



---

Comprehensive

---

Annual

---

Financial

---

Report

---

Fiscal Year Ended  
June 30, 1990

---

METRO

---



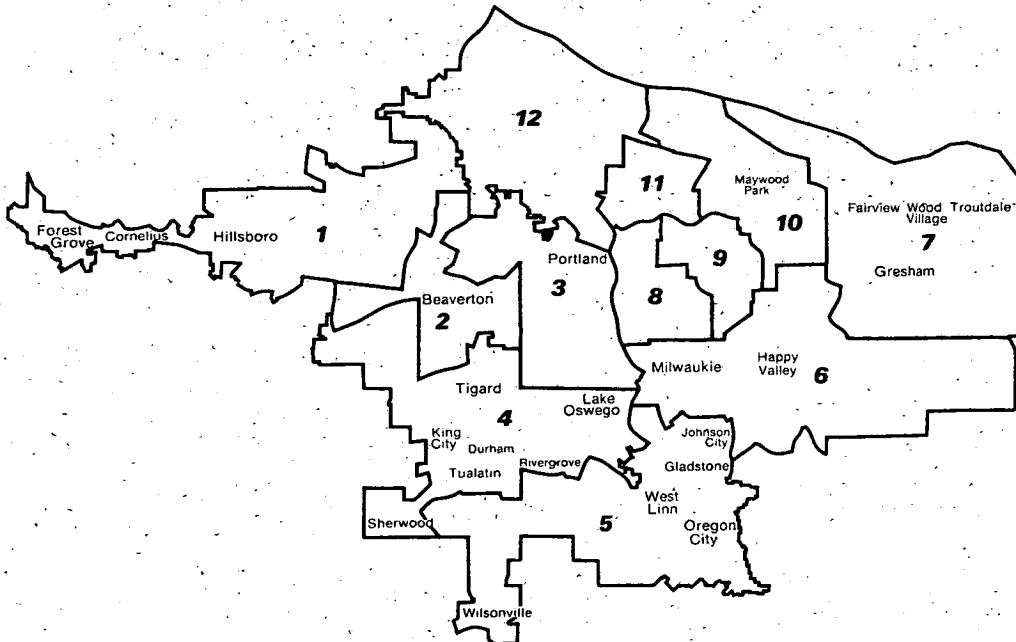
---

The Metropolitan Service District, your regional government, handles regionwide concerns in the urban areas of Clackamas, Multnomah and Washington Counties. Metro is responsible for solid waste management, operation of the Metro Washington Park Zoo, transportation and land-use planning, technical services to local governments, and the Oregon Convention Center.

**Executive officer**  
Rena Cusma

**Councilors by district are:**

District 1	Mike Ragsdale
District 2	Lawrence Bauer
District 3	Jim Gardner
District 4	Richard Devlin
District 5	Tom DeJardin
District 6	George Van Bergen
District 7	Ruth McFarlane
District 8	Judy Wyers
District 9	Tanya Collier
District 10	Roger Buchanan
District 11	David Knowles
District 12	Gary Hansen



---

Comprehensive

---

Annual

---

Financial

---

Report

---

Fiscal Year Ended  
June 30, 1990

---

**METRO**

---

Metropolitan Service District, Oregon

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

# METROPOLITAN SERVICE DISTRICT

June 30, 1990

Rena Cusma, Executive Officer

## COUNCIL

<u>Members</u>	<u>Representing</u>	<u>Term expires</u>
Tanya Collier, Presiding Officer	District 9	January 1, 1993
Gary Hansen, Deputy Presiding Officer	District 12	January 1, 1991
Mike Ragsdale, Councilor	District 1	January 1, 1991
Lawrence Bauer, Councilor	District 2	January 1, 1993
Jim Gardner, Councilor	District 3	January 1, 1993
Richard Devlin, Councilor	District 4	January 1, 1993
Tom DeJardin, Councilor	District 5	January 1, 1993
George Van Bergen, Councilor	District 6	January 1, 1991
Ruth McFarland, Councilor	District 7	January 1, 1991
Judy Wyers, Councilor	District 8	January 1, 1991
Roger Buchanan, Councilor	District 10	January 1, 1993
David Knowles, Councilor	District 11	January 1, 1991

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

Registered Agent: Gwen Ware Barrett

Address of Registered Office: 2000 S. W. First Avenue  
Portland, Oregon 97201-5398

# METROPOLITAN SERVICE DISTRICT

## Table of Contents

	<u>Page(s)</u>
Report of Independent Certified Public Accountants	1
Combined Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	4 - 7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	9
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Budgetary Basis - All Governmental Fund Types and Expendable Trust Fund	10 - 11
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - Proprietary Fund Types and Similar Trust Fund	12
Combined Statement of Cash Flows - Proprietary Fund Types	13 - 14
Notes to Combined Financial Statements	15 - 42
Combining Individual Fund Statements and Schedules:	
General Fund:	
Statement of Revenues, Other Financing Sources and Beginning Fund Balance - Budget and Actual	43
Statement of Expenditures, Other Financing Uses and Ending Fund Balance - Budget and Actual	44
Special Revenue Funds:	
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	46

# METROPOLITAN SERVICE DISTRICT

## Table of Contents, Continued

	<u>Page(s)</u>
Combining Individual Fund Statements and Schedules, Continued:	
Planning Fund -	
Statement of Revenues and Expenditures - Budget and Actual	47 - 48
Zoo Fund -	
Statement of Revenues and Expenditures - Budget and Actual	49 - 50
Convention Center Debt Service Fund -	
Statement of Revenues and Expenditures - Budget and Actual	51
Zoo Capital Fund -	
Statement of Revenues and Expenditures - Budget and Actual	52
Proprietary Fund Types:	
Enterprise Funds:	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	54
Combining Statement of Cash Flows	55 - 56
Description of Solid Waste Budgetary Funds	57

# METROPOLITAN SERVICE DISTRICT

## Table of Contents, Continued

### Page(s)

#### Combining Individual Fund Statements and Schedules, Continued:

##### Proprietary Fund Types, Continued:

##### Statements of Revenues and Expenditures - Budget and Actual:

Solid Waste Revenue Fund	58
Solid Waste Operating Fund	59 - 60
Solid Waste Debt Service Fund	61
Solid Waste Capital Improvement Fund	62
Solid Waste St. Johns Reserve Fund	63
Building Management Fund	64
Description of Convention Center Budgetary Funds	65
Metropolitan Exposition - Recreation Commission Fund	66
Convention Center Project Management Fund	67
Convention Center Project Capital Fund	68

Reconciliation of Enterprise Funds' Revenues and Expenditures (Budgetary Basis) to Combining Statement of Revenues, Expenses and Changes in Retained Earnings (GAAP Basis)	69 - 70
--	---------

##### Internal Service Fund:

##### Insurance Fund -

Statement of Revenues and Expenditures - Budget and Actual	71
--	----

# METROPOLITAN SERVICE DISTRICT

## Table of Contents, Continued

	<u>Page(s)</u>
Combining Individual Fund Statements and Schedules, Continued:	
Fiduciary Fund Types:	
Trust Fund -	
Combining Balance Sheet	72
St. Johns Rehabilitation and Enhancement Fund -	
Statement of Revenues and Expenditures - Budget and Actual	73
Description of General Fixed Assets Account Group	75
Schedule of General Fixed Assets	77 - 79
Description of General Long-term Debt Account Group	81
Schedule of General Long-term Debt	82
Supplementary Data:	
Schedule of Property Tax Transactions and Outstanding Receivable	84 - 85
Schedule of Long-term Debt Transactions (Loans from Department of Environmental Quality)	86
Schedule of Future Debt Service Requirements (General Obligation Convention Center Bonds)	87
Schedule of Future Debt Service Requirements (Metro East Transfer Station Project, Waste Disposal System Revenue Bonds)	88
Schedule of Future Solid Waste Debt Service Requirements (Metro/Riedel Oregon Compost Company, Inc. Project Waste Disposal System Revenue Bonds)	89

METROPOLITAN SERVICE DISTRICT

Table of Contents, Continued

	<u>Page(s)</u>
Supplementary Data, Continued:	
Schedule of Long-term Debt Transactions (General Obligation Convention Center Bonds Payable)	90
Schedule of Solid Waste Long-term Debt Transactions (Metro East Transfer Station Project, Waste Disposal System Revenue Bonds Payable)	91
Schedule of Solid Waste Long-term Debt Transactions (Metro/Riedel Oregon Compost Company, Inc. Project Waste Disposal Project Revenue Bonds Payable)	92
Supplementary Grant Schedules:	
Abbreviated Designations for Grantor Agencies	93
Schedules of Revenues and Expenditures by Grant:	
Zoo Fund (Summarized by Grant)	94
Planning Fund (Summarized by Grantor)	95
Planning Fund (Summarized by Grant)	96 - 99
Schedules of Revenues and Expenditures by Grant - from Inception through June 30, 1990:	
Zoo Fund (Summarized by Grant)	100
Planning Fund (Summarized by Grantor)	101
Planning Fund (Summarized by Grant)	102 - 109
Schedule of Closed Grant Projects -	
Planning Fund	110 - 111
Schedule of Indirect Costs -	
Planning Fund	112

# METROPOLITAN SERVICE DISTRICT

## Table of Contents, Continued

	<u>Page(s)</u>
<b>Audit Comments and Disclosures Required by State Regulations:</b>	
Introduction	113
Accounting Records	114
Internal Control Structure	114 - 115
Budgeting	115
Indebtedness	116
Adequacy of Collateral Securing Depository Balances	116
Insurance and Fidelity Bond Coverage	116
Cost Accounting System	116
Investments	116
Programs Funded from Outside Sources	116
Public Contracting and Purchasing	116

---

# Financial Section

---

Consisting of:

- Report of Independent Certified Public Accountants
- Combined Financial Statements
- Combining Statements by Fund Type
- Individual Fund Statements and Schedules
- Supplementary Information

---

Report of  
Independent  
Certified Public  
Accountants

---



Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

To the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of the Metropolitan Service District (Metro) as of and for the year ended June 30, 1990 as listed in the accompanying table of contents. These combined financial statements are the responsibility of Metro's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Metro at June 30, 1990, and the results of its operations and the cash flows of its Proprietary Fund types and Similar Trust Fund for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining individual fund statements and schedules and supplementary data listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of Metro. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

KPMG PEAT MARWICK

By Joseph F. Hoffman  
Joseph F. Hoffman, Partner

November 9, 1990





---

# Combined Financial Statements

---

General purpose financial statements



# METROPOLITAN SERVICE DISTRICT

## Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1990

<u>Assets and Other Debits</u>	<u>Governmental Fund types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and investments	\$ 897,153	2,934,946	441,801	6,173,880
Receivables:				
User and landfill fees, net of allowance for doubtful accounts of \$103,964	-	-	-	-
Property taxes	-	679,358	628,572	-
Federal grants	-	145,740	-	-
State and local grants/contracts	-	314,148	-	-
Interest receivable	3,312	39,196	672	-
Other	1,443	48,283	-	-
Due from other governments	-	-	-	-
Inventory of materials and supplies	-	177,443	-	-
Advance to other governments	-	-	-	-
Other assets	3,590	35,375	-	-
Restricted assets:				
Cash and investments	-	10,679	-	81,422
Interest receivable	-	-	-	67,698
Deferred post-closure costs	-	-	-	-
Fixed assets, net	-	-	-	-
Loans receivable	-	-	-	-
Other debits:				
Amount available for debt service	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount to be provided for payment of capital leases	-	-	-	-
Amount to be provided for payment of compensated absences	-	-	-	-
	<u>\$ 905,498</u>	<u>4,385,168</u>	<u>1,071,045</u>	<u>6,323,000</u>

(Continued)

<u>Proprietary Fund types</u>		<u>Fiduciary Fund type Trust Funds</u>	<u>Account groups</u>		Total (memorandum only)
<u>Enterprise</u>	<u>Internal Service</u>		<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	
19,652,650	2,976,500	6,877,913	-	-	39,954,843
4,788,743	-	-	-	-	4,788,743
-	-	-	-	-	1,307,930
-	-	-	-	-	145,740
-	-	-	-	-	314,148
534,641	31,685	19,500	-	-	629,006
205,414	-	268,577	-	-	523,717
1,479,035	-	-	-	-	1,479,035
-	-	-	-	-	177,443
51,676	-	-	-	-	51,676
30,631	90,156	-	-	-	159,752
43,091,289	-	-	-	-	43,183,390
181,892	-	-	-	-	249,590
8,315,881	-	-	-	-	8,315,881
110,583,014	-	-	36,141,143	-	146,724,157
31,605,000	-	-	-	-	31,605,000
-	-	-	-	500,295	500,295
-	-	-	-	62,464,705	62,464,705
-	-	-	-	504,896	504,896
-	-	-	-	355,240	355,240
<u>220,519,866</u>	<u>3,098,341</u>	<u>7,165,990</u>	<u>36,141,143</u>	<u>63,825,136</u>	<u>343,435,187</u>

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

<u>Liabilities, Fund Equity and Other Credits</u>	<u>Governmental Fund types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Liabilities:				
Accounts payable	\$ 228,061	604,353	-	519,874
Salaries, withholdings and payroll taxes payable	118,658	303,345	-	2,667
Accrued interest payable	-	-	-	-
Contracts payable	-	-	-	-
City of Portland end use fee payable	-	-	-	-
Deferred revenue	-	623,895	570,750	-
Due to other governments	-	-	-	-
Unearned grant revenue	-	33,304	-	-
Payable from restricted assets:				
Arbitrage payable	-	-	-	-
Contracts payable	-	-	-	113,632
Post-closure costs payable	-	-	-	-
Deposits	448	8,626	-	-
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	-	-
Pension benefits payable	-	-	-	-
Other	<u>25,783</u>	<u>261</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>372,950</u>	<u>1,573,784</u>	<u>570,750</u>	<u>636,173</u>
Fund equity and other credits:				
Contributed capital, net	-	-	-	-
Retained earnings	-	-	-	-
Fund balances -				
Unreserved	532,548	2,811,384	500,295	5,686,827
Other credits -				
Investment in general fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund equity and other credits	<u>532,548</u>	<u>2,811,384</u>	<u>500,295</u>	<u>5,686,827</u>
Commitments and contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, fund equity and other credits	\$ <u>905,498</u>	<u>4,385,168</u>	<u>1,071,045</u>	<u>6,323,000</u>

See accompanying notes to combined financial statements.

<u>Proprietary Fund types</u>		<u>Fiduciary Fund type Trust Funds</u>	<u>Account groups</u>		<u>Total (memorandum only)</u>
<u>Enterprise</u>	<u>Internal Service</u>		<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	
7,182,236	25	3,242	-	-	8,537,791
190,480	-	-	-	-	615,150
543,770	-	-	-	-	543,770
2,687	-	-	-	-	2,687
95,924	-	-	-	-	95,924
-	-	-	-	-	1,194,645
25,842	-	-	-	-	25,842
-	-	-	-	-	33,304
1,377,263	-	-	-	-	1,377,263
1,235,041	-	-	-	-	1,348,673
31,400,000	-	-	-	-	31,400,000
297,947	-	-	-	-	307,021
60,105,000	-	-	-	62,965,000	123,070,000
4,560	-	-	-	504,896	509,456
-	-	-	-	355,240	355,240
-	-	5,278,479	-	-	5,278,479
-	-	-	-	-	26,044
<u>102,460,750</u>	<u>25</u>	<u>5,281,721</u>	<u>-</u>	<u>63,825,136</u>	<u>174,721,289</u>
92,776,096	-	-	-	-	92,776,096
25,283,020	3,098,316	-	-	-	28,381,336
-	-	1,884,269	-	-	11,415,323
-	-	-	<u>36,141,143</u>	-	<u>36,141,143</u>
118,059,116	3,098,316	1,884,269	36,141,143	-	168,713,898
-	-	-	-	-	-
<u>220,519,866</u>	<u>3,098,341</u>	<u>7,165,990</u>	<u>36,141,143</u>	<u>63,825,136</u>	<u>343,435,187</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, 1990

	Governmental Fund types				Expendable Trust Fund	Total (memorandum only)
	General	Special Revenue	Debt Service	Capital Projects		
Revenues:						
Property taxes	\$ -	5,549,428	5,863,944	-	-	11,413,372
Dues	-	644,771	-	-	-	644,771
Grants and contracts:						
Federal	-	401,666	-	-	-	401,666
State and local	-	835,038	-	-	-	835,038
Admissions	-	2,020,953	-	-	-	2,020,953
Charges for services	-	1,250,714	-	-	-	1,250,714
Vending and concessions	-	2,562,065	-	-	-	2,562,065
Donations and bequests	-	252,107	-	135,673	-	387,780
Professional and contract service fees	11,213	149,638	-	-	-	160,851
Business license fees	-	65,730	-	-	-	65,730
Rehabilitation and enhancement fees	-	-	-	-	314,503	314,503
Interest	197,752	278,108	77,267	489,510	142,196	1,184,833
Miscellaneous	<u>2,685</u>	<u>189,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,475</u>
Total revenues	<u>211,650</u>	<u>14,200,008</u>	<u>5,941,211</u>	<u>625,183</u>	<u>456,699</u>	<u>21,434,751</u>
Expenditures:						
Current:						
General government operations	3,899,527	-	-	-	-	3,899,527
Zoo operations and development	-	8,169,670	-	-	-	8,169,670
Regional planning and development	-	2,157,143	-	-	68,868	2,226,011
Expense reimbursement -						
General Fund	-	1,386,487	-	-	-	1,386,487
Capital outlay	79,033	469,917	-	1,609,861	-	2,158,811
Debt service	<u>-</u>	<u>-</u>	<u>5,719,253</u>	<u>-</u>	<u>-</u>	<u>5,719,253</u>
Total expenditures	<u>3,978,560</u>	<u>12,183,217</u>	<u>5,719,253</u>	<u>1,609,861</u>	<u>68,868</u>	<u>23,559,759</u>
Less administrative cost reimbursements:						
Enterprise Funds	2,298,480	-	-	-	-	2,298,480
Special Revenue Funds	<u>1,386,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386,487</u>
Net expenditures	<u>293,593</u>	<u>12,183,217</u>	<u>5,719,253</u>	<u>1,609,861</u>	<u>68,868</u>	<u>19,874,792</u>
Revenues over (under) net expenditures	(81,943)	2,016,791	221,958	(984,678)	387,831	1,559,959
Other financing sources (uses):						
Operating transfers in	-	37,612	-	1,809,794	-	1,847,406
Operating transfers out	<u>(37,612)</u>	<u>(1,809,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,847,406)</u>
Revenues and other sources over (under) net expenditures and other uses	(119,555)	244,609	221,958	825,116	387,831	1,559,959
Fund balances - July 1, 1989	<u>652,103</u>	<u>2,566,775</u>	<u>278,337</u>	<u>4,861,711</u>	<u>1,496,438</u>	<u>9,855,364</u>
Fund balances - June 30, 1990	\$ <u>532,548</u>	<u>2,811,384</u>	<u>500,295</u>	<u>5,686,827</u>	<u>1,884,269</u>	<u>11,415,323</u>

See accompanying notes to combined financial statements.

# METROPOLITAN SERVICE DISTRICT

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on a Budgetary Basis - All Governmental Fund Types and Expendable Trust Fund

For the year ended June 30, 1990

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:						
Property taxes	\$ -	-	-	5,430,300	5,549,428	119,128
Dues	-	-	-	644,773	644,771	(2)
Grants and contracts:						
Federal	-	-	-	1,026,787	401,666	(625,121)
State and local	20,000	-	(20,000)	1,163,108	835,038	(328,070)
Admissions	-	-	-	2,105,870	2,020,953	(84,917)
Charges for services	-	-	-	378,300	386,346	8,046
Vending and concessions	-	-	-	2,249,900	2,562,065	312,165
Donations and bequests	-	-	-	200,180	252,107	51,927
Professional and contract service fees	-	11,213	11,213	88,800	149,638	60,838
Business license fees	-	-	-	106,043	65,730	(40,313)
Interest	123,215	197,752	74,537	125,140	278,108	152,968
Miscellaneous	-	2,685	2,685	249,691	189,790	(59,901)
Total revenues	<u>143,215</u>	<u>211,650</u>	<u>68,435</u>	<u>13,768,892</u>	<u>13,335,640</u>	<u>(433,252)</u>
Expenditures:						
Current:						
General government operations	3,942,705	3,677,290	265,415	-	-	-
Zoo operations and development	-	-	-	8,482,514	7,994,922	487,572
Regional planning and development	-	-	-	3,141,613	2,068,042	1,073,571
General operating contingency	-	-	-	208,494	-	208,494
Capital outlay	88,547	79,033	9,514	503,195	469,917	33,278
Debt service	-	-	-	-	-	-
Total expenditures	<u>4,031,252</u>	<u>3,756,323</u>	<u>274,929</u>	<u>12,335,816</u>	<u>10,532,881</u>	<u>1,802,935</u>
Revenues over (under) net expenditures	(3,888,037)	(3,544,673)	343,364	1,433,076	2,802,759	1,369,683
Other financing sources (uses):						
Operating transfers in	3,729,142	3,684,967	(44,175)	901,980	901,980	-
Operating transfers out	<u>(282,105)</u>	<u>(259,849)</u>	<u>22,256</u>	<u>(3,514,369)</u>	<u>(3,460,130)</u>	<u>54,239</u>
Revenues and other sources over (under) net expenditures and other uses	(441,000)	(119,555)	321,445	(1,179,313)	244,609	1,423,922
Fund balances - July 1, 1989	<u>441,000</u>	<u>652,103</u>	<u>211,103</u>	<u>1,208,182</u>	<u>2,566,775</u>	<u>1,358,593</u>
Fund balances - June 30, 1990	\$ <u>-</u>	<u>532,548</u>	<u>532,548</u>	<u>28,869</u>	<u>2,811,384</u>	<u>2,782,515</u>

See accompanying notes to combined financial statements.

Debt Service Fund			Capital Projects Fund			Expendable Trust Fund			Total (memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
5,719,253	5,863,944	144,691	-	-	-	-	-	-	11,149,553	11,413,372	263,819
-	-	-	-	-	-	-	-	-	644,773	644,771	(2)
-	-	-	-	-	-	-	-	-	1,026,787	401,666	(625,121)
-	-	-	-	-	-	-	-	-	1,183,108	835,038	(348,070)
-	-	-	-	-	-	-	-	-	2,105,870	2,020,953	(84,917)
-	-	-	-	-	-	-	-	-	378,300	386,346	8,046
-	-	-	75,000	135,673	60,673	-	-	-	2,249,900	2,562,065	312,165
-	-	-	-	-	-	-	-	-	275,180	387,780	112,600
-	-	-	-	-	-	-	-	-	88,800	160,851	72,051
-	77,267	77,267	278,957	489,510	210,553	111,582	142,196	30,614	106,043	65,730	(40,313)
-	-	-	-	-	-	-	-	-	638,894	1,184,833	545,939
-	-	-	-	-	-	-	-	-	249,691	192,474	(57,217)
<u>5,719,253</u>	<u>5,941,211</u>	<u>221,958</u>	<u>353,957</u>	<u>625,183</u>	<u>271,226</u>	<u>111,582</u>	<u>142,196</u>	<u>30,614</u>	<u>20,096,899</u>	<u>20,255,879</u>	<u>158,980</u>
-	-	-	-	-	-	-	-	-	3,942,705	3,677,290	265,415
-	-	-	-	-	-	-	-	-	8,482,514	7,994,922	487,592
-	-	-	-	-	-	458,605	66,548	392,057	3,600,218	2,134,590	1,465,628
-	-	-	-	-	-	10,000	-	10,000	218,494	-	218,494
5,719,253	5,719,253	-	4,445,441	1,609,861	2,835,580	-	-	-	5,037,183	2,158,811	2,878,372
<u>5,719,253</u>	<u>5,719,253</u>	<u>-</u>	<u>4,445,441</u>	<u>1,609,861</u>	<u>2,835,580</u>	<u>468,605</u>	<u>66,548</u>	<u>402,057</u>	<u>27,000,367</u>	<u>21,684,866</u>	<u>5,315,501</u>
-	221,958	221,958	(4,091,484)	(984,678)	3,106,806	(357,023)	75,648	432,671	(6,903,468)	(1,428,987)	5,474,481
-	-	-	1,809,794	1,809,794	-	328,500	314,503	(13,997)	6,769,416	6,711,244	(58,172)
-	-	-	-	-	-	(4,820)	(2,320)	2,500	(3,801,294)	(3,722,299)	78,995
-	221,958	221,958	(2,281,690)	825,116	3,106,806	(33,343)	387,831	421,174	(3,935,346)	1,559,958	5,495,304
-	<u>278,337</u>	<u>278,337</u>	<u>4,649,288</u>	<u>4,861,711</u>	<u>212,423</u>	<u>1,434,778</u>	<u>1,496,438</u>	<u>61,660</u>	<u>7,733,248</u>	<u>9,855,365</u>	<u>2,122,117</u>
-	<u>500,295</u>	<u>500,295</u>	<u>2,367,598</u>	<u>5,686,827</u>	<u>3,319,229</u>	<u>1,401,435</u>	<u>1,884,269</u>	<u>482,834</u>	<u>3,797,902</u>	<u>11,415,323</u>	<u>7,617,422</u>

# METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1990

	<u>Proprietary Fund types</u>		<u>Fiduciary Fund type</u>	<u>Total (memorandum only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	
Operating revenues:				
Disposal fees	\$ 23,852,348	-	-	23,852,348
User fees	4,647,106	-	-	4,647,106
Regional transfer charge	4,913,185	-	-	4,913,185
Convenience charge	1,087,277	-	-	1,087,277
Rehabilitation and mitigation fees	554,266	-	-	554,266
Intergovernmental revenue	2,952,133	-	-	2,952,133
Receipts in lieu of rent	130,488	-	-	130,488
Parking fees	346,515	-	-	346,515
Charges for services	51,835	1,774,865	-	1,826,700
Change in investment value	-	-	376,708	376,708
Pension contributions	-	-	1,130,614	1,130,614
Miscellaneous	445,047	23,070	-	468,117
Total operating revenues	38,980,200	1,797,935	1,507,322	42,285,457
Operating and administrative expenses:				
Payroll and fringe benefits	2,298,669	-	-	2,298,669
St. Johns Landfill operating expenses including \$327,108 of rent	4,291,395	-	-	4,291,395
Metro South Station operating expenses	2,392,413	-	-	2,392,413
Waste transport costs	2,737,048	-	-	2,737,048
Disposal fees	4,696,365	-	-	4,696,365
Depreciation	2,475,745	-	-	2,475,745
Rent and payments in lieu of rent	539,461	-	-	539,461
Payment of administrative expenses to the General Fund	1,636,077	-	-	1,636,077
Payment to Planning Fund for services	864,368	-	-	864,368
Insurance expense	1,545,471	221,135	-	1,766,606
Claims expense	-	28,487	-	28,487
Post-closure costs	12,284,961	-	-	12,284,961
Payment of rehabilitation fees	314,503	-	-	314,503
Consulting services	1,619,675	300	-	1,619,975
Contribution to other governments	1,145,727	-	-	1,145,727
Other materials and services	2,478,388	3,205	-	2,481,593
Pension benefits	-	-	1,272,356	1,272,356
Distributions to participants	-	-	234,966	234,966
Total operating and administrative expenses	41,320,266	253,127	1,507,322	43,080,715
Income (loss) from operations	(2,340,066)	1,544,808	-	(795,258)
Non-operating revenues (expenses):				
Interest on investments	5,200,407	256,588	-	5,456,995
Interest expense, net of capitalized interest of \$2,706,412	(531,280)	-	-	(531,280)
Loss on sale of land	(96,630)	-	-	(96,630)
Non-operating revenues, net	4,572,497	256,588	-	4,829,085
Net income	2,232,431	1,801,396	-	4,033,827
Depreciation on fixed assets that reduces contributed capital	91,448	-	-	91,448
Increase in retained earnings	2,323,879	1,801,396	-	4,125,275
Retained earnings/fund balance - July 1, 1989	22,959,141	1,296,920	-	24,256,061
Retained earnings/fund balance - June 30, 1990	\$ 25,283,020	3,098,316	-	28,381,336

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

Combined Statement of Cash Flows -  
Proprietary Fund Types

For the year ended June 30, 1990

	<u>Proprietary Fund types</u>		Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash flows from operating activities:			
Cash received from customers	\$ 34,352,929	-	34,352,929
Cash received from other governments	3,172,884	-	3,172,884
Receipts from quasi-external transactions	346,515	1,774,865	2,121,380
Cash payments to suppliers for goods and services	(14,741,097)	(264,422)	(15,005,519)
Other operating revenues	445,047	23,070	468,117
Cash payments to other governments	(1,145,727)	-	(1,145,727)
Cash payments to employees for services	(2,255,432)	-	(2,255,432)
Payments for quasi-external transactions	<u>(4,665,492)</u>	<u>-</u>	<u>(4,665,492)</u>
Net cash provided by operating activities	<u>15,509,627</u>	<u>1,533,513</u>	<u>17,043,140</u>
Cash flows from noncapital financing activities:			
Interest paid on loan	(102,603)	-	(102,603)
Cash repayments on interfund loans	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Net cash used for noncapital financing activities	<u>(12,603)</u>	<u>-</u>	<u>(12,603)</u>
Cash flows from capital and related financing activities:			
Donations received for acquisition of capital assets	13,500	-	13,500
Proceeds from sale of revenue bonds	60,105,000	-	60,105,000
Loan provided to third party with proceeds of revenue bonds	(31,605,000)	-	(31,605,000)
Acquisition and construction of capital assets	(52,714,899)	-	(52,714,899)
Principal payments on loans	(4,186,000)	-	(4,186,000)
Proceeds from intergovernmental contributed capital	6,780,280	-	6,780,280
Proceeds from sale of land	395,000	-	395,000
Proceeds from capital leases	11,147	-	11,147
Cash payments on capital lease principal	<u>(6,587)</u>	<u>-</u>	<u>(6,587)</u>
Net cash used for capital and related financing activities	<u>(21,207,559)</u>	<u>-</u>	<u>(21,207,559)</u>
Cash flows from investing activities -			
Interest on investments	<u>5,166,108</u>	<u>235,326</u>	<u>5,401,434</u>
Net cash provided by investing activities	<u>5,166,108</u>	<u>235,326</u>	<u>5,401,434</u>
Net increase (decrease) in cash and cash equivalents including restricted amounts	(544,427)	1,768,839	1,224,412
Cash and cash equivalents at beginning of year including restricted amounts	<u>63,288,366</u>	<u>1,207,661</u>	<u>64,496,027</u>
Cash and cash equivalents at end of year including restricted amounts	\$ <u>62,743,939</u>	<u>2,976,500</u>	<u>65,720,439</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Combined Statement of Cash Flows - Proprietary Fund Types, Continued

	<u>Proprietary Fund types</u>		Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ <u>(2,340,066)</u>	<u>1,544,808</u>	<u>(795,258)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Amortization of deferred post-closure costs	12,284,961	-	12,284,961
Depreciation	2,475,745	-	2,475,745
Change in assets and liabilities:			
Increase in trade and other receivables	(1,092,512)	-	(1,092,512)
Increase in due from other governments	(87,935)	-	(87,935)
Decrease in advance to other governments	308,686	-	308,686
Increase in other assets	(30,811)	(9,620)	(40,431)
Increase (decrease) in accounts payable	3,191,368	(1,675)	3,189,693
Increase in salaries, withholdings and payroll taxes payable	43,237	-	43,237
Increase in contracts payable	582,795	-	582,795
Decrease in City of Portland end use fee payable	(34,627)	-	(34,627)
Increase in due to other governments	25,842	-	25,842
Increase in deposits	183,094	-	183,094
Decrease in other liabilities	<u>(150)</u>	<u>-</u>	<u>(150)</u>
Total adjustments	<u>17,849,693</u>	<u>(11,295)</u>	<u>17,838,398</u>
Net cash provided by operating activities	\$ <u>15,509,627</u>	<u>1,533,513</u>	<u>17,043,140</u>
Supplemental disclosure of cash flow information, non-cash transactions:			
Land donated to Metro by a third party	\$ 4,033,323	-	4,033,323
Capitalized interest on fixed assets	2,706,412	-	2,706,412
Other	85,662	-	85,662

See accompanying notes to combined financial statements.

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements

June 30, 1990

### (1) Organization and Operation

The Metropolitan Service District (Metro) was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 268 to make available in the Portland, Oregon metropolitan area public services not adequately available through previously authorized governmental agencies. As authorized by ORS Chapter 268 and subsequent amendments adopted by the Oregon Legislature, Metro may provide the metropolitan area aspects of sewerage, solid and liquid waste disposal, control of surface water, public transportation and zoo facilities. In addition, Metro may also provide local area aspects of those public services that are transferred to Metro by agreement between Metro and other public corporations, cities, or counties. ORS Chapter 268 further provides that, unless the electors of Metro first approve the financing of the facilities, Metro shall not construct new facilities or acquire existing facilities (except by means of an intergovernmental agreement).

The Metro Council consists of twelve part-time councilors, each elected on a nonpartisan basis from a single subdistrict. The Executive Officer of Metro, who is charged with the responsibility of carrying out policies adopted by the Council, is elected.

Metro began operation and funding of the Metro Washington Park Zoo on July 1, 1976, pursuant to an agreement with the City of Portland. This agreement 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, from the City of Portland to Metro.

By a vote of the electorate in November 1986, Metro was authorized to finance, construct and operate a regional convention center. Metro Ordinance 87-225 established the Metropolitan Exposition-Recreation Commission to operate, maintain and renovate metropolitan convention, trade and spectator facilities pursuant to appropriate state statutes. The Commission consists of seven members appointed by the Executive Officer and confirmed by the Metro Council.

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

Based upon the above criteria, the activities of the Metropolitan Exposition-Recreation Commission in regard to the operation of the Oregon Convention Center are included in Metro's combined financial statements as Metro exercises oversight authority as demonstrated by financial interdependency and authoritative appointment of the Commission.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

Activities/organizations not included in the accompanying combined financial statements are:

- Portland Metropolitan Area Local Government Boundary Commission - Although Metro appoints the members of the Commission, Metro exercises no oversight authority. Metro and the Commission have no financial interdependency.
- Activities of the Metropolitan Exposition-Recreation Commission as they relate to the Memorial Coliseum, Civic Stadium and Portland Center for the Performing Arts (spectator facilities). On January 4, 1990, the District entered into an intergovernmental agreement with the City of Portland which requires Metro to manage the spectator facilities through the Metropolitan Exposition-Recreation Commission. In that the City of Portland, Oregon retains significant budget approval authority, title to fixed assets and rights to the assets and liabilities, the spectator facilities remain a component unit of the City of Portland, Oregon.

#### (2) Summary of Significant Accounting Policies

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

##### (a) Basis of Accounting

Metro's financial operations are organized and accounted for on the basis of fund and account groups, each of which is considered a separate fiscal and accounting entity. The segregation by fund is for the purpose of carrying on specific activities or attaining certain objectives in accordance with ordinances, special regulations, restrictions or limitations. The various funds are grouped in the accompanying combined financial statements into three generic fund types - Governmental, Proprietary and Fiduciary Fund types (see note 3).

The Governmental Fund types and the Expendable Trust Fund (a Fiduciary Fund type) are maintained using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available and expenditures are recorded when the liability for them is incurred, except for:

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

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

- Federal and state grants;
- interest earned on temporary investments;
- property taxes received within approximately 60 days of the end of a fiscal year.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

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, except for post-closure costs related to Metro's Solid Waste operations, which are determined to be recoverable through future user fee charges.

#### (b) Cash and Investments

Cash and investments consist of each fund's portion of pooled cash balances, time certificates of deposit, money market investments, U.S. Government securities, banker's acceptances and investments in the State Treasurer's 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. Pension plan investments are stated at market value and consist principally of insurance contracts, public utility bonds, and residential and commercial mortgages.

For purposes of the statement of cash flows, cash and cash equivalents include cash, time certificates of deposit, money market investments, U.S. Government obligations, banker's acceptances, investments in the State Treasurer's investment pool and pooled short-term pension investments.

#### (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 zoo 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.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

(f) Materials and Volunteer Services Donated to Zoo

Donated materials relating to improvements are recorded at estimated fair values when received. Volunteer services and donated supplies are not accounted for in the combined financial statements as there is no reasonable basis for valuing these donations.

(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. No depreciation is recorded on general fixed assets and 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 monies received from such disposal are accounted for as revenue in the General Fund or Special Revenue Funds as appropriate.

(h) Proprietary Fund Type Fixed Assets

Fixed assets are stated at cost. Normal maintenance and repairs are charged to operations as incurred. Replacements that 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 and interest receivable have been restricted for future payment of retainages on several construction projects and certain other long-term contracts and arbitrage earnings on convention center general obligation bonds. Deferred post-closure costs have been restricted for 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 1990, interest costs amounting to approximately \$2,706,412 were capitalized.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (k) Grants

Unreimbursed expenditures in the Governmental Fund types for all grants 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.

In Enterprise Funds, capital grants 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 of an administrative nature, to grants in compliance with a cost allocation plan. Metro's cost allocation plan is subject to the approval of Metro's cognizant agency. The plan in effect for fiscal 1990 allocated indirect costs to all grants and allowed indirect costs at a rate of approximately 42.1% 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. 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 Obligations Account Groups, respectively. 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) Interfund Transactions

It is Metro's policy to record certain administrative expenditures for other funds in the General Fund. Such expenditures are reimbursed by the various funds to the General Fund which accounts for such reimbursements as deductions from total expenditures. The amounts of such interfund charges are based upon management's estimates (which are periodically updated) as reflected in the operating budgets.

Additionally, certain operating revenues and expenditures and capital costs 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 on a Budgetary Basis - All Governmental Fund Types and Expendable Trust Fund.

#### (n) 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 Obligations 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.

#### (o) Budget

A budget is prepared for each 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 ordinance 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, Zoo Fund, Planning Fund and Solid Waste 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 aforementioned 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 twelve budget amendments during the year ended June 30, 1990.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (p) 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.

#### (3) Description of Funds

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

##### Governmental Fund Types

###### General Fund

The General Fund accounts for all activities not required to be accounted for in another fund. This fund accounts primarily for Metro's administrative activities. The principal resources of the fund are provided by interest and reimbursements from other funds which benefit from General Fund activities.

###### Special Revenue Funds

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

Planning 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, and dues assessed to member governmental bodies within Metro's district. The dues assessment is based on the population within the member district. The 1990 rate was \$.51 per person. Metro has the authority to assess this same rate through June 30, 1993.

Zoo Fund - accounts for funding and operation of the Metro Washington Park Zoo. Principal sources of revenues are admissions, concessions, and a special serial tax levy of \$5,500,000 per year through June 30, 1990. On May 15, 1990, a tax base of \$5,100,000 was approved for funding and operation of the Zoo (see note 19).

###### Debt Service Fund

The Convention Center Debt Service Fund accounts for payments of general obligation bond principal and interest to bond holders. The principal source of revenue is property taxes.

###### Capital Projects Fund

The Zoo Capital Fund accounts for the major capital improvement projects at the Metro 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 Metro South Station operations. This fund consists of five budgetary funds accounted for as one 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.

Convention Center Fund - accounts for revenues and expenses related to the management and construction of the Metro Oregon Convention Center (the Center) in Portland, Oregon. The principal source of revenue currently is intergovernmental revenue from a 3% Multnomah County lodging tax. An expected future source of revenue upon the Center's opening in September 1990 is user fees. General obligation bond proceeds, state grants and City of Portland Local Improvement District funds are being used to finance the construction of the Center. Expenses primarily consist of project management and marketing prior to the Center's opening in September 1990. This fund consists of three budgetary funds accounted for as one Enterprise Fund in accordance with generally accepted accounting principles.

##### 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 for other organizational units within Metro. Revenues are derived primarily from charges to user funds and interest. 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

##### 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. This Non-expendable Trust Fund is accounted for and reported in a manner similar to Proprietary Funds since capital maintenance is critical.

##### 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. This Expendable Trust Fund is accounted for and reported in a manner similar to Governmental Funds.

#### Account Groups

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

General Long-term Obligations - accounts for Metro's obligations under capital leases and accrued vacation liabilities payable from future resources, and retirement of general obligation bonds.

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (4) Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds.

Metro made the following budget basis expenditures in excess of the budgeted appropriation:

<u>Fund</u>	<u>Budget category</u>	<u>Amount</u>
Solid Waste Operating Fund	Operations materials and services	\$ 1,342,826
Solid Waste Operating Fund	Systems planning and engineering materials and services	22,848
Zoo Operating Fund	Administration capital outlay	256
Zoo Operating Fund	Marketing personal services	1,438
Metropolitan Exposition-Recreation Commission Fund	Materials and services	22,354
Metropolitan Exposition-Recreation Commission Fund	Capital outlay	1,089
Convention Center Project Management Fund	Personal services	<u>1,105</u>

### (5) Cash and Investments

#### Deposits

At June 30, 1990, the carrying amount of Metro's cash deposits with various financial institutions presented in the accompanying combined financial statements was \$179,183 and the corresponding bank balances were \$789,796. The entire amount of the bank balances are covered by Federal depository insurance or by collateral held by Metro's agent, First Interstate Bank of Oregon, in Metro's name. Metro also has cash on hand of \$39,515 and cash with a fiscal agent amounting to \$121,528. Oregon statutes require each depository throughout the period of its possession of public funds to maintain on deposit securities having a value of not less than 25% of the certificates of participation issued by its pool manager.

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### Investments

Policies officially adopted by the Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of the U. S. Treasury and agencies, time certificates of deposit, money market investments, bankers' acceptances and the State Treasurer's investment pool. The Pension Trust Fund is also authorized to invest in, but is not limited to, stocks, mortgages, insurance contracts, bonds and other evidences of indebtedness or ownership.

During the fiscal year, there were no known violations of legal or contractual provisions for deposits and investments, other than a period of time where investments held by certain financial institutions exceeded the collateral of participation issued by the pool manager.

Metro's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by Metro or its agent in Metro's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in Metro's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in Metro's name.

		<u>Category</u>			<u>Uncategorized</u>	<u>Carrying amount</u>	<u>Market value</u>
		<u>1</u>	<u>2</u>	<u>3</u>			
Certificates of deposit	\$	-	7,114,539	-	-	7,114,539	7,114,539
Money market investments		1,327,051	-	-	-	1,327,051	1,327,051
U.S. Government obligations		30,822,345	-	-	-	30,822,345	31,080,788
Banker's acceptances		20,453,567	-	-	-	20,453,567	20,692,538
Pooled short-term pension investments, primarily insurance contracts, residential and commercial mortgages, and public utility bonds		-	-	5,009,902	-	5,009,902	5,009,902
		52,602,963	7,114,539	5,009,902	-	64,727,404	65,224,818
Investment In Oregon State Treasurer's investment pool		-	-	-	18,070,603	18,070,603	18,070,603
Total investments	\$	<u>52,602,963</u>	<u>7,114,539</u>	<u>5,009,902</u>	<u>18,070,603</u>	<u>82,798,007</u>	<u>83,295,421</u>

The Pension Trust Fund owns all of the investments included in Category 3 above. Cash and investments (all of which are cash equivalents) are reflected on the combined balance sheets as follows:

Unrestricted	\$ 39,954,843
Restricted	<u>43,183,390</u>
	<u>\$ 83,138,233</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (6) Due from Other Governments

Metro has entered into an intergovernmental agreement with Multnomah County, Oregon to receive the proceeds of a 3% room tax levied on hotels and motels within the County's boundaries. At June 30, 1990, \$1,479,035 is owed to Metro for taxes levied and collected subsequent to year-end by Multnomah County but not remitted to Metro by that date.

### (7) Fixed Assets

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

	Balance July 1, <u>1989</u>	<u>Additions</u>	Disposals and <u>transfers</u>	Balance June 30, <u>1990</u>
<u>General Fixed Assets Account Group</u>				
Land	\$ 2,573,449	-	-	2,573,449
Building	26,582,632	1,610,554	-	28,193,186
Improvements	978,122	148,935	-	1,127,057
Equipment	1,326,430	148,294	-	1,474,724
Office furniture	900,858	188,492	-	1,089,350
Railroad equipment and facilities	637,453	61,632	-	699,085
Capitalized leases	983,391	-	-	983,391
Leasehold improvements	-	901	-	901
	<u>\$ 33,982,335</u>	<u>2,158,808</u>	<u>-</u>	<u>36,141,143</u>
<u>Enterprise Funds</u>				
Land	14,061,608	6,387,846	491,630	19,957,824
Buildings	37,461,852	49,959,941	-	87,421,793
Improvements	525,516	1,002,563	-	1,528,079
Equipment	178,664	219,305	-	397,969
Office furniture	378,453	772,596	-	1,151,049
Leasehold improvements	<u>6,368,301</u>	<u>1,488,592</u>	<u>-</u>	<u>7,856,893</u>
	58,974,394	59,830,843	491,630	118,313,607
Less accumulated depreciation	<u>5,254,848</u>	<u>2,475,745</u>	<u>-</u>	<u>7,730,593</u>
	<u>\$ 53,719,546</u>	<u>57,355,098</u>	<u>491,630</u>	<u>110,583,014</u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

An agreement effective July 1, 1976, transferred title of real property in the amount of \$4,063,148, accounted for in the General Fixed Assets 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 of Portland.

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 19). 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.

#### (8) Bonds Payable

##### Convention Center General Obligation Bonds

On July 1, 1987, Metro sold \$65,000,000 of General Obligation Convention Center Bonds (Series 1987), which mature serially each December 1 through 2013. Interest is payable semiannually on December 1 and June 1. During the year ended June 30, 1990, \$1,045,000 of principal matured and was paid.

Interest rates range from 5.75% to 9.00% on various maturities with the interest cost for the entire issue being 7.37%. Bond proceeds were used, in conjunction with a \$5,000,000 grant from the City of Portland (local improvement district) and a \$15,000,000 State of Oregon grant, to finance the acquisition and construction of a regional convention and trade show center. The bonds are to be repaid with proceeds of Metro's ad valorem property tax levied each year.

Bond principal and interest outstanding at June 30 and the corresponding maturities are as follows:

	<u>Principal</u>	<u>Interest</u>
Fiscal year ending June 30:		
1991	\$ 1,110,000	4,577,278
1992	1,175,000	4,474,453
1993	1,250,000	4,370,328
1994	1,335,000	4,280,696
1995	1,425,000	4,199,565
1996-2013	<u>56,670,000</u>	<u>46,873,801</u>
	\$ <u>62,965,000</u>	<u>68,776,121</u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### Solid Waste Disposal System Revenue Bonds

#### Metro East Transfer Station Project, Waste Disposal System Revenue Bonds

On March 1, 1990, Metro sold \$28,500,000 of Waste Disposal System Revenue Bonds (1990 Series A), which mature serially each January 1 and July 1 beginning January 1, 1992 through 2011. Interest is payable semiannually on July 1 and January 1. This issue is composed of \$15,400,000 in Serial Bonds, \$4,730,000 in Tax-Exempt Capital Accumulator Serial Bonds, and \$8,370,000 Term Bonds.

Interest rates range from 6.10% to 7.35% on various maturities with interest cost for the entire issue being 7.05%. Bond proceeds are being used to finance the cost of the acquisition, construction, installation and equipping of a transfer and recycling facility.

The bonds are secured by a pledge of, and are payable solely from the System Trust Estate, which includes a pledge of the net revenues derived from the operation of the system.

Bond principal and interest outstanding at June 30 and the corresponding maturities are as follows:

	<u>Principal</u>	<u>Interest</u>
Fiscal year ending June 30:		
1991	\$ -	1,359,423
1992	560,000	1,631,308
1993	1,175,000	1,579,458
1994	1,250,000	1,505,813
1995	1,330,000	1,426,110
1996-2011	<u>24,185,000</u>	<u>19,852,113</u>
	\$ <u>28,500,000</u>	<u>27,354,225</u>

#### Metro/Riedel Oregon Compost Company, Inc. Project Waste Disposal Project Revenue Bonds

On December 19, 1989, Metro sold \$26,605,000 of Waste Disposal Project Revenue Bonds. This issue consisted of \$25,105,000, 1989 Series A and \$1,500,000, 1989 Series B bonds. On June 20, 1990, Metro sold \$5,000,000 of Waste Disposal Project Revenue Bonds 1990 Series 1. On August 1, 1990, subsequent to fiscal year-end, a portion of the 1990 Series 1 bond issue proceeds were used to pay off the entire principal balance of the 1989 Series B bonds. The 1989 Series A bonds mature serially on July 1 and January 1 each year beginning July 1, 1992 through 2012. The 1990 Series 1 bonds all mature on July 1, 2011.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

The bonds were issued as variable rate bonds, with interest subject to change weekly. Under certain conditions, the bonds may be converted from one variable rate period to another variable rate period or to a commercial paper rate period or, at Metro's option, permanently to a fixed rate, in accordance with the provisions of the 1989 Supplemental Ordinance. The bond proceeds were loaned to Riedel Oregon Compost Company, Inc. (Riedel) pursuant to a loan agreement, dated November 1, 1989, in order to pay the construction costs of the compost project, pay a portion of the interest accruing on the bonds for a 20-month period, establish a reserve account for the benefit of the Series A bonds, and pay certain costs of bond issuance.

Pursuant to the loan agreement, Riedel will repay to Metro the amount loaned to them. A loan receivable from Riedel of \$31,605,000 has been recorded at June 30, 1990. Loan repayments by Riedel will be derived solely from the revenues generated by the operation of the compost project which will be owned by Riedel. Riedel's primary source of funds to repay the loan applicable to the 1989 Series A bonds will be tip fee payments made by Metro pursuant to the Mass Composting Service Agreement. This agreement requires Metro to deliver waste to Riedel and make payments to the System Trust Estate. The System Trust Estate, which is administered by First Interstate Bank of Oregon, the trustee, receives these tip fee payments from Metro and remits bond principle and interest payments to the bondholders. Metro is obligated to deliver sufficient amounts of waste to Riedel so that the tip fees Metro remits to the System Trust Estate will be adequate to make Riedel's required loan payments on the 1989 Series A bonds. The bond principle payments from the System Trust Estate to the bondholders are guaranteed by Credit Suisse .

The loan repayments related to the 1990 Series 1 bonds are not subject to the Mass Composting Service Agreement. United States National Bank of Oregon secures the Series 1 bonds through an irrevocable direct-pay letter of credit.

As interest rates are variable, interest payments over the life of the bonds are not determinable. Metro has estimated that interest payments for fiscal year 1991 will amount to approximately \$2,107,000 using an average estimated interest rate of 7.70%.

Bond principal outstanding at June 30 and the corresponding maturities are as follows:

	<u>Principal</u>
Fiscal year ending June 30:	
1991	\$ -
1992	-
1993	600,000
1994	600,000
1995	700,000
1996-2012	<u>29,705,000</u>
	\$ <u>31,605,000</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (9) Loans Payable

Loans payable to the State of Oregon Department of Environmental Quality (DEQ) and included in the Solid Waste Enterprise Fund were paid off at June 30, 1990 as follows:

	Balance July 1, <u>1989</u>	Principal payments	Balance June 30, <u>1990</u>
Loan 115, payable in annual principal installments ranging from \$160,000 to \$175,000 through October 1992. Interest rate varies from 4% to 6%.	\$ 670,000	670,000	-
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%.	<u>3,516,000</u>	<u>3,516,000</u>	<u>-</u>
	\$ <u>4,186,000</u>	<u>4,186,000</u>	<u>-</u>

### (10) General Long-term Obligations Account Group

The change in the balance of the liability in the General Long-term Obligations Account Group is as follows:

	Balance July 1, <u>1989</u>	Net (decrease) increase in liability	Balance June 30, <u>1990</u>
Bonds payable	\$ 64,010,000	(1,045,000)	62,965,000
Liability for compensated absences	304,808	50,432	355,240
Obligations under capital leases	<u>670,657</u>	<u>(165,761)</u>	<u>504,896</u>
	\$ <u>64,985,465</u>	<u>(1,160,329)</u>	<u>63,825,136</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (11) End Use Fee Payable

Metro is required to contribute annually to the City of Portland \$.40 for each ton of solid waste deposited at the St. Johns Landfill. This contribution, to be used by the City of Portland for implementation of the landfill end use plan, will continue until the landfill has reached capacity. The contribution is limited to the amount needed to effectuate the end use plan (see note 19). Metro has recorded a liability to the City of Portland for \$95,924 in the Solid Waste Enterprise Fund which represents the required contribution as of June 30, 1990.

### (12) Deferred Revenue

Deferred revenue as of June 30, 1990 consists of taxes receivable and not collected within 60 days after year-end:

Special Revenue Fund	\$ 623,895
Debt Service Fund	<u>570,750</u>
	\$ <u>1,194,645</u>

### (13) Capital Lease Obligations

Metro has capital lease agreements for computer hardware and software, copy machines, high speed printers, telephone system and some office equipment. The agreements are for varying periods through 1994. Interest rates range from 8.4% to 13.2%.

The future minimum lease payments are:

Fiscal year ending June 30:	
1991	\$ 213,269
1992	164,910
1993	164,911
1994	37,709
1995	<u>-</u>
Total minimum lease payments	580,799
Less amount representing interest	<u>71,343</u>
Net present value of future minimum lease payments	\$ <u>509,456</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (14) Contributed Capital

Changes in contributed capital in the Enterprise Funds for the year ended June 30, 1990 are as follows:

	<u>Solid Waste Fund</u>	<u>Building Management Fund</u>	<u>Convention Center Fund</u>	<u>Total</u>
Balance, July 1, 1989	\$ 1,230,098	194,650	78,123,912	79,548,660
Additions	-	-	13,318,884	13,318,884
Depreciation on fixed assets that reduces contributed capital (\$956,700 total accumulated depreciation at June 30, 1990)	<u>63,641</u>	<u>27,807</u>	<u>-</u>	<u>91,448</u>
Balance, June 30, 1990	\$ <u>1,166,457</u>	<u>166,843</u>	<u>91,442,796</u>	<u>92,776,096</u>

### (15) Pension Plans

Metro provides pension benefits for substantially all of its full-time employees, other than four employees who participate in the State of Oregon Public Employees Retirement System (PERS), through two defined contribution plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. A resolution by the Metro Council established a 5% plan for all non-PERS participants which requires the employer to contribute 5% of the employee's salary and the employee vests in the contributions and earnings of the plan at 40% after two years of employment and an additional 20% per year for the next three years. Metro contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to reduce Metro's current period contribution requirement.

A Metro Council resolution established a second additional plan also covering all non-PERS participants whereby 6% of the employee's salary is contributed by Metro and is immediately fully vested.

Metro's total payroll in fiscal year 1990 was \$9,014,954. Metro's contributions for the 5% plan were calculated using the base salary amount of \$7,921,740. Metro made the required 5% contribution, amounting to \$396,087. Metro's contributions for the 6% plan were calculated using \$9,002,382 as the base salary amount. Metro made the required 6% contribution for the fiscal year, which amounted to \$540,143. In addition, employee voluntary contributions were made to the plan in the amount of \$194,385.

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

The 6% plan allows for loans to be taken against an individual's account balance in specified circumstances. The balance of the employee loans outstanding at June 30, 1990 is \$170,635.

Metro's pension contributions were \$936,230 for the year ended June 30, 1990 for all of the above plans.

### (16) Segment Information for Enterprise Funds

Metro maintains three Enterprise Funds: the Solid Waste Fund accounts for self-supporting activities which are rendered to the general public on a user charge basis; the Building Management Fund accounts for the operations of the leased 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; and the Convention Center Fund accounts for construction (substantially completed), marketing and operations of the Metro Oregon Convention Center which is operated on a user charge basis, supplemented by intergovernmental revenues.

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Operating revenue	\$ 35,246,332	537,343	3,196,525	38,980,200
Depreciation expense	2,391,465	61,362	22,918	2,475,745
Income (loss) from operations	(2,075,699)	(32,513)	(231,854)	(2,340,066)
Net (loss) income	(270,829)	(32,513)	2,535,773	2,232,431
Fixed assets:				
Additions	13,172,562	28,849	46,629,385	59,830,843
Deletions	<u>-</u>	<u>-</u>	<u>491,630</u>	<u>491,630</u>
Net working capital	\$ <u>5,794,791</u>	<u>-</u>	<u>13,005,168</u>	<u>18,799,959</u>
Total assets	\$ <u>110,928,667</u>	<u>465,995</u>	<u>109,125,204</u>	<u>220,519,866</u>
Long-term liabilities -				
Payable from operating revenues	\$ <u>28,500,000</u>	<u>-</u>	<u>-</u>	<u>28,500,000</u>
Contributed capital	\$ <u>1,166,457</u>	<u>166,843</u>	<u>91,442,796</u>	<u>92,776,096</u>
Total equity	\$ <u>14,168,468</u>	<u>409,611</u>	<u>103,481,037</u>	<u>118,059,116</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### (17) Reconciliation of Revenues and Expenditures - Budgetary Basis to GAAP Basis

Oregon Budget law requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP basis). For all fund types presented in the combined financial statements except for the Enterprise Funds, there is no difference between the excess of revenues and other sources over expenditures and other uses on a budget basis and a GAAP basis. The differences, which arise through the employment of a basis of accounting for budgetary purposes which differs from the basis of accounting appropriate for the Enterprise Funds when reporting in accordance with GAAP, are summarized in the following schedule:

	<u>Enterprise Funds</u>
Excess of expenditures and other financing uses over revenues and other financing sources on a budgetary basis	\$ (3,812,455)
Add budget requirements not qualifying as expenses under GAAP:	
Loans provided to third party	31,605,000
Fixed assets additions	52,074,199
Principal payments on loans	4,186,000
Operating transfers out	17,379,429
Subtract additional expenses required by GAAP:	
Depreciation	(2,475,745)
Post-closure costs	(12,284,961)
Increase in accrued interest payable	(428,676)
Increase in accrued vacation payable	(24,004)
Loss on sale of land	(96,630)
Subtract budget resources not qualifying as revenues under GAAP:	
Proceeds from bond issues	(60,105,000)
Amounts received related to lodging tax receivable	(14,200)
Intergovernmental funds received as a refund of landfill siting fees	(308,686)
Contributed capital - state grant	(5,477,902)
Contributed capital - intergovernmental revenue	(1,288,878)
Contributed capital - contributions	(13,500)
Proceeds from sale of land	(395,000)
Net increase in leases payable	(4,560)
Operating transfers in	(16,282,000)
Net income presented in combined statement of revenues, expenses and changes in retained earnings/fund balance - Proprietary Fund types and similar trust fund	\$ <u><u>2,232,431</u></u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (18) Commitments and Contingencies

##### Contracts

Contract commitments at June 30, 1990 for construction projects for the Convention Center Fund and Zoo Capital Fund were approximately \$3,700,000, and \$3,010,000, respectively.

##### 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 a grant for which Metro acts in a pass-through capacity, Metro should be able to require repayment of amounts disallowed from the subgrantees.

##### Arbitrage Payable

Under certain conditions, the Tax Reform Act of 1986 requires governmental units to remit excess arbitrage earnings arising from invested bond proceeds to the Internal Revenue Service. As of June 30, 1990, Metro recorded a liability of \$1,377,263 in the accompanying financial statements for such estimated excess arbitrage earnings.

##### Office Leases

Metro leases office space in Portland, Oregon. The term of the lease 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 subleases a significant portion of the office space and as of June 30, 1990 has entered into five sublease agreements.

Gross rental expense under the lease for the year ended June 30, 1990 amounted to approximately \$234,388. Metro received approximately \$130,488 of sublease rental receipts during fiscal 1990.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

The following is a schedule of future minimum rental payments required under the operating lease for the office space as of June 30, 1990:

Fiscal year ending June 30:

1991	\$ 234,000
1992	291,000
1993	291,000
1994	291,000
1995	291,000
Thereafter	<u>290,000</u>

Total minimum payments required \$ 1,688,000

Minimum payments of \$1,688,000 presented in the schedule have not been reduced by future minimum sublease rentals totalling approximately \$43,383 at June 30, 1990.

#### St. Johns Landfill

Metro is leasing the landfill from the City of Portland (see note 19). 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 meet waste tonnage limitations in order to ensure the 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.

The lease agreement commits Metro to finance certain post-closure environment control measures for the expansion area of the landfill. A resolution was passed by the Metro Council to establish a policy to include all landfill costs including closure costs in revenue requirements when setting solid waste rates.

During the prior fiscal year, studies were completed which estimated that the closure cost of the St. Johns Landfill would be approximately \$31,400,000 under current Federal and state regulations. As a result, Metro recorded a landfill closure liability of \$31,400,000. Metro reviews this estimate on a periodic basis and has determined that as of June 30, 1990, \$31,400,000 continues to reflect the most current and best estimate of that liability. Of the total liability of \$31,400,000, approximately \$8,315,900 has been recorded as a deferred cost at June 30, 1990 as Metro intends to recover these costs through future user fee charges. The associated expense is recognized as these amounts are recovered through fees charged to customers. Post-closure expense amounted to approximately \$12,285,000 for the year ended June 30, 1990.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

Metro contracts with Browning-Ferris 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 estimated closure date for St. Johns Landfill is January 31, 1991.

The approximate annual commitment related to the St. Johns Landfill for the final period of operations, based on forecasted tons of refuse and a 5% annual inflation factor, are:

	City of Portland landfill <u>lease</u>	Maintenance and operations <u>contract</u>
Fiscal year ending June 30, 1991	\$ <u>192,500</u>	<u>1,287,000</u>

The estimated closure date of January 31, 1991 will not utilize the entirety of St. Johns Landfill's capacity. It is possible that the facility will continue operations as a select waste (demolition debris) landfill, as opposed to its current status as a general purpose landfill. If this conversion occurs (see note 19), it is anticipated that approximately 100,000 tons of select waste will be delivered annually to St. Johns Landfill through September 1994, which could result in a \$1,400,000 cost reduction to Metro among the various operations contracts.

#### Columbia Ridge Landfill

Metro has entered into a waste disposal services contract with Oregon Waste Systems, Inc., owner and operator of the Columbia Ridge Landfill, for disposal of approximately 17 million tons of solid waste or the time span of twenty years, whichever is earlier. Starting January 2, 1990, waste from Metro South Station was delivered to the Columbia Ridge Landfill.

The contract requires fixed payments of approximately \$1,800,000 per year, in addition to a per ton unit price of \$21.39. This per ton rate is adjusted annually on April 1 to reflect changes in the Consumer Price Index (CPI).

In addition to the unit price of \$21.39, amendments to the contract require an additional \$.28 per ton for a supplemental price adjustment and \$.20 per ton for Gilliam County Highway 19 road reconstruction.

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

The approximate annual commitment based on forecasted tons of refuse and a 5% annual inflation factor is as follows:

	<u>Fixed payments</u>	<u>Variable payment based on tons</u>
Fiscal year ending June 30:		
1991	\$ 1,802,950	11,205,000
1992	1,802,950	11,970,000
1993	1,802,950	11,760,000
1994	1,802,950	12,420,000
Later years	<u>27,945,725</u>	<u>415,115,000</u>
Total	\$ <u>35,157,525</u>	<u>462,470,000</u>

### Waste Transport Services Contract

Metro's contract with Jack Gray Transport, Inc. provides for solid waste transport from Metro facilities to the Columbia Ridge Landfill and other disposal sites for twenty years starting January 1, 1990. The contract requires fixed payments of approximately \$830,000 per year, in addition to a per load unit price which equates to an approximate per ton rate of \$11.93. The unit price is adjusted annually on January 1 in an amount equivalent to 75% of the CPI.

Included in the variable payment based on tons are contract amounts for the shuttle operations of the transfer stations and the Metro Riedel Compost Facility.

The approximate annual commitment based on forecasted tons of waste and a 5% annual inflation factor is as follows:

	<u>Fixed payments</u>	<u>Variable payment based on tons</u>
Fiscal year ending June 30:		
1991	\$ 829,400	6,355,000
1992	829,400	8,540,000
1993	829,400	8,270,000
1994	829,400	8,655,000
Later years	<u>12,855,700</u>	<u>256,835,000</u>
Total	\$ <u>16,173,300</u>	<u>288,655,000</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Notes to Combined Financial Statements, Continued

### Metro South Station

Metro contracts for operation of the Metro South Station with Waste Management of Oregon. The contractual term is five years ending December 31, 1994.

The contractor is paid a unit price for waste disposed at Metro South on a per ton basis. The unit price is adjusted on a sliding scale between \$3.50 and \$3.80 per ton, depending on monthly facility volume. The unit price is adjusted annually on January 1 at 80% of the CPI. The approximate commitment for Metro South Station operations, based on forecasted usage and a 5% annual inflation factor is as follows:

	<u>Contract change orders</u>	<u>Variable payment based on tons</u>
Fiscal year ending June 30:		
1991	\$ 115,000	1,400,000
1992	110,000	1,310,000
1993	60,000	725,000
1994	65,000	755,000
Later years	<u>35,000</u>	<u>395,000</u>
Total	\$ <u>385,000</u>	<u>4,585,000</u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### Metro East Station

The Metro East Station, a solid waste materials recovery and transfer station which emphasizes recovery of waste materials, is currently being constructed by Trans Industries, a joint venture between Browning Ferris Industries and Rabanco. Metro also has contracted with Trans Industries for the operations of the Metro East Station for the first three years of facility operations, scheduled to begin February 1, 1991. At Metro's option, the operations contract may be extended an additional two years.

Trans Industries is paid for station operations on either a fixed fee or unit price basis, determined by monthly waste volumes. For months with tonnages at or below 35,000 tons, Trans Industries is paid a flat fee of \$285,250. Higher facility volumes are paid on a sliding scale ranging from \$8.15 to \$5.53 per ton. The unit price is adjusted annually in accordance with the CPI.

In addition, Trans Industries receives incentives for materials recovered from the waste disposed at Metro East Station. The most significant incentive involves payment to Trans Industries of an amount equal to the disposal and transport costs saved by Metro (approximately \$35 per ton) for materials recovered and therefore not sent to the Columbia Ridge Landfill.

The approximate commitment for Metro East Station operations, based on forecasted usage and a 5% annual inflation factor is as follows:

	Variable payment based <u>on tons</u>
Fiscal year ending June 30:	
1991	\$ 1,710,000
1992	5,480,000
1993	5,580,000
1994	5,690,000
Later years	<u>10,680,000</u>
Total	\$ <u>29,140,000</u>

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### Metro/Riedel Compost Facility

Metro has entered into an agreement with Riedel Environmental Technologies, Inc. for the design, construction, and operation of the Metro/Riedel Compost Facility. The compost facility recovers and recycles usable materials from municipal solid waste and produces agriculturally-suitable compost. Facility testing is expected to begin in January 1991, with full operations anticipated by September 1991. The term of the operations contract is twenty years, at which time Metro may purchase the facility or negotiate a new operations agreement with Riedel Environmental Technologies, Inc.

Riedel Environmental Technologies, Inc. is paid for facility acquisition, construction and operations on a monthly basis. Payments are adjusted annually in accordance with the CPI. The projected operations costs at the Metro/Riedel Compost Facility, based on forecasted usage and a 5% annual inflation factor is as follows:

	Variable payment based on tons
Fiscal year ending June 30:	
1991	\$ 80,000
1992	8,175,000
1993	9,360,000
1994	9,850,000
Later years	<u>209,475,000</u>
Total	\$ <u>236,940,000</u>

#### Waste Reduction Program Contingency

Beginning in fiscal year 1986, Metro is required under Oregon Revised Statutes Section 459 to apportion the charges collected for disposal of solid waste; \$.50 per ton of solid waste is currently set aside for rehabilitation and enhancement of the area in and around the landfill from which the fees were collected.

#### Legal Matters

Metro is involved as a defendant in several 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.

(Continued)

## METROPOLITAN SERVICE DISTRICT

### Notes to Combined Financial Statements, Continued

#### (19) Subsequent Events

On October 11, 1990, the Metro Council adopted Resolution 90-1338 authorizing the purchase of real property to be used for Metro's future office space. The purchase, in the amount of \$5,150,000, is expected to be debt financed. Under terms of the purchase agreement, Metro has until December 15, 1990 to satisfy itself concerning the suitability of the property, the availability of any necessary governmental permits and approvals, and the feasibility of developing the property for the intended use. Metro may rescind the agreement at any time prior to December 17, 1990 if it finds the conditions above are not met. Upon closing, which is to be not later than December 28, 1990, Metro is required to pay \$1,000,000 and, subject to certain conditions, make an additional deferred payment of \$4,150,000 plus accrued interest at 10% per annum by July 1, 1991.

On October 15, 1990, Metro received a request from the State of Oregon Economic Development Department to reimburse the State of Oregon approximately \$520,000 in State lottery grant funds provided to Metro during the fiscal year ended June 30, 1990. The State of Oregon has asked for the reimbursement due to a shortfall in lottery proceeds received by the State. Metro believes that no reimbursement is due the State of Oregon.

On November 6, 1990, the electorate passed a property tax limitation measure. The measure, while having no impact on property tax revenue dedicated for repayment of Metro's Convention Center General Obligation Bonds, will reduce to a currently undeterminable amount property tax revenue to be received for the \$5,100,000 Metro Washington Park Zoo tax base (see note 3).

On November 8, 1990, the Metro Council adopted Resolution 90-1314 approving an intergovernmental agreement with the City of Portland to assume ownership of the St. Johns Landfill and certain other adjacent land. As part of the agreement, Metro will receive approximately \$1,908,000, plus accrued interest, to be used for implementing the End Use Plan which requires the property be used for park and open space purposes. The City of Portland is required to effect the transfer of real property and deliver deeds on or before December 31, 1990. Metro may terminate the agreement and deed back all property to the City of Portland if the City of Portland fails to make all payments contemplated by the agreement. The agreement also provides that Metro will continue to lease a portion of the landfill site for \$120,000 a year through December 31, 1996.

---

Combining  
Individual  
Fund  
Statements  
and Schedules

---

# METROPOLITAN SERVICE DISTRICT

## General Fund

### Statement of Revenues, Other Financing Sources and Beginning Fund Balance - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>441,000</u>	<u>652,103</u>	<u>211,103</u>
Revenues:			
Documents and publications	-	151	151
Professional and contract service fee	-	11,213	11,213
State grants	20,000	-	(20,000)
Interest	123,215	197,752	74,537
Miscellaneous	<u>-</u>	<u>2,534</u>	<u>2,534</u>
Total revenues	<u>143,215</u>	<u>211,650</u>	<u>68,435</u>
Other financing sources:			
Operating transfers from:			
Solid Waste Operating Fund	1,631,534	1,631,534	-
Zoo Operating Fund	699,927	699,927	-
Planning Fund	730,735	686,560	(44,175)
Convention Center Project Management Fund	128,259	128,259	-
Convention Center Capital Fund	428,751	428,751	-
Metropolitan Exposition-Recreation Commission Fund	<u>109,936</u>	<u>109,936</u>	<u>-</u>
Total other financing sources	<u>3,729,142</u>	<u>3,684,967</u>	<u>(44,175)</u>
	\$ <u><u>4,313,357</u></u>	<u><u>4,548,720</u></u>	<u><u>235,363</u></u>

# METROPOLITAN SERVICE DISTRICT

## General Fund

### Statement of Expenditures, Other Financing Uses and Ending Fund Balance - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures:			
Council:			
Personal services	\$ 319,762	298,372	21,390
Materials and services	157,884	144,550	13,334
Capital outlay	<u>4,700</u>	<u>1,767</u>	<u>2,933</u>
	<u>482,346</u>	<u>444,689</u>	<u>37,657</u>
General counsel:			
Personal services	253,022	236,931	16,091
Materials and services	24,839	22,419	2,420
Capital outlay	<u>612</u>	<u>612</u>	<u>-</u>
	<u>278,473</u>	<u>259,962</u>	<u>18,511</u>
Executive management:			
Personal services	463,529	433,923	29,606
Materials and services	69,549	53,044	16,505
Capital outlay	<u>5,330</u>	<u>4,949</u>	<u>381</u>
	<u>538,408</u>	<u>491,916</u>	<u>46,492</u>
Public affairs:			
Personal services	422,207	413,559	8,648
Materials and services	68,817	65,925	2,892
Capital outlay	<u>4,530</u>	<u>4,530</u>	<u>-</u>
	<u>495,554</u>	<u>484,014</u>	<u>11,540</u>
Finance and administration:			
Personal services	1,313,071	1,239,906	73,165
Materials and services	803,465	768,661	34,804
Capital outlay	<u>73,375</u>	<u>67,175</u>	<u>6,200</u>
	<u>2,189,911</u>	<u>2,075,742</u>	<u>114,169</u>
General operating contingency	<u>46,560</u>	<u>-</u>	<u>46,560</u>
Total expenditures	4,031,252	3,756,323	274,929
Other financing uses -			
Transfers	<u>282,105</u>	<u>259,849</u>	<u>22,256</u>
Total expenditures and other financing uses	4,313,357	4,016,172	297,185
Unappropriated ending fund balance - June 30, 1990	<u>-</u>	<u>532,548</u>	<u>532,548</u>
	\$ <u>4,313,357</u>	<u>4,548,720</u>	<u>235,363</u>

# METROPOLITAN SERVICE DISTRICT

## Special Revenue Funds

### Combining Balance Sheet

June 30, 1990

<u>Assets</u>	<u>Planning Fund</u>	<u>Zoo Fund</u>	<u>Totals</u>
Cash and investments	\$ 156,857	2,778,089	2,934,946
Receivables:			
Property taxes	-	679,358	679,358
Federal grants	145,740	-	145,740
State grants	131,607	-	131,607
Local grants/contracts	182,541	-	182,541
Interest	9,786	29,410	39,196
Other	5,930	42,353	48,283
Inventory of materials and supplies	-	177,443	177,443
Other assets	125	35,250	35,375
Restricted assets -			
Cash and investments	-	10,679	10,679
	<u>\$ 632,586</u>	<u>3,752,582</u>	<u>4,385,168</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	69,654	534,699	604,353
Salaries, withholdings and payroll			
taxes payable	59,463	243,882	303,345
Deferred revenue	-	623,895	623,895
Unearned grant revenue	33,304	-	33,304
Deposits	515	8,111	8,626
Other	-	261	261
Total liabilities	162,936	1,410,848	1,573,784
Fund balances - unreserved	<u>469,650</u>	<u>2,341,734</u>	<u>2,811,384</u>
	<u>\$ 632,586</u>	<u>3,752,582</u>	<u>4,385,168</u>

# METROPOLITAN SERVICE DISTRICT

## Special Revenue Funds

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

For the year ended June 30, 1990

	Planning Fund	Zoo Fund	Totals
Revenues:			
Property taxes	\$ -	5,549,428	5,549,428
Dues	644,771	-	644,771
Federal grants	400,495	1,171	401,666
State grants	519,443	-	519,443
Local grants	315,595	-	315,595
Admissions	-	2,020,953	2,020,953
Charges for services	864,368	386,346	1,250,714
Vending and concessions	-	2,562,065	2,562,065
Donations and bequests	-	252,107	252,107
Professional and contract service fees	149,638	-	149,638
Business license fees	65,730	-	65,730
Interest	85,702	192,406	278,108
Miscellaneous	(483)	190,273	189,790
Total revenues	<u>3,045,259</u>	<u>11,154,749</u>	<u>14,200,008</u>
Expenditures:			
Current:			
Zoo operations	-	8,169,670	8,169,670
Planning and development:			
Personal services	1,578,148	-	1,578,148
Materials and services	578,995	-	578,995
Expense reimbursement -			
General Fund	686,560	699,927	1,386,487
Capital outlay	<u>94,730</u>	<u>375,187</u>	<u>469,917</u>
Total expenditures	<u>2,938,433</u>	<u>9,244,784</u>	<u>12,183,217</u>
Revenues over net expenditures	<u>106,826</u>	<u>1,909,965</u>	<u>2,016,791</u>
Other financing sources (uses):			
Operating transfers in	37,612	-	37,612
Operating transfers out	-	(1,809,794)	(1,809,794)
Revenues and other sources over net expenditures and other uses	144,438	100,171	244,609
Fund balances - July 1, 1989	<u>325,212</u>	<u>2,241,563</u>	<u>2,566,775</u>
Fund balances - June 30, 1990	\$ <u>469,650</u>	<u>2,341,734</u>	<u>2,811,384</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>250,914</u>	<u>325,212</u>	<u>74,298</u>
Revenues:			
Dues	644,773	644,771	(2)
Federal grants	951,787	400,495	(551,292)
State grants	622,100	519,443	(102,657)
Local grants	541,008	315,595	(225,413)
Professional and contract service fees	88,800	149,638	60,838
Business license fees	106,043	65,730	(40,313)
Interest	12,000	85,702	73,702
Miscellaneous	<u>89,997</u>	<u>(483)</u>	<u>(90,480)</u>
Total revenues	3,056,508	2,180,891	(875,617)
Other financing sources:			
Operating transfers from:			
General Fund	37,612	37,612	-
Solid Waste Operating Fund	<u>864,368</u>	<u>864,368</u>	<u>-</u>
Total revenues and other financing sources	<u>3,958,488</u>	<u>3,082,871</u>	<u>(875,617)</u>
	\$ <u>4,209,402</u>	<u>3,408,083</u>	<u>(801,319)</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Statement of Revenues and Expenditures - Budget and Actual, Continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures:			
Planning and development:			
Personal services	\$ 608,319	588,130	20,189
Materials and services	416,323	269,818	146,505
Capital outlay	<u>30,850</u>	<u>30,528</u>	<u>322</u>
Total planning and development	<u>1,055,492</u>	<u>888,476</u>	<u>167,016</u>
Transportation planning:			
Personal services	1,171,451	990,018	181,433
Materials and services	945,520	220,076	725,444
Capital outlay	<u>77,691</u>	<u>64,202</u>	<u>13,489</u>
Total transportation planning	<u>2,194,662</u>	<u>1,274,296</u>	<u>920,366</u>
General operating contingency	<u>62,817</u>	<u>-</u>	<u>62,817</u>
Total expenditures	3,312,971	2,162,772	1,150,199
Other financing uses -			
Transfers	<u>829,900</u>	<u>775,661</u>	<u>54,239</u>
Total expenditures and other financing uses	4,142,871	2,938,433	1,204,438
Unappropriated ending fund balance - June 30, 1990	<u>66,531</u>	<u>469,650</u>	<u>403,119</u>
	\$ <u>4,209,402</u>	<u>3,408,083</u>	<u>801,319</u>

# METROPOLITAN SERVICE DISTRICT

## Zoo Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>1,885,667</u>	<u>2,241,563</u>	<u>355,896</u>
Revenues:			
Property taxes	5,430,300	5,549,428	119,128
Federal grants	75,000	1,171	(73,829)
Admissions	2,105,870	2,020,953	(84,917)
Railroad	378,300	386,346	8,046
Vending and concessions	1,765,400	1,946,470	181,070
Gift shop	484,500	615,595	131,095
Donations and bequests	200,180	252,107	51,927
Interest	113,140	192,406	79,266
Miscellaneous	<u>159,694</u>	<u>190,273</u>	<u>30,579</u>
Total revenues	<u>10,712,384</u>	<u>11,154,749</u>	<u>442,365</u>
	\$ <u>12,598,051</u>	<u>13,396,312</u>	<u>798,261</u>
Expenditures:			
Administration:			
Personal services	414,989	408,370	6,619
Materials and services	207,654	202,741	4,913
Capital outlay	<u>3,737</u>	<u>3,993</u>	<u>(256)</u>
	<u>626,380</u>	<u>615,104</u>	<u>11,276</u>
Animal management:			
Personal services	1,549,569	1,515,374	34,195
Materials and services	295,151	274,961	20,190
Capital outlay	<u>18,575</u>	<u>14,266</u>	<u>4,309</u>
	<u>1,863,295</u>	<u>1,804,601</u>	<u>58,694</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Zoo Fund

### Statement of Revenues and Expenditures - Budget and Actual, Continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures, continued:			
Facilities management:			
Personal services	\$ 1,308,466	1,254,007	54,459
Materials and services	1,325,869	1,181,222	144,647
Capital outlay	<u>303,828</u>	<u>295,496</u>	<u>8,332</u>
	<u>2,938,163</u>	<u>2,730,725</u>	<u>207,438</u>
Educational services:			
Personal services	543,113	537,799	5,314
Materials and services	221,403	134,711	86,692
Capital outlay	<u>13,904</u>	<u>13,607</u>	<u>297</u>
	<u>778,420</u>	<u>686,117</u>	<u>92,303</u>
Marketing:			
Personal services	149,484	150,922	(1,438)
Materials and services	205,967	203,864	2,103
Capital outlay	<u>3,615</u>	<u>3,598</u>	<u>17</u>
	<u>359,066</u>	<u>358,384</u>	<u>682</u>
Visitor services:			
Personal services	1,169,984	1,121,771	48,213
Materials and services	1,090,865	1,009,180	81,685
Capital outlay	<u>50,995</u>	<u>44,227</u>	<u>6,768</u>
	<u>2,311,844</u>	<u>2,175,178</u>	<u>136,666</u>
General operating contingency	<u>79,146</u>	<u>-</u>	<u>79,146</u>
Total expenditures	8,956,314	8,370,109	586,205
Other financing uses -			
Transfers	<u>2,684,469</u>	<u>2,684,469</u>	<u>-</u>
Total expenditures and other financing uses	11,640,783	11,054,578	586,205
Unappropriated ending fund balance - June 30, 1990	<u>957,268</u>	<u>2,341,734</u>	<u>1,384,466</u>
	\$ <u>12,598,051</u>	<u>13,396,312</u>	<u>798,261</u>

# METROPOLITAN SERVICE DISTRICT

## Convention Center Debt Service Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>-</u>	<u>278,337</u>	<u>278,337</u>
Revenues:			
Property taxes	5,719,253	5,863,944	144,691
Interest on investments	<u>-</u>	<u>77,267</u>	<u>77,267</u>
Total revenues	<u>5,719,253</u>	<u>5,941,211</u>	<u>221,958</u>
	\$ <u><u>5,719,253</u></u>	<u><u>6,219,548</u></u>	<u><u>500,295</u></u>
Expenditures -			
Debt service	<u>5,719,253</u>	<u>5,719,253</u>	<u>-</u>
Total expenditures	5,719,253	5,719,253	-
Unappropriated ending fund balance - June 30, 1990	<u>-</u>	<u>500,295</u>	<u>500,295</u>
	\$ <u><u>5,719,253</u></u>	<u><u>6,219,548</u></u>	<u><u>500,295</u></u>

# METROPOLITAN SERVICE DISTRICT

## Zoo Capital Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>4,649,288</u>	<u>4,861,711</u>	<u>212,423</u>
Revenues:			
Donations and bequests	75,000	135,673	60,673
Interest	<u>278,957</u>	<u>489,510</u>	<u>210,553</u>
Total revenues	353,957	625,183	271,226
Other financing sources:			
Transfer from - Zoo Fund	<u>1,809,794</u>	<u>1,809,794</u>	<u>-</u>
Total revenues and other financing sources	<u>2,163,751</u>	<u>2,434,977</u>	<u>271,226</u>
	\$ <u>6,813,039</u>	<u>7,296,688</u>	<u>483,649</u>
Expenditures:			
Personal services	69,895	63,383	6,512
Materials and services	1,485	937	548
Capital outlay	4,231,550	1,545,541	2,686,009
General operating contingency	<u>142,511</u>	<u>-</u>	<u>142,511</u>
Total expenditures	4,445,441	1,609,861	2,835,580
Unappropriated ending fund balance - June 30, 1990	<u>2,367,598</u>	<u>5,686,827</u>	<u>3,319,229</u>
	\$ <u>6,813,039</u>	<u>7,296,688</u>	<u>483,649</u>

# METROPOLITAN SERVICE DISTRICT

## Enterprise Funds

### Combining Balance Sheet

June 30, 1990

<u>Assets and Other Debits</u>	<u>Solid Waste Fund</u>	<u>Building Management Fund</u>	<u>Convention Center Fund</u>	<u>Total</u>
Cash and investments	\$ 4,230,140	36,127	15,386,383	19,652,650
Receivables:				
Trade, net	4,788,019	724	-	4,788,743
Interest receivable	439,559	-	95,082	534,641
Other	204,434	-	980	205,414
Due from other governments	-	-	1,479,035	1,479,035
Advance to other governments	51,676	-	-	51,676
Prepaid expenses	498	19,533	10,600	30,631
Restricted assets:				
Cash and investments	41,714,026	-	1,377,263	43,091,289
Interest receivable	181,892	-	-	181,892
Deferred post-closure costs	8,315,881	-	-	8,315,881
Fixed assets, net	19,397,542	409,611	90,775,861	110,583,014
Loans receivable	<u>31,605,000</u>	<u>-</u>	<u>-</u>	<u>31,605,000</u>
 Total assets	 \$ <u>110,928,667</u>	 <u>465,995</u>	 <u>109,125,204</u>	 <u>220,519,866</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	3,210,094	52,336	3,919,806	7,182,236
Salaries, withholdings and payroll taxes payable	139,829	4,048	46,603	190,480
Accrued interest payable	543,770	-	-	543,770
Contracts payable	2,687	-	-	2,687
End use fee payable	95,924	-	-	95,924
Due to other governments	25,842	-	-	25,842
Payable from restricted assets:				
Arbitrage payable	-	-	1,377,263	1,377,263
Contracts payable	1,235,041	-	-	1,235,041
Post-closure costs payable	31,400,000	-	-	31,400,000
Deposits payable	1,187	-	296,760	297,947
Revenue bonds payable	60,105,000	-	-	60,105,000
Leases payable	<u>825</u>	<u>-</u>	<u>3,735</u>	<u>4,560</u>
 Total liabilities	 <u>96,760,199</u>	 <u>56,384</u>	 <u>5,644,167</u>	 <u>102,460,750</u>
 Fund equity:				
Contributed capital, net	1,166,457	166,843	91,442,796	92,776,096
Retained earnings	<u>13,002,011</u>	<u>242,768</u>	<u>12,038,241</u>	<u>25,283,020</u>
 Total fund equity	 <u>14,168,468</u>	 <u>409,611</u>	 <u>103,481,037</u>	 <u>118,059,116</u>
 Total liabilities and fund equity	 \$ <u>110,928,667</u>	 <u>465,995</u>	 <u>109,125,204</u>	 <u>220,519,866</u>

# METROPOLITAN SERVICE DISTRICT

## Enterprise Funds

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

For the year ended June 30, 1990

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Operating revenues:				
Disposal fees	\$ 23,852,348	-	-	23,852,348
User fees	4,647,106	-	-	4,647,106
Regional transfer charge	4,913,185	-	-	4,913,185
Convenience charge	1,087,277	-	-	1,087,277
Rehabilitation and mitigation fees	554,266	-	-	554,266
Intergovernmental revenue	-	-	2,952,133	2,952,133
Rental and lease income	-	130,488	-	130,488
Receipts in lieu of rent	-	346,515	-	346,515
Parking fees	-	51,835	-	51,835
Miscellaneous	<u>192,150</u>	<u>8,505</u>	<u>244,392</u>	<u>445,047</u>
Total operating revenues	<u>35,246,332</u>	<u>537,343</u>	<u>3,196,525</u>	<u>38,980,200</u>
Operating and administrative expenses:				
Payroll and fringe benefits	1,944,213	51,612	302,844	2,298,669
St. Johns Landfill operating expenses, including \$327,108 of rent	4,291,395	-	-	4,291,395
Metro South Station operating expenses	2,392,413	-	-	2,392,413
Waste transport costs	2,737,048	-	-	2,737,048
Disposal fees	4,696,365	-	-	4,696,365
Depreciation	2,391,465	61,362	22,918	2,475,745
Rent and payments in lieu of rent	66,878	234,388	238,195	539,461
Administrative expenses paid to General Fund	1,631,534	-	4,543	1,636,077
Payments to Planning Fund for services	864,368	-	-	864,368
Insurance expense	1,538,434	-	7,037	1,545,471
Post-closure costs	12,284,961	-	-	12,284,961
Payment of rehabilitation fees	314,503	-	-	314,503
Consulting services	1,619,675	-	-	1,619,675
Contribution to other governments	-	-	1,145,727	1,145,727
Other materials and services	<u>548,779</u>	<u>222,494</u>	<u>1,707,115</u>	<u>2,478,388</u>
Total operating and administrative expenses	<u>37,322,031</u>	<u>569,856</u>	<u>3,428,379</u>	<u>41,320,266</u>
Loss from operations	<u>(2,075,699)</u>	<u>(32,513)</u>	<u>(231,854)</u>	<u>(2,340,066)</u>
Non-operating revenues (expenses):				
Interest on investments	2,336,150	-	2,864,257	5,200,407
Interest expense, net of capitalized interest of \$2,706,412	(531,280)	-	-	(531,280)
Loss on sale of land	<u>-</u>	<u>-</u>	<u>(96,630)</u>	<u>(96,630)</u>
Non-operating revenues, net	<u>1,804,870</u>	<u>-</u>	<u>2,767,627</u>	<u>4,572,497</u>
Net income (loss)	(270,829)	(32,513)	2,535,773	2,232,431
Depreciation on fixed assets that reduces contributed capital	<u>63,641</u>	<u>27,807</u>	<u>-</u>	<u>91,448</u>
Increase (decrease) in retained earnings	(207,188)	(4,706)	2,535,773	2,323,879
Retained earnings - July 1, 1989	<u>13,209,151</u>	<u>247,474</u>	<u>9,502,516</u>	<u>22,959,141</u>
Retained earnings - June 30, 1990	\$ <u>13,001,963</u>	<u>242,768</u>	<u>12,038,289</u>	<u>25,283,020</u>

# METROPOLITAN SERVICE DISTRICT

## Enterprise Funds

### Combining Statement of Cash Flows

For the year ended June 30, 1990

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$ 33,874,570	181,599	296,760	34,352,929
Cash received from other governments	308,686	-	2,864,198	3,172,884
Receipts from quasi-external transactions	-	346,515	-	346,515
Cash payments to suppliers for goods and services	(13,025,359)	(451,009)	(1,264,729)	(14,741,097)
Other operating revenues	192,150	8,505	244,392	445,047
Cash payments to other governments	-	-	(1,145,727)	(1,145,727)
Cash payments to employees for services	(1,918,075)	(50,309)	(287,048)	(2,255,432)
Payments for quasi-external transactions	<u>(4,415,717)</u>	<u>-</u>	<u>(249,775)</u>	<u>(4,665,492)</u>
Net cash provided by operating activities	<u>15,016,255</u>	<u>35,301</u>	<u>458,071</u>	<u>15,509,627</u>
Cash flows from noncapital financing activities:				
Interest paid on loan	(102,603)	-	-	(102,603)
Cash repayments on interfund loans	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
Net cash provided (used) by noncapital financing activities	<u>(102,603)</u>	<u>-</u>	<u>90,000</u>	<u>(12,603)</u>
Cash flows from capital and related financing activities:				
Donations received for acquisition of capital assets	-	-	13,500	13,500
Proceeds from sale of revenue bonds	60,105,000	-	-	60,105,000
Loan provided to third party with proceeds of revenue bonds	(31,605,000)	-	-	(31,605,000)
Acquisition and construction of capital assets	(13,172,610)	(28,849)	(39,513,440)	(52,714,899)
Principal payments on loans	(4,186,000)	-	-	(4,186,000)
Proceeds from intergovernmental contributed capital	-	-	6,780,280	6,780,280
Proceeds from sale of land	-	-	395,000	395,000
Proceeds from capital leases	1,800	-	9,347	11,147
Cash payments on capital lease principal	<u>(975)</u>	<u>-</u>	<u>(5,612)</u>	<u>(6,587)</u>
Net cash provided (used) for capital and related financing activities	<u>11,142,215</u>	<u>(28,849)</u>	<u>(32,320,925)</u>	<u>(21,207,559)</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Enterprise Funds

### Combining Statement of Cash Flows, Continued

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Cash flows from investing activities -				
Interest on investments	\$ <u>1,838,099</u>	<u>-</u>	<u>3,328,009</u>	<u>5,166,108</u>
Net cash provided by investing activities	<u>1,838,099</u>	<u>-</u>	<u>3,328,009</u>	<u>5,166,108</u>
Net increase (decrease) in cash and cash equivalents including restricted amounts	27,893,966	6,452	(28,444,845)	(544,427)
Cash and cash equivalents at beginning of year including restricted amounts	<u>18,050,200</u>	<u>29,675</u>	<u>45,208,491</u>	<u>63,288,366</u>
Cash and cash equivalents at end of year including restricted amounts	\$ <u><u>45,944,166</u></u>	<u><u>36,127</u></u>	<u><u>16,763,646</u></u>	<u><u>62,743,939</u></u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	<u>(2,075,699)</u>	<u>(32,513)</u>	<u>(231,854)</u>	<u>(2,340,066)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Amortization of deferred post-closure costs	12,284,961	-	-	12,284,961
Depreciation	2,391,465	61,362	22,918	2,475,745
Change in assets and liabilities:				
Increase in trade and other receivables	(1,091,788)	(724)	-	(1,092,512)
Increase in due from other governments	-	-	(87,935)	(87,935)
Decrease in advance to other governments	308,686	-	-	308,686
Increase in other assets	(48)	(19,533)	(11,230)	(30,811)
Increase in accounts payable	2,711,459	25,406	454,503	3,191,368
Increase in salaries, withholdings and payroll taxes payable	26,138	1,303	15,796	43,237
Increase (decrease) in contracts payable	583,532	-	(737)	582,795
Decrease in City of Portland end use fee payable	(34,627)	-	-	(34,627)
Increase in due to other governments	25,842	-	-	25,842
Increase (decrease) in deposits payable	(113,666)	-	296,760	183,094
Decrease in other liabilities	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>
Total adjustments	<u>17,091,954</u>	<u>67,814</u>	<u>689,925</u>	<u>17,849,693</u>
Net cash provided by operating activities	\$ <u><u>15,016,255</u></u>	<u><u>35,301</u></u>	<u><u>458,071</u></u>	<u><u>15,509,627</u></u>
Supplemental disclosure of cash flow information, non-cash transactions:				
Land donated to Metro by a third party	-	-	4,033,323	4,033,323
Capitalized interest on fixed assets	201,083	-	2,505,329	2,706,412
Other	-	-	85,662	85,662

## 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 in the following pages.

##### Solid Waste Revenue Fund

The Solid Waste Revenue Fund, in fiscal 1990, accounts for all activities related to the Metro East Transfer and Metro/Riedel Compost projects financed through revenue bonds. In subsequent fiscal years, the other four budgetary funds described below will be consolidated into this fund, where all solid waste activities will be accounted for in accordance with Metro Ordinance 89-319.

##### Solid Waste Operating Fund

The primary activities accounted for in the Solid Waste Operating 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 Metro South Station. 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, including 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 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:

- Annual maintenance of the landfill, including grading, compacting and reseeded.
- Leachate processing and transportation.

# METROPOLITAN SERVICE DISTRICT

## Solid Waste Revenue Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ -	-	-
Revenues:			
Interest	-	342,686	342,686
Pass-through debt service receipts	-	<u>738,125</u>	<u>738,125</u>
Total revenues	-	1,080,811	1,080,811
Other financing sources - Revenue bond proceeds	-	<u>60,105,000</u>	<u>60,105,000</u>
Total revenues and other financing sources	\$ -	<u><u>61,185,811</u></u>	<u><u>61,185,811</u></u>
Expenditures:			
Materials and services	-	32,140,737	(32,140,737)
Interest expense and principal payment on Department of Environmental Quality loans	-	3,839,411	(3,839,411)
Pass-through debt service payments	-	738,125	(738,125)
Capital outlay	-	<u>9,707,415</u>	<u>(9,707,415)</u>
Total expenditures	-	46,425,688	(46,425,688)
Unappropriated ending fund balance - June 30, 1990	-	<u>14,760,123</u>	<u>14,760,123</u>
	\$ -	<u><u>61,185,811</u></u>	<u><u>61,185,811</u></u>

# METROPOLITAN SERVICE DISTRICT

## Solid Waste Operating Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>5,489,404</u>	<u>6,227,167</u>	<u>737,763</u>
Revenues:			
Disposal fees	24,632,958	23,913,759	(719,199)
User fees	4,291,250	4,647,106	355,856
Regional transfer charge	5,083,333	4,913,185	(170,148)
Convenience charge	941,167	1,087,277	146,110
Rehabilitation and mitigation fees	488,833	551,947	63,114
Interest	49,578	503,501	453,923
Miscellaneous	<u>487,394</u>	<u>500,836</u>	<u>13,442</u>
Total revenues	35,974,513	36,117,611	143,098
Other financing sources:			
Operating transfers from - Rehabilitation and Enhancement Fund	<u>4,820</u>	<u>2,320</u>	<u>(2,500)</u>
Total revenues and other financing sources	<u>35,979,333</u>	<u>36,119,931</u>	<u>140,598</u>
	\$ <u>41,468,737</u>	<u>42,347,098</u>	<u>878,361</u>
Expenditures:			
Administration:			
Personal services	316,969	291,022	25,947
Materials and services	<u>50,160</u>	<u>36,426</u>	<u>13,734</u>
	<u>367,129</u>	<u>327,448</u>	<u>39,681</u>
Budget and finance:			
Personal services	291,562	287,898	3,664
Materials and services	151,357	133,279	18,078
Capital outlay	<u>44,875</u>	<u>43,978</u>	<u>897</u>
	<u>487,794</u>	<u>465,155</u>	<u>22,639</u>

(Continued)

# METROPOLITAN SERVICE DISTRICT

## Solid Waste Operating Fund

### Statement of Revenues and Expenditures - Budget and Actual, Continued

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Expenditures, continued:			
Operations:			
Personal services	\$ 464,836	453,160	11,676
Materials and services	13,119,107	14,461,933	(1,342,826)
Capital outlay	<u>211,400</u>	<u>10,122</u>	<u>201,278</u>
	<u>13,795,343</u>	<u>14,925,215</u>	<u>(1,129,872)</u>
Waste reduction:			
Personal services	547,136	520,723	26,413
Materials and services	1,714,220	1,045,444	668,776
Capital outlay	<u>13,888</u>	<u>13,195</u>	<u>693</u>
	<u>2,275,244</u>	<u>1,579,362</u>	<u>695,882</u>
Systems planning and engineering:			
Personal services	407,766	375,795	31,971
Materials and services	648,129	670,977	(22,848)
Capital outlay	<u>5,915</u>	<u>5,195</u>	<u>720</u>
	<u>1,061,810</u>	<u>1,051,967</u>	<u>9,843</u>
General operating contingency	<u>1,026,752</u>	<u>-</u>	<u>1,026,752</u>
Total expenditures	19,014,072	18,349,147	664,925
Other financing uses -			
Transfers	<u>21,610,358</u>	<u>21,347,993</u>	<u>262,365</u>
Total expenditures and other financing uses	40,624,430	39,697,140	927,290
Unappropriated ending fund balance - June 30, 1990	<u>844,307</u>	<u>2,649,958</u>	<u>1,805,651</u>
	\$ <u>41,468,737</u>	<u>42,347,098</u>	<u>878,361</u>

# METROPOLITAN SERVICE DISTRICT

## Solid Waste Debt Service Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Operating transfers from:			
Solid Waste Operating Fund	764,749	650,277	(114,472)
Solid Waste Capital Fund	<u>3,688,232</u>	<u>-</u>	<u>(3,688,232)</u>
Total revenues and other financing sources	\$ <u><u>4,452,981</u></u>	<u><u>650,277</u></u>	<u><u>(3,802,704)</u></u>
Expenditures -			
Interest expense and principal payment on Department of Environmental Quality loans	2,505,193	650,277	1,854,916
Unappropriated ending fund balance - June 30, 1990	<u>1,947,788</u>	<u>-</u>	<u>(1,947,788)</u>
	\$ <u><u>4,452,981</u></u>	<u><u>-</u></u>	<u><u>(3,802,704)</u></u>

METROPOLITAN SERVICE DISTRICT

Solid Waste Capital Improvement Fund

Statement of Revenues and Expenditures -  
Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>2,112,877</u>	<u>1,434,424</u>	<u>(678,453)</u>
Revenues - Interest	1,191,181	213,397	(977,784)
Other financing sources:			
Department of Environmental Quality loan proceeds	15,700,000	-	(15,700,000)
Operating transfers from - Solid Waste Operating Fund	<u>4,333,000</u>	<u>4,282,000</u>	<u>(51,000)</u>
Total revenues and other financing sources	<u>21,224,181</u>	<u>4,495,397</u>	<u>(16,728,784)</u>
	\$ <u>23,337,058</u>	<u>5,929,821</u>	<u>(17,407,237)</u>
Total expenditures:			
Materials and services	621,000	196,075	424,925
Capital outlay	<u>5,279,000</u>	<u>2,457,963</u>	<u>2,821,037</u>
Total expenditures	5,900,000	2,654,038	3,245,962
Other financing uses - Transfers	<u>3,688,232</u>	<u>-</u>	<u>3,688,232</u>
Total expenditures and other financing uses	9,588,232	2,654,038	6,934,194
Unappropriated ending fund balance - June 30, 1990	<u>13,748,826</u>	<u>3,275,783</u>	<u>10,473,043</u>
	\$ <u>23,337,058</u>	<u>5,929,821</u>	<u>17,407,237</u>

METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Reserve Fund

Statement of Revenues and Expenditures -  
Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>13,049,236</u>	<u>12,943,704</u>	(105,532)
Revenues - Interest	1,333,447	1,276,566	(56,881)
Other financing sources: Operating transfers from - Solid Waste Operating Fund	<u>12,000,000</u>	<u>12,000,000</u>	<u>-</u>
Total revenues and other financing sources	<u>13,333,447</u>	<u>13,276,566</u>	(56,881)
	\$ <u>26,382,683</u>	<u>26,220,270</u>	(162,413)
Unappropriated ending fund balance - June 30, 1990	\$ <u>26,382,683</u>	<u>26,220,270</u>	(162,413)

# METROPOLITAN SERVICE DISTRICT

## Building Management Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues:			
Rental and lease income	\$ 166,589	130,488	(36,101)
Parking fees	50,995	51,835	840
Miscellaneous	<u>-</u>	<u>8,504</u>	<u>8,504</u>
Total revenues	<u>217,584</u>	<u>190,827</u>	<u>(26,757)</u>
Other financing sources:			
Operating transfers:			
General Fund	210,760	188,504	(22,256)
Solid Waste Operating Fund	149,773	66,878	(82,895)
Planning Fund	79,810	71,382	(8,428)
Convention Center Project Management Fund	5,079	4,543	(536)
Convention Center Project Capital Fund	<u>17,004</u>	<u>15,208</u>	<u>(1,796)</u>
Total other financing sources	<u>462,426</u>	<u>346,515</u>	<u>(115,911)</u>
Total revenues and other financing sources	\$ <u>680,010</u>	<u>537,342</u>	<u>(142,668)</u>
Expenditures:			
Personal services	73,109	51,612	21,497
Materials and services	468,684	456,881	11,803
Capital outlay	63,217	28,849	34,368
Contingency	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	\$ <u>680,010</u>	<u>537,342</u>	<u>142,668</u>

## METROPOLITAN SERVICE DISTRICT

### Enterprise Funds

#### Description of Convention Center Budgetary Funds

For financial reporting purposes, management considers the activities relating to Convention Center management those of a unitary enterprise operation and as such the activities are reported in the Convention Center Fund in a 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 in the following pages.

##### Metropolitan Exposition-Recreation Commission Fund

The Metropolitan Exposition-Recreation Commission Fund accounts for expenditures associated with the administration and operation of regional convention and trade show facilities -- specifically the Metro Oregon Convention Center. The primary source of revenue for this fund is a 3% lodging tax, proceeds of which are transferred from Multnomah County.

##### Convention Center Project Management Fund

The Convention Center Project Management Fund accounts for expenditures associated with the transition of the Metro Oregon Convention Center project from a construction effort to the operation of the Center and liaison work with other state and local agencies. The primary source of revenue for this fund is interest earnings on investments.

##### Convention Center Project Capital Fund

The primary sources of revenue for the Convention Center Project Capital Fund are the proceeds from general obligation bonds, interest, proceeds of a local improvement district transferred from the City of Portland and state and Federal grants. Eligible expenditures to be made from this fund relate directly to the site acquisition and construction of the Metro Oregon Convention Center.

METROPOLITAN SERVICE DISTRICT  
Metropolitan Exposition-Recreation Commission Fund

Statement of Revenues and Expenditures -  
Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>1,455,000</u>	<u>1,698,961</u>	<u>243,961</u>
Revenues:			
Local grants	27,745	-	(27,745)
Intergovernmental revenue	2,800,000	2,966,332	166,332
Interest	104,000	174,016	70,016
Miscellaneous	<u>-</u>	<u>150</u>	<u>150</u>
Total revenues	<u>2,931,745</u>	<u>3,140,498</u>	<u>208,753</u>
	\$ <u><u>4,386,745</u></u>	<u><u>4,839,459</u></u>	<u><u>452,714</u></u>
Expenditures:			
Personal services	489,978	214,770	275,208
Materials and services	1,641,463	1,663,817	(22,354)
Capital outlay	205,663	206,752	(1,089)
Contingency	<u>433,622</u>	<u>-</u>	<u>433,622</u>
Total expenditures	<u>2,770,726</u>	<u>2,085,339</u>	<u>685,387</u>
Other financing uses - Transfers	<u>116,019</u>	<u>116,019</u>	<u>-</u>
Total expenditures and other financing uses	<u>2,886,745</u>	<u>2,201,358</u>	<u>685,387</u>
Unappropriated ending fund balance - June 30, 1990	<u>1,500,000</u>	<u>2,638,101</u>	<u>(1,138,101)</u>
	\$ <u><u>4,386,745</u></u>	<u><u>4,839,459</u></u>	<u><u>452,714</u></u>

METROPOLITAN SERVICE DISTRICT  
Convention Center Project Management Fund

Statement of Revenues and Expenditures -  
Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>529,119</u>	<u>614,208</u>	<u>85,089</u>
Revenues:			
Interest on investments	37,038	36,205	(833)
Miscellaneous	<u>-</u>	<u>65</u>	<u>65</u>
Total revenues	<u>37,038</u>	<u>36,270</u>	<u>(768)</u>
	\$ <u>566,157</u>	<u>650,478</u>	<u>84,321</u>
Expenditures:			
Personal services	78,581	79,686	(1,105)
Materials and services	313,887	48,909	264,978
Capital outlay	650	-	650
Contingency	<u>38,747</u>	<u>-</u>	<u>38,747</u>
Total expenditures	431,865	128,595	303,270
Other financing uses -			
Transfers	<u>134,292</u>	<u>133,756</u>	<u>536</u>
Total expenditures and other financing uses	566,157	262,351	303,806
Unappropriated ending fund balance - June 30, 1990	<u>-</u>	<u>388,127</u>	<u>388,127</u>
	\$ <u>566,157</u>	<u>650,478</u>	<u>84,321</u>

# METROPOLITAN SERVICE DISTRICT

## Convention Center Project Capital Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>34,326,129</u>	<u>40,497,018</u>	<u>6,170,889</u>
Revenues:			
Federal grants	45,000	-	(45,000)
State grants	7,510,000	5,477,902	(2,032,098)
Intergovernmental revenue	4,500,000	1,288,878	(3,211,122)
Contributions and donations	45,000	13,500	(31,500)
Interest	1,217,000	2,047,613	830,613
Miscellaneous	<u>300,000</u>	<u>438,932</u>	<u>138,932</u>
Total revenues	13,617,000	9,266,825	(4,350,175)
Other financing sources -			
Sale of general fixed assets	<u>-</u>	<u>395,000</u>	<u>395,000</u>
Total revenues and other financing sources	<u>13,617,000</u>	<u>9,661,825</u>	<u>(3,955,175)</u>
	\$ <u>47,943,129</u>	<u>50,158,843</u>	<u>2,215,714</u>
Expenditures:			
Personal services	236,757	216,093	20,664
Materials and services	59,500	38,172	21,328
Capital outlay	45,082,379	39,136,483	5,945,896
Contingency	<u>2,115,544</u>	<u>-</u>	<u>2,115,544</u>
Total expenditures	47,494,180	39,390,748	8,103,432
Other financing uses -			
Transfers	<u>448,949</u>	<u>447,153</u>	<u>1,796</u>
Total expenditures and other financing uses	47,943,129	39,837,901	8,105,228
Unappropriated ending fund balance - June 30, 1990	<u>-</u>	<u>10,320,942</u>	<u>10,320,942</u>
	\$ <u>47,943,129</u>	<u>50,158,843</u>	<u>2,215,714</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, 1990

	<u>Budgetary basis</u>		
	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues over (under) expenditures</u>
Solid Waste Fund:			
Solid Waste Revenue Fund	\$ 61,185,811	46,425,688	14,760,123
Solid Waste Operating Fund	\$ 36,119,931	39,697,140	(3,577,209)
Solid Waste Debt Service Fund	-	650,277	(650,277)
Solid Waste Capital Improvement Fund	4,495,397	2,654,038	1,841,359
Solid Waste St. Johns Reserve Fund	<u>13,276,566</u>	<u>-</u>	<u>13,276,566</u>
Total Solid Waste Fund	\$ <u>115,077,705</u>	<u>89,427,143</u>	<u>25,650,562</u>
Building Management Fund	\$ <u>537,342</u>	<u>537,342</u>	<u>-</u>
Convention Center Fund:			
Metropolitan Exposition - Recreation Commission Fund	3,140,498	2,201,358	939,140
Convention Center Project Management Fund	36,270	262,351	(226,081)
Convention Center Project Capital Fund	<u>9,661,825</u>	<u>39,837,901</u>	<u>(30,176,076)</u>
Total Convention Center Fund	\$ <u>12,838,593</u>	<u>42,301,610</u>	<u>(29,463,017)</u>

(Continued)

# 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), Continued

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Excess of revenues and other financing sources over (under) expenditures and other financing uses on a budgetary basis	\$ 25,650,562	-	(29,463,017)	(3,812,455)
Add budget requirements not qualifying as expenses under GAAP:				
Loans provided to third party	31,605,000	-	-	31,605,000
Fixed assets additions	13,172,562	28,849	38,872,788	52,074,199
Principal payments on loans	4,186,000	-	-	4,186,000
Operating transfers out	16,932,276	-	447,153	17,379,429
Subtract additional expenses required by GAAP:				
Depreciation	(2,391,465)	(61,362)	(22,918)	(2,475,745)
Post-closure costs	(12,284,961)	-	-	(12,284,961)
Increase in accrued interest payable	(428,676)	-	-	(428,676)
Increase in accrued vacation payable	(15,616)	-	(8,388)	(24,004)
Loss on sale of land	-	-	(96,630)	(96,630)
Subtract budget resources not qualifying as revenues under GAAP:				
Proceeds from bond issues	(60,105,000)	-	-	(60,105,000)
Amounts received related to lodging tax receivable	-	-	(14,200)	(14,200)
Intergovernmental funds received as a refund of landfill siting fees	(308,686)	-	-	(308,686)
Contributed capital - state grant	-	-	(5,477,902)	(5,477,902)
Contributed capital - intergovernmental revenue	-	-	(1,288,878)	(1,288,878)
Contributed capital - contributions	-	-	(13,500)	(13,500)
Proceeds from sale of land	-	-	(395,000)	(395,000)
Net increase in leases payable	(825)	-	(3,735)	(4,560)
Operating transfers in	(16,282,000)	-	-	(16,282,000)
Net income (loss) presented in combining statement of revenues, expenses and changes in retained earnings/fund balance	\$ <u>(270,829)</u>	<u>(32,513)</u>	<u>2,535,773</u>	<u>2,232,431</u>

# METROPOLITAN SERVICE DISTRICT

## Insurance Fund

### Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>1,229,250</u>	<u>1,296,920</u>	<u>67,670</u>
Revenues:			
Interest	191,000	256,588	65,588
Insurance proceeds	-	20,620	20,620
Miscellaneous	<u>-</u>	<u>2,450</u>	<u>2,450</u>
Total revenues	191,000	279,658	88,658
Other financing sources:			
Operating transfers from:			
Zoo Operating Fund	174,748	174,748	-
Solid Waste Operating Fund	1,538,434	1,538,434	-
Planning Fund	19,355	17,719	(1,636)
Convention Center Project Management Fund	954	954	-
Convention Center Project Capital Fund	3,194	3,194	-
Metropolitan Exposition - Recreation			
Commission Fund	6,083	6,083	-
General Fund	<u>33,733</u>	<u>33,733</u>	<u>-</u>
Total revenues and other financing sources	<u>1,967,501</u>	<u>2,054,523</u>	<u>87,022</u>
	\$ <u><u>3,196,751</u></u>	<u><u>3,351,443</u></u>	<u><u>154,692</u></u>
Expenditures:			
Materials and services	276,500	253,127	23,373
Contingency	<u>408,847</u>	<u>-</u>	<u>408,847</u>
Total expenditures	685,347	253,127	432,220
Unappropriated ending fund balance - June 30, 1990	<u>2,511,404</u>	<u>3,098,316</u>	<u>586,912</u>
	\$ <u><u>3,196,751</u></u>	<u><u>3,351,443</u></u>	<u><u>154,692</u></u>

# METROPOLITAN SERVICE DISTRICT

## Trust Funds

### Combining Balance Sheet

June 30, 1990

		Pension Trust Pension Plan	Expendable Trust Rehabilitation and Enhancement Fund	Total
	<u>Assets</u>			
Cash investments		\$ 5,009,902	1,868,011	6,877,913
Receivables		268,577	-	268,577
Interest receivable		-	19,500	19,500
		<u>\$ 5,278,479</u>	<u>1,887,511</u>	<u>7,165,990</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable		-	3,242	3,242
Pension benefits payable		<u>5,278,479</u>	<u>-</u>	<u>5,278,479</u>
Total liabilities		5,278,479	3,242	5,281,721
Fund balance - unreserved		<u>-</u>	<u>1,884,269</u>	<u>1,884,269</u>
		<u>\$ 5,278,479</u>	<u>1,887,511</u>	<u>7,165,990</u>

METROPOLITAN SERVICE DISTRICT  
St. Johns Rehabilitation and Enhancement Fund  
Statement of Revenues and Expenditures -  
Budget and Actual

For the year ended June 30, 1990

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1989	\$ <u>1,434,778</u>	<u>1,496,438</u>	<u>61,660</u>
Revenues - Interest	111,582	142,196	30,614
Other financing sources: Operating transfers - Solid Waste Operating Fund	<u>328,500</u>	<u>314,503</u>	<u>(13,997)</u>
Total revenues and other financing sources	<u>440,082</u>	<u>456,699</u>	<u>16,617</u>
	\$ <u><u>1,874,860</u></u>	<u><u>1,953,137</u></u>	<u><u>78,277</u></u>
Expenditures: Materials and services	458,605	66,548	392,057
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	468,605	66,548	402,057
Other financing uses: Transfers - Solid Waste Operating Fund	<u>4,820</u>	<u>2,320</u>	<u>2,500</u>
Total expenditures and other financing uses	<u>473,425</u>	<u>68,868</u>	<u>404,557</u>
Unappropriated ending fund balance - June 30, 1990	<u>1,401,435</u>	<u>1,884,269</u>	<u>482,834</u>
	\$ <u><u>1,874,860</u></u>	<u><u>1,953,137</u></u>	<u><u>78,277</u></u>



METROPOLITAN SERVICE DISTRICT

General Fixed Assets Account Group

Description of General Fixed Assets  
Account Group

The general fixed assets account group accounts for Metro's investment in fixed assets other than those recorded in the Proprietary Fund types.



METROPOLITAN SERVICE DISTRICT

Schedule of General Fixed Assets

June 30, 1990

General fixed assets:

Land	\$ 2,573,449
Buildings	28,193,186
Improvements	1,127,057
Equipment	1,474,724
Office furniture	1,089,350
Railroad equipment and facilities	699,085
Capitalized leases	983,391
Leasehold improvements	<u>901</u>

Total general fixed assets \$ 36,141,143

Investment in general fixed assets from:

General Fund	1,585,141
Special Revenue Funds:	
Zoo Fund	12,419,934
Planning Fund	424,591
Zoo Capital Fund	<u>21,711,477</u>

Total investment in general fixed assets \$ 36,141,143

# METROPOLITAN SERVICE DISTRICT

## Schedule of General Fixed Assets

For the year ended June 30, 1990

	<u>Land</u>	<u>Buildings and exhibits</u>	<u>Improvements</u>
Balances, July 1, 1989	\$ 2,573,449	26,582,632	978,122
Add:			
Expenditures from:			
General Fund	-	-	-
Special Revenue Funds:			
Zoo Fund	-	71,677	77,951
Planning Fund	-	-	-
Zoo Capital Fund	<u>-</u>	<u>1,538,876</u>	<u>70,985</u>
Balance, June 30, 1990	\$ <u>2,573,449</u>	<u>28,193,185</u>	<u>1,127,058</u>

<u>Equipment</u>	<u>Office furniture</u>	<u>Railroad equipment and facilities</u>	<u>Capitalized leases</u>	<u>Leasehold improvements</u>	<u>Total</u>
1,326,430	900,858	637,453	983,391	-	33,982,335
1,569	76,562	-	-	901	79,032
115,004	48,922	61,632	-	-	375,186
31,721	63,008	-	-	-	94,729
-	-	-	-	-	<u>1,609,861</u>
<u>1,474,724</u>	<u>1,089,350</u>	<u>699,085</u>	<u>983,391</u>	<u>901</u>	<u>36,141,143</u>



METROPOLITAN SERVICE DISTRICT

General Long-term Debt Account Group

Description of General Long-term Debt  
Account Group

The general long-term debt account group accounts for all long-term debt except that recorded in the Enterprise Funds. The general long-term debt consists of general obligation Convention Center bonds, capital lease obligations, and vested compensated absences.

METROPOLITAN SERVICE DISTRICT

Schedule of General Long-term Debt

June 30, 1990

Amount available and to be provided for :

Amount available for debt service	\$ 500,295
Amount to be provided for retirement of general long-term debt	62,464,705
Amount to be provided for payment of capital lease	504,896
Amount to be provided for employee vacation expense	<u>355,240</u>
	\$ <u>63,825,136</u>

General long-term debt payable:

General Obligation Convention Center	
Bonds payable	62,965,000
Capital lease obligations	504,896
Accrued vacation pay	<u>355,240</u>
	\$ <u>63,825,136</u>

---

# Supplementary Data

---

- Schedule of Property Tax Transactions
- Schedule of Long-term Debt Transactions
- Schedule of Future Debt Service Requirements
- Supplementary Grant Schedules



# METROPOLITAN SERVICE DISTRICT

## Schedule of Property Tax Transactions and Outstanding Receivable

For the year ended June 30, 1990

<u>Fiscal year</u>	Property taxes receivable July 1, 1989	Current levy as extended by assessors
1989-90	\$ -	11,530,322
1988-89	807,791	-
1987-88	295,734	-
1986-87	105,505	-
1985-86	35,522	-
1984-85 and prior	<u>16,371</u>	<u>-</u>
	\$ <u>1,260,923</u>	<u>11,530,322</u>

	<u>Collections</u>		
	July 1, 1989 to June 30, <u>1990</u>	July 1, 1989 to August 31, <u>1989</u>	July 1, 1990 to August 31, <u>1990</u>
Reconciliation to property tax revenue presented in combined financial statements:			
Zoo Fund	\$ 5,517,818	48,153	55,463
Debt Service Fund - Convention Center	<u>5,822,945</u>	<u>43,371</u>	<u>57,823</u>
	\$ <u>11,340,763</u>	<u>91,524</u>	<u>113,286</u>

Add (deduct)				Property taxes receivable June 30, 1990
<u>Adjustments</u>	<u>Interest</u>	<u>Discounts</u>	<u>Collections</u>	
26,440	11,497	(242,930)	(10,613,062)	712,267
(24,544)	35,701	-	(432,379)	386,569
(7,515)	28,736	-	(159,871)	157,084
(5,438)	23,417	-	(89,168)	34,316
(2,021)	10,936	-	(35,977)	8,460
<u>(908)</u>	<u>4,077</u>	<u>-</u>	<u>(10,306)</u>	<u>9,234</u>
<u>(13,986)</u>	<u>114,364</u>	<u>(242,930)</u>	<u>(11,340,763)</u>	<u>1,307,930</u>

<u>Payment in lieu of property taxes</u>	<u>Property tax revenue in combined statement of revenues, expenditures and changes in fund balances</u>	<u>Taxes uncollected June 30, 1990</u>	<u>Deferred revenues June 30, 1990</u>
24,300	5,549,428	679,358	623,895
<u>26,547</u>	<u>5,863,944</u>	<u>628,572</u>	<u>570,750</u>
<u>50,847</u>	<u>11,413,372</u>	<u>1,307,930</u>	<u>1,194,645</u>

# METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1990

	<u>Original issue</u>		Outstanding July 1, 1989	<u>Fiscal 1990 transactions</u>		Outstanding June 30, 1990
	<u>Date</u>	<u>Amount</u>		<u>Matured</u>	<u>Paid</u>	
Loan 115:						
Principal	April 21, 1977	\$ <u>2,150,000</u>	<u>670,000</u>	<u>160,000</u>	<u>670,000</u>	<u>-</u>
Interest				\$ <u>24,424</u>	<u>24,424</u>	
Loan 118:						
Principal	June 1, 1981	2,930,000	2,256,000	147,000	2,256,000	-
Addition	April 1, 1982	400,000	328,000	20,000	328,000	-
Addition	August 1, 1982	<u>1,157,000</u>	<u>932,000</u>	<u>58,000</u>	<u>932,000</u>	<u>-</u>
Total		\$ <u>4,487,000</u>	<u>3,516,000</u>	<u>225,000</u>	<u>3,516,000</u>	<u>-</u>
Interest				\$ <u>279,263</u>	<u>279,363</u>	
Total requirements						\$ <u>-</u>

# METROPOLITAN SERVICE DISTRICT

## Schedule of Future Debt Service Requirements (General Obligation Convention Center Bonds)

June 30, 1990

<u>Year of maturity</u>	Dated July 1, 1987 <u>5.75% to 9.00%</u>	
	<u>Principal</u>	<u>Interest</u>
1990-91	1,110,000	4,577,278
1991-92	1,175,000	4,474,453
1992-93	1,250,000	4,370,328
1993-94	1,335,000	4,280,696
1994-95	1,425,000	4,199,565
1995-96	1,530,000	4,109,385
1996-97	1,640,000	4,009,475
1997-98	1,760,000	3,898,915
1998-99	1,890,000	3,776,575
1999-2000	2,040,000	3,641,935
2000-2001	2,195,000	3,494,730
2001-2002	2,370,000	3,333,770
2002-2003	2,560,000	3,157,475
2003-2004	2,770,000	2,964,210
2004-2005	2,995,000	2,752,290
2005-2006	3,240,000	2,521,595
2006-2007	3,510,000	2,270,090
2007-2008	3,805,000	1,995,777
2008-2009	4,120,000	1,698,590
2009-2010	4,465,000	1,374,420
2010-2011	4,840,000	1,020,830
2011-2012	5,250,000	636,097
2012-2013	<u>5,690,000</u>	<u>217,642</u>
Total	\$ <u>62,965,000</u>	<u>68,776,121</u>

METROPOLITAN SERVICE DISTRICT  
Schedule of Future Debt Service Requirements  
(Metro East Transfer Station Project,  
Waste Disposal System Revenue Bonds)

June 30, 1990

	<u>Principal</u>	<u>Interest</u>
Year of maturity:		
1990-91	\$ -	1,359,423
1991-92	560,000	1,631,308
1992-93	1,175,000	1,579,458
1993-94	1,250,000	1,505,813
1994-95	1,330,000	1,426,110
1995-96	1,415,000	1,340,036
1996-97	1,505,000	1,246,948
1997-98	1,605,000	1,145,758
1998-99	1,720,000	1,035,959
1999-00	1,840,000	916,506
2000-01	1,965,000	786,994
2001-02	1,513,986	1,234,368
2002-03	908,387	1,842,623
2003-04	840,100	1,910,910
2004-05	781,303	1,969,707
2005-06	726,284	2,024,726
2006-07	674,796	2,076,215
2007-08	1,390,144	1,360,865
2008-09	2,260,000	492,385
2009-10	2,430,000	324,303
2010-11	<u>2,610,000</u>	<u>143,810</u>
Total	\$ <u>28,500,000</u>	<u>27,354,225</u>

# METROPOLITAN SERVICE DISTRICT

## Schedule of Future Solid Waste Debt Service Requirements (Metro/Riedel Oregon Compost Company, Inc. Project Waste Disposal System Revenue Bonds)

June 30, 1990

	<u>Principal</u>
Year of maturity:	
1990-91	\$ -
1991-92	-
1992-93	600,000
1993-94	600,000
1994-95	700,000
1995-96	800,000
1996-97	800,000
1997-98	800,000
1998-99	1,000,000
1999-00	1,000,000
2000-01	1,000,000
2001-02	1,200,000
2002-03	1,200,000
2003-04	1,400,000
2004-05	1,400,000
2005-06	1,600,000
2006-07	1,700,000
2007-08	1,800,000
2008-09	2,000,000
2009-10	2,700,000
2010-11	2,800,000
2011-12	<u>6,505,000</u>
Total	\$ <u>31,605,000</u>

As interest rates are variable, interest payments over the life of the bonds are not determinable. Metro has estimated that interest payments for fiscal year 1991 will amount to approximately \$2,107,000 using an average estimated interest rate of 7.70%.

METROPOLITAN SERVICE DISTRICT

Schedule of Long-term Debt Transactions  
(General Obligation Convention Center Bonds Payable)

June 30, 1990

	<u>Principal</u>				<u>Interest expense</u>
	<u>Outstanding July 1, 1989</u>	<u>Issued during year</u>	<u>Matured and paid during year</u>	<u>Outstanding June 30, 1990</u>	
General Obligation Convention Center Bonds with interest rates from 5.75% to 9.00%, final year of maturity 2013	\$ <u>64,010,000</u>	<u>-</u>	<u>1,045,000</u>	<u>62,965,000</u>	<u>4,674,252</u>

# METROPOLITAN SERVICE DISTRICT

## Schedule of Solid Waste Long-term Debt Transactions (Metro East Transfer Station Project, Waste Disposal System Revenue Bonds Payable)

June 30, 1990

	<u>Principal</u>				
	<u>Outstanding July 1, 1989</u>	<u>Issued during year</u>	<u>Matured and paid during year</u>	<u>Outstanding June 30, 1990</u>	<u>Interest expense</u>
Solid Waste Disposal System Revenue Bonds with interest rates from 6.10% to 7.35%, final year of maturity 2011	\$ <u>-</u>	<u>28,500,000</u>	<u>-</u>	<u>28,500,000</u>	<u>-</u>

# METROPOLITAN SERVICE DISTRICT

## Schedule of Solid Waste Long-term Debt Transactions (Metro/Riedel Oregon Compost Company, Inc. Waste Disposal Project Revenue Bonds Payable)

June 30, 1990

	<u>Principal</u>				<u>Interest expense</u>
	<u>Outstanding July 1, 1989</u>	<u>Issued during year</u>	<u>Matured and paid during year</u>	<u>Outstanding June 30, 1990</u>	
Solid Waste Disposal Project Revenue Bonds with variable interest rates, final year of maturity 2011	\$ <u>-</u>	<u>31,605,000</u>	<u>-</u>	<u>31,605,000</u>	<u>-</u>

## METROPOLITAN SERVICE DISTRICT

### Abbreviated Designations for Grantor Agencies

Abbreviated  
designation

Description

DEQ	Oregon Department of Environmental Quality
FHWA	U.S. Federal Highway Administration
IMS	U.S. Department of Education, Institute of Museum Services
LCDC	Oregon Land Conservation and Development Commission
ODOT	Oregon Department of Transportation
ODOT/PL	Oregon Department of Transportation - Federal Highway Planning Grant
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, 1990

	IMS <u>IC-70058-87</u>
Grant award date	Jul.30,1987
Federal funding percentage	<u>49%</u>
Revenues:	
Federal grants	\$ 1,171
Required match	<u>1,219</u>
Total revenues	\$ <u>2,390</u>
Expenditures:	
Direct costs:	
Salaries	854
Fringe benefits	365
Travel	1,171
Contractual services	-
Other	<u>-</u>
Total direct costs	2,390
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>2,390</u>

\*Indirect costs are not allowed under the grant agreement.

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Combined Revenues and Expenditures by Grantor

For the year ended June 30, 1990

	Total UMTA	Total FHWA/ODOT	Total ODOT	LCDC 90-1167	DEQ Air Quality Emissions	Total
Revenues earned:						
Federal grants	\$ 400,500	-	-	-	-	400,500
State and state administered grants	19,652	312,452	164,635	18,750	3,500	518,989
Local and local administered grants	310,531	-	-	-	-	310,531
Required match	<u>85,087</u>	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,946</u>
Total revenues	\$ <u>815,770</u>	<u>315,311</u>	<u>164,635</u>	<u>18,750</u>	<u>3,500</u>	<u>1,317,966</u>
Expenditures:						
Direct costs:						
Salaries	393,066	159,624	78,551	10,224	1,905	643,370
Fringe benefits	113,446	45,578	22,784	2,971	553	185,332
Contractual services	39,280	12,687	319	-	1	52,287
Data processing	7,931	3,220	4,661	-	3	15,815
Printing	4,998	1,523	-	-	3	6,524
Other	8,231	6,288	15,658	-	-	30,177
Expenditures by subgrantee	<u>35,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,563</u>
Total direct costs	602,515	228,920	121,973	13,195	2,465	969,068
Indirect costs	<u>213,255</u>	<u>86,391</u>	<u>42,662</u>	<u>5,555</u>	<u>1,035</u>	<u>348,898</u>
Total expenditures	\$ <u>815,770</u>	<u>315,311</u>	<u>164,635</u>	<u>18,750</u>	<u>3,500</u>	<u>1,317,966</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Combining Revenues and Expenditures by Grant

For the year ended June 30, 1990

	<u>UMTA</u> <u>OR-29-9014</u>	<u>UMTA</u> <u>OR-08-0057</u>	<u>UMTA</u> <u>OR-08-0051</u>	<u>UMTA</u> <u>OR-08-0054</u>
Federal funding percentage	<u>85%</u>	<u>80%</u>	<u>80%</u>	<u>80%</u>
Revenues:				
Federal grants	\$ 7,528	73,898	1,724	35,726
State and state administered grants	-	5,570	-	-
Local and local administered grants/match	750	3,730	431	41
Required match	<u>578</u>	<u>9,175</u>	<u>-</u>	<u>-</u>
Total revenues	\$ <u>8,856</u>	<u>92,373</u>	<u>2,155</u>	<u>35,767</u>
Expenditures:				
Direct costs:				
Salaries	2,103	36,980	1,175	-
Fringe benefits	611	10,619	341	-
Contractual services	5,000	22,950	-	-
Data processing	-	374	-	-
Printing	-	899	-	204
Other	-	513	-	-
Expenditures by subgrantee	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,563</u>
Total direct costs	7,714	72,335	1,516	35,767
Indirect costs	<u>1,142</u>	<u>20,038</u>	<u>639</u>	<u>-</u>
Total expenditures	\$ <u>8,856</u>	<u>92,373</u>	<u>2,155</u>	<u>35,767</u>

(Continued)

<u>UMTA</u> <u>OR-90-2026</u>	<u>UMTA</u> <u>OR-90-0026</u>	<u>UMTA</u> <u>OR-29-9017</u>	<u>UMTA</u> <u>OR-08-0061</u>	<u>UMTA</u> <u>OR-90-0031</u>	<u>UMTA</u> <u>OR-90-0027</u>	Total <u>UMTA</u>
<u>80%</u>	<u>100%</u>	<u>85%</u>	<u>80%</u>	<u>80%</u>	<u>80%</u>	
-	-	58,474	223,150	-	-	400,500
-	-	-	4,122	-	9,960	19,652
33	117,447	-	6,250	32,760	149,089	310,531
<u>8</u>	<u>-</u>	<u>10,319</u>	<u>45,416</u>	<u>3,640</u>	<u>15,951</u>	<u>85,087</u>
<u>41</u>	<u>117,447</u>	<u>68,793</u>	<u>278,938</u>	<u>36,400</u>	<u>175,000</u>	<u>815,770</u>
22	59,135	36,023	144,890	19,848	92,890	393,066
6	17,184	10,467	41,469	5,768	26,981	113,446
-	-	-	10,885	-	445	39,280
-	4,147	1,254	427	-	1,729	7,931
-	-	-	2,332	-	1,563	4,998
-	4,850	1,467	476	-	925	8,231
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,563</u>
28	85,316	49,211	200,479	25,616	124,533	602,515
<u>13</u>	<u>32,131</u>	<u>19,582</u>	<u>78,459</u>	<u>10,784</u>	<u>50,467</u>	<u>213,255</u>
<u>41</u>	<u>117,447</u>	<u>68,793</u>	<u>278,938</u>	<u>36,400</u>	<u>175,000</u>	<u>815,770</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Revenues and Expenditures by Grant, Continued

	<u>FHWA/ ODOT FY 88 PL</u>	<u>FHWA/ ODOT FY 90 PL</u>	<u>FHWA/ ODOT FY 88 H.P.R.</u>	<u>FHWA/ ODOT FY 89 H.P.R.</u>
Federal funding percentage	<u>89.05%**</u>	<u>89.05%**</u>	<u>89.05%**</u>	<u>89.05%**</u>
Revenues:				
State and state administered grants	\$ 17,762	271,444	3,705	12,814
Required match	<u>-</u>	<u>-</u>	<u>456</u>	<u>1,576</u>
Total revenues	\$ <u>17,762</u>	<u>271,444</u>	<u>4,161</u>	<u>14,390</u>
Expenditures:				
Direct costs:				
Salaries	9,374	136,704	2,195	7,665
Fringe benefits	2,724	39,055	638	2,091
Contractual services	78	12,063	18	-
Data processing	233	2,838	55	94
Printing	-	1,256	-	-
Other	259	5,534	61	433
Expenditures by subgrantee	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	12,668	197,450	2,967	10,283
Indirect costs	<u>5,094</u>	<u>73,994</u>	<u>1,194</u>	<u>4,107</u>
Total expenditures	\$ <u>17,762</u>	<u>271,444</u>	<u>4,161</u>	<u>14,390</u>

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

<u>FHWA/ ODOT FY 90 H.P.R.</u>	<u>Total FHWA/ ODOT</u>	<u>ODOT Western Bypass</u>	<u>ODOT TA Expansion</u>	<u>ODOT FY 90 Supplement</u>	<u>Total ODOT</u>	<u>LCDC 90-1167</u>	<u>DEQ Air Quality Emissions</u>
<u>89.05%**</u>		<u>0%</u>	<u>0%</u>	<u>0%</u>		<u>0%</u>	<u>0%</u>
6,727	312,452	4,723	44,954	114,958	164,635	18,750	3,500
<u>827</u>	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,554</u>	<u>315,311</u>	<u>4,723</u>	<u>44,954</u>	<u>114,958</u>	<u>164,635</u>	<u>18,750</u>	<u>3,500</u>
3,686	159,624	2,576	16,731	59,244	78,551	10,224	1,905
1,070	45,578	748	4,828	17,208	22,784	2,971	553
528	12,687	-	-	319	319	-	1
-	3,220	-	2,118	2,543	4,661	-	3
267	1,523	-	-	-	-	-	3
1	6,288	-	12,201	3,457	15,658	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,552	228,920	3,324	35,878	82,771	121,973	13,195	2,465
<u>2,002</u>	<u>86,391</u>	<u>1,399</u>	<u>9,076</u>	<u>32,187</u>	<u>42,662</u>	<u>5,555</u>	<u>1,035</u>
<u>7,554</u>	<u>315,311</u>	<u>4,723</u>	<u>44,954</u>	<u>114,958</u>	<u>164,635</u>	<u>18,750</u>	<u>3,500</u>

# METROPOLITAN SERVICE DISTRICT

## Zoo Fund

### Schedule of Revenues and Expenditures by Grant

June 30, 1990

	IMS <u>IC-70058-87</u>
Grant award date	Jul.30,1987
Grant award total	\$ <u>18,779</u>
Unexpended grant award	\$ <u>8,479</u>
Federal funding percentage	<u>49%</u>
Revenues:	
Federal grants	\$ 5,047
Required match	<u>5,253</u>
Total revenues	\$ <u>10,300</u>
Expenditures:	
Direct costs:	
Salaries and fringe benefits	5,253
Consultants and other	<u>5,047</u>
Total direct costs	10,300
Indirect costs*	<u>-</u>
Total expenditures	\$ <u>10,300</u>
Funding activity:	
Total expenditures	10,300
Total award and match received to date	<u>10,300</u>
Amount receivable from grantor agencies	\$ <u>-</u>

\*Indirect costs are not allowed under the grant agreement.

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Revenues and Expenditures by Grantor

From inception through June 30, 1990

	Total UMTA	Total FHWA/ODOT	Total ODOT	LCDC 90-1167	DEQ Air Quality Emissions	Total
Grant award total	\$ <u>3,703,155</u>	<u>1,094,202</u>	<u>621,605</u>	<u>25,000</u>	<u>3,500</u>	<u>5,447,462</u>
Unexpended grant award	\$ <u>736,295</u>	<u>202,256</u>	<u>117,896</u>	<u>6,250</u>	<u>-</u>	<u>1,062,697</u>
Revenues:						
Federal grants	1,886,126	-	-	-	-	1,886,126
State/local and state/local administered grants	782,786	870,405	476,599	18,750	3,500	2,152,040
Contracts	-	-	27,110	-	-	27,110
Required match	<u>289,058</u>	<u>21,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,599</u>
Total revenues	\$ <u>2,957,970</u>	<u>891,946</u>	<u>503,709</u>	<u>18,750</u>	<u>3,500</u>	<u>4,375,875</u>
Expenditures:						
Direct costs:						
Salaries and fringe benefits	1,724,786	589,574	249,541	13,195	2,465	2,579,561
Consultants and other	386,516	54,665	117,051	-	-	558,232
Expenditures by subgrantee	<u>60,563</u>	<u>-</u>	<u>29,754</u>	<u>-</u>	<u>-</u>	<u>90,317</u>
Total direct costs	2,171,865	644,239	396,346	13,195	2,465	3,228,110
Indirect costs	<u>786,105</u>	<u>247,707</u>	<u>107,363</u>	<u>5,555</u>	<u>1,035</u>	<u>1,147,765</u>
Total expenditures	\$ <u>2,957,970</u>	<u>891,946</u>	<u>503,709</u>	<u>18,750</u>	<u>3,500</u>	<u>4,375,875</u>
Funding activity:						
Total expenditures	2,957,970	891,946	503,709	18,750	3,500	4,375,875
Total award and match received to date	<u>2,551,559</u>	<u>835,492</u>	<u>457,022</u>	<u>18,750</u>	<u>3,500</u>	<u>3,866,323</u>
Amount receivable from grantor agencies	\$ <u>406,411</u>	<u>56,454</u>	<u>46,687</u>	<u>-</u>	<u>-</u>	<u>509,552</u>

METROPOLITAN SERVICE DISTRICT  
Planning Fund  
Schedule of Revenues and Expenditures by Grant  
From inception through June 30, 1990

	<u>UMTA</u> <u>OR-29-9014</u>	<u>UMTA</u> <u>OR-08-0057</u>	<u>UMTA</u> <u>OR-08-0051</u>
	Jun.30,1988	Jun.30,1988	Jun.19,1987
Grant award date			
Grant award total	\$ <u>41,325</u>	<u>279,525</u>	<u>279,525</u>
Unexpended grant award	\$ <u>-</u>	<u>-</u>	<u>12,640</u>
Federal funding percentage	<u>85%</u>	<u>80%</u>	<u>80%</u>
Revenues:			
Federal grants	\$ 35,126	223,609	213,507
State/local and state/local administered grants	3,250	25,140	7,931
Required match	<u>2,949</u>	<u>30,776</u>	<u>45,447</u>
Total revenues	\$ <u>41,325</u>	<u>279,525</u>	<u>266,885</u>
Expenditures:			
Direct costs:			
Salaries and fringe benefits	26,332	175,733	173,524
Consultants and other	5,017	35,808	8,683
Expenditures by subgrantee	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	31,349	211,541	182,207
Indirect costs	<u>9,976</u>	<u>67,984</u>	<u>84,678</u>
Total expenditures	\$ <u>41,325</u>	<u>279,525</u>	<u>266,885</u>
Funding activity:			
Total expenditures	41,325	279,525	266,885
Total award and match received to date	<u>38,384</u>	<u>231,722</u>	<u>266,109</u>
Amount receivable from grantor agencies	\$ <u>2,941</u>	<u>47,803</u>	<u>776</u>

(Continued)

<u>UMTA</u> <u>OR-08-0054</u>	<u>UMTA</u> <u>OR-90-0007</u>	<u>UMTA</u> <u>OR-29-9010</u>	<u>UMTA</u> <u>OR-29-9013</u>	<u>UMTA</u> <u>OR-08-0046</u>	<u>UMTA</u> <u>OR-29-9008</u>	Subtotal (carried forward to page 102)
Dec.31,1987	Jan. 2,1986	Jun. 8,1984	Jun.22,1987	Jul. 1,1986	Mar.30,1983	
<u>375,000</u>	<u>106,300</u>	<u>385,001</u>	<u>72,324</u>	<u>282,050</u>	<u>52,317</u>	<u>1,873,367</u>
<u>43,026</u>	<u>1,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,789</u>
<u>80%</u>	<u>80%*</u>	<u>85%</u>	<u>85%</u>	<u>80%</u>	<u>100%</u>	
265,579	-	327,253	61,475	225,640	52,317	1,404,506
57,505*	85,039	30,650	1,224	4,047	-	214,786
<u>-</u>	<u>20,138</u>	<u>27,098</u>	<u>9,625</u>	<u>52,363</u>	<u>-</u>	<u>188,396</u>
<u>323,084</u>	<u>105,177</u>	<u>385,001</u>	<u>72,324</u>	<u>282,050</u>	<u>52,317</u>	<u>1,807,688</u>
24,318	65,988	241,807	45,225	181,855	16,051	950,833
226,607	6,195	10,447	5,246	9,318	29,845	337,166
<u>60,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,563</u>
311,488	72,183	252,254	50,471	191,173	45,896	1,348,562
<u>11,596</u>	<u>32,994</u>	<u>132,747</u>	<u>21,853</u>	<u>90,877</u>	<u>6,421</u>	<u>459,126</u>
<u>323,084</u>	<u>105,177</u>	<u>385,001</u>	<u>72,324</u>	<u>282,050</u>	<u>52,317</u>	<u>1,807,688</u>
323,084	105,177	385,001	72,324	282,050	52,317	1,807,688
<u>279,369</u>	<u>105,177</u>	<u>385,001</u>	<u>72,324</u>	<u>282,050</u>	<u>52,317</u>	<u>1,712,453</u>
<u>43,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,235</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Revenues and Expenditures by Grant, Continued

	Subtotal (brought forward from page 101)	<u>UMTA</u> <u>OR-90-0027</u>	<u>UMTA</u> <u>OR-29-9012</u>	<u>UMTA</u> <u>OR-90-2026</u>
Grant award date		Apr. 9, 1990	Jul. 1, 1986	Jul. 1, 1988
Grant award total	\$ <u>1,873,367</u>	<u>175,000</u>	<u>235,294</u>	<u>125,000</u>
Unexpended grant award	\$ <u>56,789</u>	<u>-</u>	<u>-</u>	<u>24,593</u>
Federal funding percentage		<u>80%</u>	<u>85%</u>	<u>80%</u>
Revenues:				
Federal grants	\$ 1,404,506	-	199,996	-
State/local and state/local administered grants	214,786	159,049	21,130	93,274
Required match	<u>188,396</u>	<u>15,951</u>	<u>14,168</u>	<u>7,133</u>
Total revenues	\$ <u>1,807,688</u>	<u>175,000</u>	<u>235,294</u>	<u>100,407</u>
Expenditures:				
Direct costs:				
Salaries and fringe benefits	950,833	119,871	153,520	70,325
Consultants and other	337,166	4,662	9,762	3,754
Expenditures by subgrantee	<u>60,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total direct costs	1,348,562	124,533	163,282	74,079
Indirect costs	<u>459,126</u>	<u>50,467</u>	<u>72,012</u>	<u>26,328</u>
Total expenditures	\$ <u>1,807,688</u>	<u>175,000</u>	<u>235,294</u>	<u>100,407</u>
Funding activity:				
Total expenditures	1,807,688	175,000	235,294	100,407
Total award and match received to date	<u>1,712,453</u>	<u>91,425</u>	<u>235,294</u>	<u>66,156</u>
Amount receivable from grantor agencies	\$ <u>95,235</u>	<u>83,575</u>	<u>-</u>	<u>34,251</u>

\*Balance of match provided by Tri-Met.

<u>UMTA</u> <u>OR-08-0061</u>	<u>UMTA</u> <u>OR-29-9017</u>	<u>UMTA</u> <u>OR-90-0031</u>	<u>UMTA</u> <u>OR-90-0026</u>	<u>UMTA</u> <u>OR-90-0026</u>	<u>UMTA</u> <u>OR-90-0026</u>	Total <u>UMTA</u>
Jul. 1,1989	Sep.29,1989	Apr. 9,1990	Apr.15,1988	Apr.15,1988	Apr.15,1988	
<u>278,938</u>	<u>92,106</u>	<u>648,000</u>	<u>80,700</u>	<u>97,750</u>	<u>97,000</u>	<u>3,703,155</u>
<u>-</u>	<u>23,313</u>	<u>611,600</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>736,295</u>
<u>80%</u>	<u>85%**</u>	<u>80%***</u>	<u>80%</u>	<u>100%</u>	<u>100%</u>	
223,150	58,474	-	-	-	-	1,886,126
10,372	-	32,760	76,665	97,750	77,000	782,786
<u>45,416</u>	<u>10,319</u>	<u>3,640</u>	<u>4,035</u>	<u>-</u>	<u>-</u>	<u>289,058</u>
<u>278,938</u>	<u>68,793</u>	<u>36,400</u>	<u>80,700</u>	<u>97,750</u>	<u>77,000</u>	<u>2,957,970</u>
186,359	46,490	25,616	54,142	69,774	47,856	1,724,786
14,120	2,721	-	4,793	541	8,997	386,516
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,563</u>
200,479	49,211	25,616	58,935	70,315	56,853	2,171,865
<u>78,459</u>	<u>19,582</u>	<u>10,784</u>	<u>21,765</u>	<u>27,435</u>	<u>20,147</u>	<u>786,105</u>
<u>278,938</u>	<u>68,793</u>	<u>36,400</u>	<u>80,700</u>	<u>97,750</u>	<u>77,000</u>	<u>2,957,970</u>
278,938	68,793	36,400	80,700	97,750	77,000	2,957,970
<u>245,930</u>	<u>21,851</u>	<u>-</u>	<u>80,700</u>	<u>97,750</u>	<u>-</u>	<u>2,551,559</u>
<u>33,008</u>	<u>46,942</u>	<u>36,400</u>	<u>-</u>	<u>-</u>	<u>77,000</u>	<u>406,411</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Revenues and Expenditures by Grant, Continued

	<u>FHWA/ ODOT FY 88 PL</u>	<u>FHWA/ ODOT FY 89 PL</u>
Grant award date	Jul. 1, 1987	Jul. 1, 1988
Grant award total	\$ <u>259,538</u>	<u>240,641</u>
Unexpended grant award	\$ <u>49,928</u>	<u>38,185</u>
Federal funding percentage	<u>89.06%**</u>	<u>89.06%**</u>
Revenues:		
State and state administered grants	\$ 209,610	202,456
Required match	<u>-</u>	<u>-</u>
Total revenues	\$ <u>209,610</u>	<u>202,456</u>
Expenditures:		
Direct costs:		
Salaries and fringe benefits	131,018	139,736
Consultants and other	14,039	10,425
Expenditures by subgrantee	<u>-</u>	<u>-</u>
Total direct costs	145,057	150,161
Indirect costs	<u>64,553</u>	<u>52,295</u>
Total expenditures	\$ <u>209,610</u>	<u>202,456</u>
Funding activity:		
Total expenditures	209,610	202,456
Total award and match received to date	<u>209,610</u>	<u>202,456</u>
Amount receivable from (advanced by) grantor agencies	\$ <u>-</u>	<u>-</u>

(Continued)

<u>FHWA/ ODOT FY 90 PL</u>	<u>FHWA/ ODOT FY 88 H.P.R.</u>	<u>FHWA/ ODOT FY 89 H.P.R.</u>	<u>FHWA/ ODOT FY 90 H.P.R.</u>	<u>TOTAL FHWA/ ODOT</u>
Jul. 1,1989	Jul. 1,1987	Jul. 1,1988	Jul. 1,1989	
<u>271,444</u>	<u>43,258</u>	<u>213,199</u>	<u>66,122</u>	<u>1,094,202</u>
<u>-</u>	<u>6,599</u>	<u>48,976</u>	<u>58,568</u>	<u>202,256</u>
<u>89.06%**</u>	<u>89.06%**</u>	<u>89.06%**</u>	<u>89.05%**</u>	
<u>271,444</u>	<u>32,647</u>	<u>147,521</u>	<u>6,727</u>	<u>870,405</u>
<u>-</u>	<u>4,012</u>	<u>16,702</u>	<u>827</u>	<u>21,541</u>
<u>271,444</u>	<u>36,659</u>	<u>164,223</u>	<u>7,554</u>	<u>891,946</u>
<u>175,759</u>	<u>22,741</u>	<u>115,564</u>	<u>4,756</u>	<u>589,574</u>
<u>21,691</u>	<u>2,770</u>	<u>4,944</u>	<u>796</u>	<u>54,665</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>197,450</u>	<u>25,511</u>	<u>120,508</u>	<u>5,552</u>	<u>644,239</u>
<u>73,994</u>	<u>11,148</u>	<u>43,715</u>	<u>2,002</u>	<u>247,707</u>
<u>271,444</u>	<u>36,659</u>	<u>164,223</u>	<u>7,554</u>	<u>891,946</u>
<u>271,444</u>	<u>36,659</u>	<u>164,223</u>	<u>7,554</u>	<u>891,946</u>
<u>215,166</u>	<u>36,659</u>	<u>151,409</u>	<u>20,192</u>	<u>835,492</u>
<u>56,278</u>	<u>-</u>	<u>12,814</u>	<u>(12,638)</u>	<u>56,454</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Revenues and Expenditures by Grant, Continued

	<u>ODOT</u> <u>Western</u> <u>Bypass</u>	<u>ODOT</u> <u>TA</u> <u>Expansion</u>
Grant award date	Jan. 4, 1990	Dec. 16, 1986
Grant award total	\$ <u>79,780</u>	<u>222,480</u>
Unexpended grant award	\$ <u>75,057</u>	<u>-</u>
Federal funding percentage	<u>0%</u>	<u>0%</u>
Revenues:		
State and state administered grants	4,723	222,480
Contracts	-	-
Required match	<u>-</u>	<u>-</u>
Total revenues	\$ <u>4,723</u>	<u>222,480</u>
Expenditures:		
Direct costs:		
Salaries and fringe benefits	3,324	83,013
Consultants and other	-	100,146
Expenditures by subgrantee	<u>-</u>	<u>-</u>
Total direct costs	3,324	183,159
Indirect costs	<u>1,399</u>	<u>39,321</u>
Total expenditures	\$ <u>4,723</u>	<u>222,480</u>
Funding activity:		
Total expenditures	4,723	222,480
Total award and match received to date	<u>374</u>	<u>222,480</u>
Amount receivable from (advanced by) grantor agencies	\$ <u>4,349</u>	<u>-</u>

<u>ODOT</u> <u>FY 87</u> <u>Supplement</u>	<u>ODOT</u> <u>FY 89</u> <u>Supplement</u>	<u>ODOT</u> <u>FY 90</u> <u>Supplement</u>	<u>Total</u> <u>ODOT</u>	<u>LCDC</u> <u>90-1167</u>	<u>DEQ</u> <u>Air Quality/</u> <u>Emissions</u>
Jul. 1,1986	Jul. 1,1988	Jul. 1,1989		Jan. 3,1990	Dec.31,1989
<u>69,949</u>	<u>134,438</u>	<u>114,958</u>	<u>621,605</u>	<u>25,000</u>	<u>3,500</u>
<u>42,839</u>	<u>-</u>	<u>-</u>	<u>117,896</u>	<u>6,250</u>	<u>-</u>
<u>0%</u>	<u>0%</u>	<u>0%</u>		<u>0%</u>	<u>0%</u>
-	134,438	114,958	476,599	18,750	3,500
27,110	-	-	27,110	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>27,110</u>	<u>134,438</u>	<u>114,958</u>	<u>503,709</u>	<u>18,750</u>	<u>3,500</u>
15,897	70,855	76,452	249,541	13,195	2,465
3,265	7,321	6,319	117,051	-	-
<u>-</u>	<u>29,754</u>	<u>-</u>	<u>29,754</u>	<u>-</u>	<u>-</u>
19,162	107,930	82,771	396,346	13,195	2,465
<u>7,948</u>	<u>26,508</u>	<u>32,187</u>	<u>107,363</u>	<u>5,555</u>	<u>1,035</u>
<u>27,110</u>	<u>134,438</u>	<u>114,958</u>	<u>503,709</u>	<u>18,750</u>	<u>3,500</u>
27,110	134,438	114,958	503,709	18,750	3,500
<u>27,110</u>	<u>134,438</u>	<u>72,620</u>	<u>457,022</u>	<u>18,750</u>	<u>3,500</u>
<u>-</u>	<u>-</u>	<u>42,338</u>	<u>46,687</u>	<u>-</u>	<u>-</u>

# METROPOLITAN SERVICE DISTRICT

## Planning Fund

### Schedule of Closed Grant Projects

For the year ended June 30, 1990

	<u>UMTA</u> <u>OR-90-2017</u>	<u>UMTA</u> <u>OR-29-9011</u>	<u>UMTA</u> <u>OR-29-9008</u> <u>Tri-Met</u>
Grant award total	\$ <u>78,500</u>	<u>352,840</u>	<u>109,183</u>
Lapsed or transferred portion of grant	\$ <u>-</u>	<u>-</u>	<u>-</u>
Revenues:			
Federal grants	-	299,909	109,183
State/local and state/local administered grants	62,800	18,201	-
Required match	<u>15,700</u>	<u>34,730</u>	<u>-</u>
Total revenues	\$ <u>78,500</u>	<u>352,840</u>	<u>109,183</u>
Expenditures:			
Direct costs:			
Salaries and fringe benefits	50,433	225,352	-
Consultants and other	2,851	14,808	-
Expenditures by subgrantee	<u>-</u>	<u>-</u>	<u>109,183</u>
Total direct costs	53,284	240,160	109,183
Indirect costs	<u>25,216</u>	<u>112,680</u>	<u>-</u>
Total expenditures	\$ <u>78,500</u>	<u>352,840</u>	<u>109,183</u>

<u>UMTA</u> <u>OR-08-0045</u>	<u>UMTA</u> <u>OR-90-2019</u>	<u>UMTA</u> <u>OR-29-9010</u> <u>Portland</u>	<u>FHWA/</u> <u>ODOT</u> <u>PL 1986</u>	<u>FHWA/</u> <u>ODOT</u> <u>PL 1987</u>	<u>LCDC</u> <u>R-00073</u>	<u>LCDC</u> <u>DD-010</u>
<u>315,375</u>	<u>125,000</u>	<u>12,750</u>	<u>212,384</u>	<u>225,325</u>	<u>40,000</u>	<u>20,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
252,299	-	12,750	-	-	-	-
19,695	118,476	-	212,384	225,325	40,000	20,000
<u>43,381</u>	<u>6,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>315,375</u>	<u>125,000</u>	<u>12,750</u>	<u>212,384</u>	<u>225,325</u>	<u>40,000</u>	<u>20,000</u>
193,116	81,140	-	127,681	141,657	26,673	12,895
25,694	3,290	-	23,758	12,840	-	-
<u>-</u>	<u>-</u>	<u>12,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
218,810	84,430	12,750	151,439	154,497	26,673	12,895
<u>96,565</u>	<u>40,570</u>	<u>-</u>	<u>60,945</u>	<u>70,828</u>	<u>13,327</u>	<u>7,105</u>
<u>315,375</u>	<u>125,000</u>	<u>12,750</u>	<u>212,384</u>	<u>225,325</u>	<u>40,000</u>	<u>20,000</u>

METROPOLITAN SERVICE DISTRICT

Planning Fund

Schedule of Indirect Costs

For the year ended June 30, 1990

Salaries and fringe benefits	\$ 366,368
Travel, meetings and related expenses	3,864
Supplies	27,108
Contractual services	18,526
Printing	16,184
Telephone	14,768
Utilities	26,355
Postage	15,756
Equipment rental and maintenance	35,370
Insurance	20,189
Leases	107,083
Other	<u>13,618</u>
Total indirect costs	\$ <u>665,189</u>

The indirect cost rate for the year ended June 30, 1990 is the ratio of the indirect costs to direct personnel costs:

Indirect costs	\$ <u>665,190</u>	=	42%
Direct personnel costs	\$ 1,578,148		

---

# Audit Comments and Disclosures

---

Required by state regulations

## AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-01-050 through 162-10-320 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, and 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 in the following pages.

## AUDIT COMMENTS AND DISCLOSURES

### Accounting Records

We found the records of Metropolitan Service District (Metro) to be generally well maintained and adequate for audit purposes.

### Internal Control Structure

We have audited the combined financial statements of Metro as of and for the year ended June 30, 1990, and have issued our report thereon dated November 9, 1990.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Metro for the year ended June 30, 1990, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Metro is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure 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 internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Revenue/receipts
- Purchases/disbursements
- Payroll

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

## AUDIT COMMENTS AND DISCLOSURES, CONTINUED

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Metro in a separate letter dated November 9, 1990.

This report is intended solely for the use of Metro and the State of Oregon, Secretary of State, Division of Audits and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

### Budgeting

#### A. Budget Preparation

The published budgets for all funds for the current and ensuing fiscal year appear to have been prepared in compliance with Oregon Local Budget Law.

#### B. Appropriations

The following over-expenditures at the level of budgetary control in violation of statutory requirements occurred:

<u>Fund</u>	<u>Budget category</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Solid Waste Operating Fund	Operations materials and services	\$ 13,119,107	14,461,933	1,342,826
Solid Waste Operating Fund	Systems planning and engineering materials and services	648,129	670,977	22,848
Zoo Operating Fund	Administration capital outlay	3,737	3,993	256
Zoo Operating Fund	Marketing personal services	149,484	150,922	1,438
Metropolitan Exposition-Recreation Commission Fund	Materials and services	1,641,463	1,663,817	22,354
Metropolitan Exposition-Recreation Commission Fund	Capital outlay	205,663	206,752	1,089
Convention Center Project Management Fund	Personal services	<u>78,581</u>	<u>79,686</u>	<u>1,105</u>

These expenditures appear to be at variance with ORS 294.435(4), which states: "...no greater expenditures...of public money shall be made for a specific purpose than the amount appropriated therefore...".

## AUDIT COMMENTS AND DISCLOSURES, CONTINUED

### Indebtedness

We have reviewed the records of Metro for compliance with the ORS requirements regarding bonds issued. Our review disclosed no conditions which we considered to be matters of noncompliance with the statutory requirements relating to the bonds outstanding.

### Adequacy of 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 at June 30, 1990. There was a limited period of time during the year where investments held by certain financial institutions exceeded by a minor amount the collateral of participations issued by the pool manager.

### Insurance and Fidelity Bond Coverage

We have reviewed Metro's procedures and policies in regard to their review of insurance and fidelity bond coverages as of June 30, 1990. 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.

### Cost Accounting System

Metro's cost accounting system appears to be in compliance with the cost accounting guidelines developed by the State of Oregon Executive Department.

### Investments

We examined Metro's investments for the year, to the extent deemed appropriate. Our tests did not disclose any noncompliance with state law concerning investment of public funds.

### 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 which specifies the 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.

### Public Contracting and Purchasing

Metro appears to be in compliance with legal requirements relating to the award of public contracts and the construction of public improvements.



Peat Marwick

Certified Public Accountants

**METROPOLITAN SERVICE DISTRICT**  
Portland, Oregon

**Independent Auditors' Reports in Accordance  
with the Single Audit Act of 1984**

**June 30, 1990**

METROPOLITAN SERVICE DISTRICT  
Portland, Oregon

Independent Auditors' Reports in Accordance  
with the Single Audit Act of 1984

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report on Supplementary Schedules of Federal Financial Assistance	1
Schedule of Federal Financial Assistance	2
Notes to Schedule of Federal Financial Assistance	3
Independent Auditors' Report on Compliance at the Combined Financial Statement Level	4
Independent Auditors' Report on Internal Controls at the Combined Financial Statement Level	5 - 6
Independent Auditors' Report on Compliance with General Requirements	7 - 8
Independent Auditors' Report on Compliance with Specific Major and Nonmajor Program Requirements	9 - 10
Schedule of Follow-up on June 30, 1989 Questioned Cost	11
Independent Auditors' Report on Internal Accounting and Administrative Controls at the Federal Financial Assistance Program Level	12 - 14



Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Supplementary  
Schedules of Federal Financial Assistance

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of Metropolitan Service District, Portland, Oregon, as of and for the year ended June 30 1990, and have issued our report thereon dated November 9, 1990. These combined financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the combined financial statements of Metropolitan Service District, Portland, Oregon, taken as a whole. 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. The information in that schedule has been subjected to the auditing procedures applied in the audit 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.

*KPMG Peat Marwick*

November 9, 1990



# METROPOLITAN SERVICE DISTRICT

## Schedule of Federal Financial Assistance

For the year ended June 30, 1990

<u>Federal grantor program title</u>	<u>Federal CFDA number</u>	<u>Program award amount</u>	<u>Total program expenditures at June 30, 1990</u>	<u>Accrued revenue at June 30, 1989</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued revenue at June 30, 1990</u>
<u>Department of Transportation</u>							
*Direct programs -							
Technical studies grants	20.505	\$ 2,454,088	2,366,219	73,662	385,359	486,882	175,185
*Passed through Tri-County Metropolitan Transit District (Tri-Met) - technical studies grants	20.505	1,329,750	672,434	110,662	241,901	328,888	197,649
*Passed through State Department of Transportation - highway research, planning and construction	20.505	<u>1,094,202</u>	<u>891,946</u>	<u>98,823</u>	<u>357,680</u>	<u>315,311</u>	<u>56,454</u>
Total Department of Transportation		<u>4,878,040</u>	<u>3,930,599</u>	<u>283,147</u>	<u>984,940</u>	<u>1,131,081</u>	<u>429,288</u>
<u>Department of Education</u>							
Institute of Museum Services ConservationProject Support	45.301	<u>18,779</u>	<u>10,302</u>	<u>-</u>	<u>2,390</u>	<u>2,390</u>	<u>-</u>
Total Federal Financial Assistance Program		\$ <u>4,896,819</u>	<u>3,940,901</u>	<u>283,147</u>	<u>987,330</u>	<u>1,133,471</u>	<u>429,288</u>

See accompanying notes to Schedule of Federal Financial Assistance.

\* Represents a major program.

# METROPOLITAN SERVICE DISTRICT

## Notes to Schedule of Federal Financial Assistance

June 30, 1990

(1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of all Federal and local financial assistance programs of the Metropolitan Service District (the District). The District reporting entity is defined in note 1 to the District's June 30, 1990 combined financial statements.

(2) Basis of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in note 2 to the District's June 30, 1990 combined financial statements.

(3) Relationship to Combined Financial Statements

Federal financial assistance revenues are presented in the District's June 30, 1990 combined financial statements included with grants from state and local governmental units.

Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Compliance  
at the Combined Financial Statement Level

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of Metropolitan Service District, Portland, Oregon, as of and for the year ended June 30 1990, and have issued our report thereon dated November 9, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Metropolitan Service District, Portland, Oregon, is the responsibility of the management of the Metropolitan Service District, Portland, Oregon. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of the Metropolitan Service District, Portland, Oregon's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Metropolitan Service District, Portland, Oregon, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Metropolitan Service District, Portland, Oregon had not complied, in all material respects, with those provisions.

This report is intended for the information of members of the finance committee, management, and the council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*KPMG Peat Marwick*

November 9, 1990

Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Internal Control  
at the Combined Financial Statement Level

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of Metropolitan Service District, Portland, Oregon, as of and for the year ended June 30, 1990, and have issued our report thereon dated November 9, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

In planning and performing our audit of the combined financial statements of Metropolitan Service District, Portland, Oregon, for the year ended June 30, 1990, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control structure.

The management of Metropolitan Service District, Portland, Oregon, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure 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 combined financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable Members of  
the Council  
Metropolitan Service District

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Purchases and disbursements
- Payroll
- Revenue and receipts

Our consideration of the internal control structure included all of the control categories listed above. The purpose of our consideration of the internal control structure was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the combined financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Metropolitan Service District, Portland, Oregon, in a separate letter dated November 9, 1990.

This report is intended for the information of members of the finance committee, management, and the council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*KPMG Peat Marwick*

November 9, 1990

Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Compliance  
with General Requirements

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of Metropolitan Service District, Portland, Oregon, as of and for the year ended June 30, 1990, and have issued our report thereon dated November 9, 1990.

We have also applied procedures to test the Metropolitan Service District, Portland, Oregon's compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, presented on page two of these reports for the year ended June 30, 1990:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property management
- Federal financial reports

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Metropolitan Service District, Portland, Oregon's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Metropolitan Service District, Portland, Oregon, had not complied, in all material respects, with those requirements.

The Honorable Members of  
the Council  
Metropolitan Service District

This report is intended for the information of members of the finance committee, management, and council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*KPMG Pat Marwick*

November 9, 1990

Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Compliance with  
Specific Major and Nonmajor Program Requirements

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of Metropolitan Service District, Portland, Oregon, as of and for the year ended June 30, 1990, and have issued our report thereon dated November 9, 1990.

We have also audited the Metropolitan Service District, Portland, Oregon's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; cost allocation; monitoring subrecipients; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, presented on page two of these reports for the year ended June 30, 1990. The management of the Metropolitan Service District, Portland, Oregon, is responsible for the Metropolitan Service District, Portland, Oregon's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Metropolitan Service District, Portland, Oregon's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above. Follow-up on the questioned cost noted in the June 30, 1989 Independent Auditors' Report on Compliance with Specific Major and Nonmajor Program Requirements, is described in the accompanying Schedule of Follow-up on June 30, 1989 Questioned Cost.

The Honorable Members of  
the Council  
Metropolitan Service District

In our opinion, Metropolitan Service District, Portland, Oregon, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; cost allocation; monitoring subrecipients; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1990.

In connection with our audit of the 1990 combined financial statements of Metropolitan Service District, Portland, Oregon, and with our study and evaluation of the Metropolitan Service District, Portland, Oregon's internal control systems used to administer federal financial assistance programs, as required by OMB Circular A-128, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1990.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; cost allocation; monitoring subrecipients; claims for advances and reimbursements, and amounts claimed or used for matching; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Metropolitan Service District, Portland, Oregon's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Metropolitan Service District, Portland, Oregon, had not complied, in all material respects, with those requirements.

This report is intended for the information of members of the finance committee, management, and the council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*KPMG Post Mawick*

November 9, 1990

METROPOLITAN SERVICE DISTRICT

Schedule of Follow-up on June 30, 1989  
Questioned Cost

June 30, 1990

During the fiscal year ended June 30, 1989, lobbyist vehicle costs were included in overhead charges to federal grants. The amount charged in error to federal grant programs was \$647.

As the fiscal year ended June 30, 1990 was a non-legislative year, no automobile was assigned to Metropolitan Service District Portland, Oregon's, lobbyist. The car assigned to the lobbyist was returned to the general fleet and appears to be properly included in the indirect cost pool.

Certified Public Accountants

Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

Independent Auditors' Report on Internal Accounting  
and Administrative Controls at the Federal  
Financial Assistance Program Level

The Honorable Members of  
the Council  
Metropolitan Service District  
Portland, Oregon:

We have audited the combined financial statements of the Metropolitan Service District, Portland, Oregon, for the year ended June 30, 1990, and have issued our report thereon dated November 9, 1990.

As part of our audit, we made a study and evaluation of the internal control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments.

Under the date of November 9, 1990, we reported separately on the results of our consideration of the internal control structure performed in connection with our audit of the combined financial statements. The results of our study and evaluation of internal accounting and administrative controls used in administering federal financial assistance programs are presented herein.

The management of Metropolitan Service District, Portland, Oregon, is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and fairly disclosed in reports. Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, 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 Honorable Members of  
the Council  
Metropolitan Service District

For the purpose of this report, we have classified the significant internal accounting and administrative controls used in administering the major federal financial assistance programs in the following categories:

- Accounting controls
  - Purchases and disbursements
  - Payroll
  - Revenue and receipts
- Administrative controls

General requirements:

- Political activity
- Davis-Bacon
- Civil rights
- Cash management
- Relocation assistance and real property management
- Federal financial reports
- Drug free work place

Specific requirements:

- Types of services
- Matching level of effort
- Reporting
- Cost allocation
- Special requirements
- Monitoring subrecipients
- Eligibility

Our study and evaluation included all of the applicable control categories listed above.

During the year ended June 30, 1990, the Metropolitan Service District, Portland, Oregon, expended approximately 99% of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, 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.

The Honorable Members of  
the Council  
Metropolitan Service District

With respect to the internal control systems used solely in administering nonmajor federal financial assistance programs, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs of Metropolitan Service District, Portland, Oregon, did not extend beyond this preliminary review phase. Accordingly, our audit would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor federal financial assistance programs.

Our study and evaluation described in the two preceding paragraphs was more limited than would be necessary to express an opinion on the internal control systems used in administering the major and nonmajor federal financial assistance programs of Metropolitan Service District, Portland, Oregon. Accordingly, we do not express an opinion on the internal control systems used in administering the major and nonmajor federal financial assistance programs of Metropolitan Service District, Portland, Oregon, taken as a whole, or on any of the control categories identified above. However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness in relation to a federal financial assistance program of Metropolitan Service District, Portland, Oregon. In our letter to management dated November 9, 1990, we have separately communicated our observations and recommendations regarding certain other matters, including those pertaining to nonmaterial internal control findings.

This report is intended solely for the use of management and the cognizant and other Federal and state 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, Portland, Oregon, is a matter of public record.

*KPMG Peat Marwick*

November 9, 1990

