

**METROPOLITAN SERVICE DISTRICT
Portland, Oregon**

**Schedule of Federal Financial Assistance
(Single Audit)**

June 30, 1986

(With Auditors' Report Thereon)

METROPOLITAN SERVICE DISTRICT
Portland, Oregon

Schedule of Federal Financial Assistance
(Single Audit)

Year ended June 30, 1986

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

AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE

To the Council
Metropolitan Service District
Portland, Oregon:

We have examined the combined financial statements of the Metropolitan Service District for the year ended June 30, 1986, and have issued our report thereon dated October 1, 1986. Our examination of such combined financial statements was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U. S. General Accounting Office and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination was made for the purpose of forming an opinion on the combined financial statements of the Metropolitan Service District taken as a whole. The supplementary information included in the accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such supplementary 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.

October 1, 1986

Metropolitan Service District
 Schedule of Federal Financial Assistance

For the year ended June 30, 1986

Federal grantor program title	Federal CFDA number	Program award amount	Total program expenditures at June 30, 1986	Accrued revenue at June 30, 1985	Receipts	Expenditures	Accrued (unearned) revenue at June 30, 1986
<u>Department of Transportation</u>							
Direct programs -							
Technical studies grants	20.505	\$ 2,788,439	2,392,554	66,996	649,953	622,365	39,408
Passed through Tri-County Metropolitan Transit District (Tri-met) -							
technical studies grants	20.505	171,580	98,290	27,000	33,602	33,010	26,408
Passed through State Department of Transportation -							
highway, research, and planning	20.205	984,849	855,156	75,298	239,046	207,152	43,404
Total Department of Transportation		3,944,868	3,346,000	169,294	922,601	862,527	109,220
<u>Department of Justice</u>							
Passed through State Law Enforcement Council	16.540	126,699	123,982	609	3,985	3,376	-
Total Department of Justice		126,699	123,982	609	3,985	3,376	-
<u>Department of Education</u>							
Institute of Museum Services							
Conservation Project Support	45.301	25,085	4,195	-	5,589	4,195	(1,394)
Total Department of Education		25,085	4,195	-	5,589	4,195	(1,394)
Total Federal Financial Assistance Programs		\$ 4,096,652	3,474,177	169,903	932,175	870,098	107,826



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Portland, Oregon 97204

AUDITORS' REPORT ON INTERNAL ACCOUNTING
AND ADMINISTRATIVE CONTROLS

To the Council
Metropolitan Service District
Portland, Oregon:

We have examined the combined financial statements of the Metropolitan Service District (District) for the year ended June 30, 1986, and have issued our report thereon dated October 1, 1986. As part of our examination, we made a study and evaluation of the internal accounting and administrative controls described below to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments.

The management of the Metropolitan Service District is responsible for establishing and maintaining internal control systems. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems are to provide management with reasonable, but not absolute, assurance that resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; that transactions are executed in accordance with management's authorization; and that data are obtained, recorded, and maintained properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and the preparation of Federal reports in accordance with Federal requirements. Because of inherent limitations in any system of internal accounting and administrative controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems 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.

The significant internal accounting and administrative control categories, and the extent of our study and evaluation of these categories, are as follows:

- o Control categories for which our study was extended beyond the preliminary review phase:

Accounting Controls

- 1) Purchases/disbursements
- 2) Payroll

Administrative Controls

- 1) Political activity
- 2) Civil rights
- 3) Cash management
- 4) Federal financial reports
- 5) Cost allocation

- o Control categories for which our study was limited to a preliminary review:

Accounting Controls

- 1) Revenue/receipts

Administrative Controls

- 1) Davis-Bacon Act
- 2) Relocation assistance and real property acquisition

To the Council
Metropolitan Service District
Page 3

With respect to internal control systems for which our study was extended beyond the preliminary review phase, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses. Such study and evaluation included the significant internal accounting and administrative controls used in administering the District's major Federal financial assistance program. During the year ended June 30, 1986, the Metropolitan Service District expended 75 percent of its Federal financial assistance under this major Federal financial assistance program.

With respect to the internal control systems for which our study and evaluation was limited to a preliminary review, we merely obtained an understanding of the control environment and the flow of transactions through the accounting system. Accordingly, our examination would not necessarily disclose all material weaknesses in these systems.

Our study and evaluation described in the two preceding paragraphs were more limited than would be necessary to express an opinion on the internal control systems of the Metropolitan Service District. Accordingly, we do not express an opinion on the internal control systems of the Metropolitan Service District taken as a whole, or on any of the control categories identified above. However, our study and evaluation and our examination disclosed no condition that we believe to be a material weakness.

This report is intended solely for the use of Metropolitan Service District and the cognizant and other Federal and State audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Metropolitan Service District, is a matter of public record.

Peat, Marwick, Mitchell & Co.

October 1, 1986



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

AUDITORS' REPORT ON COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS

To the Council
Metropolitan Service District
Portland, Oregon:

We have examined the combined financial statements of the Metropolitan Service District (District) for the year ended June 30, 1986, and have issued our report thereon dated October 1, 1986. Our examination was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U. S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the Metropolitan Service District is responsible for the District's compliance with laws and regulations. In connection with the examination referred to above, we selected and tested transactions and records that included, but were not limited to, transactions and records relating to the major Federal financial assistance program and certain nonmajor Federal financial assistance programs. The purpose of our testing of transactions and records was to obtain reasonable assurance that the Metropolitan Service District had, in all material respects, administered its major Federal financial assistance program and executed the tested transactions in compliance with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures or on the District's combined financial statements. Such laws and regulations include those pertaining to Federal financial reports and claims for advances and reimbursements.

To the Council
Metropolitan Service District
Page 2

In our opinion, for the year ended June 30, 1986, the Metropolitan Service District administered its major Federal financial assistance program in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures.

Further, the results of our testing of transactions and records referred to in the second paragraph of this report indicate that for the transactions and records tested, the Metropolitan Service District complied with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures or on the District's combined financial statements. Our testing was more limited than would be necessary to express an opinion on whether the Metropolitan Service District administered the nonmajor Federal financial assistance programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the Metropolitan Service District had not complied with laws and regulations.

Pest, Marwick, Mitchell & Co.

October 1, 1986



Annual Financial Report

Fiscal Year Ended
June 30, 1986

METRO



Annual Financial Report

Fiscal Year Ended
June 30, 1986

Metropolitan Service District, Oregon

- Independent auditor's report on examination of Financial Statements and Supplementary Data
- Audit comments and disclosures required by state regulations
- Schedules of federal and state financial assistance
- Prepared by Metro's Accounting Division

METRO

METROPOLITAN SERVICE DISTRICT

June 30, 1986

Rick Gustafson, Executive Officer

COUNCIL

<u>Members</u>	<u>Representing</u>	<u>Term expires</u>
Richard Waker, Presiding Officer	District 2	January 1, 1989
Jim Gardner, Deputy Presiding Officer	District 3	January 1, 1989
Bob Oleson, Councilor	District 1	January 1, 1987
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
John Frewing, Councilor	District 8	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:

2000 S. W. First Avenue
Portland, Oregon 97201-5398

Registered Agent:

A. Marie Nelson

Address of Registered Office:

2000 S. W. First Avenue
Portland, Oregon 97201-5398

METROPOLITAN SERVICE DISTRICT

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Financial Section

*Report of
Independent
Certified Public
Accountants*



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Suite 2000
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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, 1986, 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, 1986 and the results of its operations and the changes in financial position of its proprietary fund types and similar trust fund for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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

October 1, 1986

*Combined
Financial
Statements*

"Liftable" general purpose
financial statements

METROPOLITAN SERVICE DISTRICT

Combined Balance Sheet -
All Fund Types and Account Groups

June 30, 1986

<u>Assets</u>	<u>Governmental Fund types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash and investments	\$ 429,745	2,060,081	6,027,791
Receivables:			
User and landfill fees, net of allowance for doubtful accounts of \$21,620	-	-	-
Property taxes	-	805,268	-
Federal grants	-	21,473	-
State and local grants/contracts	-	89,524	-
Other	2,994	29,703	-
Inventory of materials and supplies	-	140,570	-
Other assets	8,346	10,650	-
Restricted assets -			
Cash and investments	13,489	-	127,418
Fixed assets, net	-	-	-
Other debits:			
Amount to be provided for payment of capital leases	-	-	-
Amount to be provided for payment of compensated absences	-	-	-
	<u>\$ 454,574</u>	<u>3,157,269</u>	<u>6,155,209</u>

(Continued)

<u>Proprietary Fund types</u>		<u>Fiduciary Fund type</u>	<u>Account groups</u>		<u>Total (memorandum only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	
4,782,964	3,014	3,469,994	-	-	16,773,589
1,248,324	-	-	-	-	1,248,324
-	-	-	-	-	805,268
-	-	-	-	-	21,473
-	-	157	-	-	89,681
620	-	44,507	-	-	77,824
-	-	-	-	-	140,570
2,886	21,972	-	-	-	43,854
1,586,503	-	-	-	-	1,727,410
7,330,481	-	-	22,092,737	-	29,423,218
-	-	-	-	166,911	166,911
-	-	-	-	206,703	206,703
<u>14,951,778</u>	<u>24,986</u>	<u>3,514,658</u>	<u>22,092,737</u>	<u>373,614</u>	<u>50,724,825</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>
Liabilities:			
Accounts payable	\$ 81,426	298,154	100,971
Salaries, withholdings and payroll taxes payable	60,284	255,643	1,848
Accrued interest	-	-	-
Contracts payable	-	3,614	46,474
Deferred revenue	-	781,738	-
Expenditures by subgrantees in excess of advances	-	-	-
Due to other agencies	5,393	-	-
Unearned grant revenue	-	33,328	-
Payable from restricted assets:			
Contracts payable	13,489	-	127,418
Post-closure costs payable	-	-	-
Loans payable	-	-	-
Obligations under capital leases	-	-	-
Liability for compensated absences	-	-	-
Pension benefits payable	-	-	-
Other	1,972	8,720	-
Total liabilities	<u>162,564</u>	<u>1,381,197</u>	<u>276,711</u>
Fund equity:			
Contributed capital, net	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings	-	-	-
Fund balances -			
Unreserved	292,010	1,776,072	5,878,498
Total fund equity	<u>292,010</u>	<u>1,776,072</u>	<u>5,878,498</u>
Commitments and contingencies	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund equity	<u>\$ 454,574</u>	<u>3,157,269</u>	<u>6,155,209</u>

See accompanying notes to combined financial statements.

<u>Proprietary Fund types</u>		<u>Fiduciary Fund type</u>	<u>Account groups</u>		<u>Total (memorandum only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	
684,610	783	-	-	-	1,165,944
89,106	-	-	-	-	406,881
143,387	-	-	-	-	143,387
3,349	-	-	-	-	53,437
-	-	-	-	-	781,738
-	-	157	-	-	157
-	-	820,720	-	-	826,113
-	-	-	-	-	33,328
411,963	-	-	-	-	552,870
1,174,540	-	-	-	-	1,174,540
5,681,000	-	-	-	-	5,681,000
-	-	-	-	166,911	166,911
-	-	-	-	206,703	206,703
-	-	2,360,013	-	-	2,360,013
-	-	-	-	-	10,692
<u>8,187,955</u>	<u>783</u>	<u>3,180,890</u>	<u>-</u>	<u>373,614</u>	<u>13,563,714</u>
1,421,023	-	-	-	-	1,421,023
-	-	-	22,092,737	-	22,092,737
5,342,800	24,203	-	-	-	5,367,003
-	-	333,768	-	-	8,280,348
<u>6,763,823</u>	<u>24,203</u>	<u>333,768</u>	<u>22,092,737</u>	<u>-</u>	<u>37,161,111</u>
<u>14,951,778</u>	<u>24,986</u>	<u>3,514,658</u>	<u>22,092,737</u>	<u>373,614</u>	<u>50,724,825</u>

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1986

	Governmental Fund types			Expendable Trust Fund	Total (memorandum only)
	General	Special Revenue	Capital Projects		
Revenues:					
Property taxes	\$ -	5,245,281	-	-	5,245,281
Dues	608,411	-	-	-	608,411
Grants and contracts:					
Federal	-	493,600	-	-	493,600
State and local	-	327,530	-	-	327,530
Admissions	-	1,325,206	-	-	1,325,206
Charges for services	-	249,483	-	-	249,483
Vending and concessions	-	1,193,877	-	-	1,193,877
Donations and bequests	-	39,980	145,669	-	185,649
Documents and publications	4,831	-	-	-	4,831
Professional and contract service fees	5,805	169,794	-	-	175,599
Rehabilitation and enhancement fees	-	-	-	329,464	329,464
Interest	82,536	151,613	453,960	13,634	701,743
Miscellaneous	21,736	162,384	-	-	184,120
Total revenues	723,319	9,358,748	599,629	343,098	11,024,794
Expenditures:					
Current:					
General government operations	1,543,616	-	-	-	1,543,616
Zoo operations and development	-	5,335,450	11,442	-	5,346,892
Regional planning and development	-	1,252,122	-	9,330	1,261,452
Expense reimbursements -					
General Fund	-	916,350	-	-	916,350
Capital outlay	289,880	258,321	3,321,848	-	3,870,049
Total expenditures	1,833,496	7,762,243	3,333,290	9,330	12,938,359
Less administrative expense reimbursements:					
Solid Waste Enterprise Fund	645,292	-	-	-	645,292
Special Revenue Funds	916,350	-	-	-	916,350
Net expenditures	271,854	7,762,243	3,333,290	9,330	11,376,717

(Continued)

METROPOLITAN SERVICE DISTRICT

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

	<u>Governmental Fund types</u>			<u>Expendable Trust Fund</u>	<u>Total (memorandum only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>		
Revenues over (under) net expenditures	\$ 451,465	1,596,505	(2,733,661)	333,768	(351,923)
Other financing sources (uses):					
Operating transfers in	-	745,411	2,448,123	-	3,193,534
Operating transfers out	(688,975)	(2,498,123)	-	-	(3,187,098)
Revenues and other sources over (under) net expenditures and other uses	(237,510)	(156,207)	(285,538)	333,768	(345,487)
Fund balances - June 30, 1985	<u>529,520</u>	<u>1,932,279</u>	<u>6,164,036</u>	<u>-</u>	<u>8,625,835</u>
Fund balances - June 30, 1986	\$ <u>292,010</u>	<u>1,776,072</u>	<u>5,878,498</u>	<u>333,768</u>	<u>8,230,348</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 and Expendable Trust Fund

For the year ended June 30, 1986

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:						
Property taxes	\$ -	-	-	5,023,100	5,245,281	222,181
Dues	608,411	608,411	-	-	-	-
Grants and contracts:						
Federal	-	-	-	677,247	493,600	(183,647)
State and local	-	-	-	354,964	327,530	(27,434)
Admissions	-	-	-	1,244,150	1,325,206	81,056
Charges for services	-	-	-	238,400	249,483	11,083
Vending and concessions	-	-	-	1,165,925	1,193,877	27,952
Donations and bequests	-	-	-	60,000	39,980	(20,020)
Documents and publications	3,000	4,831	1,831	-	-	-
Professional and contract service fees	38,700	5,805	(32,895)	452,425	169,794	(282,631)
Interest	95,000	82,536	(12,464)	155,000	151,613	(3,387)
Miscellaneous	2,000	21,736	19,736	171,489	162,384	(9,105)
Total revenues	747,111	723,319	(23,792)	9,542,700	9,358,748	(183,952)
Expenditures:						
Current:						
General government operations	1,673,377	1,543,616	129,761	-	-	-
Zoo operations and development	-	-	-	5,112,841	4,981,295	131,546
Regional planning and development	-	-	-	1,414,360	959,026	455,334
General operating contingency	32,023	-	32,023	167,369	-	167,369
Capital outlay	290,444	289,880	564	421,219	258,321	162,898
Total expenditures	1,995,844	1,833,496	162,348	7,115,789	6,198,642	917,147
Revenues over (under) expenditures	(1,248,733)	(1,110,177)	138,556	2,426,911	3,160,106	733,195
Other financing sources (uses):						
Operating transfers in	1,787,423	1,561,642	(225,781)	1,009,589	745,411	(264,178)
Operating transfers out	(988,409)	(688,975)	299,434	(4,307,039)	(4,061,724)	245,315
Total other financing sources (uses)	799,014	872,667	73,653	(3,297,450)	(3,316,313)	(18,863)
Revenues and other sources over (under) expenditures and other uses	(449,719)	(237,510)	212,209	(870,539)	(156,207)	714,332
Fund balances - June 30, 1985	529,520	529,520	-	1,845,539	1,932,279	86,740
Fund balances - June 30, 1986	\$ 79,801	292,010	212,209	975,000	1,776,072	801,072

See accompanying notes to combined financial statements.

Capital Projects Fund			Expendable Trust Fund			Total (memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
-	-	-	-	-	-	5,023,100	5,245,281	222,181
-	-	-	-	-	-	608,411	608,411	-
-	-	-	-	-	-	677,247	493,600	(183,647)
-	-	-	-	-	-	354,964	327,530	(27,434)
-	-	-	-	-	-	1,244,150	1,325,206	81,056
-	-	-	-	-	-	238,400	249,483	11,083
-	-	-	-	-	-	1,165,925	1,193,877	27,952
300,000	145,669	(154,331)	-	-	-	360,000	185,649	(174,351)
-	-	-	-	-	-	3,000	4,831	1,831
-	-	-	-	-	-	491,125	175,599	(315,526)
433,540	453,960	20,420	11,270	13,634	2,364	694,810	701,743	6,933
-	-	-	-	-	-	173,489	184,120	10,631
<u>733,540</u>	<u>599,629</u>	<u>(133,911)</u>	<u>11,270</u>	<u>13,634</u>	<u>2,364</u>	<u>11,034,621</u>	<u>10,695,330</u>	<u>(339,291)</u>
-	-	-	-	-	-	1,673,377	1,543,616	129,761
15,825	11,442	4,383	-	-	-	5,128,666	4,992,737	135,929
-	-	-	333,270	9,330	323,940	1,747,630	968,356	779,274
-	-	-	-	-	-	199,392	-	199,392
<u>5,856,396</u>	<u>3,321,848</u>	<u>2,534,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,568,059</u>	<u>3,870,049</u>	<u>2,698,010</u>
5,872,221	3,333,290	2,538,931	333,270	9,330	323,940	15,317,124	11,374,758	3,942,366
<u>(5,138,681)</u>	<u>(2,733,661)</u>	<u>2,405,020</u>	<u>(322,000)</u>	<u>4,304</u>	<u>326,304</u>	<u>(4,282,503)</u>	<u>(679,428)</u>	<u>3,603,075</u>
2,448,123	2,448,123	-	322,000	329,464	7,464	5,567,135	5,084,640	(482,495)
-	-	-	-	-	-	<u>(5,295,448)</u>	<u>(4,750,699)</u>	<u>544,749</u>
2,448,123	2,448,123	-	322,000	329,464	7,464	271,687	333,941	62,254
(2,690,558)	(285,538)	2,405,020	-	333,768	333,768	(4,010,816)	(345,487)	3,665,329
<u>5,513,939</u>	<u>6,164,036</u>	<u>650,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,888,998</u>	<u>8,625,835</u>	<u>736,837</u>
<u>2,823,381</u>	<u>5,878,498</u>	<u>3,055,117</u>	<u>-</u>	<u>333,768</u>	<u>333,768</u>	<u>3,878,182</u>	<u>8,280,348</u>	<u>4,402,166</u>

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1986

	Proprietary fund types		Fiduciary fund type	Total (memorandum only)
	Enterprise	Internal Service	Pension Trust	
Operating revenues:				
Disposal fees	\$ 6,447,199	-	-	6,447,199
User fees	1,757,764	-	-	1,757,764
Regional transfer charge	2,295,381	-	-	2,295,381
Convenience charge	752,916	-	-	752,916
Landfill siting and rehabilitation fees	491,776	-	-	491,776
Rental and lease income	68,028	-	-	68,028
Receipts in lieu of rent	666,037	-	-	666,037
Parking fees	31,583	-	-	31,583
Charges for services	-	319,797	-	319,797
Change in investment value	-	-	339,168	339,168
Pension contributions	-	-	452,530	452,530
Miscellaneous	65,538	-	-	65,538
Total operating revenues	12,576,222	319,797	791,698	13,687,717
Operating and administrative expenses:				
Payroll and fringe benefits	908,903	-	-	908,903
St. Johns Landfill operating contract, including \$360,384 rent	3,277,784	-	-	3,277,784
Clackamas Transfer & Recycling Center operating contract	2,040,805	-	-	2,040,805
Depreciation	414,053	-	-	414,053
Rent and payments in lieu of rent	625,547	-	-	625,547
Payment of administrative expenses to the General Fund	645,292	-	-	645,292
Payment to IRC Fund for services	6,436	-	-	6,436
Insurance expense	54,185	299,872	-	354,057
Post-closure costs	451,550	-	-	451,550
Payment of landfill siting and rehabilitation fees	1,203,574	-	-	1,203,574
Other materials and services	834,570	-	-	834,570
Pension benefits	-	-	548,578	548,578
Distribution to participants	-	-	243,120	243,120
Total operating and administrative expenses	10,462,699	299,872	791,698	11,554,269
Income from operations	2,113,523	19,925	-	2,133,448

(Continued)

METROPOLITAN SERVICE DISTRICT

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

	Proprietary fund types		Fiduciary fund type	Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	
Nonoperating revenues (expenses):				
Interest and other earnings on investments	\$ 344,795	4,278	-	349,073
Interest expense	<u>(376,755)</u>	<u>-</u>	<u>-</u>	<u>(376,755)</u>
Nonoperating revenues (expenses), net	<u>(31,960)</u>	<u>4,278</u>	<u>-</u>	<u>(27,682)</u>
Net income	2,081,563	24,203	-	2,105,766
Depreciation on fixed assets that reduces contributed capital	<u>63,641</u>	<u>-</u>	<u>-</u>	<u>63,641</u>
Increase in retained earnings	2,145,204	24,203	-	2,169,407
Retained earnings/fund balance - June 30, 1985	<u>3,197,596</u>	<u>-</u>	<u>-</u>	<u>3,197,596</u>
Retained earnings/fund balance - June 30, 1986	<u>\$ 5,342,800</u>	<u>24,203</u>	<u>-</u>	<u>5,367,003</u>

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

Combined Statement of Changes in Financial Position -
Proprietary Fund Types and Similar Trust Fund

For the year ended June 30, 1986

	Proprietary fund types		Fiduciary fund type	Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	
Working capital provided from operations:				
Net income	\$ 2,081,563	24,203	-	2,105,766
Add charges to operations not affecting working capital in the current year:				
Depreciation	414,053	-	-	414,053
Post-closure costs	<u>451,550</u>	<u>-</u>	<u>-</u>	<u>451,550</u>
Working capital provided from operations	2,947,166	24,203	-	2,971,369
Increase in pension benefits payable	<u>-</u>	<u>-</u>	<u>551,416</u>	<u>551,416</u>
Total working capital provided	<u>2,947,166</u>	<u>24,203</u>	<u>551,416</u>	<u>3,522,785</u>
Working capital used:				
Decrease in liabilities payable from restricted assets - contracts payable	605,516	-	-	605,516
Additions to plant and equipment	726,960	-	-	726,960
Current maturities of loan payable	523,000	-	-	523,000
Increase in restricted assets	<u>569,027</u>	<u>-</u>	<u>-</u>	<u>569,027</u>
Total working capital used	<u>2,424,503</u>	<u>-</u>	<u>-</u>	<u>2,424,503</u>
Increase in working capital	<u>\$ 522,663</u>	<u>24,203</u>	<u>551,416</u>	<u>1,098,282</u>
Elements of net increase (decrease) in working capital:				
Cash and investments	316,049	3,014	539,502	858,565
Receivables	(116,783)	-	11,914	(104,869)
Inventory and other assets	(1,285)	21,972	-	20,687
Accounts, salaries and other payables	352,700	(783)	-	351,917
Contracts payable	27,112	-	-	27,112
Loan payable within one year	<u>(55,130)</u>	<u>-</u>	<u>-</u>	<u>(55,130)</u>
Increase in working capital	<u>\$ 522,663</u>	<u>24,203</u>	<u>551,416</u>	<u>1,098,282</u>

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements

June 30, 1986

(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, the Expendable Trust Fund 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 types 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) Cash and Investments

Cash and investments consist of each fund's portion of pooled cash balances, time certificates of deposit, and investments in the State Investment Pool. Such investments are stated at cost, which approximates market. Interest earned on investments is allocated monthly based upon each fund's average monthly cash balance.

(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 as well as future payment of post-closure costs to be incurred at the St. Johns Landfill.

(j) Capitalized Interest

Interest costs in the Proprietary Fund types 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 1986, 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 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 Enterprise Funds 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 1986 allocated indirect costs to all grants which allow indirect costs at a rate of approximately 50% of the direct personnel costs.

(l) Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board and adopted by the Governmental 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.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(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.

(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. Additionally, certain operating revenues and expenditures under generally accepted accounting principles have been presented as transfers among funds for budgetary purposes in the combined statement of revenues, expenditures and changes in fund balances - budget and actual - all Governmental Fund types and Expendable Trust Funds. 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 unpaid vacation benefits in the Proprietary Fund types are recorded as earned. Accumulated sick leave does not vest and is, therefore, recorded when leave is taken.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(p) Budget

A budget is prepared for each Governmental Fund type 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 Metro'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 two budget amendments, including one supplemental budget during the year ended June 30, 1986.

(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.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(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 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 1986 rate was \$.51 per person. Metro has the authority to assess this same rate through July 1, 1989.

Special Revenue Funds

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

Convention, Trade and Spectator Facilities Fund - accounts for funding and operation of planning activities related to convention, trade and spectator facilities in the Metro region. Principal sources of revenues are contracts, intergovernmental agreements and state grants.

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 revenues 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 Types

Enterprise Funds

These funds account for the financing of predominantly self-supporting activities which are funded on a user charge basis or to meet management's desire to control and measure costs of service. Included are the following funds:

Solid Waste 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 operations. This fund consists of six budgetary funds accounted for as an Enterprise Fund in accordance with generally accepted accounting principles.

Building Management Fund - accounts for revenues and expenses related to leasing and managing Metro's central office space at 2000 S. W. First Avenue, Portland, Oregon. Principal sources of revenue are sublease income and charges to user funds. Expenses primarily consist of lease payments, maintenance and utilities costs.

Internal Service Fund

An internal service fund is used to account for activities or services furnished by a designated department to other organizational units within the entity. Charges are made to the various "user" departments to support these activities.

Insurance Fund - accounts for insurance activities and services performed primarily for other organizational units within Metro. Revenues are derived primarily by charges to user funds, interest and loss reimbursements from insurance companies. Expenses consist primarily of insurance premiums, claims paid (deductibles) and studies related to insurance issues.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

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.

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.

Transportation Technical Assistance Fund - accounts for Federal and state transportation planning grants received by Metro 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.

Expendable Trust Fund

St. Johns Rehabilitation and Enhancement Fund - accounts for funds received and expenditures for rehabilitation and enhancement of the area in and around the St. Johns Landfill. Primary resources are rehabilitation and enhancement fees and interest on investments. Expenditures are for planning and implementation of rehabilitation and enhancement programs in the area.

Account Groups

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

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) Cash and Investments

Unrestricted and restricted cash and investments are comprised of the following at June 30, 1986:

Cash:	
On hand	\$ 23,850
Bank balances	200,783
In hands of fiscal agents	60,475
Investments:	
Oregon State Treasurer's short-term investment pool	9,364,215
Certificates of deposit, with interest rates of 6.4% and 6.6% maturing August 1, 1986	3,253,820
Bankers' acceptance, with interest rate of 6.72% maturing July 30, 1986	2,983,300
Money market investments with financial institutions	299,050
Pooled short-term pension investments with fiduciaries	<u>2,315,506</u>
	<u>\$ 18,500,999</u>

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

Unrestricted	\$ 16,773,589
Restricted	<u>1,727,410</u>
	<u>\$ 18,500,999</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(5) Fixed Assets

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

	Balance June 30, <u>1985</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>1986</u>
<u>General Fixed Asset Account Group</u>				
Land	\$ 2,573,449	-	-	2,573,449
Buildings	12,941,688	3,405,990	(81,100)	16,266,578
Improvements	726,124	31,300	-	757,424
Equipment	993,428	82,451	(1,421)	1,074,458
Office furniture	291,306	48,195	(442)	339,059
Railroad equipment and facilities	537,964	35,484	-	573,448
Capitalized leased equipment	105,867	124,383	-	230,250
Leasehold improvements	<u>3,581</u>	<u>278,071</u>	<u>(3,581)</u>	<u>278,071</u>
	<u>\$ 18,173,407</u>	<u>4,005,874</u>	<u>(86,544)</u>	<u>22,092,737</u>
<u>Enterprise Funds</u>				
Land	1,706,743	1,300	-	1,708,043
Buildings	3,994,180	119,510	-	4,113,690
Improvements	208,000	3,940	-	211,940
Equipment	195,789	46,318	-	242,107
Office furniture	44,725	101,325	-	146,050
Leasehold improvements	<u>2,994,104</u>	<u>454,567</u>	<u>-</u>	<u>3,448,671</u>
	9,143,541	726,960	-	9,870,501
Less accumulated depreciation	<u>2,125,967</u>	<u>414,053</u>	<u>-</u>	<u>2,540,020</u>
	<u>\$ 7,017,574</u>	<u>312,907</u>	<u>-</u>	<u>7,330,481</u>

An agreement effective July 1, 1976, transferred title of real property in the amount of \$4,063,148, accounted for in the General Fixed Asset Account Group, 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 12). 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 Solid Waste Enterprise Fund and are amortized over the expected life of the landfill.

(6) Loans Payable

Loans payable to the State of Oregon Department of Environmental Quality (DEQ) and included in the Solid Waste Enterprise Fund consist of the following at June 30, 1986:

	Balance June 30, <u>1985</u>	Principal <u>payments</u>	Balance June 30, <u>1986</u>
Loan 115, 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	\$ 1,290,000	150,000	1,140,000
Loan 117, payable in annual principal installments ranging from \$200,000 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	600,870	184,870	416,000
Loan 118, 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>4,258,000</u>	<u>133,000</u>	<u>4,125,000</u>
	<u>\$ 6,148,870</u>	<u>467,870</u>	<u>5,681,000</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Loan 115 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 are subject to the approval of DEQ.

Loan 117 is for expansion of the St. Johns Landfill.

Loan 118 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 115 and 117 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 115		Loan 117		Loan 118		Total requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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
1991	160,000	17,800	-	-	225,000	235,298	385,000	253,098
Later years	350,000	14,000	-	-	3,066,000	1,285,617	3,416,000	1,299,617
	<u>\$ 1,140,000</u>	<u>178,725</u>	<u>416,000</u>	<u>19,404</u>	<u>4,125,000</u>	<u>2,617,276</u>	<u>5,681,000</u>	<u>2,815,405</u>

(7) 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, 1985	Increase in liability	Balance at June 30, 1986
Liability for compensated absences	\$ 182,544	24,159	206,703
Obligations under capital leases	<u>68,231</u>	<u>98,680</u>	<u>166,911</u>
	<u>\$ 250,775</u>	<u>122,839</u>	<u>373,614</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(8) Capital Lease Obligations

Metro has lease agreements for a copy machine, high speed printer, telephone system and some office equipment. The agreements are for varying periods through 1991. Interest rates range from 6.5% to 13%.

The future minimum lease payments are:

Fiscal year ending <u>June 30</u>	
1987	\$ 59,426
1988	53,618
1989	30,623
1990	30,623
1991	<u>25,519</u>
Total minimum lease payments	199,809
Less amount representing interest	<u>32,898</u>
Net present value of future minimum lease payments	<u>\$ 166,911</u>

(9) Contributed Capital

Changes in contributed capital in the Solid Waste Enterprise Fund for the year ended June 30, 1986 are as follows:

Balance, June 30, 1985	\$ 1,484,664
Depreciation on fixed assets acquired with capital grants (\$590,908 total accumulated depreciation at June 30, 1986)	<u>63,641</u>
Balance, June 30, 1986	<u>\$ 1,421,023</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(10) 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, 1986 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 \$464,000 for the year ended June 30, 1986 for all of the above plans.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

(11) Segment Information for Enterprise Funds

Metro maintains two Enterprise Funds - the Solid Waste Fund, which accounts for self-supporting activities which are rendered to the general public on a user charge basis, and the Building Management Fund, which accounts for the operations of the leased office facility at 2000 S. W. First Avenue for which management desires a periodic determination of revenues earned and expenses incurred for management control and accountability purposes.

	<u>Solid Waste Fund</u>	<u>Building Management Fund</u>	<u>Total</u>
Operating revenue	\$ 11,794,703	781,519	12,576,222
Depreciation expense	401,728	12,325	414,053
Operating income	2,005,111	108,412	2,113,523
Net income	1,971,739	109,824	2,081,563
Property, plant and equipment - Additions	603,713	123,247	726,960
Net working capital	4,592,440	(1,098)	4,591,342
Total assets	14,801,388	150,390	14,951,778
Long-term liabilities:			
Payable from operating revenues	5,681,000	-	5,681,000
Less amount due within one year	<u>523,000</u>	<u>-</u>	<u>523,000</u>
	\$ 5,158,000	-	5,158,000
Total equity	<u>\$ 6,653,999</u>	<u>109,824</u>	<u>6,763,823</u>

(12) Commitments and Contingencies

Contracts

Total contract commitments at June 30, 1986, primarily for construction projects, were approximately \$433,000 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.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

Office Leases

Metro leases office space at 2000 S. W. First Avenue, Portland, Oregon. The University Center Building office lease terminated June 30, 1986. 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, 1986 has entered into five sublease agreements.

The following is a schedule by years of future minimum rental payments required under the operating lease for the office space at 2000 S. W. First Avenue as of June 30, 1986:

Fiscal year ending <u>June 30</u>	
1987	\$ 234,000
1988	234,000
1989	234,000
1990	234,000
1991	234,000
Later years	<u>1,455,000</u>
Total minimum payments required	<u>\$ 2,625,000</u>

Minimum payments presented in the schedule have not been reduced by future minimum sublease rentals totalling approximately \$511,000 at June 30, 1986.

Rental expense under the leases for the year ended June 30, 1986 amounted to approximately \$341,000, which has not been reduced by approximately \$68,000 of sublease rental receipts.

(Continued)

METROPOLITAN SERVICE DISTRICT

Notes to Combined Financial Statements, Continued

St. Johns Landfill

Metro is leasing the landfill from the City of Portland. The lease term runs through December 31, 1991, or until the operational life of the landfill is completed, whichever is earlier. The lease agreement commits Metro to finance certain post-closure environmental control measures for the expansion area of the landfill. At June 30, 1986, a liability of \$1,174,540 has been recorded to cover post-closure costs. Metro is also required to contribute annually to the City of Portland \$.40 per ton of solid waste deposited at the landfill, contingent upon the City's adoption of an end use plan for the landfill. If the City adopts the plan by July 1, 1987, Metro will be required to contribute \$.40 for each ton of waste deposited the previous year and thereafter. If the plan is adopted subsequent to July 1, 1987, Metro is required to contribute only for those tons deposited after adoption of the plan. This contribution, to be used by the City for implementation of the landfill end use plan, will continue until the landfill has reached capacity and is limited to the amount needed to effectuate the end use plan. The lease agreement also commits Metro to meet waste tonnage targets in order to ensure availability of a disposal site for the region. If the tonnage targets are exceeded, subject to certain allowances, Metro is required to pay to the City of Portland \$2.00 per ton for all tons deposited in the landfill.

Additionally, Metro contracts for the maintenance and operation of the landfill (other than the gatehouse which Metro operates). The contract runs through the landfill closure date or September 30, 1992, whichever is earlier.

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>	<u>City of Portland</u>	<u>Operations contract</u>
1987	\$ 288,500	2,973,000
1988	288,500	2,958,000
1989	288,500	2,966,000
1990	288,500	2,973,000
1991	<u>288,500</u>	<u>2,325,000</u>
	<u>\$ 1,442,500</u>	<u>14,195,000</u>

A portion of the commitment, estimated by management to be \$4,113,000, 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. The contract term is four and one-half years from the start of operation in April 1983.

The approximate annual commitments based on forecasted usage relative to the Clackamas Transfer & Recycling Center are:

Fiscal year ending <u>June 30</u>	
1987	\$ 1,807,000
1988	<u>476,000</u>
	<u>\$ 2,283,000</u>

Waste Reduction Program Contingency

Metro was 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 was approved by the State of Oregon Environmental Quality Commission.

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 State of Oregon, Department of Environmental Quality (DEQ) in the process of siting a regional landfill. Metro would have the responsibility for the operation of the disposal site selected by DEQ.

(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 as a defendant in other 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*

Combining individual fund statements
and schedules

METROPOLITAN SERVICE DISTRICT

General Fund

Statement of Revenues - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Dues	\$ 608,411	608,411	-
Documents and publications	3,000	4,831	1,831
Professional and contract service fees	38,700	5,805	(32,895)
Interest	95,000	82,536	(12,464)
Miscellaneous	2,000	21,736	19,736
Total revenues	<u>747,111</u>	<u>723,319</u>	<u>(23,792)</u>
Other financing sources:			
Operating transfers from:			
Solid Waste Fund	645,292	645,292	-
Zoo Fund	488,024	488,024	-
Intergovernmental Resource Center Fund	654,107	428,326	(225,781)
Total other financing sources	<u>1,787,423</u>	<u>1,561,642</u>	<u>(225,781)</u>
Beginning fund balance available for appropriation	529,520	529,520	-
	<u>\$ 3,064,054</u>	<u>2,814,481</u>	<u>(249,573)</u>

METROPOLITAN SERVICE DISTRICT

General Fund

Statement of Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures:			
Council:			
Personal services	\$ 70,247	68,753	1,494
Materials and services	58,420	34,558	23,862
	<u>128,667</u>	<u>103,311</u>	<u>25,356</u>
Executive management:			
Personal services	262,863	236,983	25,880
Materials and services	26,245	18,906	7,339
	<u>289,108</u>	<u>255,889</u>	<u>33,219</u>
Public affairs:			
Personal services	250,487	241,644	8,843
Materials and services	44,990	41,284	3,706
Capital outlay	10,994	10,819	175
	<u>306,471</u>	<u>293,747</u>	<u>12,724</u>
Finance and administration:			
Personal services	605,997	557,657	48,340
Materials and services	354,128	343,831	10,297
Capital outlay	279,450	279,061	389
	<u>1,239,575</u>	<u>1,180,549</u>	<u>59,026</u>
General operating contingency	<u>32,023</u>	-	<u>32,023</u>
Total expenditures	<u>1,995,844</u>	<u>1,833,496</u>	<u>162,348</u>
Other financing uses -			
Transfers	<u>988,409</u>	<u>688,975</u>	<u>299,434</u>
Total expenditures and other financing uses	<u>2,984,253</u>	<u>2,522,471</u>	<u>461,782</u>
Unappropriated ending fund balance	<u>79,801</u>	<u>292,010</u>	<u>212,209</u>
	<u>\$ 3,064,054</u>	<u>2,814,481</u>	<u>249,573</u>

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Balance Sheet

June 30, 1986

<u>Assets</u>	Convention, Trade and Spectator Facilities Fund	Intergovernmental Resource Center Fund	Zoo Fund	<u>Totals</u>
Cash and investments	\$ 91,710	7,210	1,961,161	2,060,081
Receivables:				
Property taxes	-	-	805,268	805,268
Federal grants	-	21,473	-	21,473
State grants	-	47,572	-	47,572
Local grants/contracts	-	41,952	-	41,952
Other	-	3,330	26,373	29,703
Inventory of materials and supplies	-	-	140,570	140,570
Other assets	-	636	10,014	10,650
	<u>\$ 91,710</u>	<u>122,173</u>	<u>2,943,386</u>	<u>3,157,269</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	24,338	4,673	269,143	298,154
Salaries, withholdings and payroll taxes payable	6,682	41,904	207,057	255,643
Deferred revenue	49,526	-	732,212	781,738
Unearned grant revenue	-	31,934	1,394	33,328
Contracts payable	2,377	-	1,237	3,614
Other	-	8,720	-	8,720
Total liabilities	82,923	87,231	1,211,043	1,381,197
Fund balances - unreserved	<u>8,787</u>	<u>34,942</u>	<u>1,732,343</u>	<u>1,776,072</u>
	<u>\$ 91,710</u>	<u>122,173</u>	<u>2,943,386</u>	<u>3,157,269</u>

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the year ended June 30, 1986

	Convention, Trade and Spectator Facilities Fund	Intergovernmental Resource Center Fund	Zoo Fund	Totals
Revenues:				
Property taxes	\$ -	-	5,245,281	5,245,281
Federal grants	-	489,405	4,195	493,600
State grants	50,000	219,607	-	269,607
Local grants	-	57,923	-	57,923
Admissions	-	-	1,325,206	1,325,206
Charges for services	-	-	249,483	249,483
Vending and concessions	-	-	1,193,877	1,193,877
Donations and bequests	-	-	39,980	39,980
Professional and contract service fees	117,675	52,119	-	169,794
Interest	5,825	-	145,788	151,613
Miscellaneous	-	18,578	143,806	162,384
Total revenues	173,500	837,632	8,347,616	9,358,748
Other financing sources:				
Operating transfer from:				
General Fund	30,190	658,785	-	688,975
Convention, Trade and Spectator Facilities Fund	-	50,000	-	50,000
Solid Waste Fund	-	6,436	-	6,436
Total revenues and other financing sources	203,690	1,552,853	8,347,616	10,104,159
Expenditures:				
Current:				
Zoo operations	-	-	5,335,450	5,335,450
Planning and development:				
Personal services	9,959	777,274	-	787,233
Materials and services	134,944	329,945	-	464,889
Capital outlay	-	1,822	256,499	258,321
Total expenditures	144,903	1,109,041	5,591,949	6,845,893

(Continued)

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

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

	Convention, Trade and Spectator Facilities Fund	Intergovernmental Resource Center Fund	Zoo Fund	Totals
Other financing uses:				
Operating transfers to:				
General Fund	\$ -	428,326	488,024	916,350
Intergovernmental Resource Center Fund	50,000	-	-	50,000
Zoo Capital Fund	-	-	2,448,123	2,448,123
Total other financing uses	50,000	428,326	2,936,147	3,414,473
Total expenditures and other financing uses	194,903	1,537,367	8,528,096	10,260,366
Revenues and other financing sources over (under) expenditures and other financing uses	8,787	15,486	(180,480)	(156,207)
Fund balances - June 30, 1985	-	19,456	1,912,823	1,932,279
Fund balances - June 30, 1986	\$ 8,787	34,942	1,732,343	1,776,072

METROPOLITAN SERVICE DISTRICT

Convention, Trade and Spectator Facilities Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
State and local grants	\$ -	50,000	50,000
Professional and contract service fees	350,000	117,675	(232,325)
Interest	<u>20,000</u>	<u>5,825</u>	<u>(14,175)</u>
Total revenues	370,000	173,500	(196,500)
Other financing sources:			
Operating transfers from - General Fund	<u>30,000</u>	<u>30,190</u>	<u>190</u>
Total revenues and other financing sources	<u>\$ 400,000</u>	<u>203,690</u>	<u>(196,310)</u>
Expenditures:			
Personal services	18,282	9,959	8,323
Materials and services	233,918	134,944	98,974
General operating contingency	<u>97,800</u>	<u>-</u>	<u>97,800</u>
Total expenditures	350,000	144,903	205,097
Other financing uses -			
Transfers	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 400,000</u>	<u>194,903</u>	<u>205,097</u>

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Federal grants	\$ 627,247	489,405	(137,842)
State grants	289,434	219,607	(69,827)
Local grants	65,530	57,923	(7,607)
Professional and contract service fees	102,425	52,119	(50,306)
Miscellaneous	<u>104,587</u>	<u>18,578</u>	<u>(86,009)</u>
Total revenues	1,189,223	837,632	(351,591)
Other financing sources:			
Operating transfers from:			
General Fund	924,589	658,785	(265,804)
Solid Waste Fund	5,000	6,436	1,436
Convention, Trade and Spectator Facilities Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenues and other financing sources	2,168,812	1,552,853	(615,959)
Beginning fund balance available for appropriation	<u>8,800</u>	<u>19,456</u>	<u>10,656</u>
	<u>\$ 2,177,612</u>	<u>1,572,309</u>	<u>(605,303)</u>
Expenditures:			
Personal services	910,360	777,274	133,086
Materials and services	251,800	36,849	214,951
Capital outlay	3,800	1,822	1,978
General operating contingency	<u>51,051</u>	<u>-</u>	<u>51,051</u>
Total expenditures	1,217,011	815,945	401,066
Other financing uses - Transfers	<u>960,601</u>	<u>721,422</u>	<u>239,179</u>
Total expenditures and other financing uses	<u>\$ 2,177,612</u>	<u>1,537,367</u>	<u>640,245</u>

METROPOLITAN SERVICE DISTRICT

Zoo Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Property taxes	\$ 5,023,100	5,245,281	222,181
Federal grants	50,000	4,195	(45,805)
Admissions	1,244,150	1,325,206	81,056
Railroad	238,400	249,483	11,083
Vending and concessions	860,525	920,860	60,335
Gift shop	305,400	273,017	(32,383)
Donations and bequests	60,000	39,980	(20,020)
Interest	135,000	145,788	10,788
Miscellaneous	<u>66,902</u>	<u>143,806</u>	<u>76,904</u>
Total revenues	7,983,477	8,347,616	364,139
Beginning fund balance available for appropriation	<u>1,836,739</u>	<u>1,912,823</u>	<u>76,084</u>
	<u>\$ 9,820,216</u>	<u>10,260,439</u>	<u>440,223</u>
Expenditures:			
Personal services	3,308,549	3,224,795	83,754
Materials and services	1,804,292	1,756,500	47,792
Capital outlay	417,419	256,499	160,920
General operating contingency	<u>18,518</u>	<u>-</u>	<u>18,518</u>
Total expenditures	5,548,778	5,237,794	310,984
Other financing uses - Transfers	<u>3,296,438</u>	<u>3,290,302</u>	<u>6,136</u>
Total expenditures and other financing uses	8,845,216	8,528,096	317,120
Unappropriated ending fund balance	<u>975,000</u>	<u>1,732,343</u>	<u>757,343</u>
	<u>\$ 9,820,216</u>	<u>10,260,439</u>	<u>440,223</u>

METROPOLITAN SERVICE DISTRICT

Zoo Capital Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Donations and bequests	\$ 300,000	145,669	(154,331)
Interest	<u>433,540</u>	<u>453,960</u>	<u>20,420</u>
Total revenues	733,540	599,629	(133,911)
Other financing source:			
Transfer from - Zoo Fund	2,448,123	2,448,123	-
Beginning fund balance available for appropriation	<u>5,513,939</u>	<u>6,164,036</u>	<u>650,097</u>
	<u>\$ 8,695,602</u>	<u>9,211,788</u>	<u>516,186</u>
Expenditures:			
Personal services	15,825	11,442	4,383
Capital outlay	<u>5,856,396</u>	<u>3,321,848</u>	<u>2,534,548</u>
Total expenditures	5,872,221	3,333,290	2,538,931
Unappropriated ending fund balance	<u>2,823,381</u>	<u>5,878,498</u>	<u>3,055,117</u>
	<u>\$ 8,695,602</u>	<u>9,211,788</u>	<u>516,186</u>

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Balance Sheet

June 30, 1986

<u>Assets</u>	Solid Waste Fund	Building Management Fund	<u>Total</u>
Cash and investments	\$ 4,752,132	30,832	4,782,964
Receivables:			
Trade, net	1,239,688	8,636	1,248,324
Other	620	-	620
Restricted assets -			
Cash and investments	1,586,503	-	1,586,503
Fixed assets, net	7,219,559	110,922	7,330,481
Other assets	<u>2,886</u>	<u>-</u>	<u>2,886</u>
Total assets	<u>\$ 14,801,388</u>	<u>150,390</u>	<u>14,951,778</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts payable	645,505	39,105	684,610
Salaries, withholdings and payroll taxes payable	87,645	1,461	89,106
Accrued interest payable	143,387	-	143,387
Contracts payable	3,349	-	3,349
Payable from restricted assets:			
Contracts payable	411,963	-	411,963
Post-closure costs payable	1,174,540	-	1,174,540
Loans payable	<u>5,681,000</u>	<u>-</u>	<u>5,681,000</u>
Total liabilities	<u>8,147,389</u>	<u>40,566</u>	<u>8,187,955</u>
Fund equity:			
Contributed capital, net	1,421,023	-	1,421,023
Retained earnings	<u>5,232,976</u>	<u>109,824</u>	<u>5,342,800</u>
Total fund equity	<u>6,653,999</u>	<u>109,824</u>	<u>6,763,823</u>
Total liabilities and fund equity	<u>\$ 14,801,388</u>	<u>150,390</u>	<u>14,951,778</u>

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings

For the year ended June 30, 1986

	Solid Waste <u>Fund</u>	Building Management <u>Fund</u>	<u>Total</u>
Operating revenues:			
Disposal fees	\$ 6,447,199	-	6,447,199
User fees	1,757,764	-	1,757,764
Regional transfer charge	2,295,381	-	2,295,381
Convenience charge	752,916	-	752,916
Landfill siting and rehabilitation fees	491,776	-	491,776
Rental and lease income	-	68,028	68,028
Receipts in lieu of rent	-	666,037	666,037
Parking fees	-	31,583	31,583
Miscellaneous	<u>49,667</u>	<u>15,871</u>	<u>65,538</u>
Total operating revenues	<u>11,794,703</u>	<u>781,519</u>	<u>12,576,222</u>
Operating and administrative expenses:			
Payroll and fringe benefits	869,719	39,184	908,903
St. Johns Landfill operating expenses, including \$360,384 rent	3,277,784	-	3,277,784
Clackamas Transfer & Recycling Center operating expenses	2,040,805	-	2,040,805
Depreciation	401,728	12,325	414,053
Rent and payments in lieu of rent	284,398	341,149	625,547
Administrative expenses paid to General Fund	645,292	-	645,292
Payments to IRC for services	6,436	-	6,436
Insurance expense	54,185	-	54,185
Post-closure costs	451,550	-	451,550
Payment of landfill siting and rehabilitation fees	1,203,574	-	1,203,574
Other materials and services	<u>554,121</u>	<u>280,449</u>	<u>834,570</u>
Total operating and administrative expenses	<u>9,789,592</u>	<u>673,107</u>	<u>10,462,699</u>
Income from operations	<u>2,005,111</u>	<u>108,412</u>	<u>2,113,523</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings, Continued

	<u>Solid Waste Fund</u>	<u>Building Management Fund</u>	<u>Total</u>
Non-operating revenues (expenses):			
Interest and other earnings on investments	\$ 343,383	1,412	344,795
Interest expense	<u>(376,755)</u>	<u>-</u>	<u>(376,755)</u>
Non-operating revenues (expenses), net	<u>(33,372)</u>	<u>1,412</u>	<u>(31,960)</u>
Net income	1,971,739	109,824	2,081,563
Depreciation on fixed assets that reduces contributed capital	<u>63,641</u>	<u>-</u>	<u>63,641</u>
Increase in retained earnings	2,035,380	109,824	2,145,204
Retained earnings - June 30, 1985	<u>3,197,596</u>	<u>-</u>	<u>3,197,596</u>
Retained earnings - June 30, 1986	<u>\$ 5,232,976</u>	<u>109,824</u>	<u>5,342,800</u>

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Changes
in Financial Position

For the year ended June 30, 1986

	Solid Waste Fund	Building Management Fund	Total
Working capital provided from:			
Net income	\$ 1,971,739	109,824	2,081,563
Add charges to operations not affecting working capital in the current year:			
Depreciation	401,728	12,325	414,053
Post-closure costs	<u>451,550</u>	<u>-</u>	<u>451,550</u>
Total working capital provided	<u>2,825,107</u>	<u>122,149</u>	<u>2,947,166</u>
Working capital used:			
Decrease in liabilities payable from restricted assets - contracts payable	605,516	-	605,516
Additions to plant and equipment	603,713	123,247	726,960
Current maturities of loans payable	523,000	-	523,000
Increase in restricted assets	<u>569,027</u>	<u>-</u>	<u>569,027</u>
Total working capital used	<u>2,301,256</u>	<u>123,247</u>	<u>2,424,503</u>
Increase (decrease) in working capital	<u>\$ 523,761</u>	<u>(1,098)</u>	<u>522,663</u>
Elements of net increase (decrease) in working capital:			
Cash and investments	285,217	30,832	316,049
Receivables	(125,419)	8,636	(116,783)
Inventory and other assets	(1,285)	-	(1,285)
Accounts, salaries and other payables	393,266	(40,566)	352,700
Contracts payable	27,112	-	27,112
Loan payable within one year	<u>(55,130)</u>	<u>-</u>	<u>(55,130)</u>
Increase (decrease) in working capital	<u>\$ 523,761</u>	<u>(1,098)</u>	<u>522,663</u>

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

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 budgetary concepts are presented on pages 52 through 58.

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 reseeded;
- 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.

Solid Waste St. Johns Methane Recovery Fund

The St. Johns Methane Recovery Fund accounts for revenues provided from methane gas production and sale. The net proceeds of such contracted operations, which are shared with the City of Portland, and interfund transfers are the primary resources of this fund. Expenditures relate to the management of the fund.

METROPOLITAN SERVICE DISTRICT

Solid Waste Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues:			
Disposal fees	\$ 5,729,550	6,425,761	696,211
User fees	1,347,000	1,757,764	410,764
Regional transfer charge	2,681,300	2,295,381	(385,919)
Convenience charge	595,600	752,916	157,316
Landfill siting and rehabilitation fees	861,000	491,776	(369,224)
Interest	91,000	181,660	90,660
Miscellaneous	<u>67,570</u>	<u>49,667</u>	<u>(17,903)</u>
Total revenues	11,373,020	11,954,925	581,905
 Beginning fund balance available for appropriation	 <u>2,600,000</u>	 <u>2,951,872</u>	 <u>351,872</u>
	\$ 13,973,020	14,906,797	933,777
 Expenditures:			
Personal services	924,643	845,161	79,482
Materials and services	8,035,480	6,705,475	1,330,005
Capital outlay	242,890	147,643	95,247
Contingency	<u>698,293</u>	<u>-</u>	<u>698,293</u>
Total expenditures	9,901,306	7,698,279	2,203,027
 Other financing uses - Transfers	 <u>4,008,381</u>	 <u>3,729,363</u>	 <u>279,018</u>
Total expenditures and other financing uses	13,909,687	11,427,642	2,482,045
 Unappropriated ending fund balance	 <u>63,333</u>	 <u>3,479,155</u>	 <u>(3,415,822)</u>
	\$ 13,973,020	14,906,797	933,777

METROPOLITAN SERVICE DISTRICT

Solid Waste Debt Service Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Other financing sources -			
Operating transfers from Solid Waste Fund	\$ <u>1,301,950</u>	<u>851,950</u>	<u>(450,000)</u>
Expenditures -			
Interest expense and principal payment on Department of Environmental Quality loans	\$ <u>1,301,950</u>	<u>851,950</u>	<u>450,000</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste Capital Improvement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ -	16,200	16,200
Total revenues	-	16,200	16,200
Other financing sources:			
Department of Environmental Quality loan proceeds	5,300,000	-	(5,300,000)
Operating transfers from Solid Waste Fund	<u>218,000</u>	<u>218,000</u>	<u>-</u>
Total revenues and other financing sources	5,518,000	234,200	(5,233,800)
Beginning fund balance available for appropriation	<u>165,000</u>	<u>233,909</u>	<u>68,909</u>
	<u>\$ 5,683,000</u>	<u>468,109</u>	<u>(5,214,891)</u>
Expenditures -			
Capital outlay	5,580,000	124,750	5,455,250
Other financing uses -			
Transfers	<u>103,000</u>	<u>103,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 5,683,000</u>	<u>227,750</u>	<u>5,455,250</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Reserve Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues - Interest	\$ 52,000	59,640	7,640
Other financing sources: Operating transfers from - Solid Waste Fund	<u>478,000</u>	<u>536,445</u>	<u>58,445</u>
Total revenues and other financing sources	530,000	596,085	66,085
Beginning fund balance available for appropriations	<u>572,700</u>	<u>578,455</u>	<u>5,755</u>
Unappropriated ending fund balance	<u><u>\$ 1,102,700</u></u>	<u><u>1,174,540</u></u>	<u><u>71,840</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, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 30,000	85,882	55,882
Other financing sources:			
Operating transfers from:			
Solid Waste Fund	645,000	763,193	118,193
Solid Waste Capital Fund	<u>103,000</u>	<u>103,000</u>	<u>-</u>
Total revenues and other financing sources	778,000	952,075	174,075
Beginning fund balance available for appropriations	<u>666,000</u>	<u>948,758</u>	<u>282,758</u>
	<u>\$ 1,444,000</u>	<u>1,900,833</u>	<u>456,833</u>
Expenditures:			
Capital outlay	535,000	331,321	203,679
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	685,000	331,321	353,679
Unappropriated ending fund balance	<u>759,000</u>	<u>1,569,512</u>	<u>810,512</u>
	<u>\$ 1,444,000</u>	<u>1,900,833</u>	<u>456,833</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Methane Recovery Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Gas revenue	\$ 96,000	-	(96,000)
Other financing sources:			
Operating transfers from - Solid Waste Fund	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 136,000</u>	<u>40,000</u>	<u>(96,000)</u>
Expenditures:			
Personal services	29,503	14,063	15,440
Materials and services	46,024	19,906	26,118
Contingency	<u>60,473</u>	<u>-</u>	<u>60,473</u>
Total expenditures	<u>\$ 136,000</u>	<u>33,969</u>	<u>102,031</u>

METROPOLITAN SERVICE DISTRICT

Building Management Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues:			
Rental and lease income	\$ 40,450	68,028	27,578
Parking fees	38,875	31,583	(7,292)
Interest	-	1,412	1,412
Miscellaneous	<u>15,855</u>	<u>15,871</u>	<u>16</u>
Total revenues	<u>95,180</u>	<u>116,894</u>	<u>21,714</u>
Other financing sources:			
Operating transfers:			
General Fund	33,820	-	(33,820)
Zoo Operating Fund	126,023	119,887	(6,136)
Solid Waste Operating Fund	298,954	284,398	(14,556)
Intergovernmental Resource Center Fund	<u>275,150</u>	<u>261,752</u>	<u>(13,398)</u>
Total other financing sources	<u>733,947</u>	<u>666,037</u>	<u>(67,910)</u>
Total revenues and other financing sources	<u>\$ 829,127</u>	<u>782,931</u>	<u>(46,196)</u>
Expenditures:			
Personal services	38,155	38,086	69
Materials and services	665,972	621,598	44,374
Capital outlay	<u>125,000</u>	<u>123,247</u>	<u>1,753</u>
Total expenditures	<u>\$ 829,127</u>	<u>782,931</u>	<u>46,196</u>

METROPOLITAN SERVICE DISTRICT

Reconciliation of Enterprise Funds' Revenues and Expenditures
(Budgetary Basis) to Combining Statement of Revenues,
Expenses and Changes in Retained Earnings (GAAP Basis)

For the year ended June 30, 1986

	Solid Waste Fund	Solid Waste Debt Service Fund	Solid Waste Capital Improvement Fund
Budgetary basis:			
Revenues	\$ 11,954,925	-	16,200
Expenditures	<u>7,698,279</u>	<u>851,950</u>	<u>124,750</u>
	<u>\$ 4,256,646</u>	<u>(851,950)</u>	<u>(108,550)</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			
Principal payments on loans			
Add amounts not included as revenues in budgetary schedules but included as revenues in statement of revenues, expenses and changes in retained earnings -			
Receipts in lieu of rent			
Add (subtract) adjustment for conversion from modified accrual (budgetary basis) to accrual basis of accounting (GAAP basis):			
Decrease in accrued interest payable			
Increase in accrued vacation payable			
Less costs paid to various funds, recorded as transfers in budgetary schedules:			
Administrative costs paid to the General Fund			
Payment of services provided by Intergovernmental Resource Center Fund			
Payment to Building Management Fund in lieu of rent			
Payment to Insurance Fund			
Payment of fees collected to Rehabilitation and Enhancement Fund			
Less depreciation expense			
Less post-closure costs			
Net income per combining statement of revenues, expenses and changes in retained earnings			

Solid Waste St. Johns Reserve Fund	Solid Waste St. Johns Final Improvement Fund	Solid Waste St. Johns Methane Recovery Fund	Solid Waste Funds Total	Building Management Fund	Total
59,640	85,882	-	12,116,647	116,894	12,233,541
<u>-</u>	<u>331,321</u>	<u>33,969</u>	<u>9,040,269</u>	<u>782,931</u>	<u>9,823,200</u>
<u>59,640</u>	<u>(245,439)</u>	<u>(33,969)</u>	3,076,378	(666,037)	2,410,341
			603,713	123,247	726,960
			467,870	-	467,870
			-	666,037	666,037
			7,326	-	7,326
			(10,495)	(1,098)	(11,593)
			(645,292)	-	(645,292)
			(6,436)	-	(6,436)
			(284,398)	-	(284,398)
			(54,185)	-	(54,185)
			(329,464)	-	(329,464)
			(401,728)	(12,325)	(414,053)
			<u>(451,550)</u>	<u>-</u>	<u>(451,550)</u>
			<u>\$ 1,971,739</u>	<u>109,824</u>	<u>2,081,563</u>

METROPOLITAN SERVICE DISTRICT

Insurance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 1,350	4,278	2,928
Other financing sources:			
Operating transfers from:			
Zoo Operating Fund	234,268	234,268	-
Solid Waste Fund	54,185	54,185	-
Intergovernmental Resource Center Fund	<u>31,344</u>	<u>31,344</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 321,147</u>	<u>324,075</u>	<u>2,928</u>
Expenditures:			
Materials and services	304,297	299,872	4,425
Contingency	<u>16,850</u>	<u>-</u>	<u>16,850</u>
Total expenditures	<u>\$ 321,147</u>	<u>299,872</u>	<u>21,275</u>

METROPOLITAN SERVICE DISTRICT

Trust and Agency Funds

Combining Balance Sheet

June 30, 1986

	<u>Assets</u>	<u>Agency</u>	
		<u>Criminal Justice Assistance</u>	<u>Sewer Assistance</u>
Cash and investments		\$ -	820,720
Receivables:			
State grants		-	-
Other		-	-
		\$ -	820,720
		<u> </u>	<u> </u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Expenditures by subgrantees in excess of advances		-	-
Due to other agencies		-	820,720
Pension benefits payable		-	-
Total liabilities		-	820,720
Fund balance - unreserved		-	-
		\$ -	820,720
		<u> </u>	<u> </u>

<u>Agency (continued) Transportation Technical Assistance</u>	<u>Pension Trust Pension Plan</u>	<u>Expendable Trust Rehabilitation and Enhancement Fund</u>	<u>Total</u>
-	2,315,506	333,768	3,469,994
157	-	-	157
-	<u>44,507</u>	-	<u>44,507</u>
<u>157</u>	<u>2,360,013</u>	<u>333,768</u>	<u>3,514,658</u>
157	-	-	157
-	-	-	820,720
-	<u>2,360,013</u>	-	<u>2,360,013</u>
157	2,360,013	-	3,180,890
-	-	<u>333,768</u>	<u>333,768</u>
<u>157</u>	<u>2,360,013</u>	<u>333,768</u>	<u>3,514,658</u>

METROPOLITAN SERVICE DISTRICT

Agency Funds

Combining Statement of Changes
in Assets and Liabilities

For the year ended June 30, 1986

	Balance June 30, <u>1985</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1986</u>
<u>Criminal Justice Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	\$ 87	3,985	4,072	-
Receivables - Federal grants	<u>609</u>	<u>3,376</u>	<u>3,985</u>	<u>-</u>
	<u>\$ 696</u>	<u>7,361</u>	<u>8,057</u>	<u>-</u>
<u>Liabilities</u>				
Expenditures by subgrantees in excess of advances	<u>696</u>	<u>3,376</u>	<u>4,072</u>	<u>-</u>
	<u>\$ 696</u>	<u>3,376</u>	<u>4,072</u>	<u>-</u>
<u>Sewer Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	<u>1,306,598</u>	<u>89,466</u>	<u>575,344</u>	<u>820,720</u>
	<u>\$ 1,306,598</u>	<u>89,466</u>	<u>575,344</u>	<u>820,720</u>
<u>Liabilities</u>				
Due to other agencies	<u>\$ 1,306,598</u>	<u>89,466</u>	<u>575,344</u>	<u>820,720</u>

(Continued)

METROPOLITAN SERVICE DISTRICT

Agency Funds

Combining Statement of Changes
in Assets and Liabilities, Continued

	Balance June 30, <u>1985</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1986</u>
<u>Transportation Technical Assistance Fund</u>				
<u>Assets</u>				
Cash and investments	\$ 7,110	9,201	16,311	-
Receivables:				
Federal grants	1,514	2,847	4,361	-
State grants	4,998	-	4,841	157
	<u>\$ 13,622</u>	<u>12,048</u>	<u>25,513</u>	<u>157</u>
<u>Liabilities</u>				
Expenditures by subgrantees in excess of advances	\$ <u>13,622</u>	<u>2,847</u>	<u>16,312</u>	<u>157</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	1,313,795	102,652	595,727	820,720
Receivables:				
Federal grants	2,123	6,223	8,346	-
State grants	4,998	-	4,841	157
	<u>\$ 1,320,916</u>	<u>108,875</u>	<u>608,914</u>	<u>820,877</u>
<u>Liabilities</u>				
Expenditures by subgrantees in excess of advances	14,318	6,223	20,384	157
Due to other agencies	1,306,598	89,466	575,344	820,720
	<u>\$ 1,320,916</u>	<u>95,689</u>	<u>595,728</u>	<u>820,877</u>

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Federal grants	\$ 3,500	3,376	124
	=====	=====	=====
Expenditures -			
Materials and services	\$ 3,500	3,376	124
	=====	=====	=====

METROPOLITAN SERVICE DISTRICT

Sewer Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 10,000	89,466	79,466
Beginning fund balance available for appropriation	<u>1,435,665</u>	<u>1,306,598</u>	<u>(129,067)</u>
	<u>\$ 1,445,665</u>	<u>1,396,064</u>	<u>(49,601)</u>
Expenditures -			
Materials and services	<u>\$ 1,445,665</u>	<u>575,344</u>	<u>872,321</u>

METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Federal grants	\$ 86,817	2,847	(83,970)
	<u> </u>	<u> </u>	<u> </u>
Expenditures -			
Materials and services	\$ 86,817	2,847	83,970
	<u> </u>	<u> </u>	<u> </u>

METROPOLITAN SERVICE DISTRICT

St. Johns Rehabilitation and Enhancement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues -			
Interest	\$ 11,270	13,634	2,364
Other financing sources:			
Operating transfers -			
Solid Waste Fund	<u>322,000</u>	<u>329,464</u>	<u>7,464</u>
Total revenues and other financing sources	<u>\$ 333,270</u>	<u>343,098</u>	<u>9,828</u>
Expenditures -			
Materials and services	<u>\$ 333,270</u>	<u>9,330</u>	<u>323,940</u>

METROPOLITAN SERVICE DISTRICT

Schedule of Property Tax Transactions
and Outstanding Receivable

For the year ended June 30, 1986

<u>Fiscal year</u>	Property taxes receivable June 30, 1985	Current levy as extended by <u>assessors</u>
1985-86	\$ -	5,211,724
1984-85	355,609	-
1983-84	231,733	-
1982-83	142,112	-
1981-82	44,159	-
1980-81 and prior	<u>2,590</u>	<u>-</u>
	<u>\$ 776,203</u>	<u>5,211,724</u>

Reconciliation to property tax revenue
per combined financial statements:

Collections above
Property taxes susceptible to accrual
at June 30, 1986
Taxes in lieu of property taxes
Property tax revenue susceptible to
accrual at June 30, 1985

Property tax revenue per combined statement of revenues,
expenditures and changes in fund balances - all
Governmental Fund types and Expendable Trust Fund

<u>Add (deduct)</u>				Property taxes receivable June 30, 1986
<u>Adjustments</u>	<u>Interest</u>	<u>Discounts</u>	<u>Collections</u>	
(7,265)	4,998	(100,359)	(4,693,018)	416,080
50,034	18,159	-	(212,943)	210,859
(361)	22,929	-	(127,441)	126,860
(4,060)	32,191	-	(126,403)	43,840
(5,188)	15,330	-	(48,439)	5,862
<u>465</u>	<u>279</u>	<u>-</u>	<u>(1,567)</u>	<u>1,767</u>
<u>33,625</u>	<u>93,886</u>	<u>(100,359)</u>	<u>(5,209,811)</u>	<u>805,268</u>

\$ 5,209,811

73,056
16,009

(53,595)

\$ 5,245,281

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1986

	<u>Original issue</u>	
	<u>Date</u>	<u>Amount</u>
Loan 115:		
Principal	Apr. 21, 1977	\$ <u>2,150,000</u>
Interest		
Loan 117:		
Principal	Feb. 1, 1980	\$ <u>1,360,870</u>
Interest		
Loan 118:		
Principal	Jun. 1, 1981	2,930,000
Addition	Apr. 1, 1982	400,000
Addition	Aug. 1, 1982	<u>1,157,000</u>
Total		<u>\$ 4,487,000</u>
Interest		

Outstanding June 30, <u>1985</u>	<u>1985-1986 transactions</u>		Outstanding June 30, <u>1986</u>
	<u>Matured</u>	<u>Paid</u>	
<u>1,290,000</u>	<u>150,000</u>	<u>150,000</u>	<u>1,140,000</u>
	\$ <u>54,900</u>	<u>54,900</u>	
<u>600,870</u>	<u>184,870</u>	<u>184,870</u>	<u>416,000</u>
	\$ <u>23,003</u>	<u>23,003</u>	
2,752,000	87,000	87,000	2,665,000
396,000	12,000	12,000	384,000
<u>1,110,000</u>	<u>34,000</u>	<u>34,000</u>	<u>1,076,000</u>
<u>4,258,000</u>	<u>133,000</u>	<u>133,000</u>	<u>4,125,000</u>
	\$ <u>306,177</u>	<u>306,177</u>	

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1986

<u>Fiscal year</u>	<u>Loan 115</u>	
	<u>Principal</u>	<u>Interest</u>
1986-87	\$ 150,000	47,925
1987-88	160,000	40,600
1988-89	160,000	33,000
1989-90	160,000	25,400
1990-91	160,000	17,800
1991-92	175,000	10,500
1992-93	175,000	3,500
1993-94	-	-
1994-95	-	-
1995-96	-	-
1996-97	-	-
1997-98	-	-
1998-99	-	-
1999-2000	-	-
2000-01	-	-
2001-02	-	-
2002-03	-	-
	<u>\$ 1,140,000</u>	<u>178,725</u>

METROPOLITAN SERVICE DISTRICT

Abbreviated Designations for Grantor Agencies

<u>Abbreviated designation</u>	<u>Description</u>
DHHS	U. S. Department of Health and Human Services
EDD	State of Oregon Economic Development Department
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
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 Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1986

	IMS <u>IC-50276-85</u>
Federal funding percentage	<u>22%</u>
Revenues - Federal grants	\$ <u>4,195</u>
Expenditures: Direct costs - Equipment and other	4,195
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>4,195</u>

*Indirect costs are not allowed under the grant agreement.

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grantor

For the year ended June 30, 1986

	<u>UMTA</u>	<u>FHWA/ODOT</u>	<u>Total</u>
Revenues earned:			
Federal grants	\$ 489,405	-	489,405
State and state administered grants	12,455	207,152	219,607
Local and local administered grants/match	57,923	-	57,923
Required match	66,337	-	66,337
Contracts	<u>26,408</u>	<u>-</u>	<u>26,408</u>
Total revenues	<u>\$ 652,528</u>	<u>207,152</u>	<u>859,680</u>
Expenditures:			
Direct costs:			
Salaries	329,433	103,261	432,694
Fringe benefits	78,696	24,421	103,117
Travel	1,484	1,351	2,835
Contractual services	7,547	3,177	10,724
Data processing	28,877	13,776	42,653
Printing	240	23	263
Other	<u>2,186</u>	<u>198</u>	<u>2,384</u>
Total direct costs	448,463	146,207	594,670
Indirect costs*	<u>204,065</u>	<u>60,945</u>	<u>265,010</u>
Total expenditures	<u>\$ 652,528</u>	<u>207,152</u>	<u>859,680</u>

*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, 1986

	<u>UMTA</u> <u>OR-29-9008</u>	<u>UMTA</u> <u>OR-29-9009</u>	<u>UMTA</u> <u>OR-09-0034</u>
Federal funding percentage	<u>100%</u>	<u>85%</u>	<u>80%**</u>
Revenues earned:			
Federal grants	\$ 2,548	28,182	9,927
State and state administered grants	-	893	-
Local and local administered grants/match	-	486	-
Required match	-	3,595	2,482
Contracts	-	-	-
Total revenues	<u>\$ 2,548</u>	<u>33,156</u>	<u>12,409</u>
Expenditures:			
Direct costs:			
Salaries	-	17,666	6,639
Fringe benefits	-	4,277	1,633
Travel	-	43	-
Contractual services	598	-	-
Data processing	-	124	-
Printing	-	74	-
Other	<u>1,950</u>	<u>-</u>	<u>-</u>
Total direct costs	2,548	22,184	8,272
Indirect costs	<u>-</u>	<u>10,972</u>	<u>4,137</u>
Total expenditures	<u>\$ 2,548</u>	<u>33,156</u>	<u>12,409</u>

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

<u>UMTA</u> <u>OR-23-9001</u>	<u>UMTA</u> <u>OR-29-9010</u>	<u>UMTA</u> <u>OR-29-9011</u>	<u>UMTA</u> <u>OR-08-0045</u>	<u>UMTA</u> <u>OR-90-0007</u>	<u>Total</u> <u>UMTA</u>	<u>FHWA/ODOT</u> <u>FY 86 PL</u>
<u>85%**</u>	<u>85%</u>	<u>85%</u>	<u>80%</u>	<u>80%**</u>		<u>85%**</u>
-	91,868	160,924	195,956	-	489,405	-
-	169	11,185	208	-	12,455	207,152
24,703	8,668	7,750	16,316	-	57,923	-
4,360	7,373	9,464	32,461	6,602	66,337	-
-	-	-	-	26,408	26,408	-
<u>29,063</u>	<u>108,078</u>	<u>189,323</u>	<u>244,941</u>	<u>33,010</u>	<u>652,528</u>	<u>207,152</u>
15,572	54,591	98,204	118,955	17,806	329,433	103,261
3,775	13,421	23,685	28,175	3,730	78,696	24,421
-	5	376	1,060	-	1,484	1,351
-	-	3,769	3,180	-	7,547	3,177
42	6,046	2,194	19,765	706	28,877	13,776
-	9	152	5	-	240	23
-	-	-	236	-	2,186	198
<u>19,389</u>	<u>74,072</u>	<u>128,380</u>	<u>171,376</u>	<u>22,242</u>	<u>448,463</u>	<u>146,207</u>
<u>9,674</u>	<u>34,006</u>	<u>60,943</u>	<u>73,565</u>	<u>10,768</u>	<u>204,065</u>	<u>60,945</u>
<u>29,063</u>	<u>108,078</u>	<u>189,323</u>	<u>244,941</u>	<u>33,010</u>	<u>652,528</u>	<u>207,152</u>

METROPOLITAN SERVICE DISTRICT

Convention, Trade and Spectator Facilities Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1986

	<u>EDD</u>
	<u>85102</u>
Federal funding percentage	<u>0%</u>
Revenues earned -	
State and state administered grants	\$ <u>50,000</u>
Expenditures:	
Direct costs -	
Contractual services	50,000
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>50,000</u>

*Indirect costs are not allowed under the grant agreement.

METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1986

	<u>UMTA*</u> <u>OR-29-9008</u> <u>City of</u> <u>Portland</u>
Federal funding percentage	<u>100%</u>
Revenues earned - Federal grants	\$ <u>2,847</u>
Expenditures by subgrantees	\$ <u>2,847</u>

*Reporting in conformity with generally accepted accounting principles does not provide a statement of revenues and expenditures for Agency Funds as part of the combined financial statements.

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Revenues and Expenditures by Grant

For the year ended June 30, 1986

	<u>LEAA/OLEC*</u> <u>83J2.1</u>
Revenues earned - Federal grants	\$ <u>3,376</u>
Expenditures by subgrantees	\$ <u>3,376</u>

*Reporting in conformity with generally accepted accounting principles does not provide a statement of revenues and expenditures for Agency Funds as part of the combined financial statements.

METROPOLITAN SERVICE DISTRICT

Zoo Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1986

	IMS
	<u>IC-50276-85</u>
Grant award date	Sep.19,1985
Grant award total	\$ <u>25,085</u>
Unexpended grant award	\$ <u>20,890</u>
Federal funding percentage	<u>22%</u>
Revenues -	
Federal grants	\$ <u>4,195</u>
Expenditures:	
Direct costs -	
Consultants and other	4,195
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>4,195</u>
Funding activity:	
Total expenditures	4,195
Total award and match received to date	<u>5,589</u>
Amount advanced by grantor agency	\$ <u>(1,394)</u>

*Indirect costs are not allowed under the grant agreement.

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grantor

From inception through June 30, 1986

	<u>UMTA</u>	<u>FHWA/ODOT</u>	<u>LCDC</u>	<u>Total</u>
Grant award total	\$ <u>2,788,519</u>	<u>718,031</u>	<u>40,000</u>	<u>3,546,550</u>
Revenues:				
Federal grants	1,683,209	-	-	1,683,209
State and state administered grants	340,446	627,398	-	967,844
Contracts	26,408	-	-	26,408
Required match	318,825	8,664	-	327,489
Metro match in excess	<u>4,273</u>	<u>2,904</u>	-	<u>7,177</u>
Total revenues	<u>\$ 2,373,161</u>	<u>638,966</u>	-	<u>3,012,127</u>
Expenditures:				
Direct costs:				
Salaries and fringe benefits	1,399,947	330,985	-	1,730,932
Consultants and other	<u>206,228</u>	<u>140,234</u>	-	<u>346,462</u>
Total direct costs	1,606,175	471,219	-	2,077,394
Indirect costs	<u>766,986</u>	<u>167,747</u>	-	<u>934,733</u>
Total expenditures	<u>\$ 2,373,161</u>	<u>638,966</u>	-	<u>3,012,127</u>
Funding activity:				
Total expenditures	2,373,161	638,966	-	3,012,127
Total award and match received to date	<u>2,307,345</u>	<u>595,719</u>	<u>30,000</u>	<u>2,933,064</u>
Amount receivable from (advanced by) grantor agencies	<u>\$ 65,816</u>	<u>43,247</u>	<u>(30,000)</u>	<u>79,063</u>

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1986

	<u>UMTA</u> <u>OR-09-0032</u>	<u>UMTA</u> <u>OR-23-9001</u>	<u>UMTA</u> <u>OR-29-9008</u>	<u>UMTA</u> <u>OR-29-9009</u>	<u>UMTA</u> <u>OR-09-0034</u>
	Jun. 24, 1982	Jul. 1, 1982	Mar. 30, 1983	Jul. 1, 1983	Jul. 1, 1983
Grant award date					
Grant award total	\$ <u>285,810</u>	<u>235,294</u>	<u>28,500</u>	<u>352,960</u>	<u>280,000</u>
Unexpended grant award	<u>-</u>	<u>7,223</u>	<u>50</u>	<u>-</u>	<u>14</u>
Federal funding percentage	<u>80%</u>	<u>85%*</u>	<u>85%*</u>	<u>85%</u>	<u>80%</u>
Revenues:					
Federal grants	\$ 228,622	-	28,450	300,016	223,990
State and state administered grants	-	193,859	-	1,379	7,000
Contracts	-	-	-	-	-
Required match	57,188	34,212	-	51,565	48,996
Metro match in excess	<u>153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 285,963</u>	<u>228,071</u>	<u>28,450</u>	<u>352,960</u>	<u>279,986</u>
Expenditures:					
Direct costs:					
Salaries and fringe benefits	174,016	143,742	-	211,121	177,480
Consultants and other direct	<u>12,862</u>	<u>3,853</u>	<u>28,450</u>	<u>29,412</u>	<u>7,569</u>
	186,878	147,595	28,450	240,533	185,049
Indirect costs	<u>99,085</u>	<u>80,476</u>	<u>-</u>	<u>112,427</u>	<u>94,937</u>
Total expenditures	<u>\$ 285,963</u>	<u>228,071</u>	<u>28,450</u>	<u>352,960</u>	<u>279,986</u>
Funding activity:					
Total expenditures	285,963	228,071	28,450	352,960	279,986
Total award and match received to date	<u>285,963</u>	<u>218,700</u>	<u>27,902</u>	<u>349,639</u>	<u>279,986</u>
Amount receivable from grantor agencies	<u>\$ -</u>	<u>9,371</u>	<u>548</u>	<u>3,321</u>	<u>-</u>

(Continued)

<u>UMTA</u> OR-90-0003 Sep. 30, 1983	<u>UMTA</u> OR-29-9010 Jun. 8, 1984	<u>UMTA</u> OR-08-0041 Jun. 8, 1984	<u>UMTA/EPA</u> A-000287-84-0 Sep. 25, 1984	<u>UMTA</u> OR-08-0045 Jul. 1, 1985	<u>UMTA</u> OR-29-9011 Jul. 1, 1985	<u>UMTA</u> OR-90-0007 Jan. 2, 1986	Total <u>UMTA</u>
<u>65,280</u>	<u>447,060</u>	<u>305,200</u>	<u>13,900</u>	<u>315,375</u>	<u>352,840</u>	<u>106,300</u>	<u>2,788,519</u>
<u>-</u>	<u>105,103</u>	<u>-</u>	<u>-</u>	<u>70,434</u>	<u>163,517</u>	<u>73,290</u>	<u>419,631</u>
<u>80%*</u>	<u>85%</u>	<u>80%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>80%</u>	
<u>-</u>	<u>290,666</u>	<u>244,160</u>	<u>10,425</u>	<u>195,956</u>	<u>160,924</u>	<u>-</u>	<u>1,683,209</u>
<u>52,224</u>	<u>30,650</u>	<u>19,875</u>	<u>-</u>	<u>16,524</u>	<u>18,935</u>	<u>-</u>	<u>340,446</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,408</u>	<u>26,408</u>
<u>13,056</u>	<u>20,641</u>	<u>41,165</u>	<u>3,475</u>	<u>32,461</u>	<u>9,464</u>	<u>6,602</u>	<u>318,825</u>
<u>-</u>	<u>-</u>	<u>4,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,273</u>
<u>65,280</u>	<u>341,957</u>	<u>309,320</u>	<u>13,900</u>	<u>244,941</u>	<u>189,323</u>	<u>33,010</u>	<u>2,373,161</u>
<u>-</u>	<u>212,844</u>	<u>181,568</u>	<u>8,621</u>	<u>147,130</u>	<u>121,889</u>	<u>21,536</u>	<u>1,399,947</u>
<u>65,280</u>	<u>8,309</u>	<u>18,939</u>	<u>112</u>	<u>24,246</u>	<u>6,490</u>	<u>706</u>	<u>206,228</u>
<u>65,280</u>	<u>221,153</u>	<u>200,507</u>	<u>8,733</u>	<u>171,376</u>	<u>128,379</u>	<u>22,242</u>	<u>1,606,175</u>
<u>-</u>	<u>120,804</u>	<u>108,813</u>	<u>5,167</u>	<u>73,565</u>	<u>60,944</u>	<u>10,768</u>	<u>766,986</u>
<u>65,280</u>	<u>341,957</u>	<u>309,320</u>	<u>13,900</u>	<u>244,941</u>	<u>189,323</u>	<u>33,010</u>	<u>2,373,161</u>
<u>65,280</u>	<u>341,957</u>	<u>309,320</u>	<u>13,900</u>	<u>244,941</u>	<u>189,323</u>	<u>33,010</u>	<u>2,373,161</u>
<u>65,280</u>	<u>336,159</u>	<u>309,320</u>	<u>13,900</u>	<u>238,979</u>	<u>174,915</u>	<u>6,602</u>	<u>2,307,345</u>
<u>-</u>	<u>5,798</u>	<u>-</u>	<u>-</u>	<u>5,962</u>	<u>14,408</u>	<u>26,408</u>	<u>65,816</u>

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>
Grant award date	Nov. 25, 1981	Nov. 25, 1981
Grant award total	\$ <u>34,652</u>	<u>154,500</u>
Unexpended grant award	\$ <u>-</u>	<u>13,762</u>
Federal funding percentage	<u>75%</u>	<u>100%</u>
Revenues:		
State and state administered grants	\$ 25,988	140,738
Required match	8,664	-
Metro match in excess	-	-
Total revenues	\$ <u>34,652</u>	<u>140,738</u>
Expenditures:		
Direct costs:		
Salaries and fringe benefits	22,514	40,303
Consultants and other	<u>730</u>	<u>78,363</u>
Total direct costs	23,244	118,666
Indirect costs	<u>11,408</u>	<u>22,072</u>
Total expenditures	\$ <u>34,652</u>	<u>140,738</u>
Funding activity:		
Total expenditures	34,652	140,738
Total award and match received to date	<u>34,652</u>	<u>140,738</u>
Amount receivable from (advanced by) grantor agencies	\$ <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> Jul. 1, 1984	<u>PL 1986</u> May 21, 1985	<u>8108</u> <u>central area</u> May 8, 1984	<u>Total</u>	<u>LCDC</u> <u>R-00073</u> Jun. 1, 1986
<u>238,802</u>	<u>266,927</u>	<u>23,150</u>	<u>718,031</u>	<u>40,000</u>
<u>6,885</u>	<u>54,543</u>	<u>3,875</u>	<u>79,065</u>	<u>40,000</u>
<u>85%*</u>	<u>85%*</u>	<u>100%</u>		<u>0%</u>
229,013	212,384	19,275	627,398	-
-	-	-	8,664	-
<u>2,904</u>	<u>-</u>	<u>-</u>	<u>2,904</u>	<u>-</u>
<u>231,917</u>	<u>212,384</u>	<u>19,275</u>	<u>638,966</u>	<u>-</u>
122,345	127,681	18,142	330,985	-
<u>36,250</u>	<u>23,758</u>	<u>1,133</u>	<u>140,234</u>	<u>-</u>
158,595	151,439	19,275	471,219	-
<u>73,322</u>	<u>60,945</u>	<u>-</u>	<u>167,747</u>	<u>-</u>
<u>231,917</u>	<u>212,384</u>	<u>19,275</u>	<u>638,966</u>	<u>-</u>
231,917	212,384	19,275	638,966	-
<u>231,917</u>	<u>169,137</u>	<u>19,275</u>	<u>595,719</u>	<u>30,000</u>
-	<u>43,247</u>	<u>-</u>	<u>43,247</u>	<u>(30,000)</u>

METROPOLITAN SERVICE DISTRICT

Convention, Trade and Spectator Facilities Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1986

	EDD <u>85102</u>
Grant award date	Jan. 10, 1986
Grant award total	\$ <u>50,000</u>
Unexpended grant award	<u>-</u>
Revenues -	
State and state administered grants	\$ <u>50,000</u>
Expenditures:	
Direct costs -	
Consultants and other	50,000
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>50,000</u>
Funding activity:	
Total expenditures	50,000
Total award and match received to date	<u>50,000</u>
Amount receivable from grantor agencies	\$ <u>-</u>

*Indirect costs are not allowed under the grant agreement.

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Revenues and Expenditures by Grant

From inception through June 30, 1986

	LEAA/OLEC <u>83J2.1</u>
Grant award date	Jul. 1, 1982
Grant award total	\$ <u>126,699</u>
Unexpended grant award	<u>2,717</u>
Federal funding percentage*	<u>100%</u>
Revenues - Federal grants	\$ <u>123,982</u>
Expenditures - Expenditures by subgrantees	\$ <u>123,982</u>
Funding activity:	
Total expenditures	123,982
Total award and match received to date	<u>123,982</u>
Amount receivable from grantor agencies	\$ <u>-</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, 1986

	UMTA		<u>Total</u>
	<u>OR-29-9008 Tri-Met</u>	<u>OR-29-9008 City of Portland</u>	
Grant award date	Mar. 30, 1983	Mar. 30, 1984	
Grant award total	\$ <u>161,500</u>	<u>10,000</u>	<u>171,500</u>
Unexpended grant award	\$ <u>52,317</u>	<u>1,500</u>	<u>53,817</u>
Federal funding percentage*	<u>100%</u>	<u>100%</u>	
Revenues:			
Federal grants	\$ 109,183	8,500	117,683
State and state administered grants	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 109,183</u>	<u>8,500</u>	<u>117,683</u>
Expenditures -			
Expenditures by subgrantees	\$ <u>109,183</u>	<u>8,500</u>	<u>117,683</u>
Funding activity:			
Total expenditures	109,183	8,500	117,683
Total award and match received to date	<u>109,183</u>	<u>8,500</u>	<u>117,683</u>
Amount receivable from grantor agencies	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

<u>FHWA/ODOT</u>			
<u>NRD-0032</u> <u>Tri-Met</u> Nov. 25, 1981	<u>TOR-1008</u> <u>City of</u> <u>Portland</u> Nov. 25, 1981	<u>Total</u>	<u>Fund</u> <u>total</u>
<u>169,698</u>	<u>97,120</u>	<u>266,818</u>	<u>436,318</u>
<u>50,342</u>	<u>286</u>	<u>50,628</u>	<u>104,445</u>
<u>100%</u>	<u>100%</u>		
-	-	-	117,683
<u>119,356</u>	<u>96,834</u>	<u>216,190</u>	<u>216,190</u>
<u>119,356</u>	<u>96,834</u>	<u>216,190</u>	<u>333,873</u>
<u>119,356</u>	<u>96,834</u>	<u>216,190</u>	<u>333,873</u>
119,356	96,834	216,190	333,873
<u>119,199</u>	<u>96,834</u>	<u>216,033</u>	<u>333,716</u>
<u>157</u>	<u>-</u>	<u>157</u>	<u>157</u>

METROPOLITAN SERVICE DISTRICT

Zoo Fund and Zoo Capital Fund

Schedule of Closed Grant Projects

June 30, 1986

	Zoo Fund			Zoo Capital
	IMS-FY83 G008303354	Smithsonian Elephant Symposium	IMS-FY84 IG-40661-84	Fund NEH GM-20806-82
Grant award total	\$ <u>33,000</u>	<u>3,000</u>	<u>50,000</u>	<u>100,500</u>
Revenues:				
Federal grants	33,000	2,565	50,000	100,500
Required match	<u>-</u>	<u>435</u>	<u>-</u>	<u>-</u>
Total revenues	\$ <u>33,000</u>	<u>3,000</u>	<u>50,000</u>	<u>100,500</u>
Expenditures:				
Direct costs:				
Salaries and fringe benefits	33,000	-	50,000	-
Consultants and other	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>100,500</u>
Total direct costs	33,000	3,000	50,000	100,500
Indirect costs*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ <u>33,000</u>	<u>3,000</u>	<u>50,000</u>	<u>100,500</u>

*Indirect costs are not allowed under the grant agreements.

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Closed Grant Projects

June 30, 1986

	<u>UMTA</u> <u>OR 29-9003</u>	<u>UMTA</u> <u>OR-29-9004</u>
Grant award total	\$ <u>138,686</u>	<u>1,140,281</u>
Lapsed or transferred portion of grant	\$ <u>585</u>	<u>40,448</u>
Revenues:		
Federal grants	117,386	934,857
State and state administered grants	-	-
Required match	20,715	164,976
Metro match in excess	-	-
Total revenues	<u>\$ 138,101</u>	<u>1,099,833</u>
Expenditures:		
Direct costs:		
Salaries and fringe benefits	69,715	469,259
Consultants and other	<u>28,978</u>	<u>367,237</u>
Total direct costs	98,693	836,496
Indirect costs*	<u>39,408</u>	<u>263,337</u>
Total expenditures	<u>\$ 138,101</u>	<u>1,099,833</u>

*Indirect costs are not allowed under certain grant agreements.

<u>UMTA/EPA</u> <u>OR-19-0005</u>	<u>UMTA</u> <u>OR-09-0029</u>	<u>FHWA/ODOT</u> <u>PL 1984</u>	<u>LCDC</u> <u>M83126</u>	<u>LCDC</u> <u>P-84634</u>
<u>46,500</u>	<u>310,000</u>	<u>212,025</u>	<u>22,500</u>	<u>16,500</u>
<u>247</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>-</u>
46,240	248,000	211,787	-	-
-	-	-	22,500	16,500
-	62,000	-	-	-
<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,253</u>	<u>310,000</u>	<u>211,787</u>	<u>22,500</u>	<u>16,500</u>
28,499	199,761	104,472	14,362	10,317
<u>1,959</u>	<u>13,825</u>	<u>51,611</u>	<u>-</u>	<u>-</u>
30,458	213,586	156,083	14,362	10,317
<u>15,795</u>	<u>96,414</u>	<u>55,704</u>	<u>8,138</u>	<u>6,183</u>
<u>46,253</u>	<u>310,000</u>	<u>211,787</u>	<u>22,500</u>	<u>16,500</u>

METROPOLITAN SERVICE DISTRICT

Criminal Justice Assistance Fund

Schedule of Closed Grant Projects

June 30, 1986

	<u>LEAA/OLEC</u> <u>82J2.1</u>	<u>DHHS</u> <u>90C.A.</u>
Grant award total	\$ <u>145,080</u>	<u>182,225</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>366</u>
Revenues:		
Federal grants	138,991	181,859
Required match	<u>6,089</u>	<u>-</u>
Total revenues	\$ <u>145,080</u>	<u>181,859</u>
Expenditures by subgrantees	\$ <u>145,080</u>	<u>181,859</u>

METROPOLITAN SERVICE DISTRICT

Transportation Technical Assistance Fund

Schedule of Closed Grant Projects

June 30, 1986

	<u>UMTA</u> <u>OR-09-0020</u> <u>Tri-Met</u>	<u>UMTA</u> <u>OR-09-0029</u> <u>Tri-Met</u>	<u>UMTA/EPA</u> <u>OR-19-0005</u> <u>Clackamas</u> <u>County</u>	<u>UMTA/EPA</u> <u>OR-19-0005</u> <u>Portland</u>	<u>UMTA</u> <u>OR-29-9007</u> <u>Clackamas</u> <u>County</u>
Grant award total	\$ <u>132,723</u>	<u>16,000</u>	<u>35,000</u>	<u>55,000</u>	<u>85,000</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>1,299</u>	<u>-</u>
Revenues - Federal grants	\$ <u>132,723</u>	<u>16,000</u>	<u>35,000</u>	<u>53,701</u>	<u>85,000</u>
Expenditures by subgrantees	\$ <u>132,723</u>	<u>16,000</u>	<u>35,000</u>	<u>53,701</u>	<u>85,000</u>

METROPOLITAN SERVICE DISTRICT

Intergovernmental Resource Center Fund

Schedule of Indirect Costs

For the year ended June 30, 1986

Salaries and fringe benefits	\$ 229,667
Travel, meetings and related expenses	159
Supplies	5,227
Contractual services	4,511
Printing	6,162
Telephone	22,362
Fuels	1,213
Postage	10,123
Equipment rental and maintenance	22,525
Leases	79,972
Other	<u>4,003</u>
Total indirect costs	<u>\$ 385,924</u>

The indirect cost rate for the year ended June 30, 1986 is the ratio of the indirect costs to direct personnel costs:

$$\begin{array}{l} \text{Indirect costs} \\ \text{Direct personnel costs} \end{array} \quad \begin{array}{r} \underline{\$385,924} \\ \underline{\$777,276} \end{array} = 49.65\%$$

*Audit Comments
& 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

As part of our examination of the financial statements for the year ended June 30, 1986, we completed a study and evaluation of the Metropolitan Service District's (Metro) 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. The purpose of such a 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.

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 of this report section 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 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 Metro 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, 1986.

AUDIT COMMENTS AND DISCLOSURES, CONTINUED

This report is intended solely for the use of management and the State of Oregon, Secretary of State, 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 1986 and 1987.

Indebtedness

The District had no bonded indebtedness during the year ended June 30, 1986.

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-128 and the Single Audit Act of 1984 thereto which specifies audit content of audits of Federal grants. Our audit of Metro's grant programs is reported under separate cover. 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.

