total	\$ <u>240,000</u>
Lapsed or transferred portion of grant	\$ <u>      -</u>
Revenues - Federal grants	\$ <u>240,000</u>
Expenditures by subgrantees	\$ <u>240,000</u>



METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Schedule of Closed Grant Projects

June 30, 1985

	<u>UMTA</u> OR-09-0023 <u>Tri-Met</u>	<u>UMTA</u> OR-29-9004 <u>Tri-Met</u>	<u>UMTA</u> OR-29-9007 <u>Tri-Met</u>
Grant award total	\$ <u>191,640</u>	<u>523,323</u>	<u>65,750</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>-</u>	<u>-</u>
Revenues:			
Federal grants	191,640	523,323	65,750
State and state administered grants	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	\$ <u>191,640</u>	<u>523,323</u>	<u>65,750</u>
Expenditures by subgrantees	\$ <u>191,640</u>	<u>523,323</u>	<u>65,750</u>

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Indirect Costs

For the year ended June 30, 1985

Salaries and fringe benefits	\$ 227,264
Travel, meetings and related expenses	51
Supplies	6,838
Legal fees	370
Contractual services	10,016
Printing	4,649
Telephone	20,916
Fuels	1,625
Postage	6,241
Equipment rental and maintenance	9,035
Insurance	7,008
Leases	145,926
Other	<u>3,013</u>
Total indirect costs	<u>\$ 442,952</u>

The indirect cost rate for the year ended June 30, 1985 is the ratio of the indirect costs to direct personnel costs:

Indirect costs	<u>\$442,952</u>	= 59.93%
Direct costs	<u>\$739,142</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, as 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

### Accounting and Internal Control System

We have examined the combined financial statements of Metropolitan Service District (Metro) as of and for the year ended June 30, 1985, and have issued our report thereon dated September 13, 1985. As part of our examination, we made a study and evaluation of Metro's accounting records and system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the standards of 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. For grant reporting purposes, we have classified the significant internal accounting controls in the following categories:

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

Our study included an evaluation of all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on Metro's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

Based upon our evaluation, 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.

## AUDIT COMMENTS AND DISCLOSURES, CONTINUED

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 study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Metro taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed no conditions that we believed to be 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 the Metropolitan Service District may occur and not be detected within a timely period.

Also in connection with our examination, certain other observations were made concerning the management and financial and accounting controls over the financial activities of Metro. These additional observations do not represent material weaknesses in internal control as defined under generally accepted auditing standards. Our recommendations regarding these matters will be documented in a letter to the Council for the year ended June 30, 1985.

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.

### Budgeting and Compliance

Metro appears to have complied with the statutory provisions relating to budgeting and adoption of tax levies for fiscal years 1985 and 1986.

### Indebtedness

The District had no bonded indebtedness during the year ended June 30, 1985.

## AUDIT COMMENTS AND DISCLOSURES, CONTINUED

### 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 securities having a value of not less than 25 percent of the certificate of participation issued by the pool manager for those funds not covered under the provisions of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Our review of the adequacy of collateral securing amounts deposited indicated that such collateral was adequate throughout the year.

### Insurance and Fidelity Bond Coverage

We have reviewed Metro's procedures and policies in regard to their review of insurance and fidelity bond coverages. Our review determined that such procedures appear to be effectively performed and in compliance with legal requirements. We are not competent by professional training to determine the adequacy of Metro's insurance coverage.

### Programs Funded from Outside Sources

We reviewed and tested, to the extent deemed appropriate, transactions and reports relative to Federal and state grant programs. 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 tests of the accounting records and reviews of these programs did not disclose any significant exceptions. We did not consider, however, that the terms of our audit contract with Metro required us to make complete audits of each project and our audit opinion on Metro's combined financial statements does not cover each individual grant.

METROPOLITAN SERVICE DISTRICT

Grant Compliance Review

The requirements of Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments Attachment P, Audit Requirements are met as follows:

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Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
Suite 2000  
1211 South West Fifth Avenue  
Portland, Oregon 97204

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, 1985 and have issued our report thereon dated September 13, 1985. 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, the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments" (Revised Compliance Supplement) and, except as described in the following paragraphs, 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" and the "Guidelines for Financial and Compliance Audits of Federally Assisted Programs" (Guidelines) and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The reporting objectives for compliance audits contained in the Guidelines suggest an examination of all transactions for compliance purposes, as opposed to the selective testing required by Attachment P; therefore, we have followed the reporting objectives of Attachment P. In addition, the Guidelines do not provide sufficient guidance for determining the representative number of charges to be examined and performing the procedures to ascertain compliance. Accordingly, we utilized other materials as supplements in those areas.

Attachment P requires that the examination include a determination of whether the Federal financial reports (including financial status reports, cash reports, and claims for advances and reimbursements) prepared by the Metropolitan Service District contain accurate and reliable financial data. We have been informed that OMB interprets the phrase "accurate and reliable financial data" to mean that the Federal financial reports present the underlying financial data of the grants within limits that are reasonable and practicable to attain under the circumstances.

To the Council  
Metropolitan Service District  
Page 2

In our opinion, except for the matters that might have come to our attention had our examination encompassed the provisions of the Guidelines referred to in the second preceding paragraph, for the tested operations and records, the Metropolitan Service District complied with the material terms and conditions of its Federal grants, contracts and agreements, and the tested Federal financial reports present the underlying financial data of the grants within the limits described in the preceding paragraph. Further, based upon our examination and the procedures referred to above and except for the matters that might have come to our attention had our examination encompassed the provisions of the Guidelines referred to in the second preceding paragraph, nothing came to our attention to indicate that the Metropolitan Service District had not complied with the compliance matters referred to above, and the Federal financial reports do not present the underlying financial data of the grants within the limits described in the preceding paragraph.

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

*Peat, Marwick, Mitchell & Co.*

September 13, 1985