



The Global Leader

METRO
Portland, Oregon

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

June 30, 1994

METRO
Portland, Oregon
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Independent Auditors' Report on Supplementary
Schedule of Federal Financial Assistance

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994. These combined financial statements are the responsibility of the management of Metro. 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, the Minimum Standards for Audits of Oregon Municipal Corporations, and Government Auditing Standards (1988 Revision), 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. 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.

Our audit was made for the purpose of forming an opinion on the combined financial statements of Metro, 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 the 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 LLP

October 24, 1994



METRO

Schedule of Federal Financial Assistance

For the year ended June 30, 1994

<u>Grantor and program title</u>	<u>Federal CFDA number</u>	<u>Grant award date</u>	<u>Grant number</u>
<u>U.S. Forest Service</u>			
Passed through the Oregon Department of Forestry - Urban and Community Forestry Assistance	10.664	March 31, 1993	-
<u>U.S. Department of the Interior</u>			
U.S. Fish and Wildlife - Fish and Wildlife Enhancement	- *	January 1, 1991	14-16-001-91551
U.S. Geological Survey - Land Use Model and Development of Mitigating Seismic Risks Regulation in Metropolitan Area	15.807	February 1, 1994	1434-94-G-2448
Total U.S. Department of the Interior			
<u>Federal Transportation Administration</u>			
Direct programs:			
Federal Transportation Technical Studies Grant:			
Interstate Transfer - Transit	20.505*	July 1, 1991	OR-29-9019
I-205/Milwaukie Preliminary Alternative Analysis	20.505*	July 1, 1991	OR-29-9020
South/North Alternatives Analysis	20.505*	October 1, 1993	OR-29-9021
South/North Alternatives Analysis and DEIS	20.505*	December 1, 1993	OR-29-9022
Public - Private Task Force	20.505*	December 31, 1987	OR-08-0054
Technical Studies	20.505*	August 31, 1991	OR-08-0063
Technical Studies	20.505*	July 1, 1991	OR-08-0068
Passed through Oregon Department of Transportation:			
Highway, Research, Planning and Construction:			
1993 Highway Planning and Research	20.505*	July 1, 1992	HPR-PL-STP-1X-93-01(30)
1993 Planning	20.505*	July 1, 1992	HPR-PL-STP-1X-93-01(30)
1994 Planning	20.505*	July 1, 1993	STR-PL-STP-94-01(31)
1993 Federal Highway Administration Special Research:			
LAND-0000(001)	20.505*	July 1, 1992	HPR-PL-STP-1X-93-01(30)
LAND-0000(002)	20.505*	July 1, 1992	HPR-PL-STP-1X-93-01(30)
1993 Federal Surface Transportation Program:			
ODOT Surface Transportation Program	20.505*	July 1, 1992	HPR-PL-STP-IX-93-01(30)
ODOT Surface Transportation Program (3/93)	20.505*	March 18, 1993	STR-PL-STP-94-01(30)
1994 Federal Surface Transportation Program:			
METRO Surface Transportation Program (3/93)	20.505*	March 18, 1993	STR-PL-STP-94-01(31)
METRO Surface Transportation Program	20.505*	July 1, 1993	STR-PL-STP-94-01(31)
Federal Transportation Technical Studies Grants:			
1993 Technical Studies (Section 8)	20.505*	July 1, 1992	OR-80-X001
1994 Technical Studies (Section 8)	20.505*	July 1, 1993	OR-80-X002
1994 Technical Studies (Section 26A)	20.505*	July 1, 1993	OR-80-X002
Passed through Tri-County Metropolitan Transit District (Tri-Met):			
Federal Transportation Technical Studies Grant:			
Hillsboro Alternatives Analysis	20.507*	April 9, 1990	OR-90-X031
Regional High Capacity Transit Study	20.507*	April 1, 1991	OR-90-X035
Westside Preliminary Engineering - Phase II	20.507*	February 2, 1992	OR-90-X026
Hillsboro PE/FEIS	20.507*	August 18, 1993	OR-90-X046
Total Federal Transportation Administration			

(Continued)

Total grant award	Cumulative status Expenditures					Unexpended grant award at June 30, 1994	Current year activity			
	Federal	Federal billed directly by Tri-Met	Local match provided directly by Tri-Met	State/local	Metro match		Grant receivable (advance) at June 30, 1993	Total cash collections	Expenditures	Grant receivable (advance) at June 30, 1994
\$ 4,750	2,440	-	-	-	-	2,310	-	2,440	2,440	-
1,590,500	847,261	-	-	-	-	743,239	87,604	178,489	319,276	228,391
<u>58,800</u>	<u>12,838</u>	-	-	-	-	<u>45,962</u>	-	-	<u>12,838</u>	<u>12,838</u>
<u>1,649,300</u>	<u>860,099</u>	-	-	-	-	<u>789,201</u>	<u>87,604</u>	<u>178,489</u>	<u>332,114</u>	<u>241,229</u>
145,294	123,499	-	-	-	21,795	-	45,253	45,858	4,033	3,428
1,173,000	997,050	-	-	154,297	21,653	-	155,303	413,713	523,968	265,558
1,162,295	406,888	-	-	71,802	-	683,605	-	180,888	478,690	297,802
1,882,353	-	-	-	-	-	1,882,353	-	-	-	-
375,000	288,805	-	-	72,201	-	13,994	2,500	-	-	2,500
257,750	202,193	-	3,998	9,439	37,112	5,008	15,993	15,993	-	-
261,125	208,900	-	-	166	52,059	-	7,270	7,270	-	-
59,341	42,833	-	-	-	10,708	5,800	16,277	16,277	-	-
572,306	501,786	-	-	65,460	-	5,060	132,283	132,283	-	-
692,220	483,056	-	-	55,288	-	153,876	-	348,648	538,344	189,696
263,200	150,765	-	-	-	-	112,435	16,695	16,500	49,370	49,565
298,800	114,006	-	-	-	-	184,794	-	-	114,006	114,006
314,947	282,602	-	-	-	32,345	-	131,561	131,561	-	-
828,844	245,328	-	-	-	28,079	555,437	-	201,496	273,407	71,911
2,070,099	924,995	-	-	105,870	-	1,039,234	-	448,403	1,030,865	582,462
458,072	256,444	-	-	11,815	17,538	172,275	-	204,521	285,797	81,276
274,906	219,925	-	-	-	54,981	-	68,305	106,268	105,928	67,965
230,580	143,501	-	-	-	35,875	51,204	-	150,571	179,376	28,805
40,670	32,536	-	-	-	8,134	-	-	26,933	40,670	13,737
2,031,880	1,180,741	341,815	-	318,223	61,340	129,761	371,511	439,640	40,344	(27,785)
187,500	150,000	-	-	16,068	21,432	-	1,812	1,812	-	-
200,000	44,999	-	-	-	-	155,001	6,085	10,487	19,589	15,187
<u>536,900</u>	<u>339,893</u>	-	-	<u>84,973</u>	-	<u>112,034</u>	-	<u>252,292</u>	<u>424,866</u>	<u>172,574</u>
<u>14,317,082</u>	<u>7,340,745</u>	<u>341,815</u>	<u>3,998</u>	<u>965,602</u>	<u>403,051</u>	<u>5,261,871</u>	<u>970,848</u>	<u>3,151,414</u>	<u>4,109,253</u>	<u>1,928,687</u>

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Schedule of Federal Financial Assistance, Continued

<u>Grantor and program title</u>	<u>Federal CFDA number</u>	<u>Grant award date</u>	<u>Grant number</u>
<u>Department of Education</u>			
Institute of Museum Services:			
General Operating Support	45.301	August 16, 1993	IG-30678-93
Conservation Program	45.301	August 19, 1993	IC-30230-93
Museum Assessment Program I	45.301	June 22, 1993	IM-30196-93
Conservation Assessment Program	45.301	May 13, 1994	IA-40105-94
Total Department of Education			
<u>U.S. Small Business Administration</u>			
Passed through the Oregon Department of Forestry - Tree Planting Funds	59.045	March 23, 1993	
<u>U.S. Environment Protection Agency</u>			
Water Quality Assistance Program -			
Intergovernmental Personnel Assignment I - Rogers	-	January 2, 1992	X000-669-01-0
Intergovernmental Personnel Assignment II - Rogers	-	March 6, 1994	X000-669-01-0
Passed through State of Oregon - Department of Environmental Quality:			
Air Quality Division:			
Updated base year emission inventory for motor vehicles	66.001	April 13, 1992	A000375-92-1
Motor vehicle emission reduction and transportation demand management study	66.001	June 1, 1992	A000375-92-1
Portland ozone maintenance plan development	66.001	March 21, 1994	142-94
Water Quality Division:			
Phase I: Smith and Bybee Lakes	66.435	July 1, 1993	CL000-863-01-0
Phase II: Smith and Bybee Lakes	66.435	May 1, 1994	CL000-863-01-2
Phase II: Pollution Reduction in the Fairview Creek Watershed	66.454	December 1, 1992	C410-000-24-0
Leaf Compost Filtration	66.460	October 1, 1992	C9-000451-92-0
Solid Waste Program -			
Commercial Recycling Demonstration Project	66.808	April 15, 1992	X100674-01-0
Total U.S. Environment Protection Agency			
<u>Federal Emergency Management Agency</u>			
Earthquake Funds Program:			
Passed through State of Oregon:			
Oregon Emergency Management Division - Earthquake Hazards Reduction Program - Intergovernmental Personnel Assignment - Mayer	83.521	October 19, 1992	OR-CCA-93-1002
Special Appropriated Earthquake Fund	83.521	May 5, 1993	EMS-93-K-0287
Total Federal Emergency Management Agency			
Total Federal grant programs			

*Represents a major program.

(Continued)

Total grant award	Cumulative status					Unexpended grant award at June 30, 1994	Current year activity			
	Expenditures						Grant receivable (advance) at June 30, 1993	Total cash collections	Expenditures	Grant receivable (advance) at June 30, 1994
	Federal	Federal billed directly by Tri-Met	Local match provided directly by Tri-Met	State/local	Metro match					
\$ 112,500	42,188	-	-	-	-	70,312	-	42,188	42,188	-
23,898	15,000	-	-	-	-	8,898	-	15,000	15,000	-
1,975	1,975	-	-	-	-	-	-	1,975	1,975	-
<u>3,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,660</u>	<u>-</u>	<u>(3,660)</u>
<u>142,033</u>	<u>59,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,870</u>	<u>-</u>	<u>62,823</u>	<u>59,163</u>	<u>(3,660)</u>
<u>7,299</u>	<u>7,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,299</u>	<u>7,299</u>	<u>-</u>
112,979	54,870	-	-	43,143	13,967	999	28,381	28,381	54,059	54,059
59,979	1,854	-	-	1,158	772	56,195	-	-	3,784	3,784
17,760	15,976	-	-	-	-	1,784	15,976	14,849	-	1,127
153,331	153,331	-	-	-	-	-	27,671	52,121	50,001	25,551
60,000	2,981	-	-	-	-	57,019	-	-	2,981	2,981
21,000	21,000	-	-	-	-	-	-	-	21,000	21,000
25,000	-	-	-	-	-	25,000	-	-	-	-
26,400	11,720	-	-	-	-	14,680	-	2,835	11,720	8,885
40,000	11,461	-	-	-	-	28,539	11,461	11,461	16,083	16,083
<u>30,000</u>	<u>29,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>29,829</u>	<u>29,829</u>	<u>-</u>	<u>-</u>
<u>546,449</u>	<u>303,022</u>	<u>-</u>	<u>-</u>	<u>44,301</u>	<u>14,739</u>	<u>184,387</u>	<u>113,318</u>	<u>139,476</u>	<u>159,628</u>	<u>133,470</u>
48,000	36,895	-	-	-	4,793	6,312	-	12,987	12,987	-
<u>230,000</u>	<u>214,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,549</u>	<u>-</u>	<u>130,000</u>	<u>214,451</u>	<u>84,451</u>
<u>278,000</u>	<u>251,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,793</u>	<u>21,861</u>	<u>-</u>	<u>142,987</u>	<u>227,438</u>	<u>84,451</u>
\$ <u>16,944,913</u>	<u>8,824,114</u>	<u>341,815</u>	<u>3,998</u>	<u>1,009,903</u>	<u>422,583</u>	<u>6,342,500</u>	<u>1,171,770</u>	<u>3,684,928</u>	<u>4,897,335</u>	<u>2,384,177</u>

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Schedule of Federal Financial Assistance, Continued

<u>Grantor and program title</u>	<u>Federal CFDA number</u>	<u>Description of donated property</u>	<u>Acquisition date</u>	<u>Invoice number</u>	<u>Total value of acquisition</u>
<u>Noncash Federal Assistance</u>					
Donation of Federal Surplus Personal Property - Passed through State of Oregon - General Services Administration	39.003	Various	September 27, 1993	K17702; K17709	\$ <u>610</u>

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Notes to Schedule of Federal Financial Assistance

June 30, 1994

(1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Metro. The Metro reporting entity is defined in note 2 to Metro's June 30, 1994 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 Metro's June 30, 1994 combined financial statements.

(3) Relationship to Combined Financial Statements

Federal financial assistance revenues are presented in Metro's June 30, 1994 combined financial statements as a component of grants from federal, state and local governmental units.

(4) Relationship to Federal Financial Reports

The following schedules are included for informational purposes only.

U.S. Department of Interior

	<u>Direct Programs</u> <u>U.S. Geological Survey</u>
Federal funding percentage	<u>100%</u>
Revenues:	
Federal grants	\$ <u>12,838</u>
Total revenues	\$ <u>12,838</u>
Expenditures:	
Direct costs:	
Contractual services:	
Spangle	<u>12,838</u>
Total expenditures	\$ <u>12,838</u>

(Continued)

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Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

Federal Transportation Administration (FTA)

	<u>Direct programs</u>			<u>Total</u>
	<u>OR-29-9019</u>	<u>OR-29-9020</u>	<u>OR-29-9021</u>	
Federal funding percentage	<u>85%</u>	<u>85%</u>	<u>85%</u>	
Revenues:				
Federal grants	\$ 3,428	445,374	406,888	855,690
Local and local administered grants/match	-	74,893	71,802	146,695
Required match	<u>605</u>	<u>3,701</u>	<u>-</u>	<u>4,306</u>
Total revenues	\$ <u>4,033</u>	<u>523,968</u>	<u>478,690</u>	<u>1,006,691</u>
Expenditures:				
Direct costs:				
Salaries	2,322	97,158	104,857	204,337
Fringe benefits	839	35,075	37,855	73,769
Contractual services:				
Seigel	-	72,832	12,215	85,047
BRW	-	8,340	57,701	66,041
Calthorpe	-	25,000	34,882	59,882
Data processing	-	10,567	17,745	28,312
Printing	-	3,053	3,191	6,244
Other	-	1,594	6,683	8,277
Expenditures by subgrantee:				
Tri-Met	-	168,425	107,360	275,785
C-TRAN	-	-	13,026	13,026
City of Portland	-	7,500	3,754	11,254
Clackamas County	-	21,094	5,993	27,087
Multnomah County	-	2,183	947	3,130
ODOT	-	-	2,888	2,888
City of Gladstone	-	-	960	960
City of Milwaukie	-	7,608	-	7,608
City of Oregon City	-	-	3,570	3,570
Port of Portland	-	9,849	-	9,849
RTC	-	-	11,104	11,104
City of Vancouver	-	-	1,888	1,888
WSDOT	-	<u>17,222</u>	<u>12,714</u>	<u>29,936</u>
Total direct costs	3,161	487,500	439,333	929,994
Indirect costs	<u>872</u>	<u>36,468</u>	<u>39,357</u>	<u>76,697</u>
Total expenditures	\$ <u>4,033</u>	<u>523,968</u>	<u>478,690</u>	<u>1,006,691</u>

(Continued)

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Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

Federal Transportation Administration (FTA), Continued

	<u>Passed through Tri-Met</u>			
	<u>Westside II</u>	<u>Hillsboro AA</u>	<u>Hillsboro</u>	
	<u>OR-90-0026</u>	<u>OR-90-0031</u>	<u>PE/FEIS</u>	<u>OR-90-0046</u>
				<u>Total</u>
Federal funding percentage	<u>100%*</u>	<u>80%*</u>	<u>100%*</u>	
Revenues:				
Local and local administered grants/match	\$ 19,589	29,294**	424,866	473,749
Required match	<u>-</u>	<u>11,050</u>	<u>-</u>	<u>11,050</u>
Total revenues	\$ <u>19,589</u>	<u>40,344</u>	<u>424,866</u>	<u>484,799</u>
Expenditures:				
Direct costs:				
Salaries	11,251	14,331	76,254	101,836
Fringe benefits	4,062	5,174	27,529	36,765
Contractual services:				
Seigel	-	4,931	35,640	40,571
Parametrix	-	6,242	239,386	245,628
Data processing	-	12	-	12
Printing	53	-	14,919	14,972
Other	-	4	2,517	2,521
Expenditures by subrecipient:				
Tri-Met	-	3,736	-	3,736
Washington County	<u>-</u>	<u>533</u>	<u>-</u>	<u>533</u>
Total direct costs	15,366	34,963	396,245	446,574
Indirect costs	<u>4,223</u>	<u>5,381</u>	<u>28,621</u>	<u>38,225</u>
Total expenditures	\$ <u>19,589</u>	<u>40,344</u>	<u>424,866</u>	<u>484,799</u>

* Metro is a subrecipient of the state or local grantee who is receiving funds from the federal government at the rate indicated.

** \$14,943 Federal portion billed directly by Tri-Met not included.

(Continued)

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Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

Oregon Department of Transportation (ODOT)

	Passed through ODOT								Total
	FY93 SEC 8 OR80-X001	FY94 SEC 8 OR80-X002	FY94 SEC 26A OR80-X002	FY3/93 METRO STP	FY94 METRO STP	FY3/93 ODOT STP	FY 94 PL	FY 93 FHWA	
Federal funding percentage	<u>80%*</u>	<u>80%*</u>	<u>80%*</u>	<u>89.73%*</u>	<u>89.73%*</u>	<u>8.973%*</u>	<u>88.46%*</u>	<u>100%</u>	
Revenues:									
Local and local administered grants/match	\$ 84,743	143,501	32,536	1,030,865	268,259	245,328	538,344	163,376	2,506,952
Required match	<u>21,185</u>	<u>35,875</u>	<u>8,134</u>	-	<u>17,538</u>	<u>28,079</u>	-	-	<u>110,811</u>
Total revenues	\$ <u>105,928</u>	<u>179,376</u>	<u>40,670</u>	<u>1,030,865</u>	<u>285,797</u>	<u>273,407</u>	<u>538,344</u>	<u>163,376</u>	<u>2,617,763</u>
Expenditures:									
Direct costs:									
Salaries	50,304	97,291	23,262	326,266	157,456	134,082	253,071	21,787	1,063,519
Fringe benefits	18,161	35,123	8,398	117,786	56,843	48,405	91,363	7,865	383,944
Data processing	5,526	10,005	52	12,096	11,598	6,250	67,257	2,544	115,328
Printing	-	45	210	683	347	237	36	-	1,558
Other	1,065	396	17	4,686	454	-	688	4,445	11,751
Contractual services:									
Putman	-	-	-	-	-	-	-	64,597	64,597
Davis and Hibbits	-	-	-	15,795	-	-	-	-	15,795
Schultz, Wack, Weir	-	-	-	5,772	-	-	-	-	5,772
Cogan	11,991	-	-	-	-	-	-	-	11,991
Unnet Technologies	-	-	-	-	-	-	-	12,391	12,391
Various	-	-	-	-	-	-	5,823	-	5,823
Expenditures by subrecipient:									
City of Portland (TSAP)	-	-	-	54,174	-	34,107	-	-	88,281
Port of Portland	-	-	-	48,977	-	-	-	-	48,977
City of Hillsboro (TSAP)	-	-	-	132,362	-	-	-	-	132,362
City of Beaverton (TSAP)	-	-	-	69,626	-	-	-	-	69,626
Washington County (TSAP)	-	-	-	120,182	-	-	-	-	120,182
1000 Friends of Oregon	-	-	-	-	-	-	-	41,569	41,569
PSU	-	-	-	-	-	-	25,118	-	25,118
Total direct costs	87,047	142,860	31,939	908,405	226,698	223,081	443,356	155,198	2,218,584
Indirect costs	<u>18,881</u>	<u>36,516</u>	<u>8,731</u>	<u>122,460</u>	<u>59,099</u>	<u>50,326</u>	<u>94,988</u>	<u>8,178</u>	<u>399,179</u>
Total expenditures	\$ <u>105,928</u>	<u>179,376</u>	<u>40,670</u>	<u>1,030,865</u>	<u>285,797</u>	<u>273,407</u>	<u>538,344</u>	<u>163,376</u>	<u>2,617,763</u>

* Metro is a subrecipient of the state or local grantee who is receiving funds from the federal government at the rate indicated.

(Continued)

METRO

Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

U.S. Environment Protection Agency

	<u>Passed through DEO</u>				<u>Total</u>
	<u>Leaf Compost</u>	<u>Fairview II</u>	<u>Ozone Maintenance</u>	<u>Emissions Reduction</u>	
Federal funding percentage	<u>100%*</u>	<u>100%*</u>	<u>100%*</u>	<u>100%*</u>	
Revenues:					
Local and local administered contracts/match	\$ <u>16,083</u>	<u>11,720</u>	<u>2,981</u>	<u>50,001</u>	<u>80,785</u>
Total revenues	\$ <u>16,083</u>	<u>11,720</u>	<u>2,981</u>	<u>50,001</u>	<u>80,785</u>
Expenditures:					
Direct costs:					
Salaries	-	-	1,717	28,578	30,295
Fringe benefits	-	-	620	10,317	10,937
Contractual services:					
W. H. Pacific	16,083	-	-	-	16,083
Printing	-	-	-	45	45
Other	-	<u>11,720</u>	-	<u>335</u>	<u>12,055</u>
Total direct costs	16,083	11,720	2,337	39,275	69,415
Indirect costs	-	-	<u>644</u>	<u>10,726</u>	<u>11,370</u>
Total expenditures	\$ <u>16,083</u>	<u>11,720</u>	<u>2,981</u>	<u>50,001</u>	<u>80,785</u>

* Metro is a subrecipient of the state or local grantee who is receiving funds from the federal government at the rate indicated.

(Continued)

METRO

Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

Federal Emergency Management Agency

	<u>Direct Programs</u>		
	<u>EQ Hazards Reduction</u>	<u>Special EQ Fund</u>	<u>Total</u>
Federal funding percentage	<u>100%</u>	<u>100%</u>	
Revenues:			
Federal grants	\$ <u>12,987</u>	<u>214,451</u>	<u>227,438</u>
Total revenues	\$ <u>12,987</u>	<u>214,451</u>	<u>227,438</u>
Expenditures:			
Direct costs:			
Salaries	7,016	77,131	84,147
Fringe benefits	2,533	27,845	30,378
Contractual services:			
PSU	-	49,651	49,651
Data processing	-	11,870	11,870
Printing	-	3,628	3,628
Other	<u>805</u>	<u>15,376</u>	<u>16,181</u>
Total direct costs	10,354	185,501	195,855
Indirect costs	<u>2,633</u>	<u>28,950</u>	<u>31,583</u>
Total expenditures	\$ <u>12,987</u>	<u>214,451</u>	<u>227,438</u>

(Continued)

METRO

Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

	<u>Non-federal</u>			<u>Total</u>
	<u>Western Bypass</u>	<u>Non-federal FY 94 Supplement</u>	<u>FY 94 Lottery Funds</u>	
Federal funding percentage	<u>0%</u>	<u>0%</u>	<u>0%</u>	
Revenues:				
Local and local administered grants/match	\$ <u>16,993</u>	<u>520,833</u>	<u>53,906</u>	<u>591,732</u>
Total revenues	\$ <u>16,993</u>	<u>520,833</u>	<u>53,906</u>	<u>591,732</u>
Expenditures:				
Direct costs:				
Salaries	9,210	152,307	6,275	167,792
Fringe benefits	3,325	54,985	2,265	60,575
Contractual services:				
Nustats	-	227,479	-	227,479
Data processing	1,001	23,755	-	24,756
Printing	-	19	-	19
Other	<u>-</u>	<u>5,121</u>	<u>43,011</u>	<u>48,132</u>
Total direct costs	13,536	463,666	51,551	528,753
Indirect costs	<u>3,457</u>	<u>57,167</u>	<u>2,355</u>	<u>62,979</u>
Total expenditures	\$ <u>16,993</u>	<u>520,833</u>	<u>53,906</u>	<u>591,732</u>

(Continued)

METRO

Notes to Schedule of Federal Financial Assistance, Continued

(4), Continued

Oregon Department of Transportation - Non-federal, Continued

	<u>Non-federal</u>					<u>Total</u>
	<u>C-TRAN</u>	<u>Tri-Met TSAP Contract</u>	<u>Tri-Met FY 94 Contract</u>	<u>Tri-Met 1000 Friends Contract</u>	<u>HCT/CBD FY 93 Contract</u>	
Federal funding percentage	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	
Revenues:						
Local and local administered grants/match	\$ <u>1,455,544</u>	<u>238,130</u>	<u>262,500</u>	<u>2,500</u>	<u>124,770</u>	<u>2,083,444</u>
Total revenues	\$ <u>1,455,544</u>	<u>238,130</u>	<u>262,500</u>	<u>2,500</u>	<u>124,770</u>	<u>2,083,444</u>
Expenditures:						
Direct costs:						
Salaries	231,452	5,585	57,340	-	48,008	342,385
Fringe benefits	83,557	2,016	20,701	-	17,331	123,605
Contractual services:						
Tri-Met	519,650	-	-	-	29,207	548,857
City of Portland	25,079	37,711	-	-	12,024	74,814
City of Beaverton	-	24,804	-	-	-	24,804
City of Hillsboro	-	14,522	-	-	-	14,522
City of Oregon City	14,183	-	-	-	-	14,183
City of Gladstone	3,811	-	-	-	-	3,811
City of Vancouver	11,411	-	-	-	-	11,411
Multnomah County	3,760	-	-	-	-	3,760
Clackamas County	23,809	-	-	-	-	23,809
Clark County	15,943	-	-	-	-	15,943
Washington County	-	50,715	-	-	-	50,715
C-TRAN	104,864	-	-	-	-	104,864
ODOT	18,431	-	-	-	-	18,431
RTC	70,996	-	-	-	-	70,996
WSDOT	6,358	-	-	-	-	6,358
Schultz, Wack, Wier	-	593	-	-	-	593
SMSA	15,942	-	-	-	-	15,942
BRW	100,495	-	-	-	-	100,495
Calthorpe	29,650	49,975	37,474	-	-	117,099
Nustats	-	-	77,700	-	-	77,700
ECO Northwest, Inc.	-	50,000	37,500	-	-	87,500
Lutraq	-	-	-	2,500	-	2,500
Data processing	43,567	-	9,904	-	180	53,651
Printing	25,906	70	17	-	-	25,993
Other	<u>19,808</u>	<u>43</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>20,193</u>
Total direct costs	1,368,672	236,034	240,978	2,500	106,750	1,954,934
Indirect costs	<u>86,872</u>	<u>2,096</u>	<u>21,522</u>	<u>-</u>	<u>18,020</u>	<u>128,510</u>
Total expenditures	\$ <u>1,455,544</u>	<u>238,130</u>	<u>262,500</u>	<u>2,500</u>	<u>124,770</u>	<u>2,083,444</u>

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance
Based on an Audit of the Financial Statements Performed
in Accordance with Government Auditing Standards

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards (1988 Revision), 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 Metro is the responsibility of the management of Metro. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests of Metro's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the combined financial statements 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, Metro 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 Metro had not complied, in all material respects, with those provisions.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

**Independent Auditors' Report on Compliance
with General Requirements Applicable to
Federal Financial Assistance Programs**

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

We have applied procedures to test Metro's compliance with the following requirements applicable to its 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, 1994:

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Work Place Act
- Administrative Requirements

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 Metro's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

The Honorable Members of the Council
Metro

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 Metro had not complied, in all material respects, with those requirements.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

**Independent Auditors' Report on Compliance
with Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

We have also audited Metro's compliance with the requirements governing types of services; 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, 1994. The management of Metro is responsible for Metro'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 of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards (1988 Revision), issued by the Comptroller General of the United States, and Office of Management and Budget 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 Metro's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The Honorable Members of the Council
Metro

In our opinion, Metro complied, in all material respects, with the requirements governing types of services; 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, 1994.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance with Specific
Requirements Applicable to Nonmajor Federal
Financial Assistance Program Transactions

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

In connection with our audit of the financial statements of Metro, and with our consideration of Metro's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1994. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services; 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 Metro'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 material 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 Metro had not complied, in all material respects, with those requirements.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

**Independent Auditors' Report on the Internal Control
Structure Based on an Audit of the Financial Statements
Performed in Accordance with Government Auditing Standards**

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards (1988 Revision), 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.

In planning and performing our audit of the combined financial statements of Metro for the year ended June 30, 1994, 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 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.

The Honorable Members of the Council
Metro

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

- Purchases and disbursements
- Grant revenue and receipts
- 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.

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 internal control structure elements does not reduce to a relatively low level the risk that errors and 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 operations 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 October 24, 1994.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

**Independent Auditors' Report on the Internal
Control Structure Used in Administering
Federal Financial Assistance Programs**

The Honorable Members of the Council
Metro
Portland, Oregon:

We have audited the combined financial statements of Metro, Portland, Oregon, as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994. We have also audited Metro's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 24, 1994.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards (1988 Revision), issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement and about whether Metro complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1994, we considered the internal control structure of Metro in order to determine our auditing procedures for the purpose of expressing our opinions on the combined financial statements of Metro and on Metro's compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the combined financial statements in a separate report dated October 24, 1994.

**The Honorable Members of the Council
Metro**

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, 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, and federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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 used in administering federal financial assistance programs into the following categories:

Accounting Applications

- Purchases and Disbursements
- Grant Revenue and Receipts
- Payroll

General Requirements

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace
- Administrative Requirements

The Honorable Members of the Council
Metro

Specific Requirements

- Types of Services
- Eligibility
- Matching, Level of Effort, or Earmarking
- Reporting
- Cost Allocation
- Monitoring Subrecipients

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

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.

During the year ended June 30, 1994, Metro expended 63 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major federal financial assistance programs of Metro which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute 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 internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 operations that we consider to be material weaknesses as defined above.

The Honorable Members of the Council
Metro

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 October 24, 1994.

This report is intended for the information of members of the finance committee, management, the council, and the cognizant and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

October 24, 1994

KPMG

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR THE YEAR ENDED
JUNE 30, 1994



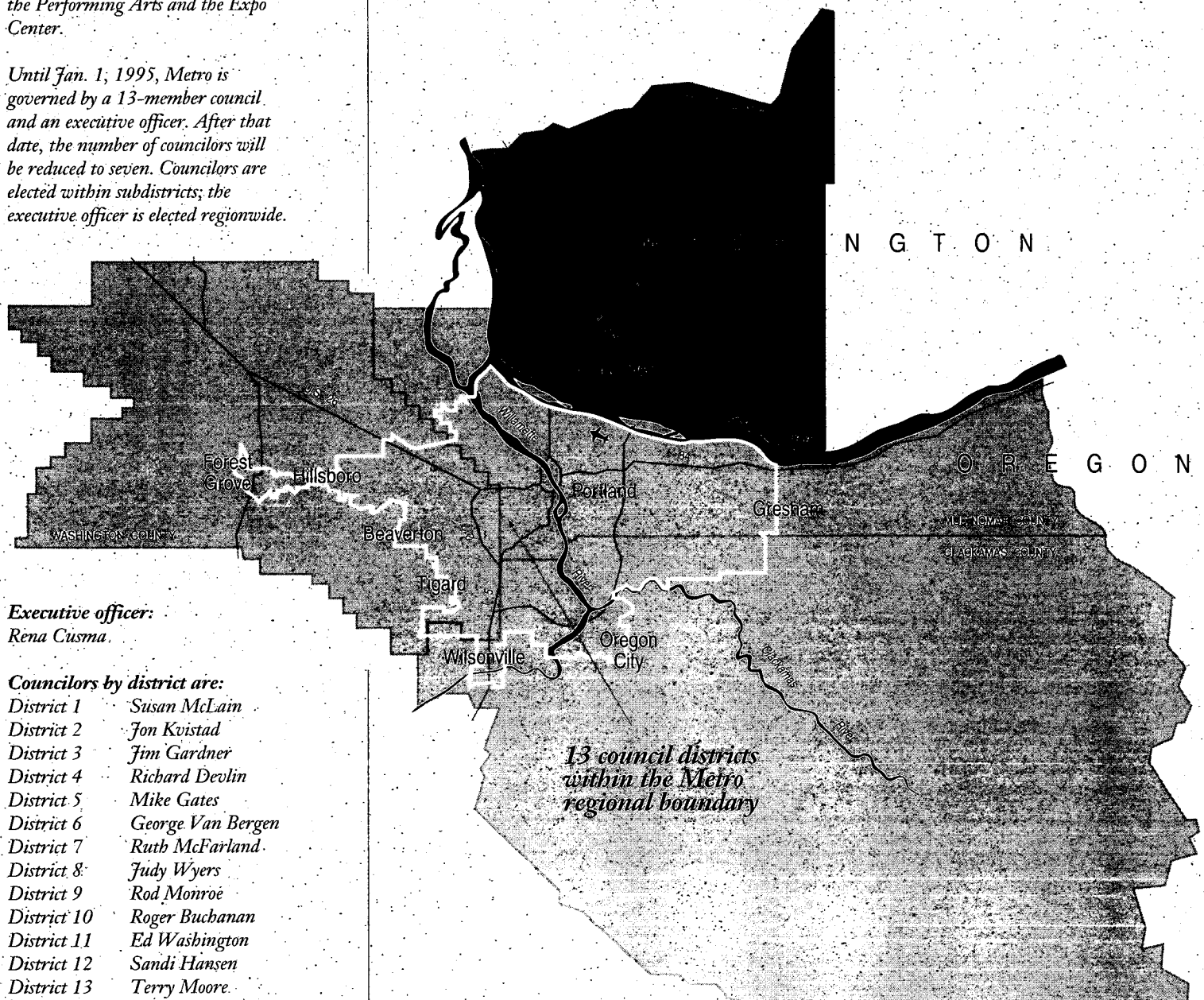
METRO

OREGON

Metro is the directly elected regional government that serves more than 1 million residents in Clackamas, Multnomah and Washington counties and the 24 cities that make up the Portland metropolitan area.

Metro is responsible for solid waste management; operation of the Metro Washington Park Zoo; transportation and land-use planning; managing and planning regional parks and greenspaces; and technical services to local governments. Through the Metropolitan Exposition-Recreation Commission, Metro manages the Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts and the Expo Center.

Until Jan. 1, 1995, Metro is governed by a 13-member council and an executive officer. After that date, the number of councilors will be reduced to seven. Councilors are elected within subdistricts; the executive officer is elected regionwide.



Executive officer:
Rena Cusma

Councilors by district are:

- District 1 Susan McLain
- District 2 Jon Kvistad
- District 3 Jim Gardner
- District 4 Richard Deolin
- District 5 Mike Gates
- District 6 George Van Bergen
- District 7 Ruth McFarland
- District 8 Judy Wyers
- District 9 Rod Monroe
- District 10 Roger Buchanan
- District 11 Ed Washington
- District 12 Sandi Hansen
- District 13 Terry Moore



METRO

The Metro logo is part of a public information and identification system that reflects the commonality of the agency's programs.

The symbol consists of the letter "M" within a circle. The image was created by hand using a feather. The natural forms suggest the environment - water, air, trees and landscape.

The circle suggests the agency's policy of an open and accessible relationship with the public.

The unique image suggests the quality of life issues that are the common denominator of Metro's diverse facilities and programs.

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR THE YEAR ENDED
JUNE 30, 1994

FINANCE AND MANAGEMENT
INFORMATION DEPARTMENT

DIRECTOR
JENNIFER SIMS

PREPARED BY
ACCOUNTING DIVISION

MANAGER OF ACCOUNTING
DONALD R. COX JR., CPA



METRO

METRO

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June 30, 1994

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INTRODUCTORY
SECTION



METRO

October 25, 1994

Councilors and Citizens of the
Metro Region

Ladies and Gentlemen:

In accordance with state statutes, I hereby transmit the Comprehensive Annual Financial Report of Metro as of June 30, 1994, and for the year then ended. Management is responsible for the information and representations contained in this report, and I believe that the information presented is accurate in all material respects and fairly sets forth the financial position and results of operations of Metro.

This report has been prepared in conformity with generally accepted accounting principles appropriate under the circumstances and reflects, in all material respects, the substance of events and transactions that should be included. The report has also been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. In accordance with these guidelines, and in the interests of providing a comprehensive, readable and understandable financial report, the accompanying report has been organized in three sections:

1. Introductory section, including the Director of Finance & Management Information and Accounting Manager's letter of transmittal.
2. Financial section, including financial statements and supplementary data of Metro accompanied by the report of KPMG Peat Marwick LLP, our independent Certified Public Accountants.
3. Statistical section, including a number of tables of unaudited data depicting the last ten years' history of Metro, information on tax levies, largest taxpayers in the region, overlapping governments debt, and demographic and other miscellaneous information.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its comprehensive annual financial report for the fiscal year ended June 30, 1993. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Metro
October 25, 1994

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.


Metro and its staff strive to continually improve its financial operations, systems and reporting to provide full accountability to the citizens of the region. This effort has resulted in the receipt, by Metro, of the Certificate of Achievement for Excellence in Financial Reporting for the past two consecutive fiscal years. I extend my appreciation to Jennifer Sims, Director of Finance & Management Information, and to the staff of the Accounting Division in the Department of Finance & Management Information for this accomplishment and for their efforts in preparing the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1994.

State law requires that the financial statements of Metro be audited by an independent certified public accountant and that additional disclosures required by state regulations be included in the report. These requirements have been met, and our auditors' report is included in the financial section of this report.

The Council, Administration, and I have jointly taken the actions necessary to maintain a balanced budget and fund required reserves while achieving the goals, objectives and work programs adopted in the budget. We have kept Metro financially sound in the current challenging environment of limited resources. We have continued to take actions to limit and control expenditures while gaining efficiencies in operations.

I encourage you to read the information contained in this Comprehensive Annual Financial Report and see how Metro used the resources provided to serve the citizens of the Metro region during the fiscal year ended June 30, 1994.

Respectfully submitted,


Rena Cusma
Executive Officer



METRO

October 25, 1994

To the Executive Officer, Council and Citizens of the
Metro Region:

In accordance with ORS 297.425, we are pleased to submit the Comprehensive Annual Financial Report of Metro, for the fiscal year ended June 30, 1994, together with the unqualified report thereon of our independent certified public accountants, KPMG Peat Marwick LLP. Metro management is responsible for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data contained in this report is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of Metro. All disclosures necessary to enable the reader to gain an understanding of Metro's financial activities have been included.

The comprehensive annual financial report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, Metro's organizational charts and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules as identified in their report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis for analysis purposes. The comprehensive annual financial report also includes Audit Comments and Disclosures, including comments required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

The comprehensive annual financial report includes all funds and account groups of Metro, including information for the Metropolitan Exposition-Recreation Commission (MERC) component unit as required by Governmental Accounting Standards Board Statement 14. Metro is responsible for the operation and management of MERC and appoints each of the seven members of the MERC Commission. Metro is financially accountable for the operations of MERC and is able to impose its will in MERC's operations through review of resolutions, budget approval and fiscal management.

In addition to the above report, Metro is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act of 1984, OMB Circular A-128 and the provisions of Government Auditing Standards (1988 Revision) promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on Metro's compliance with applicable Federal laws and regulations and the Schedule of Federal Financial Assistance for the year ended June 30, 1994 has been issued under separate cover.

ECONOMY

Metro is located in the urbanized portion of Oregon's Clackamas, Multnomah and Washington counties. Twenty-four cities are within Metro's boundaries which comprise the Portland metropolitan area, the largest of these being Portland, Gresham, Beaverton, Hillsboro, Tigard, Lake Oswego, Milwaukie, West Linn and Oregon City.

The Portland metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington state and the Columbia River basin. The manufacturing base includes electronics, machinery, transportation equipment, fabricated metals, sports equipment and clothing, and food and kindred products. Nonagricultural wage and salary employment for Oregon increased 2.7% (36,300 jobs) from June 1993 to June 1994, according to the US Bancorp Department of Economics. Broad based gains in the manufacturing sector were experienced, with fabricated metals, machinery, electronics and transportation equipment all gaining more than 1,000 jobs over the year. Food processing employment rose a solid 5.8% over the year. Employment in the construction sector surged 13.2%. The State of Oregon Employment Department reported that seasonally adjusted construction employment has been expanding at an annual rate of over 9% since mid-1992. Strength in the hi-tech industrial market, educational buildings and light commercial is shown. Residential building permits for single and multi-family housing were up 57% during the period in the Portland metropolitan area. IDT, a Silicon valley high technology firm, recently announced plans to build a \$400 million semiconductor plant in Hillsboro. In addition, Wacker Siltronic, a manufacturer of silicon wafers announced plans to build an additional plant in Portland. Portland PMSA (Primary Metropolitan Statistical Area) wage and salary employment rose 20,400, from 774,400 to 794,800 from June 1993 to June 1994. The unemployment rate for the Portland PMSA dropped from 6.2% to 4.8% for the period June 1993 to June 1994. The rate remains much lower than the Oregon rate of 5.3%.

Airline passenger traffic at Portland International Airport increased 14% from May 1993 to May 1994 to a total of 757,600 passengers. Shipping export tonnage through Portland Harbor increased 22.6% during the same period. As Pacific Rim economies boom, industries in Portland follow suit as they have become more export oriented and

have strengthened ties with the Pacific Rim economies, according to First Interstate Bank.

According to US Bancorp, personal income in the state increased 1.4% in the first quarter of 1994, compared to 1.3% for the nation. Payroll increases were strong in durables manufacturing, up 2.9%, and construction up 3.2%. US Bancorp forecasts that the expanding national economy, improving export potential and continuing population growth will keep Oregon outperforming the nation, but by a diminishing margin in 1994. Employment growth is expected to be about 2.8% for the year.

The current economic climate and the projections for the coming year continue to bode well for many of Metro facilities which rely on disposable income, such as the Metro Washington Park Zoo, Oregon Convention Center and other spectator facilities. Growth in population and employment, coupled with increased recycling efforts, will continue to stabilize solid waste tonnage and the revenues generated by this source.

ORGANIZATIONAL STRUCTURE AND SERVICES PROVIDED

Metro, the nation's only directly elected regional government, operated under the authority of Oregon Revised Statutes Chapter 268 through December 31, 1992. On November 3, 1992, voters in the region approved a home rule charter for Metro which became effective January 1, 1993. Metro is governed by the Metro Council consisting of thirteen non-partisan councilors elected from designated subdistricts within Metro's boundaries. The Charter reduces the number of councilors to seven beginning January 2, 1995. In addition, an Executive Officer is elected region wide to carry out the policies of the Council and administer the functions of Metro. The Metro Council conducts all legislative business in semi-monthly meetings, supplemented by various council sub-committee meetings held throughout the month. Metro's current primary charter mandated responsibilities include regional planning (transportation, urban growth boundary management and other planning activities), solid waste disposal and waste reduction programs, operation of a first class zoo, and operation of the metropolitan region's spectator facilities through the Metropolitan Exposition-Recreation Commission (MERC). Under the terms of an intergovernmental agreement with Multnomah County, Metro assumed operational responsibilities for various parks, cemeteries, a golf course, boat ramps and an Exposition Center in January 1994.

DEPARTMENTAL ACTIVITY

During fiscal year 1994, Metro's *Planning Department* continued to perform its designated functions as the region's Metropolitan Planning Organization (MPO) to secure and allocate federal highway and transit funds. Planning and decision making for assigning project priorities and funding for the region's transportation program is performed in close cooperation with local governments, state and other regional agencies. The Joint Policy Advisory Committee on Transportation (JPACT) and the Transportation Policy Alternatives Committee (TPAC) provide forums for coordination and decision-making with state, regional and local government staff, elected representatives and citizens. The Planning Department contains four major components - *Transportation, Technical Services, Data Resource Center and Growth Management.*

During fiscal year 1994, the Department's *Transportation Planning Section* was responsible for updating and maintaining the Regional Transportation Plan (RTP) and its funding document, the Transportation Improvement Program. The section also responds to Federal Clean Air Act requirements, conducts subarea and corridor transportation studies, and identifies and develops regional transportation demand management programs and projects. The final report and recommendations on the Northwest Subarea Transportation Study were nearing completion at year end. The draft transportation planning public involvement procedures, as required by the Intermodal Surface Transportation Efficiency Act (ISTEA), were presented to TPAC, the Council Planning Committee, and local governments.

The *High Capacity Transit (HCT) Planning* section continued efforts on the *South/North Transit Corridor Study*, with participating jurisdictions concentrating their efforts on finalizing the evaluation and preparation of the Technical Summary Report. The Report contains data addressing the adopted evaluation criteria such as transit service, transit operations, land use, cost, environmental impacts and design considerations for a light rail transit (LRT) system in a south to north direction in the Metro region. The report provides the technical background for the decision-making process scheduled for fiscal year 1995. Preliminary engineering was completed on the *Hillsboro Federal Environmental Impact Statement* and is now entering the final design and construction stage. Work continued on providing future light rail transit corridors in the Portland Central Business District and discussions continued between Tri-Met, Portland and Metro to draft a work plan for additional surface LRT mall analysis.

The Planning Department's *Travel Forecasting Section* produced a study documenting an analysis of variables that influence vehicle miles traveled. Areas researched included auto occupancy, trip generation rates, trip length, changing demographics and socio-economic profiles of the households. The section also made improvements to facilitate and improve the air quality modeling process. Various technical support was provided to other jurisdictions and Metro departments on projects such as the Mt. Hood

Parkway Environmental Impact Statement and the Governor's Task Force for Emission Inventory Update.

The Planning Department's *Data Resource Center* has continued the development and application of growth simulation and econometric models. For the first time, the Portland metropolitan region has an integrated econometric model for both short and long term forecasting. The land use allocation model was used during the year to produce household and employment forecasts by traffic zone for three Region 2040 scenarios to support transportation modeling. Work neared completion on Metro's real estate allocation model. This model, used to produce the fifty year growth scenario for Region 2040, incorporates land and building price variables which are essential for long-term growth simulation when redevelopment is a primary strategy for accommodating new households and employment. The section also completed Metro's annual update of population by census tract using building permit and utility records. Metro's Geographic Information System (GIS) is fully developed and continues to be updated monthly to keep pace with the rapid rate of development in the region.

Metro's Planning Department is also responsible, through a Charter mandate, for land use and managing growth within the region. This work is accomplished within its *Growth Management Division*. The principal activity of the Land Use Planning section was the Region 2040 project. The *Region 2040 Concept Document: Report to Council* was completed to bring together all of the Region 2040 work elements - land use, transportation, air quality, employment, housing, crime, human services, water, sewer and stormwater, slow/no growth, open space and design. The public involvement effort for Region 2040 has included television and newspaper advertisements, distribution of an informational video, and direct mailings containing a public survey regarding future Urban Growth Boundary management. Various open houses, youth involvement projects and presentations to other jurisdictions were also held during the year. Region 2040 implementation projects included work with the City of Gresham, City of Troutdale and Multnomah County.

The Future Vision Commission was established to develop a recommendation for the Metro Charter mandated *Future Vision* plan which sets out goals for the regions growth for the next 50 years. The plan must be completed by July 1, 1995. During fiscal year 1994 the committee refined its value statements into a draft Future Vision Statement, which includes value statements, as well as stratagems for achieving these visions and suggestions for monitoring progress.

Other accomplishments by the Planning Department in fiscal year 1994 were in the areas of Emergency Planning and Regional Water Planning. Metro coordinated the Disaster Preparedness Conference attended by over 170 participants. Technical analysis was also performed to develop a damage and loss model, earthquake vulnerability analysis, and an assessment of non-residential buildings in the Portland

Quadrangle. Metro joined the Regional Water Supply Planning Study which examines the implications of various water supply sources for the next 50 years. The study will become an important policy affecting growth and development in the region.

The *Metro Washington Park Zoo*, Oregon's largest paid tourist attraction, experienced a 13% increase in attendance during fiscal year 1994 to 1,104,369. The increase in attendance can be attributed, in part, to better weather during the Spring and Summer of 1994 over that experienced for the same period in 1993. The increase in attendance, which exceeded projections by 79,000 or 8%, continues to demonstrate the strength of the Zoo's programming and marketing efforts. Total enterprise income increased 11% over fiscal year 1993, from \$5.78 million to \$6.36 million. Special events, such as the *Zoolights* December holiday lighting event, *Zooboo* Halloween theme event, and *Zoobloom* spring flower event, continue to draw visitors in off peak season times. The Elk Meadow and naked mole rat exhibits provided new experiences with animals. The above programs continue to implement the Zoo's strategy of providing visitors unique educational and recreational opportunities to experience wildlife in a naturalistic setting and to learn to "*care now for the future of life*," the Zoo's stated vision. These activities were accomplished while meeting the policy objective of raising more than fifty percent of operating costs from non-tax sources. In fiscal year 1994, the Zoo earned 56% of its revenue from non-tax sources. This enterprise revenue covered 59% of operating costs.

Metro's *Solid Waste Department* goals for fiscal year 1994 included 1) reducing the amount of solid waste generated and increase the recycling and waste reduction activities while working with local governments, the waste collection industry, businesses, regulatory agencies and the public; 2) developing a regional solid waste management system that is efficient, economical and environmentally responsible, and 3) operating Metro solid waste disposal facilities in an environmentally sound, safe and financially prudent manner. The region was successful in achieving a recycling rate of 38%, while processing 746,527 tons of solid waste at Metro facilities. On a regional basis, waste tonnage delivered to all facilities have stabilized, despite continued population growth. During fiscal year 1994, Metro's Household Hazardous Waste collection facilities at its Metro South and Metro Central transfer stations collected and processed an estimated 1,725,000 pounds of waste from approximately 23,000 customers. The department continues to close the St. Johns Landfill in a manner that exceeds federal and state requirements applicable to the landfill. In fiscal year 1994, Metro spent an additional \$6.07 million dollars against the post-closure liability leaving an estimated liability of \$17.5 million dollars. Metro continues to set aside funds to pay this liability and has accumulated in excess of \$11.2 million.

During fiscal year 1994, the family of *MERC* managed facilities completed a Business Plan. The Business Plan sets a course for the Civic Stadium, Portland Center for the Performing Arts, Oregon Convention Center and Expo Center to achieve financial stability.

The *Civic Stadium*, after losing the Triple A Portland Beavers baseball team effective before the start of the 1994 season, managed to finish a respectable year with a major event - *Promise Keepers* - which drew 28,000 Christian men. The Stadium continues to search for a sports anchor tenant and other high yield events. Partial year operations, private operations, or closure are other options facing *MERC*. The *Portland Center for the Performing Arts (PCPA)* hosted over 875 events in its four theaters which resulted in attendance for the year of over 970,000. The Metro owned *Oregon Convention Center* completed another outstanding year as it hosted 48 national conventions and trade shows, 19 consumer shows and over 530 local meetings, seminars, conferences, banquets, luncheons and receptions. Attendance at the Oregon Convention Center rose 16% over fiscal year 1993 to a total of 738,000 patrons.

Metro's former Regional Facilities Department was changed to the *General Services Department* in the fourth quarter of fiscal year 1994. The department focus was changed from one of facilities and construction to that of providing broader services to other Metro departments in the areas of graphics design and production, master planning, licensing/permitting, feasibility analysis, real estate transactions, facilities management, security, fleet, procurement and contracting assistance, contract coordination and review, construction management and other support services.

Metro's *Regional Parks and Greenspaces Department* was established on January 1, 1994 through an intergovernmental agreement between Multnomah County and Metro. The merger of Multnomah County Parks with the Metropolitan Greenspaces program of the Metro Planning Department brought together a variety of park facilities and years of park operations and planning experience. Metro park facilities, which serve over one million visitors annually, include Blue Lake Regional Park, Oxbow Regional Park, Glendoveer Golf Course, Chinook Landing Marine Park, Howell Territorial Park, Beggars-Tick Wildlife Refuge, and Smith and Bybee Lakes. These facilities offer a full range of recreational opportunities including picnicking, hiking, camping, swimming, fishing, boating, canoeing, ball sports, and wildlife observation.

As part of the Smith and Bybee Lakes Recreation Master Plan, the Phase I trail system near North Marine Drive was completed. The results of a biological inventory was published in *The Biota of Smith and Bybee Lakes Management Area*. Research projects focusing on water quality and turtle biology were initiated, and conceptual design work began for the Interpretive Center to be located on the southeast corner of the lakes management area.

Funds from the U.S. Fish and Wildlife Service supported fourteen greenspaces restoration projects and sixteen greenspaces education projects throughout the region. In addition, sixteen middle and high school student teams participated in the GreenCity Data project where over 160 students completed mapping and environmental inventory work of urban natural areas.

The *Metropolitan Greenspaces Master Plan* identifies 34 trails and greenways of regional significance. In cooperation with other parks providers and local jurisdictions, the Metro Regional Trails and Greenways Working Group secured funding to begin feasibility studies for various rails-to-trails projects. Peninsula Crossing, a two mile trail project connecting the Willamette Greenway to the Smith and Bybee Lakes Natural Area in north Portland was added to the master plan list of regional trails.

The Metro Regional Parks and Greenspaces Department works to provide a variety of ways for people to enjoy and appreciate their parks and greenspaces. Offering recreational, educational, and volunteer opportunities will help build public awareness and citizen support to establish and maintain a quality system of parks and greenspaces in the region.

FUTURE PLANS

One of Metro's greatest strengths is the ability to re-structure, re-focus and adapt to changing circumstances swiftly. During fiscal year 1995, Metro will continue implementation of the new Metro Charter provisions. One of the earliest efforts will be the consideration of a Construction Excise Tax to fund Metro's Charter mandated and expanded planning programs. This tax was recommended by the Metro Council appointed Tax Study Committee. Metro's taxing authority allows the Metro Council to levy, collect and spend up to \$12.5 million per year, adjusted upward each year for inflation, in taxes other than broad base taxes of general applicability.

Metro's Planning Department will be working on updating the Regional Transportation Plan (RTP) to be consistent with federal requirements. Substantial coordination with the Oregon Department of Transportation (ODOT), Oregon Department of Land Conservation and Development and other state metropolitan planning organizations is ongoing to provide for statewide consistency in updating the RTPs. ISTEA also requires development of a number of management systems, to be developed and implemented over the next two years. Metro is responsible for congestion system management and, with the Port of Portland and ODOT, an intermodal management system. A formal study of the South Willamette River Crossing will begin early in fiscal year 1995. Work will also be undertaken in Transportation System Modeling to establish a regional count program. The program calls for collection of traffic counts at certain identified locations, development of a vehicle classification database, and the start of a seasonal adjustment factor count database.

Metro's Planning Department will provide professional planning support to the *Future Vision* work effort required by the Charter. The Future Vision will incorporate results from the Region 2040 program which began in 1992 which focuses on urban growth alternatives that will provide a clear direction for growth in the metropolitan area. Other work efforts will include updating the Regional Transportation Plan, refining the Urban Arterial Fund proposal, continuing work on the Willamette River Bridge Crossing Study, and upgrading and marketing the Regional Land Information System (RLIS) and Data Resource Center.

In fiscal year 1995, the Department of Finance and Management Information will solicit proposals from software vendors to replace the current management information system. The goals of this project, scheduled to begin implementation in fiscal year 1996, are to provide increased access and functionality to the Department's customers, improve procedural and processing efficiency, improve timeliness of information, reduce consumption of resources such as paper, and minimize operational costs.

Metro's Washington Park Zoo has begun the design process for the *Oregon Territory!* project, which it hopes to open by September 1997. The project is timed to open in conjunction with the new Westside Light-Rail Washington Park Station being developed by Tri-Met. The Oregon Territory project includes a new entrance plaza to the zoo, as well as new animal exhibits and patron facilities. The project is estimated to cost approximately \$36 million, with \$9 million sought through contributions. The Zoo proposes to finance the remainder from general obligation bonds requiring voter approval. In addition, Metro will continue to coordinate with the Oregon Department of Transportation regarding the construction, currently underway, of a west-bound on-ramp and bridge over Highway 26 to mitigate the effects on visitor traffic. Metro must also undertake planning to minimize the impacts of Tri-Met's light-rail project construction and the Zoo light-rail station noted above. An additional aspect of this project is the development of a paid parking facility which is expected to be financed through revenue bonds. \$2 million of the proceeds of the proposed bond issue would be used to pay off the note payable to Tri-Met evidencing Metro's commitment to the Light Rail project and Washington Park Station.

In March 1994, Metro and Friends of Forest Park entered into a memorandum of understanding to protect 38 acres of old growth forest and an adjacent 370 acre scenic easement located just north of Forest Park. Metro's Regional Parks and Greenspaces Department will develop a management plan and make improvements to the park before the public will be allowed access. Once completed, the management plan may lead to the donation of the parcel by Friends of Forest Park to Metro Regional Parks and Greenspaces as the first private holding transferred to Metro as part of the Metropolitan Greenspaces system.

With the continued stabilization of solid waste tonnage and resulting stabilization of excise tax revenues from solid waste and other enterprise operations, these programs will be competing for scarce resources, requiring difficult priority choices. The fiscal year 1994-95 Budget adopted by the Metro Council and available from Metro's Finance and Management Information Department describes the priorities assigned.

FINANCIAL AND ACCOUNTING POLICIES

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. Metro has implemented the provisions of GASB Statement 14 concerning the Reporting Entity. The operations of the Metropolitan Exposition-Recreation Commission (MERC) component unit are reported in discrete columns in the report in accordance with the provisions of this Statement. Criteria for inclusion in Metro's report is presented in this letter previously. This report presents fairly the financial position of the various funds and account groups of Metro at June 30, 1994, and the results of operations and cash flows of such funds for the year then ended in conformity with generally accepted accounting principles (GAAP).

Metro budgets a total of 20 funds of which nine are governmental fund types, eight are reported in proprietary fund types and three are fiduciary fund types. The following bases of accounting are used for the respective funds:

<u>Fund to which applied</u>	<u>Accounting Basis</u>
* Governmental Fund Types: General Fund Special Revenue Funds Debt Service Fund Capital Projects Fund	Modified Accrual Basis
* Proprietary Fund Types: Enterprise Funds Internal Service Funds	Accrual Basis
* Fiduciary Fund Types: Pension Trust Fund Expendable Trust Funds	Accrual Basis Modified Accrual Basis

INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

Metro maintains, and management relies upon, a system of internal accounting and administrative controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that financial statements can be prepared in accordance with generally accepted accounting principles (GAAP) and Metro's budgetary requirements. The design and operation of the internal control structure also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs. In establishing the internal control structure, management considers the inherent limitations of various control procedures and weighs their cost against the benefit derived. Metro constantly monitors and revises, where necessary, the accounting policies, procedures and systems, together with the related internal control structure when required, to assure that reliable and timely information is prepared in the most efficient manner possible.

Metro's budget is prepared on the modified accrual basis of accounting. In accordance with applicable state statutes, Metro budgets all funds except the Pension Trust Fund. The budget is adopted by the Metro Council by ordinance prior to the beginning of Metro's fiscal year (July 1 through June 30.) The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal services, materials and services, capital outlay, and other expenditures by department in certain funds and by fund as a whole in certain other funds, as disclosed in the Notes to the Financial Statements (Note 1D), are the levels of control established by the budget ordinance. The expenditure appropriations lapse at the end of the fiscal year. 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 Metro 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 when approved by Council. Metro adopted 26 budget amendments during the fiscal year. Metro did not require adoption of a supplemental budget during fiscal year 1994.

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

The following financial data is summarized from the more detailed information included in this financial report.

Metro's general revenues, which exclude those of the component unit, include revenues of the General Fund, Special Revenue Funds, Debt Service Fund and the Capital

Projects Fund which may be classified and summarized from the financial data as follows:

Taxes - Property taxes levied on property in the region and excise taxes charged on Metro provided services.

Intergovernmental Revenue - Federal, state and local grants, shared revenues, and local government service fees received from other governmental entities within the Metro region.

Charges for Services - Admission, rental fees, vending and concessions/catering revenue, professional and contract service fees and other charges for services provided at Metro operated facilities.

Donations and Bequests - Amounts received from donors.

Interest - interest earned on investments.

Miscellaneous - Revenue from other sources not otherwise provided for in the categories noted above.

The revenues accounted for in the Governmental Fund Types and percentage of total revenue by source and changes from 1993, exclusive of the component unit are:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent</u>	<u>Change From FY 1993</u>
Taxes	\$16,399,557	47.4 %	\$ 757,208
Intergovernmental	6,249,271	18.1 %	2,487,689
Charges for Services	10,259,373	29.7 %	3,602,092
Donations and Bequests	801,254	2.3 %	378,718
Interest	445,674	1.3 %	(20,168)
Miscellaneous	<u>413,685</u>	<u>1.2 %</u>	<u>33,422</u>
Total	<u>\$34,568,814</u>	<u>100.0 %</u>	<u>\$ 7,238,961</u>

Overall revenues in this category increased 26.5% from the previous year, which includes revenues added as result of the transfer of operations of the parks, cemetery and Expo Center from Multnomah County to Metro. The \$1,237,518 of revenue generated from operations of parks and other programs transferred represent six months of activity under Metro. Excluding the effects of these operations and this transfer, overall revenues increased 22.0% over the prior year. The major increases and decreases are:

- The increase in taxes consists of a decrease in property tax revenues of \$167,338 and an increase of \$924,546 in excise taxes charged on Metro's own services.
- The increase in intergovernmental revenue is composed of \$2,279,079 in additional Federal, state and local grant programs and the addition of local government shared revenues for parks programs, such as recreational vehicle fees received from Multnomah County, of \$211,399. Local government services fees decreased \$2,789.
- Charges for Services revenues increased primarily due to increased services provided under contract by the Planning Department and six months of operations of facilities transferred from Multnomah County, which reflected increases of \$1,352,112 and \$661,973, respectively. A 13.0% increase in attendance at the Metro Washington Park Zoo resulted in a 10.8% increase in admissions revenue, while vending, concessions and catering revenues increased 9.4% from the prior year.
- Donations received at the Metro Washington Park Zoo increased from 1993 primarily due to an increase in donations from the Friends of the Washington Park Zoo and approximately \$30,000 in donations for the new parks programs.

Charges for Services related revenues for the MERC component unit's Special Revenue Funds reflected a decrease of \$11,697,874 from fiscal year 1993. Of this amount, 91.3% of the decrease or \$10,762,711 was due to the return of the Memorial Coliseum operations to the City of Portland. Under terms of the amended consolidation agreement between the City of Portland and Metro, the Oregon Arena Corporation (affiliated with the Portland Trailblazers NBA franchise) now operates this facility. Charges for Services related revenues decreased 8.1% (\$148,902) at the Civic Stadium over fiscal year 1993, due to the loss of the Portland Beavers Triple A baseball franchise. Charges for Services related revenues at the Portland Center for the Performing Arts (PCPA) decreased 23.2% (\$1,037,975) from fiscal year 1993. Revenues returned to levels experienced in fiscal year 1992. As noted in fiscal year 1993, a significant portion of the increase in revenues at PCPA last fiscal year was due to increased attendance attributable to the popular performances of *The Phantom of the Opera*.

Expenditures accounted for in the Governmental Fund Types, exclusive of the MERC component unit, are shown below by function, percentage of total by function and changes from the previous year:

<u>Function</u>	<u>Amount</u>	<u>Percent</u>	<u>Change From FY 1993</u>
General government	\$ 2,591,901	7.1%	\$ 224,657
Zoo operations/development	12,826,339	35.4%	1,722,036
Regional planning/ development	9,518,156	26.3%	3,115,281
Recreation and development	2,213,582	6.1%	2,213,582
Capital outlay	3,555,543	9.8%	1,856,037
Debt service	<u>5,530,803</u>	<u>15.3%</u>	<u>1,606,402</u>
Total	<u>\$36,236,324</u>	<u>100.0%</u>	<u>\$10,737,995</u>

Expenditures increased 37.3%, net of the \$1,229,340 of expenditures related to the parks and recreation functions transferred to Metro from Multnomah County. Some of the larger increases are:

- Zoo operations expenditures increased primarily due to an increase of 11.6% (\$608,622) in visitor services and facilities management expenditures to service the additional patrons reflected in the Zoo's increased attendance. Marketing expenditures to attract visitors increased \$201,458 over fiscal year 1993, while animal management expenditures rose \$319,152 during the same period.
- Regional planning and development expenditures increased by \$3,115,281 due to increased grant and other projects funded by other government units.
- A new category of expenditure, recreation and development, was created in fiscal year 1994 to reflect the parks, cemeteries, Expo Center and other recreational functions transferred to Metro from Multnomah County. In addition to \$1,229,340 of expenditures related to these activities for the six month period January 1 to June 30, 1994, an additional \$674,226 was expended for the Metropolitan Greenspaces program during the fiscal year.

Expenditures in the MERC component unit Special Revenue Fund were down \$10,289,738 or 60.2% due to the transfer of the Memorial Coliseum operations back to the City of Portland as noted previously. Civic Stadium expenditures decreased 2.6%, while expenditures at PCPA decreased 4.6% from fiscal year 1993.

PROPRIETARY OPERATIONS

Proprietary fund operating revenues, exclusive of the MERC component unit, increased 5.1% over fiscal year 1993 to a total of \$68,753,656 for the fiscal year ended June 30, 1994. Operating expenses in the proprietary funds, exclusive of MERC, totaled \$60,535,209 or an increase of 9.2% from the prior year. The net income for the fiscal year ended June 30, 1994 was \$5,020,794 compared to \$9,937,270 in fiscal year 1993. Specific results by proprietary activity are discussed in further detail below.

Solid Waste Enterprise Fund. The Solid Waste enterprise operations accounted for 86.0% of proprietary revenues or approximately \$59.1 million, which was up 4.3% over the prior year. Tonnage processed at Metro facilities increased 4.3% (30,827 tons) over the prior year. Operating expenses increased 7.9% to a total of \$51,619,661 for the fiscal year ended June 30, 1994. Disposal fees increased \$1,779,770 and payroll and fringe benefits increased \$977,956 from fiscal year 1993. The resulting net income for the Solid Waste Fund was \$5,249,101, compared to net income of \$8,160,637 in fiscal year 1993.

Building Management Enterprise Fund. Operating revenues increased 10.4% over fiscal year 1993, with receipts in lieu of rent charged to Metro departments housed in Metro Regional Center up 19.2%. Revenues attributable to Metro departments were up due to the need to cover an increase in operating expenses of \$1,025,657. Operating expenses increased due to additional depreciation charges of \$503,778 incurred on the headquarters building (the previous office building was leased) and a final payment in closing out the old operating lease of \$394,000. Funds were transferred from the General Fund to cover this final payment. The fund also was impacted by the results of the refinancing of revenue bonds which provided an economic gain of \$1,440,617 and a reduction in debt service cash flows in the future of \$1,358,487, but is reflected as a loss for accounting purposes. This loss is being amortized over the life of the new bond issue, in accordance with Governmental Accounting Standards Board Statement 23, at approximately \$84,000 per year. The net loss for the fiscal year ended June 30, 1994, the first full fiscal year of operations for Metro's new headquarters office building, was \$1,067,336, compared to net income of \$170,924 for fiscal year 1993. The resulting accumulated deficit of \$446,614 in the Building Management Fund, created as a result of certain non-recurring events, will be eliminated through normal operations in future years.

Internal Service Funds. The *Support Services* and *Risk Management Funds*, which comprise Metro's internal service funds, reflected operating revenues of \$8,028,308 for the fiscal year ended June 30, 1994, which was an increase of 10.4% from fiscal year 1993. Operating expenses increased \$265,514 or 4.0% over fiscal year 1993. Operating expenses for the Support Services Fund, which includes accounting, finance, budget, information systems, legal, personnel and public affairs costs, were 5.2% of

total expenses and expenditures for Metro in fiscal year 1994, compared to 5.1% in fiscal year 1993. The Internal Service Funds had a net income of \$839,029 for the fiscal year ended June 30, 1994, \$1,143,470 of which resulted from Risk Management Fund performance. The Support Services Fund reflected a net loss of \$304,441, primarily due to an adjustment to fixed assets of \$704,670 taken in fiscal year 1994.

The *MERC* managed *Oregon Convention Center* enterprise had an increase in operating revenue of \$573,274 or 5.6%. Intergovernmental revenue, consisting of Hotel/Motel taxes within Multnomah County, decreased 12.5% during fiscal year 1994. Charges for services provided increased to \$7,251,170 which was a gain of 17.4% over the prior year. Operating expenses increased 4.6% over fiscal year 1993 to a total of \$12,320,868. The net loss for the fiscal year ended June 30, 1994 was \$183,762 compared to a net loss in the prior year of \$1,591,174.

FIDUCIARY OPERATIONS

Metro manages and accounts for moneys received from various sources in a fiduciary capacity. Such moneys are reported in the Trust Funds within the Fiduciary Fund Type. Disbursements are made in accordance with the agreement or applicable legislative enactment for each fund.

RISK MANAGEMENT

Metro has established the Risk Management Fund (an internal service fund) to account for risk management activities, including the payment of insurance policy premiums, payment of claims, and to finance uninsured risks of loss. Metro is self-insured in certain areas. The Risk Management Fund provides risk of loss coverage for general liability, bodily injury or property damage of third parties resulting from the negligence of Metro or its employees and errors and omissions. These risks are self-insured by the Risk Management Fund. Property damage to Metro-owned facilities, subject to a \$100,000 deductible, is covered through a commercial primary all risk, property insurance policy. A purchased paid loss retro program purchased through the commercial carrier SAIF is used for workers' compensation coverage. An actuarial valuation was performed in October 1993 to determine estimates of liabilities for unpaid claims (IBNR).

The Risk Management Division continued responsibility in four areas: insurance administration, risk assessment, emergency management and safety. In fiscal year 1993, Metro self funded liability claims and moved to a substantial deductible for worker's compensation claims. This action resulted in significant savings to the organization. Risk Management takes an active role in identifying, evaluating and

reducing risks to the organization. The Division provides instruction to employees to promote safe behavior and helps make Metro a safe place to visit and work. As part of the safety program, the employees of Metro are recognized for their achievement of reducing the cost of claims.

GENERAL FIXED ASSETS

The general fixed assets of Metro are those fixed assets used in performance of general governmental functions, including the Metro Washington Park Zoo, and exclude the fixed assets of the Enterprise and Internal Service Funds. Also excluded are the fixed assets used by MERC's Spectator Facilities Fund as title to the assets remains with the City of Portland under the terms of an intergovernmental agreement. Similarly, certain fixed assets related to the Expo Center, various parks and cemeteries, boat landings and other property operated by Metro under terms of an intergovernmental agreement with Multnomah County are excluded from Metro's fixed assets as title to the assets remain with Multnomah County. The spectator facilities and various park fixed assets can be found in the City of Portland and Multnomah County comprehensive annual financial reports, when issued. As of June 30, 1994, the general fixed assets of Metro amount to \$44,262,782. This amount represents the original or estimated cost of the assets and is considerably less than the estimated replacement value.

CASH AND INVESTMENT MANAGEMENT

Metro pools most funds for investment purposes to obtain maximum return on investments, while minimizing the risk of loss of principal due to credit and market risk. Metro's investment manager uses automated information from the bank and detailed internal data to manage the investment program.

Metro's investment transactions are governed by a written Investment Policy approved by the Metro Council. The Investment Policy regulates Metro's investment objectives, diversification, limitations and reporting requirements. Metro utilizes an independent Investment Advisory Board to review and advise the District on its investment plan and investment performance. Quarterly investment reports are presented and discussed with the Investment Advisory Board and the Metro Council's Finance Committee.

Investment earnings on all funds under Metro's management was \$2,472,398 for the fiscal year ended June 30, 1994. This compares to \$3,020,378 for fiscal year 1993. The average yield earned on Metro's investments increased with the market in fiscal year 1994, from a low of 3.697% in December 1993 to 4.304% at June 30, 1994. Investment performance continued to be higher than three month Treasury Bills and the

average yield of the State of Oregon's Local Government Investment Pool, which were 4.211% and 3.611%, respectively, as of June 30, 1994.

The investments are displayed in Note 5 to the financial statements disclosing the carrying amounts and market values both by investment type and in total. The note discloses the level of custodial credit risk associated with the investment types.

DEBT ADMINISTRATION

As of June 30, 1994, Metro had a total of five bond issues outstanding for a total of \$129,576,120. These issues included \$63,270,000 of general obligation bonds and \$66,306,120 of revenue bonds.

During fiscal year 1994, Metro issued \$12,895,000 in Waste Disposal System Refunding Revenue Bonds 1993 Series A with an average interest rate of 4.99% to advance refund certain maturities of outstanding Waste Disposal System Revenue Bonds 1990 Series A with an average interest rate of 7.05%. Metro completed the partial advance refunding to reduce its total debt service payments over the next 18 years by \$1,512,815 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$663,872.

Also during fiscal year 1994, Metro issued \$26,160,000 in Metro Regional Center General Revenue Refunding Bonds 1993 Series A with an average interest rate of 5.12% to advance refund \$22,990,000 of outstanding General Revenue Bonds 1991 Series A with an average interest rate of 6.765%. Metro completed the advance refunding to reduce its total debt service payments over the next 30 years by \$1,358,487 and to obtain an economic gain of \$1,440,617.

A Zoo Light Rail Bond Anticipation Note in the amount of \$2,000,000 was issued July 1, 1993, with a variable interest rate equal to a per annum rate of interest equal to the then current 90-day Treasury Bill rate for Treasury Bills sold on the day nearest to the first day of the calendar year quarter during which such rate applies. The note matures July 1, 1995 and is payable to the Tri-County Metropolitan Transportation District of Oregon (Tri-Met).

The total outstanding net general bonded debt at year-end 1994 was \$60,218,305, as compared with \$61,525,261 in 1993. The ratio of net bonded debt to assessed valuation dropped from .12% in fiscal year 1993 to .11% in fiscal year 1994. Under ORS 268.520, Metro's general obligation bond issuances are subject to a legal limitation based on 10% of the true cash value of all taxable property within the District. As of June 30, 1994, Metro's net general obligation debt of \$63,270,000 was well below the legal limit of \$5,437,674,108.

In accordance with IRS regulations, Metro is required to periodically pay a rebate on arbitrage earnings for certain bond issues. As of June 30, 1994, Metro has calculated arbitrage payable to the Federal government of \$356,586. Metro has set aside investments with the trustee in a rebate account which has accumulated an amount to be used for payment.

Metro is considering financing of additional projects in the future. Plans include a Metropolitan Greenspaces bond issue in the amount of \$135-175 million to acquire and preserve natural areas and bonds to finance a \$2 million contribution to the Westside Light Rail project and construction of a paid parking lot serving the Western Forestry Center, OMSI and the Metro Washington Park Zoo. The latter bonds would be used to repay the Bond Anticipation Note discussed above.

In 1994, Metro's bond ratings on general obligation debt were Aa and AA+ from Moody's and Standard and Poor's, respectively. Metro revenue bonds were rated A, A, and A+ by Moody's, Standard and Poor's and Fitch, respectively. These ratings tell investors that Metro is a good risk when it sells bonds and reduces the interest rate required to be paid by Metro and its citizens.

INDEPENDENT AUDIT

Oregon state law requires an annual audit of the financial records and transactions of Metro by independent certified public accountants. This requirement has been complied with and the combined financial statements have been examined and have received an "unqualified opinion" from KPMG Peat Marwick LLP, our independent certified public accountants. Please refer to the Financial Section for the full text of our auditors' report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Metro for its comprehensive annual financial report for the fiscal year ended June 30, 1993. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Metro has received a Certificate of Achievement for the last two consecutive years. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

As a final note, we wish to acknowledge the hard work of the employees in the Accounting Division of the Finance and Management Information Department who assisted in the preparation of this report. We especially acknowledge the efforts of Karla Lenox, Financial Reporting and Control Supervisor, for her efforts and dedication in the preparation of this report. We wish to also acknowledge the cooperation received from other Metro staff in providing information required to fairly present Metro's financial information. Appreciation is also extended to the Executive Officer and Metro Council for their support.

Respectfully submitted,



Donald R. Cox, Jr.
Accounting Manager



Jennifer Sims
Director of Finance and Management Information

GFOA Award

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metro,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1993.

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its Comprehensive Annual Financial Report for the year ended June 30, 1993. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. It indicates an annual report satisfies the conditions for awarding the Certificate of Achievement program requirements and was submitted to GFOA.

METRO

June 30, 1994

ELECTED OFFICIALS

<u>Name</u>	<u>Representing</u>	<u>Term Expires</u>
<u>Council:</u>		
Judy Wyers, Presiding Officer	District 8	January 2, 1995
Ed Washington, Deputy Presiding Officer	District 11	January 2, 1995
Susan McLain, Councilor	District 1	January 2, 1995
Jon Kvistad, Councilor	District 2	January 2, 1995
Jim Gardner, Councilor	District 3	January 2, 1995
Richard Devlin, Councilor	District 4	January 2, 1995
Mike Gates, Councilor	District 5	January 2, 1995
George Van Bergen, Councilor	District 6	January 2, 1995
Ruth McFarland, Councilor	District 7	January 2, 1995
Rod Monroe, Councilor	District 9	January 2, 1995
Roger Buchanan, Councilor	District 10	January 2, 1995
Sandi Hansen, Councilor	District 12	January 2, 1995
Terry Moore, Councilor	District 13	January 2, 1995

Executive Officer:

Rena Cusma	District Wide	January 2, 1995
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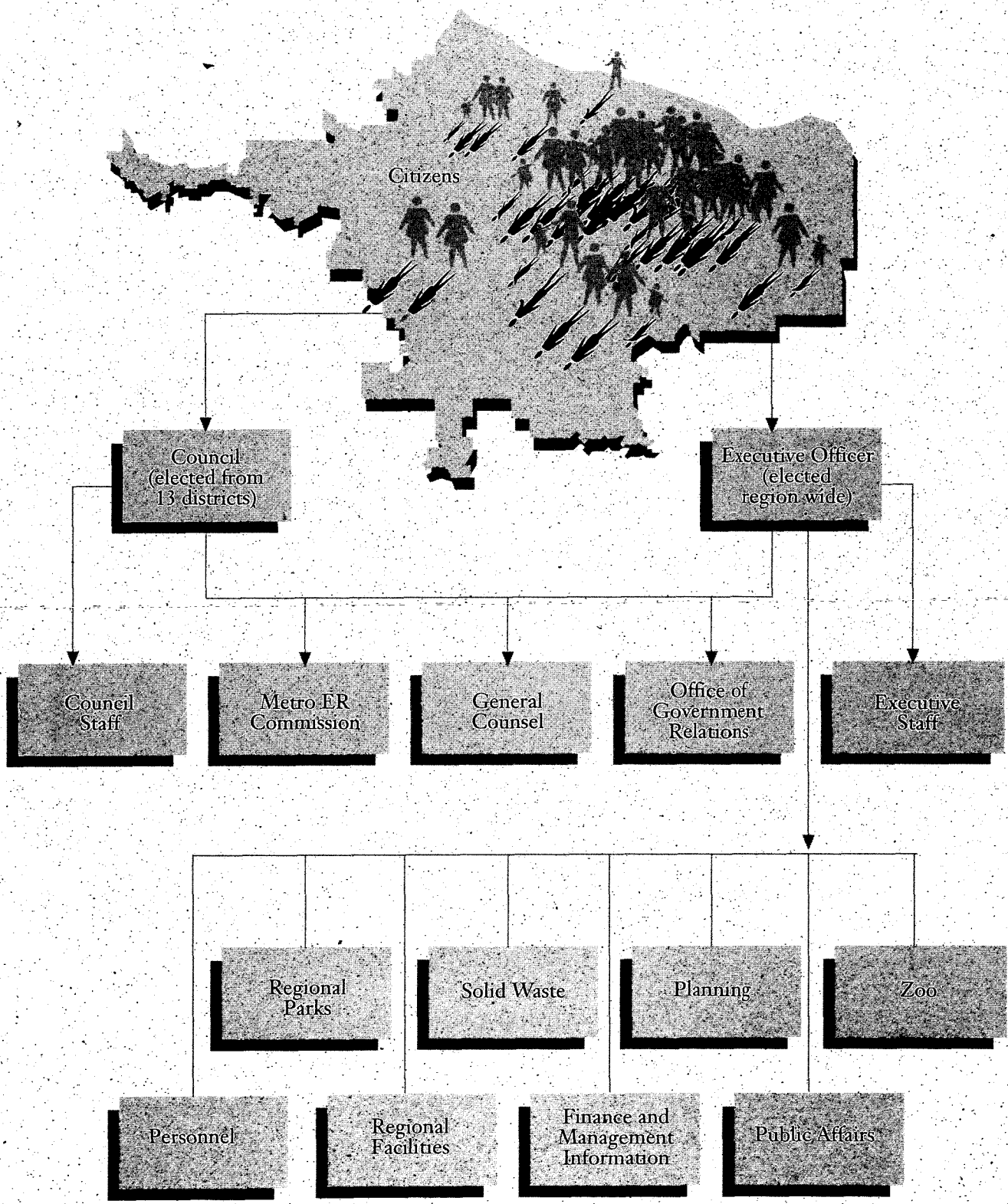
Registered Agent:

Address of Registered and Administrative Office:

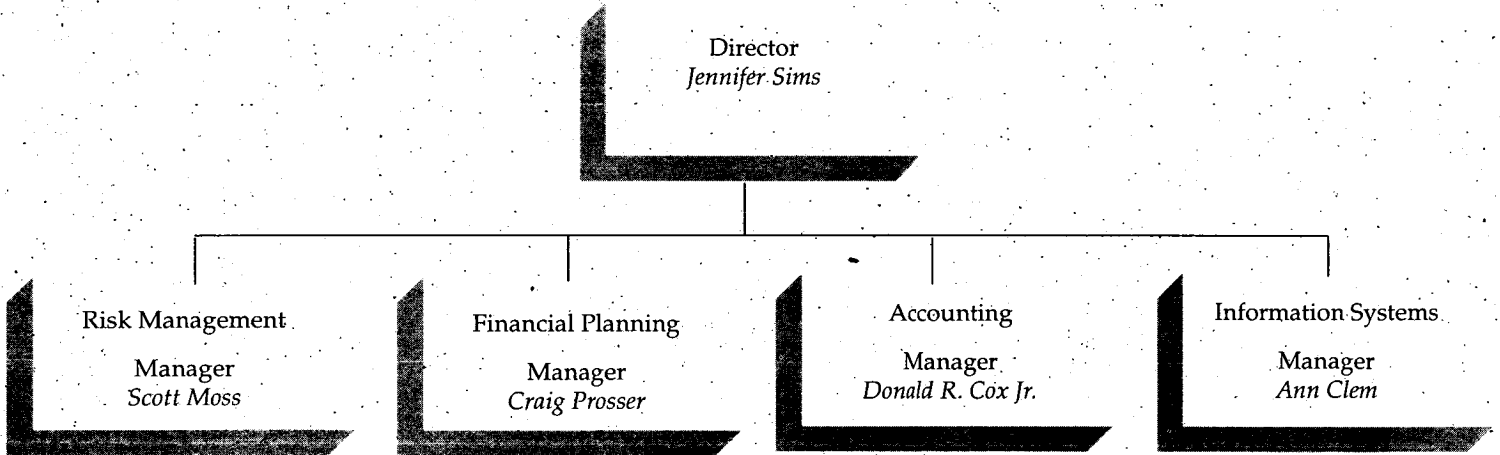
Paulette Allen

600 N.E. Grand Avenue
Portland, Oregon 97232-2736

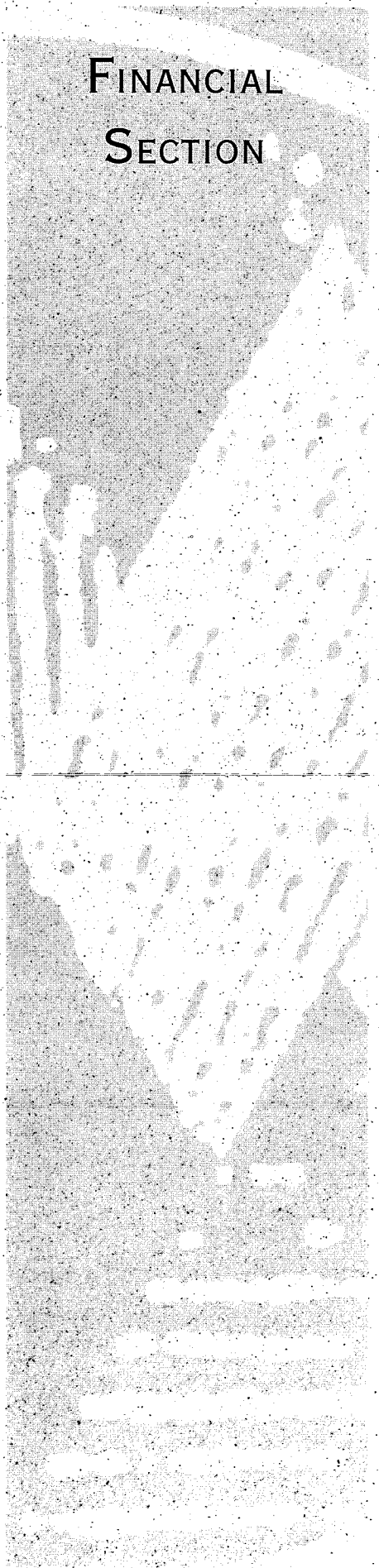
METRO



FINANCE AND MANAGEMENT INFORMATION DEPARTMENT



FINANCIAL
SECTION



Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

To the Council
Metro
Portland, Oregon:

We have audited the accompanying combined financial statements of Metro as of and for the year ended June 30, 1994 as listed in the 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.

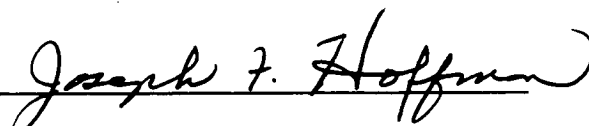
We conducted our audit in accordance with generally accepted auditing standards, the Minimum Standards for Audits of Oregon Municipal Corporations and Government Auditing Standards (1988 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. 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 as of June 30, 1994, 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.

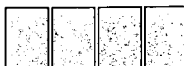
Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required 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.

The other data included in this report, designated as statistical section in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

KPMG PEAT MARWICK LLP

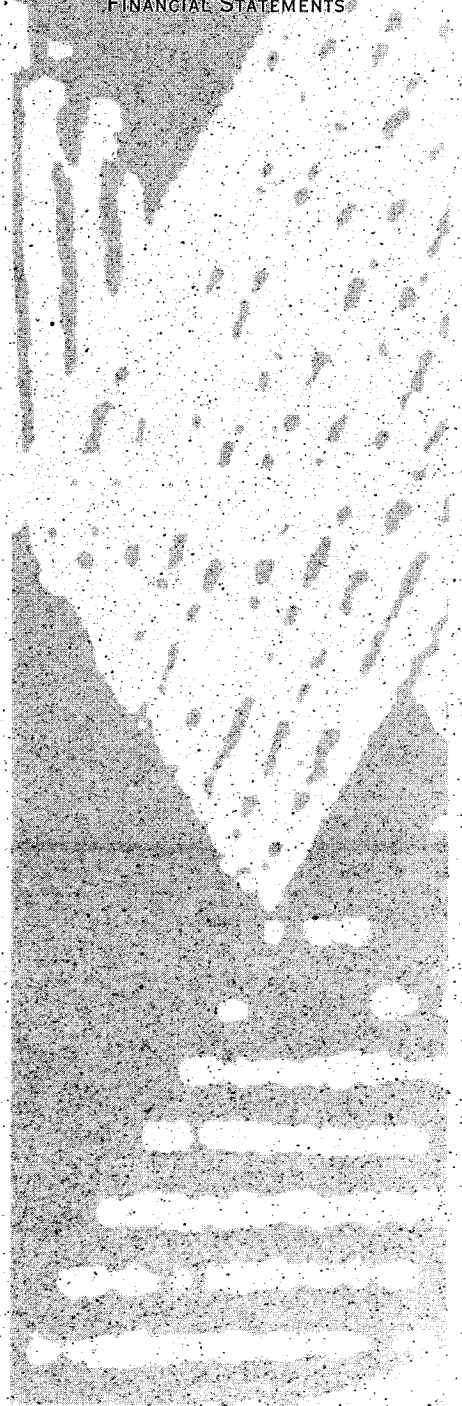
By 
Joseph F. Hoffman, Partner

October 24, 1994



GENERAL
PURPOSE
FINANCIAL
STATEMENTS

"LIFTABLE" COMBINED
FINANCIAL STATEMENTS





METRO

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

June 30, 1994

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
<u>Assets and Other Debits:</u>						
Assets:						
Cash and investments	\$ 519,122	7,701,114	2,974,018	1,497,102	15,978,674	7,207,861
Cash and investments- nonexpendable trust	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
User and landfill fees	-	-	-	-	6,514,319	-
Trade	-	400,470	-	-	-	-
Property taxes	-	477,718	457,252	-	-	-
Federal grants	-	800,674	-	-	-	-
State and local grants/contracts	-	3,600,457	-	-	-	-
Interest	18,387	79,239	22,392	-	447,063	76,634
Other	106,700	3,338	-	-	1,006,986	14,713
Prepaid expenses	-	-	-	-	5,063	369
Due from other funds	2,164,360	1,344,369	-	70,000	979,485	1,309,081
Due from component unit	-	-	-	-	-	96,000
Due from primary government	-	-	-	-	-	-
Inventory of materials and supplies	-	222,516	-	-	-	-
Other assets	-	41,213	-	-	-	2,500
Restricted assets:						
Cash and investments	-	32,708	-	10,748	15,474,586	-
Interest receivable	-	-	-	16,490	-	-
Fixed assets, net	-	-	-	-	52,763,582	620,431
Loans receivable	-	-	-	-	5,000,000	-
Other debits:						
Amount available for debt service	-	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-
Total assets and other debits	\$ <u>2,808,569</u>	<u>14,703,816</u>	<u>3,453,662</u>	<u>1,594,340</u>	<u>98,169,758</u>	<u>9,327,589</u>

See accompanying notes to combined financial statements.

Fiduciary Fund Type	Account Groups		Total (memorandum only) Primary Government	Component Unit - MERC		Total (memorandum only) Reporting Entity
	General Fixed Assets	General Long-term Obligations		Governmental Fund Type Special Revenue	Proprietary Fund Type Enterprise	
Trust						
5,937,366	-	-	41,815,257	4,452,012	11,085,892	57,353,161
8,672,170	-	-	8,672,170	-	-	8,672,170
-	-	-	6,514,319	-	-	6,514,319
-	-	-	400,470	255,480	356,986	1,012,936
-	-	-	934,970	-	-	934,970
-	-	-	800,674	-	-	800,674
-	-	-	3,600,457	-	-	3,600,457
62,601	-	-	706,316	28,981	115,264	850,561
719,482	-	-	1,851,219	-	-	1,851,219
-	-	-	5,432	-	6,484	11,916
-	-	-	5,867,295	42,703	11,296	5,921,294
-	-	-	96,000	-	-	96,000
-	-	-	-	35,000	-	35,000
-	-	-	222,516	39,995	149,765	412,276
-	-	-	43,713	8,572	-	52,285
-	-	-	15,518,042	-	1,131,560	16,649,602
-	-	-	16,490	-	-	16,490
-	44,262,782	-	97,646,795	-	93,288,311	190,935,106
-	-	-	5,000,000	-	-	5,000,000
-	-	3,051,695	3,051,695	-	-	3,051,695
-	-	63,250,826	63,250,826	-	-	63,250,826
<u>15,391,619</u>	<u>44,262,782</u>	<u>66,302,521</u>	<u>256,014,656</u>	<u>4,862,743</u>	<u>106,145,558</u>	<u>367,022,957</u>

(Continued)

METRO

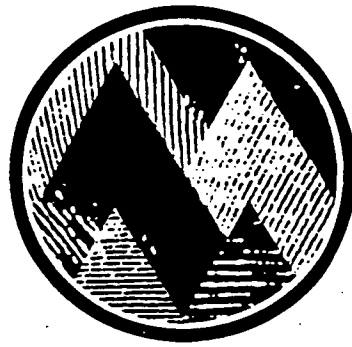
Combined Balance Sheet -
All Fund Types and Account Groups, Continued

June 30, 1994

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Liabilities, Fund Equity and Other Credits:						
Liabilities:						
Accounts payable	\$ 237,803	2,633,443	-	554,543	5,015,751	162,966
Salaries, withholdings and payroll taxes payable	68,730	699,669	-	3,053	431,895	393,952
Accrued interest payable	-	-	-	-	1,176,267	-
Contracts payable	-	38,349	-	35,720	-	-
Deferred revenue	-	417,434	401,170	-	-	-
Due to other funds	1,628,099	3,074,328	797	-	844,759	319,312
Due to component unit	-	35,000	-	-	-	-
Due to primary government	-	-	-	-	-	-
Unearned grant/contract revenue	-	400,689	-	-	-	-
Payable from restricted assets:						
Contracts payable	-	-	-	-	2,267,684	-
Arbitrage payable	-	-	-	-	-	-
Post-closure costs payable	-	-	-	-	17,467,574	-
Deposits payable	3,288	32,979	-	-	-	-
Loans payable	-	-	-	-	281,257	-
Bonds payable (net of unamortized discount and deferred amount on refunding)	-	-	-	-	53,955,685	-
Bond anticipation note payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	56,939	54,855
Liability for compensated absences	-	-	-	-	-	-
Accrued self-insurance claims	-	-	-	-	-	644,758
Other liabilities	-	3,060	-	-	11,378	3,623
Total liabilities	1,937,920	7,334,951	401,967	593,316	81,509,189	1,579,466
Fund equity and other credits:						
Contributed capital, net	-	-	-	-	1,077,126	426,785
Retained earnings:						
Reserved for debt service	-	-	-	-	1,469,074	-
Reserved for renewal and replacement	-	-	-	-	2,170,470	-
Unreserved	-	-	-	-	11,943,899	7,321,338
Fund balances:						
Reserved for debt service	-	-	3,051,695	-	-	-
Reserved for pension benefits	-	-	-	-	-	-
Unreserved	870,649	7,368,865	-	1,001,024	-	-
Other credits-						
Investment in general fixed assets	-	-	-	-	-	-
Total fund equity and other credits	870,649	7,368,865	3,051,695	1,001,024	16,660,569	7,748,123
Commitments and contingencies						
Total liabilities, fund equity and other credits	\$ 2,808,569	14,703,816	3,453,662	1,594,340	98,169,758	9,327,589

See accompanying notes to combined financial statements.

Fiduciary Fund Type	Account Groups		Total (memorandum only) Primary Government	Component Unit - MERC		Total (memorandum only) Reporting Entity
	General Fixed Assets	General Long-term Obligations		Governmental Fund Type Special Revenue	Proprietary Fund Type Enterprise	
Trust						
151,859	-	-	8,756,365	206,013	204,481	9,166,859
3,091	-	-	1,600,390	162,017	241,475	2,003,882
-	-	-	1,176,267	-	-	1,176,267
-	-	-	74,069	-	-	74,069
-	-	-	818,604	-	-	818,604
-	-	-	5,867,295	53,999	-	5,921,294
-	-	-	35,000	-	-	35,000
-	-	-	-	96,000	-	96,000
-	-	-	400,689	-	-	400,689
-	-	-	2,267,684	-	-	2,267,684
-	-	-	-	-	356,586	356,586
-	-	-	17,467,574	-	-	17,467,574
-	-	-	36,267	1,129,335	927,966	2,093,568
-	-	-	281,257	-	-	281,257
-	-	63,270,000	117,225,685	-	-	117,225,685
-	-	2,000,000	2,000,000	-	-	2,000,000
-	-	486,752	598,546	-	-	598,546
-	-	545,769	545,769	-	-	545,769
-	-	-	644,758	-	-	644,758
-	-	-	18,061	52,140	52,005	122,206
<u>154,950</u>	<u>-</u>	<u>66,302,521</u>	<u>159,814,280</u>	<u>1,699,504</u>	<u>1,782,513</u>	<u>163,296,297</u>
-	-	-	1,503,911	-	85,473,448	86,977,359
-	-	-	1,469,074	-	-	1,469,074
-	-	-	2,170,470	-	-	2,170,470
-	-	-	19,265,237	-	18,889,597	38,154,834
-	-	-	3,051,695	-	-	3,051,695
9,391,652	-	-	9,391,652	-	-	9,391,652
5,845,017	-	-	15,085,555	3,163,239	-	18,248,794
-	<u>44,262,782</u>	-	<u>44,262,782</u>	-	-	<u>44,262,782</u>
15,236,669	44,262,782	-	96,200,376	3,163,239	104,363,045	203,726,660
<u>15,391,619</u>	<u>44,262,782</u>	<u>66,302,521</u>	<u>256,014,656</u>	<u>4,862,743</u>	<u>106,145,558</u>	<u>367,022,957</u>



METRO

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

For the year ended June 30, 1994

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum only)	Component Unit- MERC	Total (Memorandum only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Primary Government	Special Revenue	Reporting Entity
Revenues:								
Property taxes	\$ -	5,851,083	5,096,825	-	-	10,947,908	-	10,947,908
Excise taxes	5,451,649	-	-	-	-	5,451,649	-	5,451,649
Admissions	-	2,807,101	-	-	-	2,807,101	977,133	3,784,234
Rental fees	-	-	-	-	-	-	742,952	742,952
Vending, concessions and catering	-	3,057,412	-	-	-	3,057,412	1,314,444	4,371,856
Parking fees	-	325,971	-	-	-	325,971	-	325,971
Reimbursed labor	-	-	-	-	-	-	1,617,468	1,617,468
Commissions	-	-	-	-	-	-	183,276	183,276
Merchandising	-	-	-	-	-	-	45,729	45,729
Local government service fee	-	581,058	-	-	-	581,058	-	581,058
Grants and contracts:								
Federal	-	1,303,563	-	-	-	1,303,563	-	1,303,563
State and local	-	4,153,251	-	-	-	4,153,251	-	4,153,251
Local government shared revenues	-	211,399	-	-	-	211,399	-	211,399
Charges for services	-	2,056,084	-	-	-	2,056,084	-	2,056,084
Donations and bequests	-	499,157	-	302,097	20,000	821,254	-	821,254
Contract and professional services	-	2,012,805	-	-	1,750,619	3,763,424	-	3,763,424
Rehabilitation and enhancement fees	-	-	-	-	422,057	422,057	-	422,057
Interest	49,418	238,252	70,934	87,070	183,773	629,447	146,696	776,143
Miscellaneous	3,604	410,081	-	-	1,478	415,163	123,518	538,681
Total revenues	<u>5,504,671</u>	<u>23,507,217</u>	<u>5,167,759</u>	<u>389,167</u>	<u>2,377,927</u>	<u>36,946,741</u>	<u>5,151,216</u>	<u>42,097,957</u>
Expenditures:								
Current:								
General government operations	2,591,901	-	-	-	-	2,591,901	-	2,591,901
Zoo operations and development	-	12,826,339	-	-	-	12,826,339	-	12,826,339
Spectator facilities operations	-	-	-	-	-	-	6,809,282	6,809,282
Regional planning and development	-	9,518,156	-	-	-	9,518,156	-	9,518,156
Recreation and development	-	2,213,582	-	-	-	2,213,582	-	2,213,582
Rehabilitation and enhancement	-	-	-	-	805,778	805,778	-	805,778
Capital outlay	3,356	1,181,033	-	2,371,154	15,508	3,571,051	-	3,571,051
Debt service	-	-	5,530,803	-	-	5,530,803	-	5,530,803
Total expenditures	<u>2,595,257</u>	<u>25,739,110</u>	<u>5,530,803</u>	<u>2,371,154</u>	<u>821,286</u>	<u>37,057,610</u>	<u>6,809,282</u>	<u>43,866,892</u>
Revenues over (under) expenditures	2,909,414	(2,231,893)	(363,044)	(1,981,987)	1,556,641	(110,869)	(1,658,066)	(1,768,935)
Other financing sources (uses):								
Operating transfers in	-	2,408,618	-	434,000	-	2,842,618	-	2,842,618
Operating transfers out	(2,791,825)	(487,500)	-	-	-	(3,279,325)	-	(3,279,325)
Intergovernmental transfer	-	959,552	-	-	288,158	1,247,710	(457,930)	789,780
Capital lease proceeds	-	489,367	-	-	-	489,367	-	489,367
Revenues and other sources over (under) expenditures and other uses	117,589	1,138,144	(363,044)	(1,547,987)	1,844,799	1,189,501	(2,115,996)	(926,495)
Fund balances - July 1, 1993	<u>753,060</u>	<u>6,230,721</u>	<u>3,414,739</u>	<u>2,549,011</u>	<u>4,000,218</u>	<u>16,947,749</u>	<u>5,279,235</u>	<u>22,226,984</u>
Fund balances - June 30, 1994	<u>\$ 870,649</u>	<u>7,368,865</u>	<u>3,051,695</u>	<u>1,001,024</u>	<u>5,845,017</u>	<u>18,137,250</u>	<u>3,163,239</u>	<u>21,300,489</u>

See accompanying notes to combined financial statements.

METRO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds

For the year ended June 30, 1994

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:						
Property taxes	\$ -	-	-	5,708,807	5,851,083	142,276
Excise taxes	5,256,914	5,451,649	194,735	-	-	-
Admissions	-	-	-	2,994,208	2,807,101	(187,107)
Rental fees	-	-	-	-	-	-
Vending, concessions and catering	-	-	-	3,166,929	3,057,412	(109,517)
Parking fees	-	-	-	323,000	325,971	2,971
Reimbursed labor	-	-	-	-	-	-
Commissions	-	-	-	-	-	-
Merchandising	-	-	-	-	-	-
Local government service fees	-	-	-	597,563	581,058	(16,505)
Grants and contracts:						
Federal	-	-	-	7,528,648	1,303,563	(6,225,085)
State and local	-	-	-	3,755,764	4,153,251	397,487
Local government shared revenues	-	-	-	106,846	211,399	104,553
Charges for services	-	-	-	1,620,525	1,753,914	133,389
Donations and bequests	-	-	-	540,500	499,157	(41,343)
Contract and professional services	-	-	-	1,173,079	2,012,805	839,726
Interest	50,000	49,418	(582)	255,161	238,252	(16,909)
Miscellaneous	-	3,604	3,604	482,207	410,081	(72,126)
Total revenues	5,306,914	5,504,671	197,757	28,253,237	23,205,047	(5,048,190)
Expenditures:						
Current:						
General government operations	1,992,684	1,896,693	95,991	-	-	-
Zoo operations and development	-	-	-	12,012,283	11,396,418	615,865
Spectator facilities operations	-	-	-	-	-	-
Regional planning and development	-	-	-	11,450,704	8,242,081	3,208,623
Recreation and development	-	-	-	3,028,541	1,881,622	1,146,919
Contingency	36,434	-	36,434	912,076	-	912,076
Capital outlay	4,000	3,356	644	925,989	691,666	234,323
Debt service	-	-	-	-	-	-
Total expenditures	2,033,118	1,900,049	133,069	28,329,593	22,211,787	6,117,806
Revenues over (under) expenditures	3,273,796	3,604,622	330,826	(76,356)	993,260	1,069,616
Other financing sources (uses):						
Operating transfers in	-	-	-	2,832,768	2,710,788	(121,980)
Operating transfers out	(3,614,631)	(3,487,033)	127,598	(3,640,448)	(3,525,456)	114,992
Intergovernmental transfer	-	-	-	-	959,552	959,552
Revenues and other sources over (under) expenditures and other uses	(340,835)	117,589	458,424	(884,036)	1,138,144	2,022,180
Fund balances - July 1, 1993	608,500	753,060	144,560	6,046,864	6,230,721	183,857
Fund balances - June 30, 1994	\$ 267,665	870,649	602,984	5,162,828	7,368,865	2,206,037

Debt Service Fund			Capital Projects Fund			Expendable Trust Funds			Total (memorandum only) - Primary Government		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
4,954,680	5,096,825	142,145	-	-	-	-	-	-	10,663,487	10,947,908	284,421
-	-	-	-	-	-	-	-	-	5,256,914	5,451,649	194,735
-	-	-	-	-	-	-	-	-	2,994,208	2,807,101	(187,107)
-	-	-	-	-	-	-	-	-	3,166,929	3,057,412	(109,517)
-	-	-	-	-	-	-	-	-	323,000	325,971	2,971
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	597,563	581,058	(16,505)
-	-	-	-	-	-	100,000	-	(100,000)	7,628,648	1,303,563	(6,325,085)
-	-	-	-	-	-	40,000	-	(40,000)	3,795,764	4,153,251	357,487
-	-	-	-	-	-	-	-	-	106,846	211,399	104,553
-	-	-	-	-	-	-	-	-	1,620,525	1,753,914	133,389
-	-	-	350,000	302,097	(47,903)	47,000	20,000	(27,000)	937,500	821,254	(116,246)
-	-	-	-	-	-	1,300,000	1,750,619	450,619	2,473,079	3,763,424	1,290,345
40,000	70,934	30,934	106,203	87,070	(19,133)	138,001	183,773	45,772	589,365	629,447	40,082
-	-	-	-	-	-	-	1,478	1,478	482,207	415,163	(67,044)
<u>4,994,680</u>	<u>5,167,759</u>	<u>173,079</u>	<u>456,203</u>	<u>389,167</u>	<u>(67,036)</u>	<u>1,625,001</u>	<u>1,955,870</u>	<u>330,869</u>	<u>40,636,035</u>	<u>36,222,514</u>	<u>(4,413,521)</u>
-	-	-	-	-	-	-	-	-	1,992,684	1,896,693	95,991
-	-	-	-	-	-	-	-	-	12,012,283	11,396,418	615,865
-	-	-	-	-	-	1,362,491	788,057	574,434	12,813,195	9,030,138	3,783,057
-	-	-	150,000	-	150,000	394,533	-	394,533	3,028,541	1,881,622	1,146,919
-	-	-	3,287,949	2,371,154	916,795	450,000	15,508	434,492	4,667,938	3,081,684	1,586,254
<u>5,530,803</u>	<u>5,530,803</u>	-	-	-	-	-	-	-	<u>5,530,803</u>	<u>5,530,803</u>	-
<u>5,530,803</u>	<u>5,530,803</u>	-	<u>3,437,949</u>	<u>2,371,154</u>	<u>1,066,795</u>	<u>2,207,024</u>	<u>803,565</u>	<u>1,403,459</u>	<u>41,538,487</u>	<u>32,817,358</u>	<u>8,721,129</u>
(536,123)	(363,044)	173,079	(2,981,746)	(1,981,987)	999,759	(582,023)	1,152,305	1,734,328	(902,452)	3,405,156	4,307,608
-	-	-	434,000	434,000	-	444,323	422,057	(22,266)	3,711,091	3,566,845	(144,246)
-	-	-	-	-	-	(57,748)	(17,721)	40,027	(7,312,827)	(7,030,210)	282,617
-	-	-	-	-	-	-	288,158	288,158	-	1,247,710	1,247,710
(536,123)	(363,044)	173,079	(2,547,746)	(1,547,987)	999,759	(195,448)	1,844,799	2,040,247	(4,504,188)	1,189,501	5,693,689
<u>3,304,674</u>	<u>3,414,739</u>	<u>110,065</u>	<u>2,655,076</u>	<u>2,549,011</u>	<u>(106,065)</u>	<u>3,617,641</u>	<u>4,000,218</u>	<u>382,577</u>	<u>16,232,755</u>	<u>16,947,749</u>	<u>714,994</u>
<u>2,768,551</u>	<u>3,051,695</u>	<u>283,144</u>	<u>107,330</u>	<u>1,001,024</u>	<u>893,694</u>	<u>3,422,193</u>	<u>5,845,017</u>	<u>2,422,824</u>	<u>11,728,567</u>	<u>18,137,250</u>	<u>6,408,683</u>

(Continued)



METRO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds, Continued

For the year ended June 30, 1994

	Component Unit - MERC			Total (memorandum only) -		
	Special Revenue Funds			Reporting Entity		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:						
Property taxes	\$ -	-	-	10,663,487	10,947,908	284,421
Excise taxes	-	-	-	5,256,914	5,451,649	194,735
Admissions	830,750	977,133	146,383	3,824,958	3,784,234	(40,724)
Rental fees	817,100	742,952	(74,148)	817,100	742,952	(74,148)
Vending, concessions and catering	1,162,600	1,314,444	151,844	4,329,529	4,371,856	42,327
Parking fees	-	-	-	323,000	325,971	2,971
Reimbursed labor	1,652,700	1,617,468	(35,232)	1,652,700	1,617,468	(35,232)
Commissions	295,400	183,276	(112,124)	295,400	183,276	(112,124)
Merchandising	51,000	45,729	(5,271)	51,000	45,729	(5,271)
Local government service fees	-	-	-	597,563	581,058	(16,505)
Grants and contracts:						
Federal	-	-	-	7,628,648	1,303,563	(6,325,085)
State and local	-	-	-	3,795,764	4,153,251	357,487
Local government shared revenues	-	-	-	106,846	211,399	104,553
Charges for services	-	-	-	1,620,525	1,753,914	133,389
Donations and bequests	-	-	-	937,500	821,254	(116,246)
Contract and professional services	-	-	-	2,473,079	3,763,424	1,290,345
Interest	157,700	146,696	(11,004)	747,065	776,143	29,078
Miscellaneous	105,100	123,518	18,418	587,307	538,681	(48,626)
Total revenues	5,072,350	5,151,216	78,866	45,708,385	41,373,730	(4,334,655)
Expenditures:						
Current:						
General government operations	-	-	-	1,992,684	1,896,693	95,991
Zoo operations and development	-	-	-	12,012,283	11,396,418	615,865
Spectator facilities operations	6,796,200	6,511,894	284,306	6,796,200	6,511,894	284,306
Regional planning and development	-	-	-	12,813,195	9,030,138	3,783,057
Recreation and development	-	-	-	3,028,541	1,881,622	1,146,919
Contingency	177,677	-	177,677	1,670,720	-	1,670,720
Capital outlay	369,660	203,898	165,762	5,037,598	3,285,582	1,752,016
Debt service	-	-	-	5,530,803	5,530,803	-
Total expenditures	7,343,537	6,715,792	627,745	48,882,024	39,533,150	9,348,874
Revenues over (under) expenditures	(2,271,187)	(1,564,576)	706,611	(3,173,639)	1,840,580	5,014,219
Other financing sources (uses):						
Operating transfers in	619,740	567,106	(52,634)	4,330,831	4,133,951	(196,880)
Operating transfers out	(675,517)	(660,596)	14,921	(7,988,344)	(7,690,806)	297,538
Intergovernmental transfer	(700,000)	(457,930)	242,070	(700,000)	789,780	1,489,780
Revenues and other sources over (under) expenditures and other uses	(3,026,964)	(2,115,996)	910,968	(7,531,152)	(926,495)	6,604,657
Fund balances - July 1, 1993	4,867,491	5,279,235	411,744	21,100,246	22,226,984	1,126,738
Fund balances - June 30, 1994	\$ 1,840,527	3,163,239	1,322,712	13,569,094	21,300,489	7,731,395

See accompanying notes to combined financial statements.

METRO

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, 1994

	Proprietary Fund Types		Fiduciary Fund Type	Total (memorandum only)	Component Unit - MERC	Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	<u>Primary Government</u>	<u>Enterprise</u>	<u>Reporting Entity</u>
Operating revenues:						
Disposal fees	\$ 26,750,588	-	-	26,750,588	-	26,750,588
User fees	23,915,927	-	-	23,915,927	-	23,915,927
Regional transfer charge	6,291,634	-	-	6,291,634	-	6,291,634
DEQ fees	931,203	-	-	931,203	-	931,203
Host fees	191,244	-	-	191,244	-	191,244
Rehabilitation and mitigation fees	218,103	-	-	218,103	-	218,103
Refuse disposal charges	476,722	-	-	476,722	-	476,722
Intergovernmental revenue	-	-	-	-	3,465,187	3,465,187
Rental and lease income	48,564	-	-	48,564	1,321,572	1,370,136
Food service	-	-	-	-	4,098,899	4,098,899
Utility service	-	-	-	-	846,133	846,133
Parking fees	361,219	-	-	361,219	658,886	1,020,105
Reimbursed labor	-	-	-	-	259,202	259,202
Merchandising	-	-	-	-	20,482	20,482
Commissions	-	-	-	-	45,996	45,996
Receipts in lieu of rent	1,207,028	-	-	1,207,028	-	1,207,028
Charges for services	-	7,792,526	-	7,792,526	-	7,792,526
Change in investment value	-	-	337,382	337,382	-	337,382
Pension contributions	-	-	829,308	829,308	-	829,308
Builders license fees	-	200,760	-	200,760	-	200,760
Miscellaneous	333,116	35,022	-	368,138	47,815	415,953
Total operating revenues	60,725,348	8,028,308	1,166,690	69,920,346	10,764,172	80,684,518
Operating expenses:						
Payroll and fringe benefits	5,288,945	4,596,564	-	9,885,509	3,210,100	13,095,609
St. Johns Landfill operating expenses	678,378	-	-	678,378	-	678,378
Metro South Station operating expenses	1,784,001	-	-	1,784,001	-	1,784,001
Metro Central Station operating expenses	3,775,752	-	-	3,775,752	-	3,775,752
Waste transport costs	10,483,062	-	-	10,483,062	-	10,483,062
End use fees	11,789	-	-	11,789	-	11,789
Disposal fees	21,080,499	-	-	21,080,499	-	21,080,499
Marketing expense	-	-	-	-	1,682,555	1,682,555
Convention Center operating expenses	-	-	-	-	814,525	814,525
Concessions expense	-	-	-	-	2,384,107	2,384,107
Depreciation and amortization	1,764,391	176,373	-	1,940,764	2,784,149	4,724,913
Rent and payments in lieu of rent	529,349	507,283	-	1,036,632	-	1,036,632
Administrative expenses paid to Support Services Fund	2,597,346	-	-	2,597,346	452,805	3,050,151
Administrative expenses paid to MERC Administration Fund	-	-	-	-	303,278	303,278
Payments to Planning Fund for services	302,001	-	-	302,001	-	302,001
Insurance expense	607,894	319,388	-	927,282	185,486	1,112,768

(Continued)

METRO

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

For the year ended June 30, 1994

	Proprietary Fund Types		Fiduciary Fund Type	Total (memorandum only)	Component Unit - MERC	Total (memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	<u>Primary Government</u>	<u>Enterprise</u>	<u>Reporting Entity</u>
Claims expense	\$ -	204,842	-	204,842	-	204,842
Payment of rehabilitation fees	410,268	-	-	410,268	-	410,268
Consulting services	2,169,527	22,684	-	2,192,211	-	2,192,211
Waste reduction grants	556,164	-	-	556,164	-	556,164
Payments to other governments	703,223	167,404	-	870,627	-	870,627
Other materials and services	969,115	828,967	-	1,798,082	503,863	2,301,945
Pension benefits	-	-	490,476	490,476	-	490,476
Total operating expenses	<u>53,711,704</u>	<u>6,823,505</u>	<u>490,476</u>	<u>61,025,685</u>	<u>12,320,868</u>	<u>73,346,553</u>
Operating income (loss)	<u>7,013,644</u>	<u>1,204,803</u>	<u>676,214</u>	<u>8,894,661</u>	<u>(1,556,696)</u>	<u>7,337,965</u>
Non-operating revenues (expenses):						
Interest on investments	1,161,933	296,017	-	1,457,950	238,305	1,696,255
Interest expense	(2,871,804)	-	-	(2,871,804)	-	(2,871,804)
Gain/(loss) on adjustment/disposal of fixed assets	(1,516,008)	(704,498)	-	(2,220,506)	1,134,629	(1,085,877)
Total non-operating revenues (expenses)	<u>(3,225,879)</u>	<u>(408,481)</u>	<u>-</u>	<u>(3,634,360)</u>	<u>1,372,934</u>	<u>(2,261,426)</u>
Income (loss) before operating transfers	<u>3,787,765</u>	<u>796,322</u>	<u>676,214</u>	<u>5,260,301</u>	<u>(183,762)</u>	<u>5,076,539</u>
Operating transfers in	<u>394,000</u>	<u>42,707</u>	<u>-</u>	<u>436,707</u>	<u>-</u>	<u>436,707</u>
Net income (loss)	<u>4,181,765</u>	<u>839,029</u>	<u>676,214</u>	<u>5,697,008</u>	<u>(183,762)</u>	<u>5,513,246</u>
Depreciation on fixed assets that reduces contributed capital	<u>59,431</u>	<u>142,263</u>	<u>-</u>	<u>201,694</u>	<u>2,490,319</u>	<u>2,692,013</u>
Increase in retained earnings/fund balances	<u>4,241,196</u>	<u>981,292</u>	<u>676,214</u>	<u>5,898,702</u>	<u>2,306,557</u>	<u>8,205,259</u>
Retained earnings/fund balances - July 1, 1993	<u>11,342,247</u>	<u>6,340,046</u>	<u>8,715,438</u>	<u>26,397,731</u>	<u>16,583,040</u>	<u>42,980,771</u>
Retained earnings/fund balances - June 30, 1994	<u>\$ 15,583,443</u>	<u>7,321,338</u>	<u>9,391,652</u>	<u>32,296,433</u>	<u>18,889,597</u>	<u>51,186,030</u>

See accompanying notes to combined financial statements.

METRO

Combined Statement of Cash Flows - Proprietary Fund Types and Similar Trust Fund

For the year ended June 30, 1994

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Total</u>	<u>Component</u>	<u>Total</u>
	<u>Enterprise</u>	<u>Internal</u>	<u>Fund Type</u>	<u>(memorandum</u>	<u>unit - MERC</u>	<u>(memorandum</u>
		<u>Service</u>	<u>Pension</u>	<u>only)</u>	<u>Enterprise</u>	<u>Reporting</u>
			<u>Trust</u>	<u>Primary</u>		<u>Entity</u>
				<u>Government</u>		
Cash flows from operating activities:						
Cash received from customers	\$ 59,695,100	-	-	59,695,100	8,879,432	68,574,532
Cash received from other governments	109,119	-	-	109,119	4,201,479	4,310,598
Cash inflows from pension contributions	-	-	865,427	865,427	-	865,427
Receipts from quasi-external transactions	989,275	6,923,052	-	7,912,327	-	7,912,327
Cash payments to suppliers for goods and services	(47,580,475)	(1,142,170)	-	(48,722,645)	(6,100,156)	(54,822,801)
Cash payments for claims	-	(204,842)	-	(204,842)	-	(204,842)
Other operating revenues	184,511	225,522	-	410,033	47,814	457,847
Cash payments to other governments	(1,259,387)	(167,404)	-	(1,426,791)	(721,690)	(2,148,481)
Cash payments to employees for services	(5,245,026)	(4,603,899)	-	(9,848,925)	(3,175,240)	(13,024,165)
Cash payments for distributions to participants	-	-	(420,403)	(420,403)	-	(420,403)
Cash outflows for forfeitures, adjustments	-	-	(70,073)	(70,073)	-	(70,073)
Loans distributed to participants	-	-	(319,802)	(319,802)	-	(319,802)
Loan payments received	-	-	232,110	232,110	-	232,110
Payments for quasi-external transactions	(3,706,848)	(824,321)	-	(4,531,169)	(904,715)	(5,435,884)
Net cash provided by operating activities	<u>3,186,269</u>	<u>205,938</u>	<u>287,259</u>	<u>3,679,466</u>	<u>2,226,924</u>	<u>5,906,390</u>
Cash flows from noncapital financing activities-						
Transfer from General Fund	<u>394,000</u>	<u>42,707</u>	<u>-</u>	<u>436,707</u>	<u>-</u>	<u>436,707</u>
Net cash provided by noncapital financing activities	<u>394,000</u>	<u>42,707</u>	<u>-</u>	<u>436,707</u>	<u>-</u>	<u>436,707</u>
Cash flows from capital and related financing activities:						
Loan payments	(12,415)	-	-	(12,415)	-	(12,415)
Payments to other governments	(132,716)	-	-	(132,716)	-	(132,716)
Net proceeds from bonds issued to refund capital debt	38,566,126	-	-	38,566,126	-	38,566,126
Interest payment on revenue bonds	(2,327,440)	-	-	(2,327,440)	-	(2,327,440)
Principal payment on revenue bonds	(1,250,000)	-	-	(1,250,000)	-	(1,250,000)
Payments to escrow account	(38,463,132)	-	-	(38,463,132)	-	(38,463,132)
Refunding bond issuance costs paid	(541,058)	-	-	(541,058)	-	(541,058)
Acquisition/construction of capital assets	(1,920,712)	(124,556)	-	(2,045,268)	(1,075,967)	(3,121,235)
Cash payments on capital lease principal	(114,957)	(39,679)	-	(154,636)	-	(154,636)
Net cash used by capital and related financing activities	<u>\$ (6,196,304)</u>	<u>(164,235)</u>	<u>-</u>	<u>(6,360,539)</u>	<u>(1,075,967)</u>	<u>(7,436,506)</u>

(Continued)

METRO

Combined Statement of Cash Flows -
Proprietary Fund Types and Similar Trust Fund, Continued

For the year ended June 30, 1994

	Proprietary Fund Types		Fiduciary	Total	Component	Total
	Enterprise	Internal	Fund Type	(memorandum	unit - MERC	(memorandum
		Service	Pension	only)	Enterprise	only)
			Trust	Primary		Reporting
				Government		Entity
Cash flows from investing activities-						
Interest	\$ 1,163,307	295,496	339,394	1,798,197	333,161	2,131,358
Net cash provided by investing activities	1,163,307	295,496	339,394	1,798,197	333,161	2,131,358
Net increase (decrease) in cash and cash equivalents including restricted amounts	(1,452,728)	379,906	626,653	(446,169)	1,484,118	1,037,949
Cash and cash equivalents at beginning of year including restricted amounts	32,905,988	6,827,955	8,045,517	47,779,460	10,733,334	58,512,794
Cash and cash equivalents at end of year including restricted amounts	\$ 31,453,260	7,207,861	8,672,170	47,333,291	12,217,452	59,550,743

(Continued)

METRO

**Combined Statement of Cash Flows -
Proprietary Fund Types and Similar Trust Fund, Continued**

For the year ended June 30, 1994

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Total</u>	<u>Component</u>	<u>Total</u>
	<u>Enterprise</u>	<u>Internal</u>	<u>Fund Type</u>	<u>(memorandum</u>	<u>unit - MERC</u>	<u>(memorandum</u>
		<u>Service</u>	<u>Pension</u>	<u>only)</u>	<u>Enterprise</u>	<u>Reporting</u>
			<u>Trust</u>	<u>Primary</u>		<u>Entity</u>
				<u>Government</u>		
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 7,013,644	1,204,803	676,214	8,894,661	(1,556,696)	7,337,965
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	1,764,391	176,373	-	1,940,764	2,784,149	4,724,913
Change in investment value	-	-	(339,394)	(339,394)	-	(339,394)
Change in assets and liabilities:						
Trade/other accounts receivable	467,705	(6,702)	(97,269)	363,734	1,030,882	1,394,616
Due from other governments	2,705	-	-	2,705	736,292	738,997
Due from other funds	(474,487)	(877,448)	-	(1,351,935)	36,854	(1,315,081)
Other assets	(4,325)	3,869	47,708	47,252	(61,603)	(14,351)
Accounts payable	(869,065)	(32,437)	-	(901,502)	(704,209)	(1,605,711)
Salaries, withholdings and payroll taxes payable						
	43,919	(7,713)	-	36,206	34,861	71,067
Contracts payable	605,351	-	-	605,351	-	605,351
Due to other funds	705,984	(236,676)	-	469,308	-	469,308
Due to other governments	-	-	-	-	(721,690)	(721,690)
Deposits payable	-	-	-	-	597,379	597,379
Post-closure payable	(6,069,553)	-	-	(6,069,553)	-	(6,069,553)
Other liabilities	-	(18,131)	-	(18,131)	50,705	32,574
Total adjustments	(3,827,375)	(998,865)	(388,955)	(5,215,195)	3,783,620	(1,431,575)
Net cash provided by operating activities	\$ 3,186,269	205,938	287,259	3,679,466	2,226,924	5,906,390

See accompanying notes to combined financial statements.

METRO

Notes to Combined Financial Statements

June 30, 1994

NOTE 1 - HISTORICAL INTRODUCTION

Metro, the nation's only directly elected regional government, 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. On November 3, 1992 voters approved a home rule charter for Metro, which became effective January 1, 1993. Under the Metro Charter, Metro's primary function is regional planning services. Metro is also authorized to exercise the following functions: 1) Acquisition, development, maintenance and operation of a) a metropolitan zoo, b) public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities, c) facilities for disposal of solid and liquid wastes, and d) a system of parks, open spaces and recreational facilities of metropolitan concern; 2) Metropolitan aspects of natural disaster planning and response coordination; 3) Development and marketing of data; and 4) Any other function required by state law or assigned to Metro by the voters. The Charter permits Metro to assume additional functions if approved by ordinance.

The Metro Council is the governing body and consists of thirteen part-time councilors, each elected on a nonpartisan basis from a single district within the Metro area. Beginning January 2, 1995 the Council will be reduced from its current thirteen elected positions to seven positions. The office of Metro Executive Officer, whose primary duty is to enforce Metro ordinances and otherwise execute the policies of the Council, is elected from the Metro area at large. The Charter creates the office of Metro auditor effective January 2, 1995, to be elected at large and perform financial and performance audit functions and make reports to the Council and Executive Officer.

The Metropolitan Exposition-Recreation Commission (MERC) was established by Metro Ordinance 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.

METRO

Notes to Combined Financial Statements, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Metro have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following summary of Metro's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. The Reporting Entity

Metro is a municipal corporation governed as noted in Note 1. As required by generally accepted accounting principles, these financial statements present Metro (the primary government) and its sole component unit - the Metropolitan Exposition-Recreation Commission (MERC). The component unit discussed below is included in Metro's reporting entity because of the significance of its operational and financial relationship with Metro.

Metropolitan Exposition-Recreation Commission (MERC) - Based upon criteria established by the Governmental Accounting Standards Board, the assets, liabilities, revenues and expenses or expenditures related to the facilities operated by MERC are discretely presented in the component unit column of Metro's combined financial statements except as discussed below. Unless noted otherwise in this report, the accounting policies of the component unit are consistent with those described for the primary government. MERC does not prepare a separate component unit financial report (CUFR). Metro is responsible for the operation and management of MERC and appoints each of the seven members of the MERC Commission. Metro is financially accountable for the operations of MERC and is able to impose its will in MERC's operations through review of resolutions, budget approval and fiscal management.

MERC operates the Metro-owned Oregon Convention Center. In addition, under the provisions of an intergovernmental agreement with the City of Portland, MERC is responsible for operation and management of the City of Portland-owned Spectator Facilities (Civic Stadium and Portland Center for the Performing Arts). Because the City retains title to these facilities and all fixed assets purchased, and because the City remains obligated to pay certain bonded debt remaining on these facilities, the fixed assets, bonded debt and related interest and depreciation expenses are not included in the accompanying combined financial statements. It is Metro's understanding that future consolidation phases may provide for a transfer of the Spectator Facilities' fixed assets to Metro. The consolidation agreement was amended, returning control of Memorial Coliseum operations from Metro to the City of Portland as of July 1, 1993. Metro retained \$300,000 for funding of any claims related to the operation of the Memorial Coliseum by Metro.

METRO

Notes to Combined Financial Statements, Continued

B. Fund Accounting

The accounts of Metro are organized on the basis of funds and account groups, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements of this report, into three broad fund categories, eight generic fund types, and two account groups. Metro's fund and account group areas of accountability are presented as follows:

Governmental Funds - The governmental funds are accounted for under a spending measurement focus. Only current assets and current liabilities are generally reported on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period. Funds included in this fund category are as follows:

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 general government activities, including Council, Executive Management and Government Relations functions. The principal resources of the fund are interest and an excise tax on Metro's facilities and services levied in accordance with the Metro Code.

Special Revenue Funds - These funds account for revenues from specific sources. Included are the following:

Primary government - Metro

Planning Fund - This fund accounts for funding and operation of Metro's regional planning functions, including land use, urban growth management, and environmental and transportation planning activities. Principal sources of revenues are charges for services to user funds, federal, state and local grants, voluntary service fees assessed to member governmental bodies within Metro's district and a share of the excise tax transferred from the General Fund. The fees assessment is based on the population within the member district.

Regional Parks and Expo Fund - This fund accounts for funding and operation of Metro's greenspaces program and recreation activities transferred from Multnomah County, including parks, marine facilities, Pioneer cemeteries and the Expo Center. Principal sources of revenue are user and contract fees, federal, state and local grants and shared revenue.

METRO

Notes to Combined Financial Statements, Continued

Zoo Fund - This fund accounts for funding and operation of the Metro Washington Park Zoo. Principal sources of revenues are admissions, concessions and property taxes derived from a property tax base approved by voters on May 15, 1990 that provides approximately \$5,800,000 annually.

Component unit - MERC

Spectator Facilities Fund - This fund accounts for the operations of the Civic Stadium and Portland Center for the Performing Arts (PCPA). These facilities, while owned by the City of Portland, are operated by MERC through an intergovernmental agreement with the City of Portland. The principal resources of the fund are concessions, catering and rental and user fees.

Coliseum Fund - This fund accounts for the funding of any claims related to the operation of Memorial Coliseum by Metro since the transfer of the Coliseum's operations back to the City of Portland. The transfer occurred on July 1, 1993 in accordance with an intergovernmental agreement with the City.

MERC Administration Fund - This fund accounts for the central management and administrative staff functions that are responsible for all MERC operated facilities. The principal resources of the fund are transfers from the Spectator Facilities, Regional Parks and Expo, and Convention Center Funds, which are recorded as reimbursements to the Fund, and a reduction of expenditures.

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 major improvement projects at the Metro Washington Park Zoo. Principal resources are donations, interest and a transfer from the Zoo Operating Fund.

Proprietary Funds - Proprietary Funds are accounted for under a cost of services or a capital maintenance measurement focus. All assets and all liabilities (whether current or non-current) associated with the operation of these funds are reported on the balance sheets, and their operating statements present net income and cash flows.

Enterprise Funds - These funds account for the financing of predominantly self-supporting activities that are funded through service charges and user fees to customers. Metro's Enterprise Funds are as follows:

METRO

Notes to Combined Financial Statements, Continued

Solid Waste Fund - This fund accounts for revenues, 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 Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Building Management Fund - This fund accounts for revenues and expenses related to leasing and managing Metro's former office space, and management of the parking structure and new headquarters facility, Metro Regional Center. Principal sources of revenue are sublease and parking income and charges to user funds. Expenses primarily consist of lease payments, maintenance, utilities and professional services costs. This fund consists of two budgetary funds that are combined as one Enterprise Fund to be in accordance with generally accepted accounting principles.

Convention Center Fund - This fund accounts for revenues and expenses related to the operation and management of the Oregon Convention Center in Portland, Oregon. The principal sources of revenue are intergovernmental revenue from a 3% Multnomah County lodging tax, fees charged to customers for facility use, concession sales and parking fees. Expenses consist primarily of management, marketing and operation costs. This fund consists of three budgetary funds that are combined as one Enterprise Fund to be in accordance with generally accepted accounting principles.

Internal Service Funds - Internal Service Funds are used to account for activities or services furnished by designated departments to other organizational units within Metro. Charges are made to the various user departments to support these activities. Metro's Internal Service Funds are as follows:

Risk Management Fund - This fund accounts for risk management and self-insurance programs provided for other organizational units within Metro. Primary revenues are charges to user funds and interest. Primary expenses are insurance premiums, claims costs and studies related to insurance issues.

Support Services Fund - This fund accounts for central services provided to other Metro operating units. These central services consist of Finance and Management Information, Personnel, Office of General Counsel, Public Affairs and General Services. Primary sources of revenue are business license fees, interest and charges to user funds, established through a cost allocation plan that distributes the central services' costs based upon the benefit received.

METRO

Notes to Combined Financial Statements, Continued

Fiduciary Funds - Metro's fiduciary funds account for resources received and held in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. The terms "nonexpendable" and "expendable" refer to whether or not Metro is required to preserve the trust principal balance. Metro's Fiduciary Funds are as follows:

Expendable Trust Funds - Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Metro's Expendable Trust Funds are as follows:

Rehabilitation and Enhancement Fund - This fund accounts for funds received and expenditures for rehabilitation and enhancement of the area in and around the various solid waste disposal facilities. 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.

Smith and Bybee Lakes Trust Fund - This fund accounts for the implementation of the Smith and Bybee Lakes Management Plan, managed by Metro's Planning Department. A Natural Resources Plan for Smith and Bybee Lakes was adopted by the City of Portland and Metro on December 13, 1990. Primary resources include contract and professional services revenue, donations and interest on investments.

Regional Parks Trust Fund - This fund accounts for four designated funds transferred from Multnomah County as of January 1, 1994. The donations are dedicated to construction of a nature center and a concert stage, and to fund the care and maintenance of a family plot and the purchase of flowers for the Pioneer cemeteries. The primary resource is interest on investments.

Pension Trust Fund - A nonexpendable Pension Trust Fund is accounted for and reported in a manner similar to Proprietary Funds since capital maintenance is critical.

Pension Plan Fund - This fund accounts for Metro's contributions to a defined contribution pension plan for the benefit of a number of employees and earnings on such plan participant balances. Resources are contributions, based upon a percentage of participants' wages, and interest and other earnings on investments.

Account Groups - Account groups are used to establish accounting control and accountability for general fixed assets and general long-term obligations. Metro's account groups are as follows:

General Fixed Assets Account Group - This group accounts for Metro's investment in fixed assets not recorded in Proprietary Fund types.

METRO

Notes to Combined Financial Statements, Continued

General Long-term Obligations Account Group - This group accounts for Metro's obligations under capital leases, liabilities for compensated absences payable from future resources, retirement of a bond anticipation note and general obligation bonds not recorded in the Proprietary Fund types.

C. Basis of Accounting

Metro's financial operations are organized and accounted for on the basis of funds 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 2B).

The Governmental Fund types and the Expendable Trust Funds (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 is incurred, except for:

- interfund transactions;
- revenues from grants and contracts which are recorded as earned; and
- accrued interest on general long-term debt that is recorded on its due date.

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

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

The Proprietary Fund types and Pension Trust Fund are accounted for utilizing the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets

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 for all funds, except the Pension Trust Fund, by the Council by ordinance prior to the beginning of

METRO

Notes to Combined Financial Statements, Continued

Metro's fiscal year. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The legal level of control is set by department in the functional categories of personal services, materials and services, capital outlay, and other expenditures in the following funds:

- General Fund
- Regional Parks and Expo Fund
- Zoo Operating Fund
- Spectator Facilities Operating Fund
- Solid Waste Revenue Fund
- General Revenue Bond Fund
- Support Services Fund
- Rehabilitation and Enhancement Fund

The functional categories of personal services, materials and services, capital outlay, and other expenditures are the established legal level of control in these funds:

- Planning Fund
- Coliseum Operating Fund
- MERC Administration Fund
- Convention Center Debt Service Fund
- Zoo Capital Fund
- Building Management Fund
- Convention Center Operating Fund
- Convention Center Project Capital Fund
- Convention Center Renewal and Replacement Fund
- Risk Management Fund
- Smith and Bybee Lakes Trust Fund
- Regional Parks Trust Fund

The detail budget document is required to contain more specific, detailed information about the aforementioned expenditure categories. Appropriations that have not been expended at year end lapse and subsequent actual expenditures are charged against ensuing year appropriations. Encumbrances are recorded in Metro's internal accounting records for management reporting and control. Encumbrances are closed at June 30 and re-established in the ensuing fiscal year against appropriations for that year.

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

METRO

Notes to Combined Financial Statements, Continued

appropriation transfers between the levels of control. Such transfers require the approval of the Council. Management may amend the budget within the appropriated levels of control without the approval of the Council.

Budget amounts shown in the combined financial statements include the original budget amounts and all appropriation transfer and amendment amounts approved by the Council. Metro adopted twenty-six budget amendments during the year ended June 30, 1994. The amount of such amendments was not significant.

E. 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, commercial paper 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 Trust investments are stated at market value and consist of mutual funds that are self-directed by participants.

For purposes of the statements of cash flows, cash and cash equivalents include demand deposits and short-term investments with a maturity date within three months of the date acquired, such as 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.

F. Receivables

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. The property tax assessment is levied on November 15. 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 that are due on November 15, February 15 and May 15.

Allowances for uncollectible accounts for trade receivables within the Enterprise funds were \$32,735 at June 30, 1994.

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Notes to Combined Financial Statements, Continued

G. Inventory of Materials and Supplies

Inventory for the Zoo Fund, consisting of consumable food and zoo gift shop items held for resale, is valued at cost (first-in, first-out method). Inventory for the Spectator Facilities and Coliseum Funds within the component unit, consisting of consumable food, is valued at cost (first-in, first-out method). Inventories are charged as expenditures upon sale.

H. Zoo Specimens and Animal Food

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

I. 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.

J. Fixed Assets

General Fixed Assets Account Group - Fixed assets 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 moneys received from such disposal are accounted for as revenue in the General Fund or Special Revenue Funds as appropriate.

Pursuant to intergovernmental agreements with the City of Portland and Multnomah County, operations and management functions were transferred to Metro for the Spectator Facilities and Expo, however, certain fixed assets purchased from funds derived from these operations become property of the City or County. As such, these expenditures are reflected as contributions to other governments and are not capitalized in the General Fixed Assets Account Group.

Proprietary Fund Type Fixed Assets - Fixed assets in the enterprise and internal service funds 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 as follows:

METRO

Notes to Combined Financial Statements, Continued

- Buildings and improvements 30-40 years
- Equipment 5-10 years
- Office furniture 5-7 years

Depreciation provided on certain assets acquired through contributions is recorded as a reduction of contributed capital. Gains or losses realized from sales or retirements are credited or charged to operations.

K. 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 for arbitrage earnings on the Convention Center general obligation bonds. Cash and investments have been restricted in the Enterprise Fund for payment of the post-closure liability at the St. Johns Landfill.

L. 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.

Metro allocates indirect costs, primarily of an administrative nature, to grants in compliance with cost allocation plans that are subject to the approval of Metro's cognizant agency. The plan in effect for fiscal 1994 allocated indirect costs to grants at a rate of approximately 27.58% of the related direct personnel costs.

M. Leases

Leases that 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 obligations in the General

METRO

Notes to Combined Financial Statements, Continued

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 Obligations Account Group.

Leases that 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.

N. Interfund Transactions

Metro's policy is to record certain administrative and insurance expenditures for other funds in the Support Services Fund and Risk Management Fund, respectively. These administrative and insurance expenditures are charged to other funds as expenditures or expenses and reflected as revenue in the Support Services Fund and Risk Management Fund. The amounts of such interfund charges are based upon management's estimates of total costs and are identified in the cost allocation plan as reflected in the operating budgets. The cost allocation plan adjusts such interfund charges to reflect actual costs at year end.

Within the MERC component unit, certain administrative expenses for the Convention Center and Spectator Facilities Funds, as well as certain support provided to the Regional Parks and Expo Fund, are recorded in the MERC Administration Fund. Such expenses or expenditures are reimbursed by the various funds to the MERC Administration Fund that accounts for such reimbursements as deductions from total expenditures. The amounts of such interfund charges are based upon management's estimates of total costs.

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 (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund.

O. Liability for Compensated Absences

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

METRO

Notes to Combined Financial Statements, Continued

P. Reserved Retained Earnings

A portion of retained earnings of the Enterprise Funds has been segregated from unreserved retained earnings for amounts legally required to be set aside to pay debt service and to fund renewal and replacement costs in accordance with the revenue bond ordinance authorizing the Metro Central Station Project, Waste Disposal System Revenue Bonds.

Q. Total (Memorandum Only) Columns

The total (memorandum only) columns in the combined financial statements represent an aggregate of the columnar statements by fund type and account group; they do not represent consolidated financial information.

NOTE 3 - DEFICIT FUND EQUITY

The Building Management Fund had a retained earnings deficit of \$446,614 as of June 30, 1994. A nonrecurring adjustment to fixed assets contributed to creating the deficit. Metro plans to cover the deficit through normal operations in future years.

NOTE 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>
Primary government - Metro:		
Zoo Fund	Facilities management - materials and services	\$ 49,614
	Facilities management - capital outlay	13,950
	Marketing - materials and services	12,788
Rehabilitation and Enhancement Fund	Forest Grove Account - materials and services	975
Smith and Bybee Lakes Trust Fund	Personal services	864

These overexpenditures were funded by available fund balance. Other overages were incurred due to bond refundings, however, ORS 294.326(4) and OAR 150-294.326(4) exempt these expenditures from the compliance provisions of Oregon Budget Law.

METRO

Notes to Combined Financial Statements, Continued

NOTE 5 - CASH AND INVESTMENTS

A. Deposits

At June 30, 1994, the carrying amounts of the primary government and component unit cash deposits with the county treasurers and various financial institutions presented in the accompanying combined financial statements were \$8,444,226 and \$1,464,477, respectively. The corresponding bank balances associated with the carrying amounts disclosed above total \$7,925,688 and \$1,353,072, respectively. The entire amount of the bank balances is covered by Federal depository insurance or by collateral held by Metro's agent, United States National Bank of Oregon, in Metro's name. Cash on hand totals \$44,595 for the primary government and \$17,312 for the component unit. 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.

B. Investments

Policies officially adopted by Metro's 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, banker's acceptances, commercial paper 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 evidence of indebtedness or ownership through mutual funds that are self-directed by participants.

During the fiscal year, there were no known violations of legal or contractual provisions for deposits and investments.

Metro's investments at year end are categorized below to give an indication of the level of risk assumed. 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 counterparty's trust department or agent in Metro's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in Metro's name. The risk level indicated below is generally reflective of the risk assumed by Metro during the year ended June 30, 1994.

METRO

Notes to Combined Financial Statements, Continued

	Category			Carrying amount	Market value
	1	2	3		
Primary Government:					
Commercial paper	\$ 1,375,000	4,875,622	-	6,250,622	6,250,622
U.S. Govt. securities - treasury	6,098,317	5,498,567	-	11,596,884	11,532,820
U.S. Govt. securities - agencies	<u>13,668,432</u>	<u>12,486,097</u>	<u>-</u>	<u>26,154,529</u>	<u>26,087,084</u>
Total	<u>\$21,141,749</u>	<u>22,860,286</u>	<u>-</u>	44,002,035	43,870,526
Investments not subject to categorization:					
Pension investments in mutual funds				8,672,170	8,672,170
State Treasurer's investment pool				<u>4,842,443</u>	<u>4,842,443</u>
Total investments- Primary Government				<u>\$57,516,648</u>	<u>57,385,139</u>
Component Unit:					
Commercial paper	\$ 845,654	1,340,363	-	2,186,017	2,186,017
U.S. Govt. securities - treasury	1,752,494	1,580,141	-	3,332,635	3,314,225
U.S. Govt. securities - agencies	2,816,691	3,376,848	-	6,193,539	6,159,712
Repurchase agreements	<u>-</u>	<u>2,083,895</u>	<u>-</u>	<u>2,083,895</u>	<u>2,083,895</u>
Total	<u>\$ 5,414,839</u>	<u>8,381,247</u>	<u>-</u>	13,796,086	13,743,849
Investments not subject to categorization:					
State Treasurer's investment pool				<u>1,391,589</u>	<u>1,391,589</u>
Total investments- Component Unit				<u>\$15,187,675</u>	<u>15,135,438</u>

Metro's cash and investments (all of which are cash equivalents) are reflected on the combined balance sheet as follows:

	Primary Government	Component Unit	Total
Unrestricted	\$50,487,427	15,537,904	66,025,331
Restricted	<u>15,518,042</u>	<u>1,131,560</u>	<u>16,649,602</u>
	<u>\$66,005,469</u>	<u>16,669,464</u>	<u>82,674,933</u>

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Metro has entered into an intergovernmental agreement with Multnomah County, Oregon to receive the proceeds of a 3% lodging tax levied on hotels and motels within the County's boundaries for operation of the Convention Center. At June 30, 1994, \$38,836 is owed to Metro for taxes levied and collected subsequent to year-end by Multnomah County but not remitted to Metro by that date.

METRO

Notes to Combined Financial Statements, Continued

NOTE 7 - FIXED ASSETS

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

	Balance July 1, <u>1993</u>	<u>Additions</u>	Disposals and <u>Transfers</u>	Adjust- <u>ments</u>	Balance June 30, <u>1994</u>
General Fixed Assets Account Group					
Land	\$ 2,881,544	8,475	-	-	2,890,019
Buildings and exhibits	33,214,033	2,504,598	-	(2,315,886)	33,402,745
Improvements	1,800,750	4,881	-	1,804	1,807,435
Equipment	1,448,833	893,172	294,690	(2,441)	2,634,254
Office furniture	1,368,264	136,711	21,890	270,161	1,797,026
Railroad equipment/facilities	988,718	26,146	-	716,439	1,731,303
Capitalized leases	<u>294,690</u>	<u>-</u>	<u>(294,690)</u>	<u>-</u>	<u>-</u>
	<u>\$41,996,832</u>	<u>3,573,983</u>	<u>21,890</u>	<u>(1,329,923)</u>	<u>44,262,782</u>
Proprietary Funds					
Primary Government - Metro					
Land	\$ 4,619,330	-	-	19,230	4,638,560
Buildings	46,710,211	1,455,320	(15,106)	185,054	48,335,479
Improvements	4,829,345	12,496	-	(1,745,116)	3,096,725
Equipment	827,166	206,828	1,245,104	(321,560)	1,957,538
Office furniture	1,935,066	443,865	(151,450)	53,758	2,281,239
Leasehold improvements	8,266,893	-	(741,323)	1,564,287	9,089,857
Capitalized leases	<u>1,363,044</u>	<u>-</u>	<u>(1,363,044)</u>	<u>-</u>	<u>-</u>
	68,551,055	2,118,509	(1,025,819)	(244,347)	69,399,398
Less accumulated depreciation and amortization	<u>13,119,247</u>	<u>1,940,764</u>	<u>(861,570)</u>	<u>1,816,944</u>	<u>16,015,385</u>
	<u>\$55,431,808</u>	<u>177,745</u>	<u>(164,249)</u>	<u>(2,061,291)</u>	<u>53,384,013</u>

METRO

Notes to Combined Financial Statements, Continued

	Balance July 1, <u>1993</u>	<u>Additions</u>	Disposals and <u>Transfers</u>	Adjust- <u>ments</u>	Balance June 30, <u>1994</u>
Component unit - MERC					
Land	\$14,979,562	-	-	-	14,979,562
Buildings	82,718,065	289,541	-	2,945	83,010,551
Improvements	182,987	344,770	-	25,493	553,250
Equipment	603,530	436,431	-	3,843	1,043,804
Office furniture	<u>3,716,706</u>	<u>5,225</u>	<u>-</u>	<u>(29,587)</u>	<u>3,692,344</u>
	102,200,850	1,075,967	-	2,694	103,279,511
Less accumulated depreciation and amortization	<u>8,338,986</u>	<u>2,784,149</u>	<u>-</u>	<u>(1,131,935)</u>	<u>9,991,200</u>
	<u>\$93,861,864</u>	<u>(1,708,182)</u>	<u>-</u>	<u>1,134,629</u>	<u>93,288,311</u>

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

An agreement effective January 1, 1994 between Metro and Multnomah County transferred beneficial use of all real and personal property for park facilities, natural areas, and trade/spectator facilities from Multnomah County into the mix of natural spaces and trade/spectator facilities owned or operated by Metro. Phase II Consolidation, effective no later than July 1, 1996 would transfer to Metro full ownership of those facilities which Metro has determined are public cultural, trade, convention, exhibition, sports, entertainment, or spectator facilities, or parks, open spaces, or recreational facilities of metropolitan concern.

Proprietary fund fixed assets for the component unit (MERC) are those of the Metro owned Oregon Convention Center. No other fixed assets used in operating the spectator facilities are included in the General Fixed Assets Account Group or Proprietary funds of Metro as title to certain assets remains with the City of Portland or Multnomah County in accordance with intergovernmental consolidation agreements. These fixed assets will be included in the Comprehensive Annual Financial Report of the City of Portland or Multnomah County, when issued.

During fiscal year 1993-94, a reconciliation of the physical inventory of fixed assets to the financial records was undertaken and necessary adjustments were made to properly record the balance of fixed assets as contained in the detailed records. The above adjustments column reflects these adjustments.

METRO

Notes to Combined Financial Statements, Continued

NOTE 8 - POST-CLOSURE COST PAYABLE

The St. Johns Landfill was closed for operations in a prior year. Closure and post-closure care costs were recognized while the St. Johns Landfill was still in operation based on the then current estimate of total costs to complete such efforts, regardless of when cash disbursements were to be made. Such costs include methane gas and leachate collection systems, final cover, seeding, roads, drainage, ground water monitoring wells, liner systems, storm water management and operations and maintenance costs.

The post-closure cost of the St. Johns Landfill is estimated to be approximately \$41,394,000 under current Federal and state regulations. Actual cost may vary due to inflation or deflation, changes in technology, or changes in regulations. During the fiscal year, Metro paid \$6,069,553 in closure costs as the closure process continued (\$23,926,327 cumulative to date), reducing the remaining estimated liability to \$17,467,574 at June 30, 1994. Metro has accumulated \$11,212,511 in restricted cash and investments for future payment of post-closure liabilities and will establish disposal charges at other Metro facilities to accumulate additional resources. This closure plan is in compliance with the plan filed with the Oregon Department of Environmental Quality.

NOTE 9 - 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. At June 30, 1994, Metro recorded a liability of \$356,586 in the accompanying financial statements for such estimated excess arbitrage earnings.

NOTE 10 - BONDS PAYABLE

A. Convention Center 1992 Series A General Obligation Refunding Bonds

In prior years, Metro issued \$65,760,000 in 1992 Series A General Obligation Bonds to advance refund the 1987 Series bonds. The net proceeds plus additional moneys were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1987 Series bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in Metro's financial statements. At June 30, 1994, \$58,095,000 of bonds outstanding are considered defeased.

The Convention Center General Obligation Refunding Bonds are to be repaid with proceeds of Metro's ad valorem property tax levied each year. The bonds have an average interest rate of 6.334 percent.

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Notes to Combined Financial Statements, Continued

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

Fiscal year ending June 30:	<u>Principal</u>	²⁵¹ <u>Interest</u>
1995	\$ 1,755,000 ✓	3,787,640 ✓
1996	1,860,000	3,700,677
1997	1,975,000	3,603,447
1998	2,100,000	3,496,152
1999	2,230,000	3,380,383
2000-13	<u>53,350,000</u>	<u>27,701,931</u>
	<u>\$63,270,000</u>	<u>45,670,230</u>

B. Solid Waste Disposal System Revenue and Refunding Revenue Bonds

Metro Central Transfer Station Project, Waste Disposal System Revenue and Refunding Revenue Bonds

On August 18, 1993, Metro issued \$12,895,000 in Waste Disposal System Refunding Revenue Bonds 1993 Series A with an average interest rate of 4.99% to advance refund certain maturities of outstanding Waste Disposal System Revenue Bonds 1990 Series A with an average interest rate of 7.05% and to pay certain costs of issuance of the bonds. The net proceeds of \$12,526,934 (after payment of \$368,066 in underwriting fees, discounts and other issuance costs) plus an additional \$435,000 of 1990 Series sinking fund moneys were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded portion of the 1990 Series bonds. As a result, certain maturities of the 1990 Series bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet.

The partial advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,591,934. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight line method. Metro completed the partial advance refunding to reduce its total debt service payments over the next 18 years by \$1,512,815 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$663,872.

Both the remaining maturities of the \$28,500,000 of Waste Disposal System Revenue Bonds (1990 Series A) which were not defeased and the new 1993 Series A Refunding Bonds mature serially each January 1 and July 1 (through 2008 and 2012 respectively). Interest is payable semiannually on July 1 and January 1.

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Notes to Combined Financial Statements, Continued

Interest rates range from 6.10% to 7.10% on the remaining 1990 Series A and from 2.70% to 5.125% on the 1993 Series A Refunding on various maturities.

Ordinances Nos. 89-319 and 93-495, which authorized the issuance of these bonds, contain certain covenants that must be complied with on a continuing basis. Metro is in compliance with all covenants of the ordinances at June 30, 1994.

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:

Fiscal year ending June 30:	1990 Series A		1993 Series A Refunding	
	Principal	Interest	Principal	Interest
1995	\$1,330,000✓	605,583✓	190,000✓	619,286✓
1996	1,415,000	519,510	120,000	614,681
1997	1,505,000	426,420	125,000	610,454
1998	1,605,000	325,230	130,000	605,796
1999	1,720,000	215,431	135,000	600,627
2000-12	<u>14,676,120</u>	<u>95,979</u>	<u>12,195,000</u>	<u>5,070,634</u>
	<u>\$22,251,120</u>	<u>2,188,153</u>	<u>12,895,000</u>	<u>8,121,478</u>

The above principal amounts are reported on the balance sheet net of \$358,989 in unamortized costs and discount, \$1,515,399 in deferred amount on refunding, and \$7,376,609 in unamortized accretion.

Metro/Riedel Oregon Compost Co. Project, Waste Disposal System Project Revenue Bonds

On June 20, 1990, Metro sold \$5,000,000 of Waste Disposal Project Revenue Bonds 1990 Series 1 that all mature on July 1, 2011. United States National Bank of Oregon (USNB) secures the bonds through an irrevocable direct-pay letter of credit. Metro is not legally obligated to make payments for debt service on the bonds that were issued as non-recourse to Metro, however, Metro acts as a conduit for payments. Accordingly, the balance sheet reflects the bonds payable and a loan receivable of \$5,000,000 for amounts due from USNB. As interest rates are variable, interest payments over the life of the bonds are not determinable.

Ordinance No. 89-319, which authorized the issuance of the bonds, contains certain covenants that must be complied with on a continuing basis. Metro is in compliance with all covenants of the ordinance at June 30, 1994.

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Notes to Combined Financial Statements, Continued

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

Fiscal year ending June 30:	<u>Principal</u>
1995	\$ -
1996	-
1997	-
1998	-
1999	-
2000-12	<u>5,000,000</u>
	<u>\$5,000,000</u>

C. Metro Regional Center Project 1993 Series A General Revenue Refunding Bonds

On October 15, 1993, Metro issued \$26,160,000 in General Revenue Refunding Bonds 1993 Series A with an average interest rate of 5.12% to advance refund \$22,990,000 of outstanding General Revenue Bonds 1991 Series A with an average interest rate of 6.765% and to pay certain costs of issuance of the bonds. The net proceeds of \$25,501,198 (after payment of \$658,802 in underwriting fees, discounts and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 Series bonds. As a result, the 1991 Series bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,511,198. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the straight line method. Metro completed the advance refunding to reduce its total debt service payments over the next 30 years by \$1,358,487 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$1,440,617.

Interest rates range from 2.70% to 5.25% on various maturities, with average interest cost for the entire issue being 5.122%.

Ordinances Nos. 91-440 and 93-495, which authorized issuance of these Bonds, contain certain covenants that must be complied with on a continuing basis. Metro is in compliance with all covenants of the ordinances at June 30, 1994.

The 1993 Series A Refunding Bonds are payable from the revenues and available funds of Metro, including the taxes levied by Metro subject to the limitations imposed under Oregon State law, revenues derived by Metro from its operations and all other legally available funds. The Bonds are secured by a pledge of the Trust Estate, which consists of the moneys on deposit from time to time in the Reserve Account, the Construction Account, and the Debt Service Account.

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Notes to Combined Financial Statements, Continued

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

Fiscal year ending June 30:	<u>Principal</u>	⁴¹³ <u>Interest</u>
	1995	\$ 200,000 ✓
1996	245,000	1,286,337
1997	310,000	1,276,992
1998	375,000	1,264,536
1999	545,000	1,246,605
2000-23	<u>24,485,000</u>	<u>18,076,021</u>
	<u>\$26,160,000</u>	<u>24,443,449</u>

The above principal amounts are reported on the balance sheet net of \$639,489 in unamortized costs and discount, and \$2,459,949 in deferred amount on refunding.

NOTE 11 - OTHER LONG-TERM DEBT

On July 1, 1993, Metro issued a \$2,000,000 Zoo Light Rail Bond Anticipation Note with a variable interest rate based on the 90-day Treasury Bill rate. The note matures July 1, 1995 and is payable to the Tri-County Metropolitan Transportation District of Oregon (Tri-Met).

The Building Management Fund entered into an energy services agreement with Pacific Power and Light Company in fiscal year 1993 in which \$293,672 was provided to Metro to finance various conservation measures in the new headquarters building. The loan agreement calls for monthly payments of \$2,515 at 6.23% interest for 15 years.

Debt service requirements to maturity for other long-term debt are as follows:

Fiscal year ending June 30:	<u>Note Payable</u>	<u>Loan Payable</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
1995	\$2,000,000	13,211	16,972
1996	-	14,059	16,124
1997	-	14,961	15,222
1998	-	15,920	14,263
1999	-	16,941	13,242
2000-08	<u>-</u>	<u>206,165</u>	<u>65,497</u>
	<u>\$2,000,000</u>	<u>281,257</u>	<u>141,320</u>

METRO

Notes to Combined Financial Statements, Continued

NOTE 12 - 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:

	<u>Balance</u> <u>July 1, 1993</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 1994</u>
Bonds payable	\$ 64,940,000	-	(1,670,000)	63,270,000
Bond anticipation note payable	-	2,000,000	-	2,000,000
Obligations under capital leases	139,083	489,367	(141,698)	486,752
Liability for compensated absences	<u>433,083</u>	<u>539,971</u>	<u>(427,285)</u>	<u>545,769</u>
	<u>\$ 65,512,166</u>	<u>3,029,338</u>	<u>(2,238,983)</u>	<u>66,302,521</u>

NOTE 13 - DEFERRED REVENUE

Deferred revenue at June 30, 1994 consists of taxes receivable not collected within 60 days after year-end:

Special Revenue Funds	\$ 417,434
Debt Service Fund	<u>401,170</u>
	<u>\$ 818,604</u>

NOTE 14 - CAPITAL LEASE OBLIGATIONS

Metro has capital lease agreements for computer hardware and software, copy machines, high speed printers, and some office equipment. All of these agreements provide Metro the right to purchase the asset at a nominal price at the end of the lease term. The agreements are for varying periods through 1997. Interest rates range from 4.05% to 11.5%.

The future minimum lease payments are:

Fiscal year ending June 30:	
1995	\$ 288,391
1996	170,501
1997	<u>173,570</u>
Total minimum lease payments	632,462
Less amount representing interest	<u>(33,916)</u>
Net present value of future minimum lease payments	<u>\$ 598,546</u>

METRO

Notes to Combined Financial Statements, Continued

NOTE 15 - CONTRIBUTED CAPITAL

Changes in contributed capital in the Proprietary Funds for the year ended June 30, 1994 are as follows:

	Enterprise			Internal Service	Component Unit
	Solid Waste Fund	Building Management Fund	Total	Support Services Fund	Convention Center Fund
Balance, July 1, 1993	\$1,053,134	83,423	1,136,557	569,048	87,963,767
Depreciation on fixed assets that reduces contributed capital (\$11,441,232 total accumulated depreciation at June 30, 1994)	<u>31,623</u>	<u>27,808</u>	<u>59,431</u>	<u>142,263</u>	<u>2,490,319</u>
Balance, June 30, 1994	<u>\$1,021,511</u>	<u>55,615</u>	<u>1,077,126</u>	<u>426,785</u>	<u>85,473,448</u>

NOTE 16 - PENSION PLANS

A. Defined Contribution Plans

Metro provides pension benefits for a certain number of its full-time employees who elected not to participate in the State of Oregon Public Employees Retirement System (PERS), through a single-employer defined contribution plan. 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% component of the plan for all non-PERS participants which requires the employer to contribute 5% of the employee's salary. 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 component 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 1994 was \$22,745,195. Metro's contributions for the 5% component were calculated using the base salary amount of \$736,828. Metro made the required 5% contribution, amounting to \$36,841. Metro's contributions for the 6% component were calculated using \$736,828 as the base salary amount. Metro made the required 6% contribution for the fiscal year, which amounted to \$44,210.

METRO

Notes to Combined Financial Statements, Continued

The 6% component 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, 1994 is \$681,115.

All Metro employees are eligible to contribute voluntarily to this plan, regardless of their eligibility for the employer paid 5% or 6% component. These voluntary employee contributions amounted to \$747,160 during the fiscal year 1994.

B. Defined Benefit Plans

Plan Description

Substantially all full-time employees, and other employees who meet certain eligibility requirements are participants in the State of Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system. Metro's payroll for employees covered by PERS for the year ended June 30, 1994 was \$19,802,478; Metro's total payroll was \$22,745,195.

Benefits vest after five years of continuous service. Retirement with unreduced benefits is allowed for employees at age 58, but retirement with reduced benefits is generally available after age 55. Retirement benefits are based on salary and length of service, are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations. A separate actuarial valuation for MERC employees is not available, therefore, for the fiscal year ended June 30, 1994, Metro was required by PERS to make contributions for all employees at the rate established for Metro. Metro's required employer contribution rate is 11.63% of covered employees' salaries. The required employee contribution of 6% of covered compensation is paid by Metro for certain employees in conformance with its personnel policies. Some Metro and MERC employees are required to pay the 6% contribution. It is Metro's policy to recognize pension expenditures or expenses as currently funded.

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of PERS on a going-concern basis, assess the progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to PERS.

METRO

Notes to Combined Financial Statements, Continued

The pension benefit obligation was computed as part of the most recent actuarial valuation performed as of December 31, 1993. Significant actuarial assumptions used in the valuation include:

- (a) A rate of return on the investment of present and future assets of 8.0% per year.
- (b) Projected salary increases of 5.5% per year attributable to general wage adjustments, with additional increases for promotion and longevity that may vary by age and service.
- (c) Projected automatic cost-of-living benefit increases of 2.0% per year.
- (d) Demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of PERS.

No obligation for retirees is attributed to Metro as PERS assumes the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity to the PERS as a whole when benefits become payable. Accordingly, the "pension benefit obligation" covers only current employees.

Metro does not maintain a separate PERS account for MERC employees. Accordingly, actuarial values for employees of MERC are not separable from Metro's overall statistics. The unfunded pension benefit obligation based on the actuarial valuation as of December 31, 1993 is as follows:

Pension benefit obligation:

Current employees -	
Accumulated employee contributions	
including allocated investment income	\$ 8,708,451
Employer-financed vested benefits	6,127,232
Employer-financed non-vested benefits	<u>3,217,419</u>
Total pension benefit obligation	18,053,102
Net assets available for benefits - at market value	<u>14,239,103</u>
Unfunded pension benefit obligation	<u>\$ 3,813,999</u>

Actuarially Determined Contribution Requirements and Contributions Made

PERS funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, gradually increase over time so that sufficient assets will be available to pay benefits when due. The transfer of MERC employees from the City of Portland in a prior year has caused the contribution rates, as a percentage of annual covered payroll, to change. The contribution

METRO

Notes to Combined Financial Statements, Continued

rate for normal cost is determined using the credited projected benefits actuarial method, with proration based on service period. PERS uses the level percentage of payroll method to amortize the unfunded liability over a closed thirty year period. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation described above.

PERS has established an employer contribution rate of 8.61% to be effective beginning July 1, 1995. Metro's current rate is 11.63% effective July 1, 1993.

Total contributions to PERS for the year ended June 30, 1994 were \$3,611,020 (\$3,541,981 employer and \$69,039 employee; 17.89% and .35% of covered payroll respectively). The contributed amounts were made in accordance with actuarially determined requirements computed through an actuarial valuation performed at December 31, 1991 that provided for contributions for normal cost of \$1,176,267 (5.94% of covered payroll) and amortization of the unfunded liability of \$2,434,753 (12.30% of covered payroll).

Trend Information

Metro began participating in PERS on a limited basis in fiscal year 1990. Full participation began in fiscal year 1991. Metro does not maintain a separate PERS account for MERC employees. Accordingly, trend information for employees of MERC is not separable from Metro's statistics. For comparison purposes, the statistics below for 1991 and 1990 do not include MERC employees transferred from the City of Portland as the separate data was not available for these employees from the actuary. MERC employees are included in the 1994, 1993 and 1992 statistics.

Five year historical trend information presenting the progress in accumulating sufficient assets to pay benefits when due (since Metro began participation in PERS), is presented as follows:

	For the years ended June 30				
	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
Valuation date	12/31/93	12/31/92	12/31/91	none	12/31/89
Source	Actuarial	Estimate	Actuarial	none	Actuarial
Net assets available for benefits	14,239,103	11,896,637	8,677,945	Not Avail.	654,035
Pension benefit obligation (PBO)	18,053,102	16,408,925	13,025,026	Not Avail.	443,025
Net assets as a percentage of PBO	78.9%	72.5%	66.6%	Not Avail.	147.6%
Unfunded (assets in excess of) PBO	3,813,999	4,512,288	4,347,081	Not Avail.	(211,010)
Annual covered payroll	19,802,478	19,519,050	15,377,260	5,079,200	Not Avail.
Unfunded (assets in excess of) PBO as a percentage of covered payroll	19.3%	23.2%	28.3%	Not Avail.	(4.2%)
Employer contribution as a percentage of covered payroll	17.9%	11.8%	12.6%	10.4%	11.7%

METRO

Notes to Combined Financial Statements, Continued

NOTE 17 - INSURED RISKS

Metro is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Metro has established a Risk Management Fund (an internal service fund) to account for risk management activities, including payment of insurance policy premiums, payment of claims, and to finance its uninsured risks of loss. Under this program, the Risk Management Fund provides risk of loss coverage as follows:

- General liability, bodily injury or property damage of third parties resulting from the negligence of Metro or its employees and errors and omissions risks: these risks are covered by the Risk Management Fund.
- Property damage to Metro-owned facilities: this risk is covered with a commercial primary, all risk, property insurance policy. The property coverage is in the amount of \$221,000,000 with a \$100,000 deductible.
- Worker's compensation, bodily injury or illness to an employee while in the course of employment: this risk is covered through a purchased paid loss retro program from the State Accident Insurance Fund (SAIF), a commercial carrier, in amounts that meet statutory requirements.

Metro has not experienced settlements in excess of insurance coverage in prior years. An actuarial valuation and estimates of liabilities for unpaid claims was prepared by an independent actuary in October 1993. Metro also monitors risk activity to ensure that proper reserves are maintained. All operating funds of Metro participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves. The estimated claims liability of \$644,758 reported in the Risk Management Fund at June 30, 1994 was established in accordance with the requirements of Governmental Accounting Standards Board Statement (GASB) No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A portion of the loss reserves have been discounted, with the actuary using discount rates ranging from .919 to .983 for liability and .916 to .983 for worker's compensation and an assumed investment rate of 3.5% in preparing the estimates. Metro does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liabilities.

METRO

Notes to Combined Financial Statements, Continued

Changes in Risk Management Fund claims liability for the previous year and current year were:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
1992-1993	\$447,150	435,849	238,241	644,758
1993-1994	\$644,758	204,842	204,842	644,758

NOTE 18 - INTERFUND RECEIVABLE / PAYABLE BALANCES

The following is a schedule of the individual interfund receivables and payables at June 30, 1994:

	<u>Receivable</u>	<u>Payable</u>
Primary Government - Metro		
General Fund	\$2,164,360	1,628,099
Special Revenue Funds:		
Planning Fund	1,117,370	2,635,304
Regional Parks and Expo Fund	226,202	332,015
Zoo Fund	797	142,009
	<u>1,344,369</u>	<u>3,109,328</u>
Debt Service Fund -		
Convention Center Debt Service Fund	-	797
Capital Projects Fund -		
Zoo Capital Fund	<u>70,000</u>	-
Enterprise Funds:		
Solid Waste Fund	32,898	588,025
Building Management Fund	<u>946,587</u>	<u>256,734</u>
	<u>979,485</u>	<u>844,759</u>
Internal Service Funds:		
Support Services Fund	1,242,128	311,338
Risk Management Fund	<u>162,953</u>	<u>7,974</u>
	<u>1,405,081</u>	<u>319,312</u>

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Notes to Combined Financial Statements, Continued

Component Unit - MERC	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds -		
Spectator Facilities Fund	42,703	36,364
Coliseum Fund	-	96,000
MERC Administration Fund	<u>35,000</u>	<u>17,635</u>
	<u>77,703</u>	<u>149,999</u>
Enterprise Funds -		
Convention Center Fund	<u>11,296</u>	<u>-</u>
Total	<u>\$ 6,052,294</u>	<u>6,052,294</u>

NOTE 19 - 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 that was formerly Metro's headquarters, and of the new headquarters facility, for which management desires a periodic determination of revenues earned and expenses incurred for management control and accountability purposes. The Convention Center Fund accounts for marketing and operations of the Oregon Convention Center which is operated on a user charge basis, supplemented by intergovernmental revenues. Segment information for the three Enterprise Funds is presented in the following schedule:

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Notes to Combined Financial Statements, Continued

	Solid Waste Fund	Building Management Fund	Total	Component Unit - MERC Convention Center Fund
Operating revenues	\$59,108,783	1,616,565	60,725,348	10,764,172
Depreciation and amortization expense	1,069,165	695,226	1,764,391	2,784,149
Operating income (loss)	7,489,122	(475,478)	7,013,644	(1,556,696)
Operating transfers in	-	394,000	394,000	-
Net income (loss)	5,249,101	(1,067,336)	4,181,765	(183,762)
Fixed asset additions	830,699	1,108,399	1,939,098	1,075,967
Net working capital	15,730,250	(55,649)	20,817,558	10,299,760
Total assets	74,317,906	23,851,852	98,169,758	106,145,558
Bonds and other long-term liabilities:				
Payable from operating revenues	31,642,807	22,860,562	54,503,369	-
Payable from other sources	17,467,574	281,257	17,748,831	356,586
Contributed capital, net	1,021,511	55,615	1,077,126	85,473,448
Total equity	17,051,568	(390,999)	16,660,569	104,363,045

**NOTE 20 - 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). Therefore, differences arise through the employment of a basis of accounting for budgetary purposes that differs from the basis of accounting appropriate when reporting in accordance with GAAP. For all fund types presented in the combined financial statements except for the Proprietary Fund types, the only differences involve capital lease proceeds and expenditures, and the reclassification of interfund transfers as quasi-external transactions. These items cause no difference between the excess of revenues and other sources over expenditures and other uses on a budget basis and such amounts on a GAAP basis. The differences affecting the Proprietary Funds are summarized in the following schedule:

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Notes to Combined Financial Statements, Continued

	Enterprise <u>Funds</u>	Internal Service <u>Funds</u>	Component unit - MERC Enterprise <u>Fund</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses on a budgetary basis	\$ (1,712,898)	1,540,083	540,138
Budget requirements not qualifying as expenses under GAAP:			
Refunding bond issuance costs	541,058	-	-
Payment of post-closure liability	6,069,553	-	-
Fixed-assets additions	1,920,712	124,556	1,075,967
Payments to other governments	132,716	-	721,690
Principal payments on leases	114,957	39,679	-
Loan payments	12,415	-	-
Principal and interest payments on bonds	40,598,703	-	-
Additional expenses required by GAAP:			
Depreciation and amortization	(1,764,391)	(176,373)	(2,784,149)
Amortization of bond accretion, discount and costs	(888,749)	-	-
Increase in arbitrage liability	-	-	(124,744)
Gain/loss on adjustment/disposal of fixed assets	(1,516,008)	(704,498)	1,134,629
Vacation benefits	(22,319)	15,582	(11,001)
Accrued interest on bonds	(539,858)	-	-
Budget resources not qualifying as revenues under GAAP:			
Amounts relating to other receivables	(198,000)	-	-
Intergovernmental revenue	-	-	(736,292)
Bond proceeds	<u>(38,566,126)</u>	<u>-</u>	<u>-</u>
Net income (loss) presented in combined statement of revenues, expenses and changes in retained earnings/fund balances - Proprietary Fund types	<u>\$ 4,181,765</u>	<u>839,029</u>	<u>(183,762)</u>

NOTE 21 - COMMITMENTS AND CONTINGENCIES

A. 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.

METRO

Notes to Combined Financial Statements, Continued

B. Operating Lease Commitments

Ground Lease

The Portland Center for the Performing Arts Theaters Complex leases the grounds for the Complex under an operating lease expiring in 2083. The term of the original agreement may be extended in ten year increments for a total of 50 additional years. Rent adjustments may be negotiated every five years commencing on November 1, 1994. The scheduled lease payments are \$8,333 monthly through October 31, 1994. Effective November 1, 1994 the new rate will be \$9,500 monthly.

Landfill Lease

Metro owns the St. Johns Landfill and certain adjacent property but continues to lease from the City of Portland a smaller parcel of property at the entry to the St. Johns Landfill for \$5,562 per year.

The following table presents the future minimum rental payments under operating leases as previously described:

Year ending <u>June 30</u>	Ground <u>Lease</u>	Landfill <u>Lease</u>
1995	\$ 109,332	5,562
1996	114,000	5,562
1997	114,000	5,562
1998	114,000	1,854
1999	114,000	-
Thereafter	<u>9,500,000</u>	<u>-</u>
Total	<u>\$10,065,332</u>	<u>18,540</u>

C. Service\Operations Contracts

Columbia Ridge Landfill

Metro has entered into a waste disposal services contract with the owner and operator of the Columbia Ridge Landfill, for disposal of approximately 17 million tons of solid waste or for the period of twenty years, whichever is earlier.

The contract requires fixed payments of approximately \$1,800,000 per year, in addition to a per ton unit price of \$22.55. This per ton rate is adjusted annually on April 1 to reflect changes in the Consumer Price Index (CPI). Amendments to the contract result in a reduction of \$1.03 per ton from the above rate for a supplemental price adjustment, road reconstruction and out of region tonnage credit.

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Notes to Combined Financial Statements, Continued

Waste Transport

Solid waste transport from Metro facilities to the Columbia Ridge Landfill and other disposal sites is privately contracted through December 31, 2009. The contract requires fixed payments of approximately \$830,000 per year, in addition to a per load unit price that equates to an approximate per ton rate of \$11.44. The unit price is adjusted annually on January 1 in an amount equivalent to 75% of the CPI.

Metro South Station

Metro contracts for operation of the Metro South Station under a contract ending October 1, 1996.

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 averaging \$4.30 per ton, depending on monthly facility volume. The unit price is adjusted annually on January 1 at 80% of the CPI.

Metro Central Station

Operations of the Metro Central Station, a solid waste materials recovery and transfer station that emphasizes recovery of waste materials, were contracted for the first three years of facility operations, which began in January 1991. At Metro's option, the operations contract was recently extended an additional two years until October 1, 1996.

The contractor is paid for station operations on either a fixed fee or unit price basis, determined by monthly waste volumes. For months with tonnage at or below 20,000 tons, the contractor is paid a flat fee of \$283,120. Higher facility volumes are paid on a sliding scale averaging \$9.82 per ton. The unit price is adjusted annually in accordance with the CPI.

In addition, the contractor receives incentives for materials recovered from the waste disposed of at Metro Central Station. The most significant incentive involves payment to the contractor 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 following table presents the approximate annual commitment based on forecasted refuse tons and a 4% annual inflation factor for all of the previously described service\operations contracts:

METRO

Notes to Combined Financial Statements, Continued

Fiscal year ending June <u>30:</u>	<u>Columbia Ridge Landfill</u>		<u>Waste Transport</u>		<u>Metro South</u>	<u>Metro Central</u>
	Fixed <u>payments</u>	Variable payment based on <u>tons</u>	Fixed <u>payments</u>	Variable payment based on <u>tons</u>	Variable payment based on <u>tons</u>	Variable payment based on <u>tons</u>
1995	\$ 1,802,950	16,418,360	829,400	9,261,199	1,646,755	4,872,558
1996	1,802,950	20,311,524	829,400	10,080,303	1,750,804	4,800,659
1997	1,802,950	21,383,195	829,400	10,745,287	480,198	1,286,823
1998	1,802,950	22,668,420	829,400	11,319,106	-	-
1999	1,802,950	23,947,485	829,400	11,896,763	-	-
Later years	<u>18,930,975</u>	<u>306,166,807</u>	<u>8,708,700</u>	<u>147,341,445</u>	-	-
Total	<u>\$ 27,945,725</u>	<u>410,895,791</u>	<u>12,855,700</u>	<u>200,644,103</u>	<u>3,877,757</u>	<u>10,960,040</u>

D. Rehabilitation and Enhancement Program Contingency

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. Metro has expanded this program by ordinance to other Metro operated disposal facilities.

E. 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.



SUPPLEMENTARY
DATA



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 general government activities, including Council, Executive Management and Government Relations functions. The principal resources of the fund are interest and an excise tax on Metro's facilities and services levied in accordance with the Metro Code.

METRO

General Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Excise tax	\$ 5,256,914	5,451,649	194,735
Interest	50,000	49,418	(582)
Miscellaneous	-	3,604	3,604
	<u>5,306,914</u>	<u>5,504,671</u>	<u>197,757</u>
Total revenues			
Expenditures:			
Council:			
Personal services	1,034,429	1,032,373	2,056
Materials and services	141,046	107,759	33,287
Capital outlay	4,000	3,356	644
	<u>1,179,475</u>	<u>1,143,488</u>	<u>35,987</u>
Executive management:			
Personal services	347,554	347,435	119
Materials and services	75,226	55,497	19,729
	<u>422,780</u>	<u>402,932</u>	<u>19,848</u>
Office of government relations:			
Personal services	69,979	69,605	374
Materials and services	74,450	66,758	7,692
	<u>144,429</u>	<u>136,363</u>	<u>8,066</u>
Special appropriations-			
Materials and services	250,000	217,266	32,734
Contingency	36,434	-	36,434
	<u>2,033,118</u>	<u>1,900,049</u>	<u>133,069</u>
Total expenditures			
Revenues over (under) expenditures	3,273,796	3,604,622	330,826
Other financing uses-			
Operating transfers out	(3,614,631)	(3,487,033)	127,598
Revenues and other sources over (under) expenditures and other uses	(340,835)	117,589	458,424
Beginning fund balance available for appropriation - July 1, 1993	608,500	753,060	144,560
Unappropriated ending fund balance - June 30, 1994	\$ <u>267,665</u>	<u>870,649</u>	<u>602,984</u>

Special Revenue Funds

Primary Government - Metro

Planning Fund

This fund accounts for funding and operation of Metro's regional planning functions, including land use, urban growth management, and environmental and transportation planning. Principal sources of revenues are charges for services to user funds, federal, state and local grants, voluntary service fees assessed to member governmental bodies within Metro's district and a share of the excise tax transferred from the General Fund.

Regional Parks and Expo Fund

This fund accounts for funding and operation of Metro's greenspaces program and recreation activities transferred from Multnomah County, including parks, marine facilities, pioneer cemeteries and the Expo Center. Principal sources of revenue are user and contract fees, federal, state and local grants and shared revenue.

Zoo Fund

This fund accounts for funding and operation of the Metro Washington Park Zoo. Principal sources of revenues are admissions, concessions and property taxes derived from a property tax base approved by voters on May 15, 1990 that provides approximately \$5,800,000 annually.

Component Unit - MERC

Spectator Facilities Fund

This fund accounts for the operations of the Civic Stadium and Portland Center for the Performing Arts (PCPA). These facilities, while owned by the City of Portland, are operated by MERC through an intergovernmental agreement. The principal resources of the fund are concessions, catering and rental and user fees.

Coliseum Fund

This fund accounts for the funding of any claims related to the operation of the Memorial Coliseum by Metro since the transfer of the Coliseum's operations back to the City of Portland. The transfer occurred July 1, 1993 in accordance with an intergovernmental agreement with the City.

MERC Administration Fund

This fund accounts for the central management and administrative staff functions that are responsible for all MERC operated facilities. The principal resources of the fund are transfers from the Spectator Facilities, Regional Parks and Expo and Convention Center Funds.

METRO

Special Revenue Funds

Combining Balance Sheet

June 30, 1994

Assets	Primary Government				Component unit - MERC			
	Planning Fund	Regional Parks and Expo Fund	Zoo Fund	Total	Spectator Facilities Fund	Coliseum Fund	MERC Administration Fund	Total
Cash and investments	\$ -	1,517,723	6,183,391	7,701,114	4,253,513	188,677	9,822	4,452,012
Receivables (net of allowance for uncollectibles):								
Trade	12,635	310,259	77,576	400,470	255,480	-	-	255,480
Property taxes	-	-	477,718	477,718	-	-	-	-
Federal grants	543,939	256,735	-	800,674	-	-	-	-
State and local grants/contracts	3,560,820	39,637	-	3,600,457	-	-	-	-
Interest	-	16,218	63,021	79,239	26,323	2,308	350	28,981
Other	422	-	2,916	3,338	-	-	-	-
Due from other funds	1,117,370	226,202	797	1,344,369	42,703	-	-	42,703
Due from primary government	-	-	-	-	-	-	35,000	35,000
Inventory of materials and supplies	-	-	222,516	222,516	39,995	-	-	39,995
Other assets	3,875	439	36,899	41,213	8,182	-	390	8,572
Restricted assets:								
Cash and investments	-	1,232	31,476	32,708	-	-	-	-
Total assets	\$ 5,239,061	2,368,445	7,096,310	14,703,816	4,626,196	190,985	45,562	4,862,743
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 1,761,597	196,669	675,177	2,633,443	190,709	8,806	6,498	206,013
Salaries, withholdings and payroll taxes payable	185,337	94,581	419,751	699,669	140,588	-	21,429	162,017
Contracts payable	38,349	-	-	38,349	-	-	-	-
Deferred revenue	-	-	417,434	417,434	-	-	-	-
Due to other funds	2,635,304	297,015	142,009	3,074,328	36,364	-	17,635	53,999
Due to primary government	-	-	-	-	-	96,000	-	96,000
Due to component unit	-	35,000	-	35,000	-	-	-	-
Unearned grant/contract revenue	195,640	205,049	-	400,689	-	-	-	-
Deposits payable	-	-	32,979	32,979	1,129,335	-	-	1,129,335
Other liabilities	-	3,060	-	3,060	2,140	50,000	-	52,140
Total liabilities	4,816,227	831,374	1,687,350	7,334,951	1,499,136	154,806	45,562	1,699,504
Fund balances - unreserved	422,834	1,537,071	5,408,960	7,368,865	3,127,060	36,179	-	3,163,239
Total liabilities and fund balances	\$ 5,239,061	2,368,445	7,096,310	14,703,816	4,626,196	190,985	45,562	4,862,743

METRO

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 1994

	Primary Government				Component unit - MERC			
	Planning Fund	Regional Parks and Expo Fund	Zoo Fund	Total	Spectator Facilities Fund	Coliseum Fund	MERC Admin- istration Fund	Total
Revenues:								
Property taxes	\$ -	-	5,851,083	5,851,083	-	-	-	-
Admissions	-	-	2,807,101	2,807,101	977,133	-	-	977,133
Rental fees	-	-	-	-	742,952	-	-	742,952
Vending, concessions and catering	-	-	3,057,412	3,057,412	1,314,444	-	-	1,314,444
Parking fees	-	325,971	-	325,971	-	-	-	-
Reimbursed labor	-	-	-	-	1,617,468	-	-	1,617,468
Commissions	-	-	-	-	183,276	-	-	183,276
Merchandising	-	-	-	-	45,729	-	-	45,729
Local government service fee	581,058	-	-	581,058	-	-	-	-
Federal grants and contracts	881,515	359,620	62,428	1,303,563	-	-	-	-
State and local grants and contracts	4,107,906	28,646	16,699	4,153,251	-	-	-	-
Local govt. shared revenues	-	211,399	-	211,399	-	-	-	-
Charges for services	302,001	1,257,442	496,641	2,056,084	-	-	-	-
Donations and bequests	800	30,030	468,327	499,157	-	-	-	-
Contract and professional services	1,974,693	38,112	-	2,012,805	-	-	-	-
Interest	-	21,007	217,245	238,252	133,278	10,920	2,498	146,696
Miscellaneous	69,987	4,597	335,497	410,081	123,518	-	-	123,518
Total revenues	<u>7,917,960</u>	<u>2,276,824</u>	<u>13,312,433</u>	<u>23,507,217</u>	<u>5,137,798</u>	<u>10,920</u>	<u>2,498</u>	<u>5,151,216</u>
Expenditures:								
Current:								
Zoo operations and development	-	-	12,826,339	12,826,339	-	-	-	-
Spectator facilities operations	-	-	-	-	6,532,043	274,741	2,498	6,809,282
Regional planning and development	9,518,156	-	-	9,518,156	-	-	-	-
Recreation and development	-	2,213,582	-	2,213,582	-	-	-	-
Capital outlay	542,482	24,403	614,148	1,181,033	-	-	-	-
Total expenditures	<u>10,060,638</u>	<u>2,237,985</u>	<u>13,440,487</u>	<u>25,739,110</u>	<u>6,532,043</u>	<u>274,741</u>	<u>2,498</u>	<u>6,809,282</u>
Revenues over (under) expenditures	<u>(2,142,678)</u>	<u>38,839</u>	<u>(128,054)</u>	<u>(2,231,893)</u>	<u>(1,394,245)</u>	<u>(263,821)</u>	<u>-</u>	<u>(1,658,066)</u>
Other financing sources (uses):								
Operating transfers in	1,869,938	538,680	-	2,408,618	-	-	-	-
Operating transfers out	(53,500)	-	(434,000)	(487,500)	-	-	-	-
Intergovernmental transfer	-	959,552	-	959,552	-	(457,930)	-	(457,930)
Capital lease proceeds	489,367	-	-	489,367	-	-	-	-
Total other financing sources (uses)	<u>2,305,805</u>	<u>1,498,232</u>	<u>(434,000)</u>	<u>3,370,037</u>	<u>-</u>	<u>(457,930)</u>	<u>-</u>	<u>(457,930)</u>
Revenues and other sources over (under) expenditures	<u>163,127</u>	<u>1,537,071</u>	<u>(562,054)</u>	<u>1,138,144</u>	<u>(1,394,245)</u>	<u>(721,751)</u>	<u>-</u>	<u>(2,115,996)</u>
Fund balances - July 1, 1993	<u>259,707</u>	<u>-</u>	<u>5,971,014</u>	<u>6,230,721</u>	<u>4,521,305</u>	<u>757,930</u>	<u>-</u>	<u>5,279,235</u>
Fund balances - June 30, 1994	<u>\$ 422,834</u>	<u>1,537,071</u>	<u>5,408,960</u>	<u>7,368,865</u>	<u>3,127,060</u>	<u>36,179</u>	<u>-</u>	<u>3,163,239</u>

METRO

Planning Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Local government service fee	\$ 597,563	581,058	(16,505)
Federal grants	6,408,548	881,515	(5,527,033)
State grants	2,893,714	3,169,243	275,529
Local grants	794,550	938,664	144,114
Donations and bequests	50,000	800	(49,200)
Contract and professional services	130,000	1,974,693	1,844,693
Interest	15,000	-	(15,000)
Miscellaneous	173,500	69,987	(103,513)
Total revenues	<u>11,062,875</u>	<u>7,615,960</u>	<u>(3,446,915)</u>
Expenditures:			
Planning and development:			
Personal services	4,021,691	3,731,254	290,437
Materials and services	7,429,013	4,510,828	2,918,185
Capital outlay	56,020	53,115	2,905
Contingency	462,980	-	462,980
Total expenditures	<u>11,969,704</u>	<u>8,295,197</u>	<u>3,674,507</u>
Revenues over (under) expenditures	<u>(906,829)</u>	<u>(679,237)</u>	<u>227,592</u>
Other financing sources (uses):			
Operating transfers in:			
General Fund	1,786,271	1,869,938	83,667
Solid Waste Revenue Fund	324,125	302,001	(22,124)
Operating transfers out	<u>(1,437,567)</u>	<u>(1,329,575)</u>	<u>107,992</u>
Total other financing sources	<u>672,829</u>	<u>842,364</u>	<u>169,535</u>
Revenues and other sources over (under) expenditures and other uses	<u>(234,000)</u>	163,127	397,127
Beginning fund balance available for appropriation - July 1, 1993	<u>335,000</u>	<u>259,707</u>	<u>(75,293)</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 101,000</u>	<u>422,834</u>	<u>321,834</u>

METRO

Regional Parks and Expo Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Parking fees	\$ 323,000	325,971	2,971
Federal grants	1,020,100	359,620	(660,480)
Local grants	47,500	28,646	(18,854)
Local government shared revenues	106,846	211,399	104,553
Charges for services	1,140,897	1,257,273	116,376
Donations and bequests	5,500	30,030	24,530
Contract and professional services	1,043,079	38,112	(1,004,967)
Interest	11,686	21,007	9,321
Miscellaneous	1,500	4,597	3,097
	<u>3,700,108</u>	<u>2,276,655</u>	<u>(1,423,453)</u>
Total revenues			
Expenditures:			
Regional parks:			
Personal services	616,811	580,320	36,491
Materials and services	442,792	271,671	171,121
Capital outlay	29,688	22,390	7,298
	<u>1,089,291</u>	<u>874,381</u>	<u>214,910</u>
Expo center:			
Personal services	179,476	160,321	19,155
Materials and services	228,180	179,569	48,611
Capital outlay	39,500	15,069	24,431
	<u>447,156</u>	<u>354,959</u>	<u>92,197</u>
Greenspaces planning:			
Personal services	338,096	297,062	41,034
Materials and services	1,223,186	377,164	846,022
Capital outlay	52,500	2,459	50,041
	<u>1,613,782</u>	<u>676,685</u>	<u>937,097</u>
Contingency	<u>85,325</u>	<u>-</u>	<u>85,325</u>
Total expenditures	<u>3,235,554</u>	<u>1,906,025</u>	<u>1,329,529</u>

(Continued)

METRO

Regional Parks and Expo Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues over (under) expenditures	\$ <u>464,554</u>	<u>370,630</u>	<u>(93,924)</u>
Other financing sources (uses):			
Operating transfers in:			
General Fund	589,172	485,180	(103,992)
Planning Fund	114,500	53,500	(61,000)
Smith and Bybee Lakes Trust Fund	18,700	169	(18,531)
Operating transfers out	(338,960)	(331,960)	7,000
Multnomah County transfer	<u>-</u>	<u>959,552</u>	<u>959,552</u>
Total other financing sources	<u>383,412</u>	<u>1,166,441</u>	<u>783,029</u>
Revenues and other sources over expenditures and other uses	847,966	1,537,071	689,105
Beginning fund balance available for appropriation - July 1, 1993	<u>-</u>	<u>-</u>	<u>-</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>847,966</u></u>	<u><u>1,537,071</u></u>	<u><u>689,105</u></u>

Note: Certain capital outlay items become fixed assets of Multnomah County under terms of an intergovernmental agreement, and therefore are recorded under "recreation development" expenditures on a GAAP basis.

METRO

Zoo Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	Budget	Actual	Variance favorable (unfavorable)
Revenues:			
Property taxes	\$ 5,708,807	5,851,083	142,276
Admissions	2,994,208	2,807,101	(187,107)
Vending and concessions	2,323,742	2,244,392	(79,350)
Gift shop	843,187	813,020	(30,167)
Federal grants	100,000	62,428	(37,572)
Local grants	20,000	16,699	(3,301)
Charges for services	479,628	496,641	17,013
Donations and bequests	485,000	468,327	(16,673)
Tuition and lectures	232,865	295,249	62,384
Interest	228,475	217,245	(11,230)
Miscellaneous	74,342	40,248	(34,094)
Total revenues	13,490,254	13,312,433	(177,821)
Expenditures:			
Administration:			
Personal services	762,343	751,757	10,586
Materials and services	168,537	141,110	27,427
Capital outlay	8,100	7,945	155
	<u>938,980</u>	<u>900,812</u>	<u>38,168</u>
Animal management:			
Personal services	2,210,193	2,128,609	81,584
Materials and services	537,822	449,919	87,903
Capital outlay	154,591	100,257	54,334
	<u>2,902,606</u>	<u>2,678,785</u>	<u>223,821</u>
Facilities management:			
Personal services	1,825,416	1,814,299	11,117
Materials and services	1,387,725	1,437,339	(49,614)
Capital outlay	66,295	80,245	(13,950)
	<u>3,279,436</u>	<u>3,331,883</u>	<u>(52,447)</u>
Educational services:			
Personal services	618,896	588,904	29,992
Materials and services	224,349	181,231	43,118
Capital outlay	31,600	30,164	1,436
	<u>874,845</u>	<u>800,299</u>	<u>74,546</u>

(Continued)

METRO

Zoo Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures, continued:			
Marketing:			
Personal services	\$ 309,935	292,896	17,039
Materials and services	623,383	636,171	(12,788)
Capital outlay	7,170	7,135	35
	<u>940,488</u>	<u>936,202</u>	<u>4,286</u>
Visitor services:			
Personal services	1,492,519	1,462,212	30,307
Materials and services	1,387,870	1,124,259	263,611
Capital outlay	79,300	71,781	7,519
	<u>2,959,689</u>	<u>2,658,252</u>	<u>301,437</u>
Design services:			
Personal services	315,700	276,377	39,323
Materials and services	147,595	111,335	36,260
Capital outlay	401,225	316,621	84,604
	<u>864,520</u>	<u>704,333</u>	<u>160,187</u>
Contingency	<u>363,771</u>	-	<u>363,771</u>
Total expenditures	<u>13,124,335</u>	<u>12,010,566</u>	<u>1,113,769</u>
Revenues over expenditures	365,919	1,301,867	935,948
Other financing uses-			
Operating transfers out	<u>(1,863,921)</u>	<u>(1,863,921)</u>	-
Revenues and other sources over (under) expenditures and other uses	(1,498,002)	(562,054)	935,948
Beginning fund balance available for appropriation - July 1, 1993	<u>5,711,864</u>	<u>5,971,014</u>	<u>259,150</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 4,213,862</u>	<u>5,408,960</u>	<u>1,195,098</u>

METRO

Spectator Facilities Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Civic Stadium:			
Admissions - user fees	\$ 105,750	102,431	(3,319)
Rental fees - building	142,100	160,001	17,901
Concessions and catering	1,032,600	1,213,809	181,209
Reimbursed labor	62,700	85,305	22,605
Commissions	6,400	56,003	49,603
Merchandising	1,000	500	(500)
Interest	45,700	55,488	9,788
Miscellaneous	14,100	17,328	3,228
	<u>1,410,350</u>	<u>1,690,865</u>	<u>280,515</u>
Portland Center for Performing Arts:			
Admissions - user fees	725,000	874,702	149,702
Rental fees - building	675,000	582,951	(92,049)
Concessions and catering	130,000	100,635	(29,365)
Reimbursed labor	1,590,000	1,532,163	(57,837)
Commissions	289,000	127,273	(161,727)
Merchandising	50,000	45,229	(4,771)
Interest	104,000	77,790	(26,210)
Miscellaneous	91,000	106,190	15,190
	<u>3,654,000</u>	<u>3,446,933</u>	<u>(207,067)</u>
Total revenues	<u>5,064,350</u>	<u>5,137,798</u>	<u>73,448</u>

(Continued)

METRO

Spectator Facilities Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable <u>(unfavorable)</u>
Expenditures:			
Civic Stadium:			
Personal services	\$ 596,202	587,874	8,328
Materials and services	1,026,425	1,002,102	24,323
Capital outlay	183,660	155,206	28,454
	<u>1,806,287</u>	<u>1,745,182</u>	<u>61,105</u>
Portland Center for Performing Arts:			
Personal services	3,389,118	3,221,041	168,077
Materials and services	897,715	862,522	35,193
Capital outlay	180,000	42,702	137,298
	<u>4,466,833</u>	<u>4,126,265</u>	<u>340,568</u>
Contingency	<u>142,677</u>	<u>-</u>	<u>142,677</u>
Total expenditures	<u>6,415,797</u>	<u>5,871,447</u>	<u>544,350</u>
Revenues over (under) expenditures	(1,351,447)	(733,649)	617,798
Other financing uses-			
Operating transfers out	<u>(675,517)</u>	<u>(660,596)</u>	<u>14,921</u>
Revenues and other sources over (under) expenditures and other uses	(2,026,964)	(1,394,245)	632,719
Beginning fund balance available for appropriation - July 1, 1993	<u>3,867,491</u>	<u>4,521,305</u>	<u>653,814</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u>1,840,527</u>	<u>3,127,060</u>	<u>1,286,533</u>

Note: Capital outlay becomes a fixed asset of the City of Portland under terms of an intergovernmental agreement, and therefore is recorded under "Spectator facility operations" expenditure on a GAAP basis.

METRO

Coliseum Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Interest	\$ -	10,920	10,920
Total revenues	<u>-</u>	<u>10,920</u>	<u>10,920</u>
Expenditures-			
Materials and services	300,000	274,741	25,259
Total expenditures	<u>300,000</u>	<u>274,741</u>	<u>25,259</u>
Revenues over (under) expenditures	(300,000)	(263,821)	36,179
Other financing uses-			
City of Portland transfer	(700,000)	(457,930)	242,070
Revenues and other sources over (under) expenditures and other uses	(1,000,000)	(721,751)	278,249
Beginning fund balance available for appropriation- July 1, 1993	<u>1,000,000</u>	<u>757,930</u>	<u>(242,070)</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ -</u>	<u>36,179</u>	<u>36,179</u>

METRO

MERC Administration Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Interest	\$ <u>8,000</u>	<u>2,498</u>	<u>(5,502)</u>
Total revenues	<u>8,000</u>	<u>2,498</u>	<u>(5,502)</u>
Expenditures:			
Personal services	489,240	471,287	17,953
Materials and services	97,500	92,327	5,173
Capital outlay	6,000	5,990	10
Contingency	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total expenditures	<u>627,740</u>	<u>569,604</u>	<u>58,136</u>
Revenues over (under) expenditures	<u>(619,740)</u>	<u>(567,106)</u>	<u>52,634</u>
Other financing sources-			
Operating transfers in:			
Convention Center Operating Fund	313,351	303,278	(10,073)
Regional Parks and Expo Fund	70,000	35,000	(35,000)
Spectator Facilities Fund	<u>236,389</u>	<u>228,828</u>	<u>(7,561)</u>
Total other financing sources	<u>619,740</u>	<u>567,106</u>	<u>(52,634)</u>
Revenues and other sources over (under) expenditures and other uses	-	-	-
Beginning fund balance available for appropriation - July 1, 1993	<u>-</u>	<u>-</u>	<u>-</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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.

METRO

Convention Center Debt Service Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable <u>(unfavorable)</u>
Revenues:			
Property taxes	\$ 4,954,680	5,096,825	142,145
Interest	<u>40,000</u>	<u>70,934</u>	<u>30,934</u>
Total revenues	<u>4,994,680</u>	<u>5,167,759</u>	<u>173,079</u>
Expenditures-			
Debt service	<u>5,530,803</u>	<u>5,530,803</u>	<u>-</u>
Total expenditures	<u>5,530,803</u>	<u>5,530,803</u>	<u>-</u>
Revenues over (under) expenditures	(536,123)	(363,044)	173,079
Beginning fund balance available for appropriation - July 1, 1993	<u>3,304,674</u>	<u>3,414,739</u>	<u>110,065</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 2,768,551</u>	<u>3,051,695</u>	<u>283,144</u>

Capital Projects Fund

The Zoo Capital Fund accounts for major improvement projects at the Metro Washington Park Zoo. Principal resources are donations, interest and a transfer from the Zoo Operating Fund.

METRO

Zoo Capital Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Donations and bequests	\$ 350,000	302,097	(47,903)
Interest	<u>106,203</u>	<u>87,070</u>	<u>(19,133)</u>
Total revenues	<u>456,203</u>	<u>389,167</u>	<u>(67,036)</u>
Expenditures:			
Personal services	88,949	66,587	22,362
Capital outlay	3,199,000	2,304,567	894,433
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>3,437,949</u>	<u>2,371,154</u>	<u>1,066,795</u>
Revenues over (under) expenditures	(2,981,746)	(1,981,987)	999,759
Other financing sources-			
Operating transfers in- Zoo Operating Fund	<u>434,000</u>	<u>434,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	(2,547,746)	(1,547,987)	999,759
Beginning fund balance available for appropriation - July 1, 1993	<u>2,655,076</u>	<u>2,549,011</u>	<u>(106,065)</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>107,330</u></u>	<u><u>1,001,024</u></u>	<u><u>893,694</u></u>

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Enterprise Funds

Primary Government - Metro

Solid Waste Fund

This fund accounts for revenues, 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 Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Building Management Fund

This fund accounts for revenues and expenses related to leasing and managing Metro's former office space and management of the parking structure and new headquarters facility, Metro Regional Center. Principal sources of revenue are sublease and parking income and charges to user funds. Expenses primarily consist of lease payments, maintenance, utilities and professional services costs. This fund consists of two budgetary funds that are combined as one Enterprise Fund to be in accordance with generally accepted accounting principles.

Component Unit - MERC

Convention Center Fund

This fund accounts for revenues and expenses related to the operation and management of the Oregon Convention Center in Portland, Oregon. The principal sources of revenue are intergovernmental revenue from a 3% Multnomah County lodging tax, fees charged to customers for facility use, concession sales and parking fees. Expenses consist primarily of management, marketing and operations costs. This fund consists of three budgetary funds that are combined as one Enterprise Fund to be in accordance with generally accepted accounting principles.



METRO

Enterprise Funds

Combining Balance Sheet

June 30, 1994

Assets	Primary Government			Component unit - MERC Convention Center Fund
	Solid Waste Fund	Building Management Fund	Total	
Current assets:				
Cash and investments	\$ 15,944,470	34,204	15,978,674	11,085,892
Receivables (net of allowance for uncollectibles):				
User and landfill fees	6,514,319	-	6,514,319	-
Trade	-	-	-	356,986
Interest	382,471	64,592	447,063	115,264
Other	1,006,986	-	1,006,986	-
Prepaid expenses	5,063	-	5,063	6,484
Due from other funds	32,898	946,587	979,485	11,296
Inventory of materials and supplies	-	-	-	149,765
Total current assets	23,886,207	1,045,383	24,931,590	11,725,687
Restricted assets-				
Cash and investments	13,455,600	2,018,986	15,474,586	1,131,560
Fixed assets, net	31,976,099	20,787,483	52,763,582	93,288,311
Loans receivable	5,000,000	-	5,000,000	-
Total assets	\$ 74,317,906	23,851,852	98,169,758	106,145,558
Liabilities and Fund Equity (Deficit)				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 4,936,066	79,685	5,015,751	204,481
Salaries, withholdings and payroll taxes payable	418,518	13,377	431,895	241,475
Accrued interest payable	636,409	539,858	1,176,267	-
Due to other funds	588,025	256,734	844,759	-
Deposits payable	-	-	-	927,966
Bonds payable within one year	1,520,000	200,000	1,720,000	-
Obligations under capital leases	56,939	-	56,939	-
Other liabilities	-	11,378	11,378	52,005
Total current liabilities	8,155,957	1,101,032	9,256,989	1,425,927
Payable from restricted assets:				
Contracts payable	2,267,684	-	2,267,684	-
Arbitrage payable	-	-	-	356,586
Post-closure costs payable	17,467,574	-	17,467,574	-
Loans payable	-	281,257	281,257	-
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)	29,375,123	22,860,562	52,235,685	-
Total liabilities	57,266,338	24,242,851	81,509,189	1,782,513
Fund equity (deficit):				
Contributed capital, net	1,021,511	55,615	1,077,126	85,473,448
Retained earnings (deficit):				
Reserved for debt service	1,469,074	-	1,469,074	-
Reserved for renewal and replacement	2,170,470	-	2,170,470	-
Unreserved	12,390,513	(446,614)	11,943,899	18,889,597
Total fund equity (deficit)	17,051,568	(390,999)	16,660,569	104,363,045
Total liabilities and fund equity (deficit)	\$ 74,317,906	23,851,852	98,169,758	106,145,558

METRO

Enterprise Funds

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficit)

For the year ended June 30, 1994

	Primary Government			Component unit - MERC
	Solid Waste Fund	Building Management Fund	Total	Convention Center Fund
Operating revenues:				
Disposal fees	\$ 26,750,588	-	26,750,588	-
User fees	23,915,927	-	23,915,927	-
Regional transfer fees	6,291,634	-	6,291,634	-
DEQ fees	931,203	-	931,203	-
Host fees	191,244	-	191,244	-
Rehabilitation and mitigation fees	218,103	-	218,103	-
Refuse disposal charges	476,722	-	476,722	-
Intergovernmental revenue	-	-	-	3,465,187
Rental and lease income	2,546	46,018	48,564	1,321,572
Food service	-	-	-	4,098,899
Utility services	-	-	-	846,133
Parking fees	-	361,219	361,219	658,886
Reimbursed labor	-	-	-	259,202
Merchandising	-	-	-	20,482
Commissions	-	-	-	45,996
Receipts in lieu of rent	-	1,207,028	1,207,028	-
Miscellaneous	330,816	2,300	333,116	47,815
Total operating revenues	59,108,783	1,616,565	60,725,348	10,764,172

(Continued)

METRO

Enterprise Funds

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

For the year ended June 30, 1994

	Primary Government			Component unit - MERC
	Solid Waste Fund	Building Management Fund	Total	Convention Center Fund
Operating expenses:				
Payroll and fringe benefits	\$ 5,109,926	179,019	5,288,945	3,210,100
St. Johns Landfill operating expenses, including \$120,000 of rent	678,378	-	678,378	-
Metro South Station operating expenses	1,784,001	-	1,784,001	-
Metro Central Station operating expenses	3,775,752	-	3,775,752	-
Waste transport costs	10,483,062	-	10,483,062	-
End use fees	11,789	-	11,789	-
Disposal fees	21,080,499	-	21,080,499	-
Marketing expense	-	-	-	1,682,555
Convention Center operating expenses	-	-	-	814,525
Concessions expense	-	-	-	2,384,107
Depreciation and amortization	1,069,165	695,226	1,764,391	2,784,149
Rent and payments in lieu of rent	238,589	290,760	529,349	-
Administrative expenses paid to Support Services Fund	2,597,346	-	2,597,346	452,805
Administrative expenses paid to MERC Administration Fund	-	-	-	303,278
Payments to Planning Fund for services	302,001	-	302,001	-
Insurance expense	607,894	-	607,894	185,486
Payment of rehabilitation fees	410,268	-	410,268	-
Consulting services	1,958,455	211,072	2,169,527	-
Waste reduction grants	556,164	-	556,164	-
Payments to other governments	703,223	-	703,223	-
Other materials and services	253,149	715,966	969,115	503,863
Total operating expenses	51,619,661	2,092,043	53,711,704	12,320,868
Operating income (loss)	7,489,122	(475,478)	7,013,644	(1,556,696)
Non-operating revenues (expenses):				
Interest on investments	1,057,946	103,987	1,161,933	238,305
Interest expense	(1,986,876)	(884,928)	(2,871,804)	-
Gain/(loss) on adjustment/disposal of fixed assets	(1,311,091)	(204,917)	(1,516,008)	1,134,629
Total non-operating revenues (expenses)	(2,240,021)	(985,858)	(3,225,879)	1,372,934
Income (loss) before operating transfers	5,249,101	(1,461,336)	3,787,765	(183,762)
Operating transfers in- General Fund	-	394,000	394,000	-
Net income (loss)	5,249,101	(1,067,336)	4,181,765	(183,762)
Depreciation on fixed assets that reduces contributed capital	31,623	27,808	59,431	2,490,319
Increase (decrease) in retained earnings	5,280,724	(1,039,528)	4,241,196	2,306,557
Retained earnings - July 1, 1993	10,749,333	592,914	11,342,247	16,583,040
Retained earnings (deficit) - June 30, 1994	\$ 16,030,057	(446,614)	15,583,443	18,889,597

METRO

Enterprise Funds

Combining Statement of Cash Flows

For the year ended June 30, 1994

	Primary Government			Component unit - MERC
	Solid Waste Fund	Building Management Fund	Total	Convention Center Fund
Cash flows from operating activities:				
Cash received from customers	\$ 59,209,418	485,682	59,695,100	8,879,432
Cash received from other governments	109,119	-	109,119	4,201,479
Receipts from quasi-external transactions	258,088	731,187	989,275	-
Cash payments to suppliers for goods and services	(46,223,848)	(1,356,627)	(47,580,475)	(6,100,156)
Other operating revenues	182,211	2,300	184,511	47,814
Cash payments to other governments	(1,259,387)	-	(1,259,387)	(721,690)
Cash payments to employees for services	(5,066,436)	(178,590)	(5,245,026)	(3,175,240)
Payments for quasi-external transactions	(3,706,848)	-	(3,706,848)	(904,715)
Net cash provided by operating activities	<u>3,502,317</u>	<u>(316,048)</u>	<u>3,186,269</u>	<u>2,226,924</u>
Cash flows from noncapital financing activities-				
Transfer from General Fund	-	394,000	394,000	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>394,000</u>	<u>394,000</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Loan payments	-	(12,415)	(12,415)	-
Payments to other governments	-	(132,716)	(132,716)	-
Net proceeds from bonds issued to refund capital debt	12,733,425	25,832,701	38,566,126	-
Interest payment on revenue bonds	(1,299,776)	(1,027,664)	(2,327,440)	-
Principal payment on revenue bonds	(1,250,000)	-	(1,250,000)	-
Payments to escrow account	(12,961,934)	(25,501,198)	(38,463,132)	-
Refunding bond issuance costs paid	(215,545)	(325,513)	(541,058)	-
Acquisition and construction of capital assets	(812,313)	(1,108,399)	(1,920,712)	(1,075,967)
Cash payments on capital lease principal	(114,957)	-	(114,957)	-
Net cash used by capital and related financing activities	<u>(3,921,100)</u>	<u>(2,275,204)</u>	<u>(6,196,304)</u>	<u>(1,075,967)</u>
Cash flows from investing activities -				
Interest on investments	1,062,683	100,624	1,163,307	333,161
Net cash provided by investing activities	<u>1,062,683</u>	<u>100,624</u>	<u>1,163,307</u>	<u>333,161</u>
Net increase (decrease) in cash and cash equivalents including restricted amounts	643,900	(2,096,628)	(1,452,728)	1,484,118
Cash and cash equivalents at beginning of year including restricted amounts	<u>28,756,170</u>	<u>4,149,818</u>	<u>32,905,988</u>	<u>10,733,334</u>
Cash and cash equivalents at end of year including restricted amounts	<u>\$ 29,400,070</u>	<u>2,053,190</u>	<u>31,453,260</u>	<u>12,217,452</u>

(Continued)

METRO

Enterprise Funds

Combining Statement of Cash Flows, Continued

For the year ended June 30, 1994

	Primary Government			Component
	Solid Waste Fund	Building Management Fund	Total	unit - MERC Convention Center Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 7,489,122	(475,478)	7,013,644	(1,556,696)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	1,069,165	695,226	1,764,391	2,784,149
Change in assets and liabilities:				
Trade and other accounts receivable	389,260	78,445	467,705	1,030,882
Due from other governments	2,705	-	2,705	736,292
Due from other funds	258,088	(732,575)	(474,487)	36,854
Other assets	(4,325)	-	(4,325)	(61,603)
Accounts payable	(730,236)	(138,829)	(869,065)	(704,209)
Salaries, withholdings and payroll taxes payable	43,490	429	43,919	34,861
Contracts payable	605,351	-	605,351	-
Due to other funds	449,250	256,734	705,984	-
Due to other governments	-	-	-	(721,690)
Deposits payable	-	-	-	597,379
Post-closure payable	(6,069,553)	-	(6,069,553)	-
Other liabilities	-	-	-	50,705
Total adjustments	(3,986,805)	159,430	(3,827,375)	3,783,620
Net cash provided by operating activities	\$ 3,502,317	(316,048)	3,186,269	2,226,924

METRO

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, 1994

Excess of revenues and other financing sources
over (under) expenditures and other financing
uses on a budgetary basis:

Solid Waste Fund	\$	<u>(155,430)</u>
Building Management Funds:		
Building Management Fund	\$	13,918
General Revenue Bond Fund		<u>(1,571,386)</u>
Total Building Management Funds	\$	<u>(1,557,468)</u>
Convention Center Funds:		
Convention Center Operating Fund	\$	1,244,128
Convention Center Project Capital Fund		(1,395,617)
Convention Center Renewal and Replacement Fund		<u>691,627</u>
Total Convention Center Funds	\$	<u>540,138</u>

(Continued)

METRO

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

For the year ended June 30, 1994

	Primary Government			Component
	Solid	Building	Total	unit - MERC
	Waste	Management		Convention
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses on a budgetary basis	\$ (155,430)	(1,557,468)	(1,712,898)	540,138
Add budget requirements not qualifying as expenses under GAAP:				
Refunding bonds issuance costs	215,545	325,513	541,058	-
Payment of post-closure liability	6,069,553	-	6,069,553	-
Fixed assets additions	812,313	1,108,399	1,920,712	1,075,967
Payments to other governments	-	132,716	132,716	721,690
Principal payments on leases	114,957	-	114,957	-
Loan payments	-	12,415	12,415	-
Principal and interest payments on bonds	14,350,340	26,248,363	40,598,703	-
Subtract additional expenses required by GAAP:				
Depreciation and amortization	(1,069,165)	(695,226)	(1,764,391)	(2,784,149)
Amortization of bond accretion, discount and costs	(824,177)	(64,572)	(888,749)	-
Increase in arbitrage liability	-	-	-	(124,744)
Gain/loss on adjustment/disposal of fixed assets	(1,311,091)	(204,917)	(1,516,008)	1,134,629
Vacation benefits	(22,319)	-	(22,319)	(11,001)
Accrued interest on bonds	-	(539,858)	(539,858)	-
Subtract budget resources not qualifying as revenues under GAAP:				
Amounts relating to other receivables	(198,000)	-	(198,000)	-
Intergovernmental revenue	-	-	-	(736,292)
Bond proceeds	<u>(12,733,425)</u>	<u>(25,832,701)</u>	<u>(38,566,126)</u>	<u>-</u>
Net income (loss) presented in combining statement of revenues, expenses and changes in retained earnings/ fund balances	<u>\$ 5,249,101</u>	<u>(1,067,336)</u>	<u>4,181,765</u>	<u>(183,762)</u>

METRO

Solid Waste Revenue Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Disposal fees	\$ 24,758,911	26,750,588	1,991,677
User fees	22,704,075	23,915,927	1,211,852
Regional transfer fees	5,800,631	6,291,635	491,004
Host fees	259,398	191,244	(68,154)
DEQ fees	861,482	931,203	69,721
Rehabilitation and mitigation fees	166,225	218,103	51,878
Salvage revenue	62,665	57,323	(5,342)
Pass-through debt service receipts	933,013	144,827	(788,186)
Interest	1,700,000	1,087,313	(612,687)
Miscellaneous	1,014,408	933,209	(81,199)
	<u>58,260,808</u>	<u>60,521,372</u>	<u>2,260,564</u>
Total revenues			
Expenditures:			
Operating Account:			
Administration:			
Personal services	520,162	492,455	27,707
Materials and services	117,796	78,185	39,611
	<u>637,958</u>	<u>570,640</u>	<u>67,318</u>
Budget and finance:			
Personal services	458,117	425,040	33,077
Materials and services	1,067,048	839,826	227,222
	<u>1,525,165</u>	<u>1,264,866</u>	<u>260,299</u>
Operations:			
Personal services	2,160,821	2,129,567	31,254
Materials and services	41,266,622	38,920,534	2,346,088
	<u>43,427,443</u>	<u>41,050,101</u>	<u>2,377,342</u>

(Continued)

METRO

Solid Waste Revenue Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable <u>(unfavorable)</u>
Expenditures, continued:			
Engineering and analysis:			
Personal services	\$ 700,519	677,517	23,002
Materials and services	<u>183,458</u>	<u>182,405</u>	<u>1,053</u>
	<u>883,977</u>	<u>859,922</u>	<u>24,055</u>
Waste reduction:			
Personal services	532,169	519,436	12,733
Materials and services	<u>1,018,162</u>	<u>876,553</u>	<u>141,609</u>
	<u>1,550,331</u>	<u>1,395,989</u>	<u>154,342</u>
Planning and technical services:			
Personal services	520,259	514,198	6,061
Materials and services	<u>344,816</u>	<u>286,496</u>	<u>58,320</u>
	<u>865,075</u>	<u>800,694</u>	<u>64,381</u>
Recycling information and education:			
Personal services	343,507	329,395	14,112
Materials and services	<u>245,240</u>	<u>203,641</u>	<u>41,599</u>
	<u>588,747</u>	<u>533,036</u>	<u>55,711</u>
Landfill Closure Account-			
Materials and services	<u>10,347,500</u>	<u>6,069,553</u>	<u>4,277,947</u>
Construction Account-			
Capital outlay	<u>1,780,000</u>	<u>-</u>	<u>1,780,000</u>
Renewal and Replacement Account-			
Capital outlay	<u>570,000</u>	<u>552,917</u>	<u>17,083</u>

(Continued)

METRO

Solid Waste Revenue Fund

**Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued**

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures, continued:			
General Account-			
Capital outlay	\$ 440,610	259,396	181,214
Master Project Account-			
Debt service	933,013	144,829	788,184
Debt Service Account:			
Materials and services	-	215,545	(215,545)
Debt service	2,890,523	15,542,404	(12,651,881)
	<u>2,890,523</u>	<u>15,757,949</u>	<u>(12,867,426)</u>
Contingency	3,097,831	-	3,097,831
Total expenditures	<u>69,538,173</u>	<u>69,259,892</u>	<u>278,281</u>
Revenues over (under) expenditures	<u>(11,277,365)</u>	<u>(8,738,520)</u>	<u>2,538,845</u>
Other financing sources (uses):			
Bond proceeds	1,919,419	12,733,425	10,814,006
Operating transfers in-			
Rehabilitation and Enhancement Fund	39,048	17,552	(21,496)
Operating transfers out	(4,167,887)	(4,167,887)	-
Total other financing sources (uses)	<u>(2,209,420)</u>	<u>8,583,090</u>	<u>10,792,510</u>
Revenues and other sources over (under) expenditures and other uses	<u>(13,486,785)</u>	<u>(155,430)</u>	<u>13,331,355</u>
Beginning fund balance available for appropriation - July 1, 1993	<u>25,465,337</u>	<u>29,431,460</u>	<u>3,966,123</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 11,978,552</u>	<u>29,276,030</u>	<u>17,297,478</u>

METRO

Building Management Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Rental and lease income	\$ 45,950	46,018	68
Parking fees	374,423	361,219	(13,204)
Interest	20,000	21,193	1,193
Miscellaneous	-	2,300	2,300
	<hr/>	<hr/>	<hr/>
Total revenues	440,373	430,730	(9,643)
Expenditures:			
Personal services	212,458	179,019	33,439
Materials and services	1,464,615	1,380,696	83,919
Capital outlay	50,000	16,161	33,839
	<hr/>	<hr/>	<hr/>
Total expenditures	1,727,073	1,575,876	151,197
Revenues over (under) expenditures	<u>(1,286,700)</u>	<u>(1,145,146)</u>	<u>141,554</u>
Other financing sources (uses):			
Operating transfers in:			
General Fund	563,734	557,504	(6,230)
Solid Waste Revenue Fund	194,199	194,199	-
Planning Fund	275,152	275,152	-
Support Services Fund	507,283	507,283	-
Convention Center Operating Fund	6,230	-	(6,230)
Regional Parks and Expo Fund	22,500	22,500	-
Operating transfers out	<u>(397,574)</u>	<u>(397,574)</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,171,524	1,159,064	(12,460)
Revenues and other sources over (under) expenditures and other uses	(115,176)	13,918	129,094
Beginning fund balance available for appropriation - July 1, 1993	<u>389,894</u>	<u>501,506</u>	<u>111,612</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 274,718</u>	<u>515,424</u>	<u>240,706</u>

METRO

General Revenue Bond Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Interest	\$ 212,748	201,563	(11,185)
Total revenues	<u>212,748</u>	<u>201,563</u>	<u>(11,185)</u>
Expenditures:			
Construction:			
Personal services	98,724	84,117	14,607
Materials and services	145,740	468,558	(322,818)
Capital outlay	913,009	865,076	47,933
	<u>1,157,473</u>	<u>1,417,751</u>	<u>(260,278)</u>
Debt Service-			
Debt service	1,128,665	26,629,863	(25,501,198)
Contingency	370,319	-	370,319
Total expenditures	<u>2,656,457</u>	<u>28,047,614</u>	<u>(25,391,157)</u>
Revenues over (under) expenditures	<u>(2,443,709)</u>	<u>(27,846,051)</u>	<u>(25,402,342)</u>
Other financing sources:			
Bond proceeds	-	25,832,701	25,832,701
Operating transfers in-			
Building Management Fund	397,574	397,574	-
Solid Waste Revenue Fund	-	44,390	44,390
Total other financing sources	<u>397,574</u>	<u>26,274,665</u>	<u>25,877,091</u>
Revenues and other sources over (under) expenditures and other uses	(2,046,135)	(1,571,386)	474,749
Beginning fund balance available for appropriation - July 1, 1993	<u>3,916,683</u>	<u>3,759,157</u>	<u>(157,526)</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 1,870,548</u>	<u>2,187,771</u>	<u>317,223</u>

METRO

Convention Center Operating Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Intergovernmental revenue	\$ 3,720,000	4,201,479	481,479
Rental fees	1,177,890	1,321,572	143,682
Food service	3,560,000	4,098,899	538,899
Utility services	662,000	846,133	184,133
Parking fees	564,746	658,886	94,140
Reimbursed labor	220,000	259,202	39,202
Commissions	35,000	45,996	10,996
Merchandising	15,000	20,482	5,482
Interest	275,000	275,947	947
Miscellaneous	35,000	47,815	12,815
	<u>10,264,636</u>	<u>11,776,411</u>	<u>1,511,775</u>
Total revenues			
Expenditures:			
Personal services	3,267,813	3,199,100	68,713
Materials and services	6,392,647	6,106,740	285,907
Capital outlay	248,000	106,874	141,126
Contingency	109,000	-	109,000
	<u>10,017,460</u>	<u>9,412,714</u>	<u>604,746</u>
Total expenditures			
Revenues over expenditures	247,176	2,363,697	2,116,521
Other financing uses-			
Operating transfers out	(1,170,142)	(1,119,569)	50,573
Revenues and other sources over (under) expenditures and other uses	(922,966)	1,244,128	2,167,094
Beginning fund balance available for appropriation - July 1, 1993	<u>6,795,416</u>	<u>8,174,332</u>	<u>1,378,916</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u>5,872,450</u>	<u>9,418,460</u>	<u>3,546,010</u>

METRO

Convention Center Project Capital Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues-			
Interest	\$ 60,000	73,475	13,475
Total revenues	<u>60,000</u>	<u>73,475</u>	<u>13,475</u>
Expenditures:			
Personal services	40,500	38,156	2,344
Materials and services	32,240	5,928	26,312
Capital outlay	<u>1,483,340</u>	<u>819,088</u>	<u>664,252</u>
Total expenditures	<u>1,556,080</u>	<u>863,172</u>	<u>692,908</u>
Revenues over (under) expenditures	(1,496,080)	(789,697)	706,383
Other financing uses-			
Operating transfers out	<u>(605,920)</u>	<u>(605,920)</u>	<u>..</u>
Revenues and other sources over (under) expenditures and other uses	(2,102,000)	(1,395,617)	706,383
Beginning fund balance available for appropriation - July 1, 1993	<u>2,640,000</u>	<u>2,804,662</u>	<u>164,662</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u>538,000</u>	<u>1,409,045</u>	<u>871,045</u>

METRO

Convention Center Renewal and Replacement Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues-			
Interest	\$ <u>27,000</u>	<u>13,627</u>	<u>(13,373)</u>
Total revenues	<u>27,000</u>	<u>13,627</u>	<u>(13,373)</u>
Expenditures-			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>27,000</u>	<u>13,627</u>	<u>(13,373)</u>
Other financing sources-			
Operating transfers in:			
Convention Center Operating Fund	178,000	178,000	-
Convention Center Project Capital Fund	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>678,000</u>	<u>678,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	705,000	691,627	(13,373)
Beginning fund balance available for appropriation - July 1, 1993	<u>-</u>	<u>-</u>	<u>-</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>705,000</u></u>	<u><u>691,627</u></u>	<u><u>(13,373)</u></u>



Internal Service Funds

Risk Management Fund

This fund accounts for risk management and self-insurance programs 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 costs and studies related to insurance issues.

Support Services Fund

This fund accounts for central services provided to other Metro operating units. These central services consist of Finance and Management Information, Personnel, Office of General Counsel, Public Affairs and General Services. Primary sources of revenue are business license fees, interest and charges to user funds, established through a cost allocation plan that distributes the central services' costs based upon the benefit received.

METRO

Internal Service Funds

Combining Balance Sheet

June 30, 1994

<u>Assets</u>	<u>Risk Management Fund</u>	<u>Support Services Fund</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 7,207,761	100	7,207,861
Interest receivable	76,634	-	76,634
Other receivable	-	14,713	14,713
Prepaid expenses	-	369	369
Due from other funds	66,953	1,242,128	1,309,081
Due from component unit	96,000	-	96,000
Other assets	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total current assets	7,449,848	1,257,310	8,707,158
Fixed assets, net	<u>30,259</u>	<u>590,172</u>	<u>620,431</u>
Total assets	\$ <u>7,480,107</u>	<u>1,847,482</u>	<u>9,327,589</u>
 <u>Liabilities and Fund Equity</u>			
Current liabilities:			
Accounts payable	\$ 31,513	131,453	162,966
Salaries, withholdings and payroll taxes payable	10,029	383,923	393,952
Due to other funds	7,974	311,338	319,312
Obligations under capital lease	-	54,855	54,855
Accrued self-insurance claims	644,758	-	644,758
Other liabilities	<u>-</u>	<u>3,623</u>	<u>3,623</u>
Total current liabilities	<u>694,274</u>	<u>885,192</u>	<u>1,579,466</u>
Fund equity:			
Contributed capital, net	-	426,785	426,785
Retained earnings	<u>6,785,833</u>	<u>535,505</u>	<u>7,321,338</u>
Total fund equity	<u>6,785,833</u>	<u>962,290</u>	<u>7,748,123</u>
Total liabilities and fund equity	\$ <u>7,480,107</u>	<u>1,847,482</u>	<u>9,327,589</u>

METRO

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings

For the year ended June 30, 1994

	Risk Management <u>Fund</u>	Support Services <u>Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 1,576,482	6,216,044	7,792,526
Builders license fees	-	200,760	200,760
Miscellaneous	-	35,022	35,022
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,576,482	6,451,826	8,028,308
Operating expenses:			
Payroll and fringe benefits	210,627	4,385,937	4,596,564
Depreciation	6,419	169,954	176,373
Payment in lieu of rent	-	507,283	507,283
Insurance expense	247,000	72,388	319,388
Claims expense	204,842	-	204,842
Consulting services	22,684	-	22,684
Payments to other governments	-	167,404	167,404
Other materials and services	12,702	816,265	828,967
	<hr/>	<hr/>	<hr/>
Total operating expenses	704,274	6,119,231	6,823,505
Operating income	<hr/>	<hr/>	<hr/>
	872,208	332,595	1,204,803
Non-operating revenues (expenses):			
Gain/(loss) on adjustment/disposal of fixed assets	172	(704,670)	(704,498)
Interest	271,090	24,927	296,017
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	271,262	(679,743)	(408,481)
Income (loss) before operating transfers	1,143,470	(347,148)	796,322
Operating transfers in-			
General Fund	-	42,707	42,707
	<hr/>	<hr/>	<hr/>
Net income (loss)	1,143,470	(304,441)	839,029
Depreciation on fixed assets that reduces contributed capital			
	-	142,263	142,263
	<hr/>	<hr/>	<hr/>
Increase (decrease) in retained earnings	1,143,470	(162,178)	981,292
Retained earnings - July 1, 1993	5,642,363	697,683	6,340,046
	<hr/>	<hr/>	<hr/>
Retained earnings - June 30, 1994	\$ 6,785,833	535,505	7,321,338
	<hr/>	<hr/>	<hr/>

METRO

Internal Service Funds

Combining Statement of Cash Flows

For the year ended June 30, 1994

	<u>Risk Management Fund</u>	<u>Support Services Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from quasi-external transactions	\$ 1,440,035	5,483,017	6,923,052
Cash payments to suppliers for goods and services	(281,400)	(860,770)	(1,142,170)
Cash payments for claims	(204,842)	-	(204,842)
Other operating revenues	-	225,522	225,522
Cash payments to other governments	-	(167,404)	(167,404)
Cash payments to employees for services	(208,144)	(4,395,755)	(4,603,899)
Payments for quasi-external transactions	-	(824,321)	(824,321)
	<u>745,649</u>	<u>(539,711)</u>	<u>205,938</u>
Cash flows from noncapital financing activities-			
Transfer from General Fund	-	42,707	42,707
	<u>-</u>	<u>42,707</u>	<u>42,707</u>
Net cash provided by noncapital financing activities			
	<u>-</u>	<u>42,707</u>	<u>42,707</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(5,617)	(118,939)	(124,556)
Cash payments on capital lease principal	-	(39,679)	(39,679)
	<u>(5,617)</u>	<u>(158,618)</u>	<u>(164,235)</u>
Net cash used for capital and related financing activities			
	<u>(5,617)</u>	<u>(158,618)</u>	<u>(164,235)</u>
Cash flows from investing activities -			
Interest	262,874	32,622	295,496
	<u>262,874</u>	<u>32,622</u>	<u>295,496</u>
Net cash provided by investing activities			
	<u>262,874</u>	<u>32,622</u>	<u>295,496</u>
Net increase (decrease) in cash and cash equivalents			
	1,002,906	(623,000)	379,906
Cash and cash equivalents at beginning of year	6,204,855	623,100	6,827,955
Cash and cash equivalents at end of year	<u>\$ 7,207,761</u>	<u>100</u>	<u>7,207,861</u>

(Continued)

METRO

Internal Service Funds

Combining Statement of Cash Flows, Continued

For the year ended June 30, 1994

	Risk Management <u>Fund</u>	Support Services <u>Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 872,208	332,595	1,204,803
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	6,419	169,954	176,373
Change in assets and liabilities:			
Trade/other accounts receivable	-	(6,702)	(6,702)
Due from other funds	(144,421)	(733,027)	(877,448)
Other assets	3,855	14	3,869
Accounts payable	(2,869)	(29,568)	(32,437)
Salaries, withholdings and payroll taxes payable	2,483	(10,196)	(7,713)
Due to other funds	7,974	(244,650)	(236,676)
Other liabilities	-	(18,131)	(18,131)
Total adjustments	<u>(126,559)</u>	<u>(872,306)</u>	<u>(998,865)</u>
Net cash provided (used) by operating activities	<u>\$ 745,649</u>	<u>(539,711)</u>	<u>205,938</u>

METRO

**Reconciliation of Internal Service 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, 1994

	<u>Risk Management Fund</u>	<u>Support Services Fund</u>	<u>Total</u>
Excess of revenues and other financing sources over expenditures and other financing uses on a budgetary basis	\$ 1,144,100	395,983	1,540,083
Add budget requirements not qualifying as expenses under GAAP:			
Fixed assets additions	5,617	118,939	124,556
Principal payments on leases	-	39,679	39,679
Subtract additional expenses required by GAAP:			
Depreciation and amortization	(6,419)	(169,954)	(176,373)
Gain/(loss) on adjustment/disposal of fixed assets	172	(704,670)	(704,498)
Vacation benefits	-	15,582	15,582
	\$ 1,143,470	(304,441)	839,029
Net income (loss) presented in combining statement of revenues, expenses and changes in retained earnings	\$ 1,143,470	(304,441)	839,029

METRO

Risk Management Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Charges for services	\$ -	101,911	101,911
Interest	290,000	271,090	(18,910)
Total revenues	<u>290,000</u>	<u>373,001</u>	<u>83,001</u>
Expenditures:			
Personal services	225,151	210,627	14,524
Materials and services	1,303,245	487,228	816,017
Capital outlay	7,250	5,617	1,633
Contingency	200,000	-	200,000
Total expenditures	<u>1,735,646</u>	<u>703,472</u>	<u>1,032,174</u>
Revenues over (under) expenditures	<u>(1,445,646)</u>	<u>(330,471)</u>	<u>1,115,175</u>
Other financing sources-			
Operating transfers in:			
General Fund	24,840	16,866	(7,974)
Zoo Fund	381,194	381,194	-
Solid Waste Revenue Fund	607,894	607,894	-
Planning Fund	42,053	23,278	(18,775)
Support Services Fund	72,388	72,388	-
Convention Center Project Capital Fund	2,208	2,208	-
Convention Center Operating Fund	185,486	185,486	-
Regional Parks and Expo Fund	78,000	43,675	(34,325)
Spectator Facilities Fund	141,582	141,582	-
Total other financing sources	<u>1,535,645</u>	<u>1,474,571</u>	<u>(61,074)</u>
Revenues and other sources over expenditures and other uses	<u>89,999</u>	<u>1,144,100</u>	<u>1,054,101</u>
Beginning fund balance available for appropriation - July 1, 1993	<u>5,485,219</u>	<u>5,611,474</u>	<u>126,255</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>5,575,218</u></u>	<u><u>6,755,574</u></u>	<u><u>1,180,356</u></u>

METRO

Support Services Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Professional and contract services	\$ -	8,630	8,630
Builders license fee	200,750	200,760	10
Interest	-	24,927	24,927
Miscellaneous	-	26,391	26,391
	<hr/>	<hr/>	<hr/>
Total revenues	200,750	260,708	59,958
Expenditures:			
Finance and management information:			
Personal services	2,238,932	2,213,201	25,731
Materials and services	765,963	615,652	150,311
Capital outlay	106,869	106,506	363
	<hr/>	<hr/>	<hr/>
	3,111,764	2,935,359	176,405
General services:			
Personal services	606,467	575,813	30,654
Materials and services	362,436	294,813	67,623
Capital outlay	5,000	2,484	2,516
	<hr/>	<hr/>	<hr/>
	973,903	873,110	100,793
Personnel:			
Personal services	534,856	528,959	5,897
Materials and services	59,646	27,990	31,656
Capital outlay	6,675	6,392	283
	<hr/>	<hr/>	<hr/>
	601,177	563,341	37,836
Office of general counsel:			
Personal services	434,876	416,040	18,836
Materials and services	26,215	20,476	5,739
Capital outlay	1,500	1,500	-
	<hr/>	<hr/>	<hr/>
	462,591	438,016	24,575

(Continued)

METRO

Support Services Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual, Continued

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Expenditures, continued:			
Public affairs:			
Personal services	\$ 669,686	667,505	2,181
Materials and services	91,247	64,417	26,830
Capital outlay	3,100	2,057	1,043
	<u>764,033</u>	<u>733,979</u>	<u>30,054</u>
Contingency	157,820	-	157,820
Total expenditures	<u>6,071,288</u>	<u>5,543,805</u>	<u>527,483</u>
Revenues over (under) expenditures	<u>(5,870,538)</u>	<u>(5,283,097)</u>	<u>587,441</u>
Other financing sources (uses):			
Operating transfers in:			
General Fund	598,647	557,545	(41,102)
Zoo Fund	1,048,727	1,048,727	-
Solid Waste Revenue Fund	2,597,346	2,597,346	-
Planning Fund	1,005,862	977,645	(28,217)
Convention Center Project Capital Fund	103,712	103,712	-
Convention Center Operating Fund	452,805	452,805	-
Regional Parks and Expo Fund	370,554	230,785	(139,769)
Spectator Facilities Fund	290,186	290,186	-
Operating transfers out	<u>(579,671)</u>	<u>(579,671)</u>	<u>-</u>
Total other financing sources	<u>5,888,168</u>	<u>5,679,080</u>	<u>(209,088)</u>
Revenues and other sources over expenditures and other uses	17,630	395,983	378,353
Beginning fund balance available for appropriation - July 1, 1993	<u>133,936</u>	<u>216,645</u>	<u>82,709</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 151,566</u>	<u>612,628</u>	<u>461,062</u>



Fiduciary Fund Types

Expendable Trust Funds

Rehabilitation and Enhancement Fund

This fund accounts for funds received and expenditures for rehabilitation and enhancement of the area in and around various solid waste disposal facilities. 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.

Smith and Bybee Lakes Trust Fund

This fund accounts for the implementation of the Smith and Bybee Lakes Management Plan, managed by Metro's Planning Department. A Natural Resources Plan for Smith and Bybee Lakes was adopted by the City of Portland and Metro on December 13, 1990. Primary resources include contract and professional services revenue, donations and interest on investments.

Regional Parks Trust Fund

This fund accounts for four designated funds transferred from Multnomah County as of January 1, 1994. The donations are dedicated to construction of a nature center and a concert stage, and to fund the care and maintenance of a family plot and the purchase of flowers for the Pioneer cemeteries. The primary resource is interest on investments.

Pension Trust Fund

Pension Plan Fund

This fund accounts for Metro's contributions to a defined contribution pension plan for the benefit of a number of employees and earnings on such plan participant balances. Resources are contributions, based upon a percentage of participants' wages, and interest and other earnings on investments.

METRO

Trust Funds

Combining Balance Sheet

June 30, 1994

	<u>Expendable Trust Funds</u>				<u>Total</u>
	<u>Rehabilitation and Enhancement Fund</u>	<u>Smith and Bybee Lakes Trust Fund</u>	<u>Regional Parks Trust Fund</u>	<u>Pension Trust Pension Plan Fund</u>	
<u>Assets</u>					
Cash and investments	\$ 2,317,389	3,329,948	290,029	8,672,170	14,609,536
Interest receivable	24,179	35,343	3,079	-	62,601
Other receivable	-	-	-	719,482	719,482
Total assets	<u>\$ 2,341,568</u>	<u>3,365,291</u>	<u>293,108</u>	<u>9,391,652</u>	<u>15,391,619</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 64,313	87,546	-	-	151,859
Salaries, withholdings and payroll taxes payable	-	3,091	-	-	3,091
Total liabilities	<u>64,313</u>	<u>90,637</u>	<u>-</u>	<u>-</u>	<u>154,950</u>
Fund balances:					
Reserved for pension benefits	-	-	-	9,391,652	9,391,652
Unreserved	<u>2,277,255</u>	<u>3,274,654</u>	<u>293,108</u>	<u>-</u>	<u>5,845,017</u>
Total fund balances	<u>2,277,255</u>	<u>3,274,654</u>	<u>293,108</u>	<u>9,391,652</u>	<u>15,236,669</u>
Total liabilities and fund balances	<u>\$ 2,341,568</u>	<u>3,365,291</u>	<u>293,108</u>	<u>9,391,652</u>	<u>15,391,619</u>

METRO

Expendable Trust Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the year ended June 30, 1994

	Rehabilitation and Enhancement Fund	Smith and Bybee Lakes Trust Fund	Regional Parks Trust Fund	Totals
Revenues:				
Rehabilitation, enhancement and end use fees	\$ 410,268	11,789	-	422,057
Contract and professional services	-	1,750,619	-	1,750,619
Donations and bequests	-	20,000	-	20,000
Interest	84,619	94,204	4,950	183,773
Miscellaneous	-	1,478	-	1,478
Total revenues	<u>494,887</u>	<u>1,878,090</u>	<u>4,950</u>	<u>2,377,927</u>
Expenditures:				
Rehabilitation and enhancement	585,251	220,527	-	805,778
Capital outlay	-	15,508	-	15,508
Total expenditures	<u>585,251</u>	<u>236,035</u>	<u>-</u>	<u>821,286</u>
Revenues over (under) expenditures	(90,364)	1,642,055	4,950	1,556,641
Other financing sources-				
Multnomah County transfer	-	-	288,158	288,158
Revenues and other sources over (under) expenditures and other uses	(90,364)	1,642,055	293,108	1,844,799
Fund balances - July 1, 1993	<u>2,367,619</u>	<u>1,632,599</u>	<u>-</u>	<u>4,000,218</u>
Fund balances - June 30, 1994	\$ <u><u>2,277,255</u></u>	<u><u>3,274,654</u></u>	<u><u>293,108</u></u>	<u><u>5,845,017</u></u>

METRO

Rehabilitation and Enhancement Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues-			
Interest	\$ <u>90,001</u>	<u>84,619</u>	<u>(5,382)</u>
Total revenues	<u>90,001</u>	<u>84,619</u>	<u>(5,382)</u>
Expenditures:			
North Portland Enhancement Account - Materials and services	172,860	127,700	45,160
Composter Enhancement Account - Materials and services	57,600	45,483	12,117
Metro Central Enhancement Account - Materials and services	332,060	168,199	163,861
Forest Grove Account - Materials and services	36,030	37,005	(975)
Oregon City Account - Materials and services	193,368	189,312	4,056
Contingency	<u>314,533</u>	<u>-</u>	<u>314,533</u>
Total expenditures	<u>1,106,451</u>	<u>567,699</u>	<u>538,752</u>
Revenues over (under) expenditures	<u>(1,016,450)</u>	<u>(483,080)</u>	<u>533,370</u>
Other financing sources (uses):			
Operating transfers in-			
Solid Waste Revenue Fund	425,623	410,268	(15,355)
Operating transfers out	<u>(39,048)</u>	<u>(17,552)</u>	<u>21,496</u>
Total other financing sources (uses)	<u>386,575</u>	<u>392,716</u>	<u>6,141</u>
Revenues and other sources over (under) expenditures and other uses	(629,875)	(90,364)	539,511
Beginning fund balance available for appropriation - July 1, 1993	<u>2,328,577</u>	<u>2,367,619</u>	<u>39,042</u>
Unappropriated ending fund balance - June 30, 1994	\$ <u><u>1,698,702</u></u>	<u><u>2,277,255</u></u>	<u><u>578,553</u></u>

METRO

Smith and Bybee Lakes Trust Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues:			
Federal grants	\$ 100,000	-	(100,000)
State grants	40,000	-	(40,000)
Contract and professional services	1,300,000	1,750,619	450,619
Donations and bequests	47,000	20,000	(27,000)
Interest	48,000	94,204	46,204
Miscellaneous	-	1,478	1,478
	<u>1,535,000</u>	<u>1,866,301</u>	<u>331,301</u>
Expenditures:			
Personal services	65,623	66,487	(864)
Materials and services	504,950	153,871	351,079
Capital outlay	450,000	15,508	434,492
Contingency	80,000	-	80,000
	<u>1,100,573</u>	<u>235,866</u>	<u>864,707</u>
Revenues over expenditures	<u>434,427</u>	<u>1,630,435</u>	<u>1,196,008</u>
Other financing sources (uses):			
Operating transfers in- Solid Waste Revenue Fund	18,700	11,789	(6,911)
Operating transfers out	(18,700)	(169)	18,531
	<u>-</u>	<u>11,620</u>	<u>11,620</u>
Revenues and other sources over expenditures and other uses	434,427	1,642,055	1,207,628
Beginning fund balance available for appropriation - July 1, 1993	<u>1,289,064</u>	<u>1,632,599</u>	<u>343,535</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ 1,723,491</u>	<u>3,274,654</u>	<u>1,551,163</u>

METRO

Regional Parks Trust Fund

Schedule of Revenues and Expenditures -
Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 1994

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Revenues:			
Tibbets Flowers- Interest	\$ -	16	16
Blue Lake Concert Stage- Interest	-	1,292	1,292
Oxbow Park Nature Center- Interest	-	2,292	2,292
Willamina Family Plot- Interest	-	1,350	1,350
Total revenues	<u>-</u>	<u>4,950</u>	<u>4,950</u>
Expenditures-			
Materials and services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	-	4,950	4,950
Other financing sources-			
Multnomah County transfer	<u>-</u>	<u>288,158</u>	<u>288,158</u>
Revenues and other sources over expenditures and other uses	-	293,108	293,108
Beginning fund balance available for appropriation - July 1, 1993	<u>-</u>	<u>-</u>	<u>-</u>
Unappropriated ending fund balance - June 30, 1994	<u>\$ -</u>	<u>293,108</u>	<u>293,108</u>

General
Fixed
Assets
Account
Group

This account group accounts for Metro's investment in fixed assets not recorded in Proprietary Fund types.



METRO

Schedule of General Fixed Assets by Source

June 30, 1994

General fixed assets:

Land	\$ 2,890,019
Buildings and exhibits	33,402,745
Improvements	1,807,435
Equipment	2,634,254
Office furniture	1,797,026
Railroad equipment and facilities	<u>1,731,303</u>

Total general fixed assets \$ 44,262,782

Investment in general fixed assets from:

General Fund	\$ 149,928
Special Revenue Funds:	
Planning Fund	1,775,648
Regional Parks and Expo Fund	24,403
Zoo Fund	33,224,303
Zoo Capital Fund	8,758,108
Smith and Bybee Lakes Trust Fund	<u>330,392</u>

Total investment in general fixed assets \$ 44,262,782

METRO

Schedule of General Fixed Assets by Function and Activity

June 30, 1994

	<u>Land</u>	<u>Buildings and exhibits</u>
General Fund	\$ -	-
Special Revenue Funds:		
Planning Fund	-	-
Regional Parks and Expo Fund	-	-
Zoo Fund	2,573,450	25,089,406
Zoo Capital Fund	-	8,307,894
Smith and Bybee Lakes Trust Fund	<u>316,569</u>	<u>5,445</u>
Total	\$ <u>2,890,019</u>	<u>33,402,745</u>

Note: Due to the dynamic nature of Metro operations and organization, further detail as provided on the schedule of changes in general fixed assets by function and activity would not be meaningful and therefore has been summarized by function and activity as shown above.

<u>Improvements</u>	<u>Equipment</u>	<u>Office furniture</u>	<u>Railroad equipment and facilities</u>	<u>Total</u>
-	-	149,928	-	149,928
-	930,585	845,063	-	1,775,648
-	8,430	15,973	-	24,403
1,584,817	1,462,940	782,877	1,730,813	33,224,303
222,618	226,306	800	490	8,758,108
-	<u>5,993</u>	<u>2,385</u>	-	<u>330,392</u>
<u>1,807,435</u>	<u>2,634,254</u>	<u>1,797,026</u>	<u>1,731,303</u>	<u>44,262,782</u>

METRO

Schedule of Changes in General Fixed Assets by Function and Activity

For the year ended June 30, 1994

	<u>Land</u>	<u>Buildings and exhibits</u>
Balances, July 1, 1993	\$ 2,881,544	33,214,033
Add expenditures from:		
General government- Council	-	-
Regional planning and development (2)	-	-
Recreation and development	-	-
Zoo operations and development:		
Administration	-	-
Animal management	-	-
Facilities management	-	43,844
Educational services	-	5,078
Marketing	-	-
Visitor services	-	-
Design services	-	304,070
Zoo Capital Projects	-	2,146,161
Total zoo operations and development	-	2,499,153
Trust operations	8,475	5,445
Total additions	8,475	2,504,598
Add (subtract) adjustments:		
Transfers	-	-
Adjustments due to reconciliation	-	(2,315,886)
Total adjustments	-	(2,315,886)
Balances, June 30, 1994	\$ 2,890,019	33,402,745

(1) Office furniture transferred from proprietary funds

(2) Certain capital outlay items become fixed assets of Multnomah County under terms of an intergovernmental agreement.

<u>Improvements</u>	<u>Equipment</u>	<u>Office furniture</u>	<u>Railroad equipment and facilities</u>	<u>Capitalized leases</u>	<u>Total</u>
1,800,750	1,448,833	1,368,264	988,718	294,690	41,996,832
-	-	3,356	-	-	3,356
-	492,299	53,115	-	-	545,414
-	8,430	15,973	-	-	24,403
-	-	7,945	-	-	7,945
-	93,336	6,921	-	-	100,257
2,998	7,257	-	26,146	-	80,245
-	-	25,086	-	-	30,164
-	-	7,135	-	-	7,135
-	65,269	6,512	-	-	71,781
1,883	-	10,668	-	-	316,621
-	224,993	-	-	-	2,371,154
4,881	390,855	64,267	26,146	-	2,985,302
-	1,588	-	-	-	15,508
4,881	893,172	136,711	26,146	-	3,573,983
-	294,690	21,890 (1)	-	(294,690)	21,890
1,804	(2,441)	270,161	716,439	-	(1,329,923)
1,804	292,249	292,051	716,439	(294,690)	(1,308,033)
<u>1,807,435</u>	<u>2,634,254</u>	<u>1,797,026</u>	<u>1,731,303</u>	<u>-</u>	<u>44,262,782</u>



Other
Financial
Schedules

METRO

Schedule of Property Tax Transactions
and Outstanding Receivable

For the year ended June 30, 1994

Fiscal Year	Original levy or balance of receivable July 1, 1993	Add (deduct)				Property taxes receivable June 30, 1994
		Discounts	Adjustments	Interest	Collections	
1993-94	\$ 10,948,828	(250,777)	17,567	7,112	(10,297,297)	425,433
1992-93	511,578	-	(25,287)	22,115	(283,775)	224,631
1991-92	265,584	-	(7,933)	24,592	(142,982)	139,261
1990-91	167,322	-	(2,539)	34,143	(134,916)	64,010
1989-90	80,831	-	(1,324)	15,450	(57,132)	37,825
1988-89 & prior	56,118	-	(2,136)	6,454	(16,626)	43,810
	<u>\$ 12,030,261</u>	<u>(250,777)</u>	<u>(21,652)</u>	<u>109,866</u>	<u>(10,932,728)</u>	<u>934,970</u>

Reconciliation to property tax revenue
presented in combined financial statements:

	Zoo Fund	Debt Service Fund	Total
Cash Collections July 1, 1993 to June 30, 1994	\$ 5,837,013	5,095,715	10,932,728
Accrual of Receivables:			
July 1, 1993 to August 31, 1993	(47,944)	(50,112)	(98,056)
July 1, 1994 to August 31, 1994	60,284	56,082	116,366
Timing difference between county tax collector and county treasurer	(18,826)	(16,982)	(35,808)
Payment in lieu of property taxes	20,556	12,122	32,678
Property tax revenue per combined statement of revenues, expenditures and changes in fund balances	<u>\$ 5,851,083</u>	<u>5,096,825</u>	<u>10,947,908</u>

Property taxes receivable June 30, 1994	<u>\$ 477,718</u>	<u>457,252</u>	<u>934,970</u>
Deferred revenues June 30, 1994	<u>\$ 417,434</u>	<u>401,170</u>	<u>818,604</u>

METRO

Schedule of Future Debt Service Requirements
General Long-Term Obligations Group

June 30, 1994

251
Convention Center 1992 Series A
General Obligation Refunding Bonds

<u>Year of maturity</u>	<u>Principal</u>	<u>Interest</u>
1994-95	\$ 1,755,000	3,787,640
1995-96	1,860,000	3,700,677
1996-97	1,975,000	3,603,447
1997-98	2,100,000	3,496,152
1998-99	2,230,000	3,380,383
1999-00	2,375,000	3,252,235
2000-01	2,530,000	3,113,958
2001-02	2,700,000	2,964,237
2002-03	2,890,000	2,799,385
2003-04	3,085,000	2,624,136
2004-05	3,305,000	2,432,165
2005-06	3,535,000	2,224,252
2006-07	3,790,000	1,999,844
2007-08	4,060,000	1,758,750
2008-09	4,345,000	1,500,625
2009-10	4,660,000	1,224,219
2010-11	4,990,000	927,812
2011-12	5,355,000	610,313
2012-13	<u>5,730,000</u>	<u>270,000</u>
Total	\$ <u>63,270,000</u>	<u>45,670,230</u>

METRO

Schedule of Future Debt Service Requirements
Enterprise Funds

June 30, 1994

531

Solid Waste Fund Revenue Bonds

531

Year of maturity	Metro Central Transfer Station 1990 Series A		Metro Central Transfer Station 1993 Series A Refunding		Metro\Riedel Compost Facility 1990 Series 1 (1)
	Principal	Interest	Principal	Interest	Principal
1994-95	\$ 1,330,000 ✓	605,583 ✓	190,000 ✓	619,286 ✓	-
1995-96	1,415,000	519,510	120,000	614,681	-
1996-97	1,505,000	426,420	125,000	610,454	-
1997-98	1,605,000	325,230	130,000	605,796	-
1998-99	1,720,000	215,431	135,000	600,627	-
1999-00	1,840,000	95,979	140,000	594,916	-
2000-01	-	-	1,110,000	568,041	-
2001-02	1,066,120	-	2,125,000	497,427	-
2002-03	2,140,000	-	75,000	448,951	-
2003-04	2,140,000	-	80,000	445,347	-
2004-05	2,140,000	-	85,000	441,426	-
2005-06	2,140,000	-	90,000	437,181	-
2006-07	2,140,000	-	90,000	432,726	-
2007-08	1,070,000	-	95,000	428,054	-
2008-09	-	-	2,240,000	368,231	-
2009-10	-	-	2,360,000	250,356	-
2010-11	-	-	2,475,000	126,459	-
2011-12	-	-	1,230,000	31,519	5,000,000
2012-13	-	-	-	-	-
2013-14	-	-	-	-	-
2014-15	-	-	-	-	-
2015-16	-	-	-	-	-
2016-17	-	-	-	-	-
2017-18	-	-	-	-	-
2018-19	-	-	-	-	-
2019-20	-	-	-	-	-
2020-21	-	-	-	-	-
2021-22	-	-	-	-	-
2022-23	-	-	-	-	-
Total	\$ 22,251,120	2,188,153	12,895,000	8,121,478	5,000,000

- (1) As interest rates on this issue are variable, interest payments over the life of the bonds are not determinable. Interest payments for 1994-95 are estimated to total \$350,000 at 7.0%.
- (2) Principal amount of the bonds is reported on the balance sheet net of \$9,250,997 in unamortized issuance costs, discounts, accretion and deferred amounts on refunding.
- (3) Principal amount of the bonds is reported on the balance sheet net of \$3,099,438 in unamortized issuance costs, discounts and deferred amounts on refunding.

General Revenue Refunding Bonds

Metro Regional Center Project

1993 Series A 413

Total Solid Waste Fund				Total Enterprise Funds	
Principal (2)	Interest	Principal (3)	Interest	Principal	Interest
1,520,000	1,224,869	200,000 ✓	1,292,958 ✓	1,720,000	2,517,827
1,535,000	1,134,191	245,000	1,286,337	1,780,000	2,420,528
1,630,000	1,036,874	310,000	1,276,992	1,940,000	2,313,866
1,735,000	931,026	375,000	1,264,536	2,110,000	2,195,562
1,855,000	816,058	545,000	1,246,605	2,400,000	2,062,663
1,980,000	690,895	570,000	1,224,020	2,550,000	1,914,915
1,110,000	568,041	590,000	1,199,650	1,700,000	1,767,691
3,191,120	497,427	615,000	1,173,435	3,806,120	1,670,862
2,215,000	448,951	640,000	1,145,505	2,855,000	1,594,456
2,220,000	445,347	670,000	1,115,695	2,890,000	1,561,042
2,225,000	441,426	705,000	1,083,718	2,930,000	1,525,144
2,230,000	437,181	735,000	1,049,510	2,965,000	1,486,691
2,230,000	432,726	770,000	1,013,005	3,000,000	1,445,731
1,165,000	428,054	810,000	973,890	1,975,000	1,401,944
2,240,000	368,231	845,000	932,515	3,085,000	1,300,746
2,360,000	250,356	890,000	889,140	3,250,000	1,139,496
2,475,000	126,459	935,000	843,515	3,410,000	969,974
6,230,000	31,519	980,000	795,150	7,210,000	826,669
-	-	1,030,000	743,895	1,030,000	743,895
-	-	1,080,000	690,090	1,080,000	690,090
-	-	1,140,000	632,625	1,140,000	632,625
-	-	1,195,000	571,331	1,195,000	571,331
-	-	1,255,000	507,019	1,255,000	507,019
-	-	1,320,000	439,425	1,320,000	439,425
-	-	1,390,000	368,288	1,390,000	368,288
-	-	1,460,000	293,475	1,460,000	293,475
-	-	1,540,000	214,725	1,540,000	214,725
-	-	1,620,000	131,775	1,620,000	131,775
-	-	1,700,000	44,625	1,700,000	44,625
<u>40,146,120</u>	<u>10,309,631</u>	<u>26,160,000</u>	<u>24,443,449</u>	<u>66,306,120</u>	<u>34,753,080</u>

METRO

Schedule of Long-Term Bonded Debt Transactions General Long-Term Obligations Group

For the year ended June 30, 1994

	Principal				
Outstanding July 1, <u>1993</u>	Issued During <u>Year</u>	Matured and Paid During <u>Year</u>	Outstanding June 30, <u>1994</u>	<u>Interest</u>	<u>Expense</u>
Convention Center 1992 Series A General Obligation Refunding Bonds with an average interest rate of 7.37%, final year of maturity 2013	\$ <u>64,940,000</u>	<u>-</u>	<u>1,670,000</u>	<u>63,270,000</u>	<u>3,860,803</u>

METRO

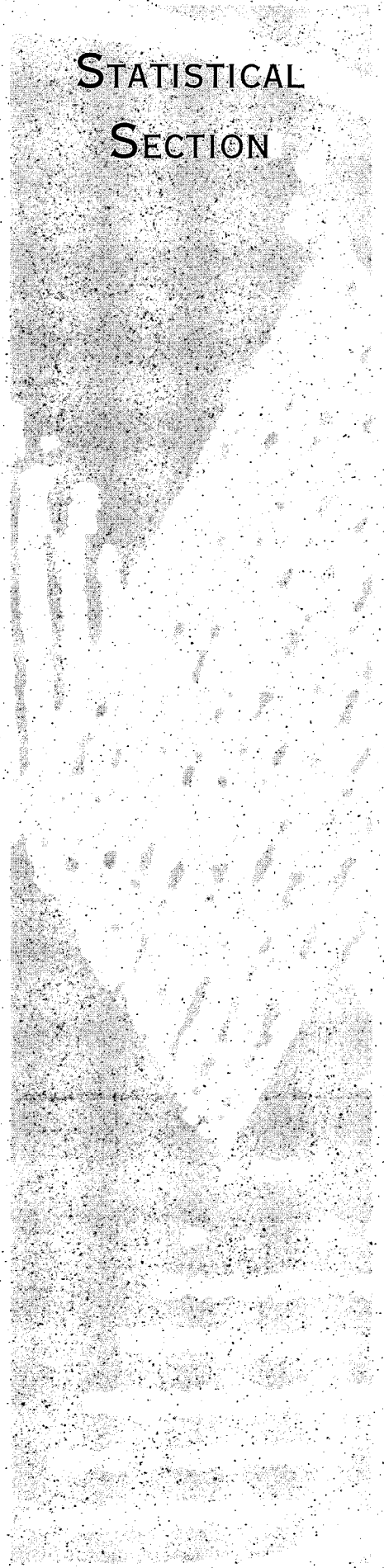
Schedule of Long-Term Bonded Debt Transactions Enterprise Funds

For the year ended June 30, 1994

	Principal			Outstanding June 30, 1994	Interest Expense
	Outstanding July 1, 1993	Issued During Year	Matured and Paid During Year		
SOLID WASTE FUND:					
<u>Metro Central Transfer Station</u>					
1990 Series A Solid Waste Disposal Project Revenue Bonds with variable interest rates, final year of maturity 2008	\$ 34,871,120	-	12,620,000	22,251,120	1,095,549
<u>Metro Central Transfer Station</u>					
1993 Series A Solid Waste Disposal Refunding Revenue Bonds with interest rates from 2.7 to 5.125%, final year of maturity 2012	-	12,895,000	-	12,895,000	234,921
<u>Metro Riedel Compost Facility</u>					
1990 Series 1 Solid Waste Disposal Project Revenue Bonds with variable interest rates, final year of maturity 2012	5,000,000	-	-	5,000,000	144,829
Total Solid Waste Fund	39,871,120	12,895,000	12,620,000	40,146,120	1,475,299
BUILDING MANAGEMENT FUND:					
<u>Metro Headquarters Building Project</u>					
1991 Series A General Revenue Bonds with interest rates from 4.65% to 6.75%, final year of maturity 2023	22,990,000	-	22,990,000	-	747,166
<u>Metro Regional Center Project</u>					
1993 Series A General Revenue Refunding Bonds with interest rates from 2.7% to 5.25%, final year of maturity 2023	-	26,160,000	-	26,160,000	381,499
Total Building Management Fund	22,990,000	26,160,000	22,990,000	26,160,000	1,128,665
Total Enterprise Funds	\$ 62,861,120	39,055,000	35,610,000	66,306,120	2,603,964



STATISTICAL
SECTION



METRO

General Governmental Expenditures by Function (1)

for the last ten fiscal years

Fiscal year ended June 30.	General government operations (2)	Zoo operations and development	Regional planning and development	Recreation and development (3)	Capital outlay	Debt service	Total (memorandum only)	Component Unit	Total
							Primary Government	MERC (4) Spectator facility operations	(memorandum only) Reporting Entity
1985	\$ 1,811,235	\$ 4,619,519	\$ 1,791,404	\$ -	\$ 1,684,327	\$ -	\$ 9,906,485	\$ -	\$ 9,906,485
1986	1,543,616	5,346,892	2,168,472	-	3,870,049	-	12,929,029	-	12,929,029
1987	1,871,886	5,926,602	1,969,625	-	1,958,073	-	11,726,186	-	11,726,186
1988	2,628,231	6,299,086	2,471,161	-	7,321,391	4,209,081	22,928,950	-	22,928,950
1989	3,378,411	7,028,478	2,905,776	-	2,858,802	5,755,828	21,927,295	-	21,927,295
1990	3,899,527	8,169,670	3,543,630	-	2,158,811	5,719,253	23,490,891	-	23,490,891
1991	1,872,627	9,218,973	3,879,619	-	3,644,541	5,687,278	24,303,038	15,452,425	39,755,463
1992	2,142,607	10,266,942	5,796,234	-	1,159,207	3,438,664	22,803,654	17,111,836	39,915,490
1993	2,367,244	11,104,303	6,402,875	-	1,699,506	3,924,401	25,498,329	17,099,020	42,597,349
1994	2,591,901	12,826,339	9,518,156	2,213,582	3,555,543	5,530,803	36,236,324	6,809,282	43,045,606

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Beginning July 1990, the General Fund no longer accounts for the operations of the General Counsel, Public Affairs, and Finance and Management Information departments, which are now reflected in the Support Services, Internal Service Fund.

(3) Beginning with fiscal year 1994, primary government includes regional parks and expo activities transferred from Multnomah County.

(4) Beginning July 1990, through an intergovernmental agreement with the City of Portland, Metro's Component Unit - MERC, accounts for the operations of spectator facilities. Beginning with fiscal year 1994, the operations of the Coliseum were returned to the City.

Source: Finance and Management Information Department, Accounting Division.

METRO

General Governmental Revenues by Source (1)

for the last ten fiscal years

Fiscal year ended June 30,	Property taxes (2)	Excise taxes (3)	Charges for services	Grants	Local govt. service fees	Donations and bequests	Miscellaneous and interest	Total (memorandum only) Primary Government (4)	Component Unit - MERC (5)		Total (memorandum only) Reporting Entity
									Charges for services	Miscellaneous and interest	
1985	\$ 5,015,301	\$ -	\$ 2,599,881	\$ 984,321	\$ 587,259	\$ 115,461	\$ 1,027,868	\$ 10,330,091	\$ -	\$ -	\$ 10,330,091
1986	5,245,281	-	2,768,566	821,130	608,411	185,649	1,052,659	10,681,696	-	-	10,681,696
1987	5,308,692	-	3,486,282	947,496	618,530	323,101	922,020	11,606,121	-	-	11,606,121
1988	8,071,410	-	3,617,364	1,189,171	625,488	508,057	1,027,002	15,038,492	-	-	15,038,492
1989	11,345,576	-	4,912,893	1,109,249	631,590	680,927	1,181,761	19,861,996	-	-	19,861,996
1990	11,413,372	-	5,833,732	1,236,704	644,771	387,780	1,461,693	20,978,052	-	-	20,978,052
1991	10,420,978	2,867,095	5,909,120	1,415,251	555,146	1,164,588	1,162,403	23,494,581	15,896,998	810,312	40,201,891
1992	10,546,738	3,727,826	7,354,496	2,329,330	578,719	605,404	1,368,787	26,511,300	17,024,129	581,706	44,117,135
1993	11,115,246	4,527,103	6,034,700	3,177,735	583,847	422,536	1,468,686	27,329,853	16,578,875	697,884	44,606,612
1994	10,947,908	5,451,649	8,246,568	5,456,814	581,058	801,254	3,083,563	34,568,814	4,881,002	270,214	39,720,030

(1) Includes general, special revenue, debt service, and capital projects funds.

(2) Property taxes for the fiscal years 1985-1991 include proceeds of a serial tax levy for Zoo Capital Projects. This levy was discontinued for fiscal years subsequent to 1991, being replaced by a zoo operations tax base approved by voters. Property tax revenues from fiscal years 1988 forward include the tax levy for repayment of Convention Center General Obligation Bonds.

(3) Metro Ordinance No. 90-333A establishing an excise tax on Metro's facilities and services became effective July 1, 1991.

(4) Beginning with fiscal year 1994, primary government includes regional parks and expo activities transferred from Multnomah County.

(5) Beginning July 1990, through an intergovernmental agreement with the City of Portland, Metro's Component Unit - MERC, accounts for the operations of spectator facilities. Beginning with fiscal year 1994, the operations of the Coliseum were returned to the City.

Source: Finance and Management Information Department, Accounting Division.

METRO

Property Tax Levies and Collections (1)

for the last ten fiscal years

Fiscal year ended June 30,	Taxes levied by assessor	Current tax collections	Current tax collections as percent of current levy	Delinquent tax collections	Total tax collections	Total collections as percent of current levy	Uncollected taxes	Uncollected taxes as percent of current levy
1985	\$ 5,033,645	\$ 4,544,731	90.3 %	\$ 449,170	\$ 4,993,901	99.2 %	\$ 776,203	15.4 %
1986	5,211,724	4,693,018	90.0	516,793	5,209,811	100.0	805,268	15.5
1987	5,290,223	4,805,037	90.8	506,454	5,311,491	100.4	735,518	13.9
1988	8,356,465	7,588,212	90.8	433,759	8,021,971	96.0	933,399	11.2
1989	11,756,128	10,721,755	91.2	557,777	11,279,532	95.9	1,260,923	10.7
1990	11,530,322	10,613,062	92.0	727,701	11,340,763	98.4	1,307,930	11.3
1991	10,487,897	9,638,561	91.9	702,537	10,341,098	98.6	1,271,539	12.1
1992	10,708,959	9,800,374	91.5	724,454	10,524,828	98.3	1,192,753	11.1
1993	11,175,896	10,410,370	93.2	687,374	11,097,744	99.3	1,081,433	9.7
1994	10,948,828	10,297,297	94.0	635,431	10,932,728	99.9	934,970	8.5

(1) Property tax levies and collections provide additional operating revenue for Metro's Washington Park Zoo and debt service for Metro's general obligation Convention Center Bonds.

Property taxes for the fiscal years 1985-1991 include proceeds of a serial tax levy for Zoo Capital Projects. This levy was discontinued for fiscal years subsequent to 1991, being replaced by a zoo operations tax base approved by voters. Property tax revenues from fiscal years 1988 forward include the tax levy for repayment of Convention Center General Obligation Bonds.

Source: Finance and Management Information Department, Accounting Division.

METRO

Assessed and Estimated Actual Value of Taxable Property

for the last ten fiscal years

Fiscal year ended <u>June 30,</u>	Assessed Value				True cash <u>valuation</u>	Ratio of total assessed estimated actual <u>value</u>
	<u>Real property</u>	<u>Personal property</u>	<u>Public utility property</u>	<u>Total</u>		
1985	\$ 28,668,195,041	\$ 1,635,543,759	\$ 1,452,802,505	\$ 31,756,541,305	\$ 32,347,786,474	98.2 %
1986	29,087,759,200	1,880,153,600	1,569,713,668	32,537,626,468	32,537,626,468	100.0
1987	29,302,381,400	2,011,770,419	1,672,522,118	32,986,673,937	32,986,673,937	100.0
1988	29,730,208,645	1,936,177,192	1,752,431,307	33,418,817,144	33,418,817,144	100.0
1989	30,348,357,790	1,989,442,307	1,828,796,975	34,166,597,072	34,166,597,072	100.0
1990	31,600,773,885	2,085,976,029	1,922,140,042	35,608,889,956	35,608,889,956	100.0
1991	34,579,722,545	2,323,901,306	2,033,712,947	38,937,336,798	38,937,336,798	100.0
1992	42,210,510,690	2,284,113,649	1,957,428,693	46,452,053,032	46,452,053,032	100.0
1993	45,423,405,654	2,595,268,658	2,043,094,320	50,061,768,632	50,061,768,632	100.0
1994	49,677,571,088	2,514,868,176	2,184,301,817	54,376,741,081	54,376,741,081	100.0

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Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.

METRO

Property Tax Rates - Direct and Overlapping Governments (1) for the last ten fiscal years

	Dollars per \$1,000 True Cash Value									
	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
Direct Government										
Metro	\$ 0.21	0.23	0.24	0.27	0.33	0.34	0.25	0.16	0.16	0.16
Overlapping Government										
<u>Multnomah County</u>										
Portland School District #1	\$ 14.81	14.91	15.35	16.77	16.93	16.08	15.13	14.21	13.30	12.70
City of Portland	7.22	7.34	7.96	8.80	8.70	7.42	7.40	7.18	6.71	6.43
Multnomah County	4.30	4.29	4.49	4.97	4.52	4.39	4.19	3.49	3.29	3.13
Reynolds School District #7	11.89	12.81	14.15	14.14	15.03	14.82	15.04	14.57	13.43	11.87
Multnomah County ESD	1.28	1.31	1.35	1.47	1.50	1.45	1.38	1.30	1.22	1.16
Parkrose School District #3	11.50	11.54	11.54	11.50	11.83	12.70	12.12	11.88	11.49	11.66
David Douglas School District #40	16.12	15.86	15.93	17.43	17.55	15.29	15.18	13.95	15.15	13.64
Portland Community College	0.87	0.90	0.81	0.91	0.94	0.92	0.89	0.85	0.58	0.57
City of Gresham	4.96	4.44	4.62	4.99	5.55	5.35	5.15	4.96	4.81	4.48
Gresham School District #4	9.02	9.67	8.82	9.46	10.05	9.93	9.95	9.52	8.70	7.96
<u>Washington County</u>										
Beaverton School District #48J	\$ 13.39	14.16	13.44	15.82	16.67	16.49	14.10	13.40	13.25	13.76
Tigard-Tualatin School District #23J	15.58	15.95	16.73	14.60	14.54	14.46	12.10	11.36	11.55	12.12
Washington County	2.60	2.84	2.88	2.95	2.02	2.95	2.81	2.82	1.93	1.97
Hillsboro High School District #3	7.49	8.43	8.58	10.28	10.57	10.45	9.29	9.65	8.30	8.28
Tualatin Valley Fire and Rescue	1.88	1.98	1.99	2.41	2.52	2.49	2.70	2.99	2.60	3.12
City of Beaverton	4.03	4.06	4.05	4.67	4.56	4.41	4.39	4.19	4.23	5.52
Forest Grove School District #15	18.05	19.06	18.83	18.76	19.93	20.85	20.43	14.88	14.26	14.75
Hillsboro Elem. School District #7	9.00	9.64	9.59	9.11	9.05	8.33	6.53	5.45	5.24	5.52
Tualatin Hills Park & Rec. District	1.27	1.29	1.39	1.27	1.32	1.33	1.47	1.36	1.34	1.21
Sherwood School District #88J	11.90	12.82	13.90	16.34	17.48	17.46	15.45	14.75	14.71	14.10
<u>Clackamas County</u>										
North Clackamas School Dist. #12	\$ 11.93	12.74	13.26	16.14	14.95	14.91	14.83	13.98	13.58	12.88
Lake Oswego School District #7	13.36	12.90	13.34	14.37	13.92	12.41	12.92	12.83	12.98	12.74
Clackamas County	2.47	2.40	2.39	2.44	2.20	2.18	2.22	2.08	2.00	1.96
West Linn-Wilsonville School District #3	13.49	15.05	15.73	15.35	16.40	15.27	15.16	14.78	13.27	13.01
Oregon City School District #62	15.57	16.04	16.89	18.47	18.33	17.72	17.72	17.34	15.96	16.67
Clackamas Community College	1.34	1.39	1.39	1.39	1.31	1.37	1.31	1.34	1.32	1.30
City of Lake Oswego	4.49	4.89	5.05	5.03	5.30	4.60	4.62	4.58	4.54	4.02
Clackamas County ESD	0.85	0.87	1.31	1.04	1.07	1.06	1.05	1.01	0.96	0.92
Clackamas Rural Fire Protect. Dist. #1	2.90	2.45	2.55	3.67	3.38	2.90	3.60	3.76	3.96	3.92
Canby School District #86	7.49	7.76	8.87	8.33	9.16	9.26	6.83	7.27	7.68	8.14

(1) Metro is a regional government that covers a three county area and has 222 overlapping governments. Listed above are the 10 governments with the largest tax levies from each county.

Sources: Municipal Debt Advisory Commission, State of Oregon; and Multnomah, Washington and Clackamas Departments of Assessment and Taxation.

METRO

Computation of Legal Debt Margin

June 30, 1994

True cash value		\$ 54,376,741,081
Debt limit (1)		<u>10.0%</u>
		5,437,674,108
Gross bonded debt principal	\$ 129,576,120	
Less legal deductions from debt limit:		
Metro Central Transfer Station Project, Solid Waste Disposal System Revenue Bonds	-22,251,120	
Metro Central Transfer Station Project, Solid Waste Disposal System Refunding Revenue Bonds	-12,895,000	
Metro/Reidel Oregon Compost Company, Inc. Project, Waste Disposal Project Revenue Bonds	-5,000,000	
Metro Regional Center Project 1993 Series A General Revenue Refunding Bonds	<u>-26,160,000</u>	
Net debt subject to 10% limitation		<u>63,270,000</u>
Legal debt margin		<u>\$ 5,374,404,108</u>

(1) ORS 268.520 sets a debt limit of 10% of the true cash value of all taxable property within the district.

Sources: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.
The Treasury Department, State of Oregon.
Finance and Management Information Department, Accounting Division.

METRO

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

for the last ten fiscal years

<u>Fiscal year ended June 30,</u>	<u>Population (estimated)</u>	<u>Assessed valuation</u>	<u>Net bonded debt</u>	<u>Ratio of net bonded debt to assessed valuation</u>	<u>Net bonded debt per capita</u>
1985	1,144,800	\$ 31,756,541,305	\$ -	0.00 %	\$ 0.00
1986	1,155,500	32,537,626,468	-	0.00	0.00
1987	1,179,500	32,986,673,937	-	0.00	0.00
1988	1,202,200	33,418,817,144	64,887,698	0.19	53.97
1989	1,239,842	34,166,597,072	63,731,663	0.19	51.40
1990	1,241,600	35,608,889,956	62,464,705	0.18	50.31
1991	1,285,100	38,937,336,798	61,690,143	0.16	48.00
1992	1,308,700	46,452,053,032	64,165,753	0.14	49.03
1993	1,338,900	50,061,768,632	61,525,261	0.12	45.95
1994	N/A *	54,376,741,081	60,218,305	0.11	N/A *

* Not available.

Sources: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.
Center for Population Research and Census, School of Urban and Public Affairs, Portland
State University.

METRO

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures

for the last ten fiscal years

Fiscal year ended June 30,	Principal	Interest	Total debt service	General Governmental Expenditures			Ratio of debt service to total general governmental expenditures
				Primary government(1)	Component unit (2)	Total	
1985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	- %
1986	-	-	-	-	-	-	-
1987	-	-	-	-	-	-	-
1988	-	4,409,513	4,409,513	16,639,800	-	16,639,800	26.50
1989	990,000	4,765,828	5,755,828	19,786,044	-	19,786,044	29.09
1990	1,045,000	4,674,253	5,719,253	21,881,030	-	21,881,030	26.14
1991	1,110,000	4,577,278	5,687,278	21,503,353	15,452,425	36,955,778	15.39
1992	1,175,000	2,263,664	3,438,664	22,342,266	17,111,836	39,454,102	8.72
1993	820,000	3,104,401	3,924,401	24,504,409	17,099,020	41,603,429	9.43
1994	1,670,000	3,860,803	5,530,803	33,865,170	6,809,282	40,674,452	13.60

(1) Includes General, Special Revenue and Debt Service Funds.

(2) Beginning July 1990, through an intergovernmental agreement, Metro's component unit, MERC, accounts for the operations of spectator facilities. Beginning with fiscal year 1994, the operations of the Coliseum were returned to the City.

Source: Finance and Management Information Department, Accounting Division.

METRO

Schedule of Overlapping Bonded Debt -
All Overlapping Governments

for the year ended June 30, 1994

<u>Overlapping government</u>	<u>Percent within District</u>	<u>Overlapping</u>	
		<u>Gross bonded debt</u>	<u>Net direct debt</u>
Clackamas County	73.57 %	\$ 1,200,622	\$ -
Clackamas 2 Water District	100.00	375,000	375,000
Mt. Scott 3J Water District	100.00	2,640,000	2,640,000
Oak Lodge 4 Water District	100.00	4,025,000	4,025,000
Rivergrove 14J Water District	100.00	25,000	25,000
Clairmont 18 Water District	25.98	179,225	31,169
Damascus 20 Water District	93.33	55,998	55,998
Damascus 20 Water District Bond Liability	100.00	19,000	19,000
Clackamas County Service District #1	100.00	4,495,424	605,000
Tri City Service District	100.00	18,335,000	18,040,000
Oak Lodge RFPD 51	100.00	60,000	60,000
Clackamas County SD 3J (West Linn)	93.71	52,910,585	52,910,585
Clackamas County SD 7J (Lake Oswego)	100.00	21,735,000	21,735,000
Clackamas County SD 12 (N Clackamas)	98.42	22,095,783	22,095,783
Clackamas County SD 26 (Damascus)	91.51	3,472,626	3,472,626
Clackamas County SD 44 (Boring)	77.26	154,512	154,512
Clackamas County SD 86 (Canby)	25.82	6,017,910	6,017,910
Clackamas County UHD 1 (Canby)	21.48	2,503,843	2,503,843
Clackamas County UHD 2 (Sandy)	7.44	11,157	11,157
Clackamas Community College	72.02	6,935,198	6,935,198
City of Gladstone	100.00	2,370,000	2,370,000
City of Lake Oswego	100.00	19,835,000	19,515,000
City of Milwaukie	100.00	5,100,000	4,840,000
City of West Linn	100.00	2,150,000	1,655,000
City of Wilsonville	99.98	5,237,930	1,829,610
Multnomah County	98.79	21,733,250	21,733,250
Port of Portland	90.65	57,565,180	57,229,954
Powell Valley Road Water District	100.00	320,905	-
Tri-Metropolitan Transport District	96.65	117,205,411	117,205,411
Multnomah County SD 1J (Portland)	99.59	100,573,416	100,573,416
Multnomah County SD 4 (Gresham)	99.93	25,084,907	25,084,907
Multnomah County SD 6J (Orient)	67.85	1,908,836	1,908,836
Multnomah County SD 7 (Reynolds)	100.00	3,495,000	3,495,000
Multnomah County SD 19 (Sauvie Island)	43.26	177,373	177,373
Multnomah County SD 28J (Centennial)	100.00	15,974,566	15,974,566
Multnomah County SD 39 (Corbett)	14.25	1,019,039	1,019,039
Multnomah County SD 40 (David Douglas)	100.00	19,560,000	19,560,000
Multnomah County SD 51J (Riverdale)	100.00	790,000	790,000
Multnomah County UHD 2J (Gresham)	95.97	3,982,622	3,982,622
Mount Hood Community College	87.38	4,757,661	4,757,661
Portland Community College	91.21	54,100,336	54,100,336

(Continued)

METRO

Schedule of Overlapping Bonded Debt -
All Overlapping Governments

for the year ended June 30, 1994

<u>Overlapping government</u>	Percent within <u>District</u>	<u>Overlapping</u>	
		<u>Gross bonded debt</u>	<u>Net direct debt</u>
City of Fairview	100.00 %	\$ 282,213	\$ -
City of Gresham	100.00	20,050,380	13,935,000
City of Portland	100.00	109,884,601	16,670,983
City of Troutdale	100.00	7,160,368	2,319,785
Washington County	92.42	13,422,513	10,900,349
Tualatin Hills Park & Rec. District	99.96	919,640	919,640
Unified Sewerage Agency	99.50	9,950,430	7,228,987
Tigard Water District	100.00	300,000	300,000
Tualatin Valley Water District	99.96	20,051,835	20,006,853
Cornelius RFPD	9.31	38,151	38,151
Forest Grove RFPD	12.40	68,219	68,219
Tualatin Valley Fire & Rescue District	95.97	1,722,718	1,722,718
Washington County SD 1 (West Union)	71.94	428,014	428,014
Washington County SD 7 (Hillsboro)	92.25	5,613,284	5,613,284
Washington County SD 15 (Forest Grove)	72.92	7,999,356	7,999,356
Washington County SD 23J (Tigard)	99.29	39,327,580	39,327,580
Washington County SD 29 (Reedville)	98.26	5,772,451	5,772,451
Washington County SD 48J (Beaverton)	99.81	75,174,236	75,174,236
Washington County SD 58J (Farmington)	0.01	35	35
Washington County SD 88J (Sherwood)	65.50	12,595,226	12,595,226
Washington County UHD 3-8J (Hillsboro)	81.38	4,117,883	4,117,883
City of Beaverton	100.00	21,409,000	15,154,000
City of Cornelius	95.69	1,908,773	1,052,566
City of Forest Grove	98.51	2,944,195	960,464
City of Hillsboro	99.33	5,383,921	1,147,250
City of Sherwood	100.00	545,000	-
City of Tigard	100.00	14,038,000	11,865,000
City of Tualatin	100.00	8,512,028	5,942,657
Totals		\$ 999,808,365	\$ 860,775,449

Note: "Gross Bonded Debt" includes all general obligation and limited tax bonds.
"Net Direct Debt" is gross bonded debt less Bancroft and other self-supporting general obligation and limited tax debt.

Source: The Municipal Debt Advisory Commission, State of Oregon

METRO

Schedule of Revenue Bond Coverage

for the last ten fiscal years

Fiscal year ended June 30,	Operating revenue (1)	Operating expenses (1)	Non- operating revenue	Net revenue available for debt service	Debt service requirements (2)			Debt service coverage
					Principal	Interest	Total	
1985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1986	-	-	-	-	-	-	-	-
1987	-	-	-	-	-	-	-	-
1988	-	-	-	-	-	-	-	-
1989	-	-	-	-	-	-	-	-
1990	-	-	-	-	-	-	-	-
1991	40,436,412	36,350,167	3,149,826	7,236,071	-	1,359,423	1,359,423	5.32
1992	50,374,548	47,397,126	1,942,424	4,919,846	560,000	1,631,308	2,191,308	2.25
1993	57,879,969	47,946,220	1,406,271	11,340,020	1,175,000	3,198,317	4,373,317	2.59
1994	60,689,002	51,947,313	1,161,933	9,903,622	1,250,000	2,459,135	3,709,135	2.67

(1) Revenue and expense amounts are based upon the full accrual basis of accounting excluding depreciation expense, post-closure costs and dedicated grant money.

(2) Debt service expenditures paid as pass-through debt service activities and payments to escrow agents on advance refundings are not included as a debt service requirement for purposes of this schedule.

Source: Finance and Management Information Department, Accounting Division.

METRO

Demographic Statistics

for the last ten fiscal years (1)

<u>Fiscal year ended June 30,</u>	<u>Population (estimated)</u>	<u>Per capita income</u>	<u>Portland metropolitan unemployment rate</u>
1985	1,144,800	\$ 14,326	7.4 %
1986	1,155,500	14,790	7.1
1987	1,179,500	15,614	5.3
1988	1,202,200	16,786	4.8
1989	1,239,842	18,269	4.5
1990	1,241,600	19,353	4.2
1991	1,285,100	19,404	4.8
1992	1,308,700	N/A *	6.1
1993	1,338,900	N/A *	6.2
1994	N/A *	N/A *	4.8 (2)

* Not available.

- (1) Based upon Portland PMSA, consisting of Clackamas, Multnomah, Washington and Yamhill counties through 1993. Includes also Columbia County and Clark County, Washington for 1994 forward.
- (2) Not comparable to any other years due to series break in calculation.

Sources: Department of Human Resources, State of Oregon.
 U. S. Bureau of Commerce.
 Center for Population Research and Census, School of Urban and Public Affairs,
 Portland State University.

METRO

Construction Permits and Bank Deposits

for the last ten fiscal years

Fiscal year ended June 30,	Construction Permits (1)				Bank deposits (amounts in thousands)
	Non-residential		Residential		
	Buildings	Value	Units	Value	
1985	4,637	\$ 308,769,078	8,618	\$ 295,181,575	\$ 8,236,707
1986	4,761	396,396,295	11,299	406,633,967	7,974,670
1987	4,645	382,064,988	10,422	425,607,263	8,817,445
1988	4,571	371,880,079	10,990	494,235,508	9,713,104
1989	4,901	496,910,871	11,197	583,124,984	N/A (2)
1990	5,358	540,821,464	17,335	851,994,254	8,653,681
1991	4,521	580,119,349	15,535	888,096,366	11,927,955 (3)
1992	4,811	515,923,478	12,821	748,019,974	13,247,233
1993	5,051	538,864,348	13,750	810,588,925	15,111,868
1994	4,703	503,726,027	15,350	1,036,768,571	13,745,622 (3)

(1) Information is for the tri-county area, and is based upon the calendar year end that ended during the fiscal year shown. Non-residential includes commercial, institutional, garages, etc. for both new construction and alteration permits.

(2) Information is not available for fiscal year 1988-89 per the Oregon Banking Commission.

(3) Information is not available for a large interstate bank with branches in Clackamas, Washington, and Multnomah counties.

Sources: The State of Oregon Housing and Community Services Department.
State of Oregon Banking Commission.

METRO

Principal Taxpayers Within the District by County (amounts expressed in thousands)

June 30, 1994

<u>Taxpayer account</u>	<u>Type of business</u>	<u>Assessed valuation</u>	<u>Percent of total valuation</u>
Multnomah County:			
U. S. West	Telephone utility	\$ 416,156	1.46 %
Pacific Power and Light	Electric utility	192,368	0.67
Portland General Electric	Electric utility	170,023	0.60
Boeing Company	Aircraft manufacturing	141,005	0.49
Northwest Natural Gas	Natural gas utility	110,094	0.39
Oregon Steel Mills	Steel products	97,562	0.34
SI-Lloyd Associates	Shopping mall	94,000	0.33
US Bancorp	Banking	76,320	0.27
Union Pacific Railroad	Railroad	70,545	0.25
Wacker Siltronic Corp.	Electronics	62,309	0.22
All other taxpayers	-	27,144,118	94.98
	Total	<u>\$ 28,574,500</u>	<u>100.00 %</u>
Washington County:			
Intel Corporation	Electronics	\$ 412,508	2.35 %
GTE Northwest Incorporated	Telephone utility	210,816	1.20
Tektronix, Inc.	Electronics	200,400	1.14
Nike	Athletic apparel	131,572	0.75
Portland General Electric	Electric utility	127,242	0.72
Pacific Realty Associates	Real estate	97,615	0.56
Northwest Natural Gas	Natural gas utility	95,679	0.54
Fred Meyer	Retailer	73,689	0.42
S. F. Oregon Co., Ltd.	Banking center	59,210	0.34
Washington Square	Shopping mall	52,248	0.30
All other taxpayers	-	16,096,575	91.68
	Total	<u>\$ 17,557,554</u>	<u>100.00 %</u>
Clackamas County:			
Portland General Electric	Electric utility	\$ 199,606	1.29 %
Clackamas Association Ltd Partnership	Shopping mall	93,117	0.60
U. S. West	Telephone utility	71,038	0.46
Precision Castparts Corp.	Manufacturing	69,945	0.45
Northwest Natural Gas	Natural gas utility	64,893	0.42
Metropolitan Life Insurance Company	Insurance	64,885	0.42
Mentor Graphics Corp.	Electronics	59,585	0.38
Dept. of Veterans, State of Oregon	Government agency	45,303	0.29
Simpson Paper Company	Paper products	44,244	0.29
Tektronix, Inc.	Electronics	40,267	0.26
All other taxpayers	-	14,762,708	95.14
	Total	<u>\$ 15,515,591</u>	<u>100.00 %</u>

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

METRO

Insurance in Force

June 30, 1994

<u>Insurance Company</u>	<u>Policy #</u>	<u>Amount of policy</u>	<u>Type of coverage</u>	<u>Expiration date</u>	<u>Premium</u>
Allendale Insurance Company	UB904	\$ 221,000,000	"All Risk" property coverage includes a wide range of related coverages including earthquake, flood, boiler, and machinery	June 30, 1994	\$ 95,851
ITT Hartford	52 04300276A	1,000,000	Automobile	April 3, 1995	2,371
Acceptance Insurance Company	GLA 169139	1,000,000	Liquor liability coverage	January 1, 1995	8,701
Hartford Accident and Indemnity	PEB PE 8687	625,000	Crime coverage/employee faithful performance	June 30, 1994	15,395
SAIF Corporation	-	Statutory	Workers' compensation	June 30, 1994	80,000 minimum premium
CNA	G128413008	1,000,000	Special Event - Zoo	February 5, 1995	5,600
Gulf Insurance Company	GCL 5569528	1,000,000	Special Event - Parks	June 27, 1995	4,800
Western World Insurance Company	NGL07806	1,000,000	Special use permit for Interpretive programs at Oxbow Park	May 25, 1995	3,025

Source: Finance and Management Information Department, Risk Management Division.

METRO

Summary of Delivered Solid Waste Tonnage by Facility

for the last ten calendar years (1)

Calendar year	Metro Operated Facilities					Non-Metro Operated Facilities							Delivered Tonnage Total	
	Metro South	Metro Central	Composter	St. Johns	Total	Hillsboro	Lakeside	Forest Grove	East County Recycling	Wastech	Marion County	Other		Total
1985	276,018	-	-	409,300	685,318	36,917	34,734	-	-	-	-	162,992	234,643	919,961
1986	287,322	-	-	376,170	663,492	46,662	42,302	33,680	-	-	1,162	164,517	288,323	951,815
1987	293,391	-	-	395,577	688,968	53,864	44,389	36,639	-	-	-	190,535	325,427	1,014,395
1988	304,401	-	-	401,070	705,471	66,438	49,919	38,074	5,696	10,912	-	188,506	359,545	1,065,016
1989	340,995	-	-	388,377	729,372	101,622	67,622	61,069	19,916	9,366	4,909	98,944	363,448	1,092,820
1990	368,394	-	-	473,726	842,120	153,477	68,823	65,246	33,684	7,004	7,989	201	336,424	1,178,544
1991	313,906	258,883	114,218	36,463	723,470	200,671	66,132	68,074	32,111	13,300	9,233	13,963	403,484	1,126,954
1992	357,263	327,518	12,628	-	697,409	198,931	65,356	68,604	38,467	8,419	6,371	11,721	397,869	1,095,278
1993	372,226	360,324	-	-	732,550	187,570	61,777	71,637	39,681	13,257	3,547	17,198	394,667	1,127,217
1994	383,950	362,795	-	-	746,745	162,136	57,045	73,734	37,521	14,829	5,428	33,372	384,065	1,130,810

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(1) Information provided is based upon a calendar year. August through December of 1994 have been estimated.

Source: Metro Solid Waste Department

METRO

Miscellaneous Statistical Data

June 30, 1994

Created by Oregon Legislature
Metro Charter passed by voters
Metro Charter effective date

1977
November 3, 1992
January 1, 1993

Form of government:

Primary Government - Metro

Elected Executive Officer and elected
thirteen member District Council

Component Unit - MERC

Seven member appointed Commission

Metro Area - Square miles

460.60

Number of full-time equivalent employees budgeted for fiscal year 1993-94

761.62

Metro Washington Park Zoo Attendance
for last ten fiscal years ended June 30,

Total Attendance

1985	814,548
1986	794,578
1987	977,959
1988	892,221
1989	1,003,413
1990	1,080,342
1991	952,925
1992	1,162,078
1993	977,522
1994	1,104,369

Ten largest cities in the Metro District at July 1, 1993

Population

Portland	471,325
Gresham	73,185
Beaverton	60,000
Hillsboro	42,280
Lake Oswego	32,555
Tigard	32,145
Milwaukie	19,955
West Linn	18,165
Oregon City	17,315
Tualatin	16,805

Source: Metro's Finance and Management Information Department, Accounting Division.
Metro Washington Park Zoo.
Metro's Planning Division.



AUDIT
COMMENTS
AND
DISCLOSURES
REQUIRED
BY STATE
REGULATIONS

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

AUDIT COMMENTS AND DISCLOSURES

Internal Control Structure

We have audited the combined financial statements of Metro for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994.

We conducted our audit in accordance with generally accepted auditing standards, the Minimum Standards for Audits of Oregon Municipal Corporations and Government Auditing Standards (1988 Revision) 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 Metro for the year ended June 30, 1994, 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 reporting on federal financial assistance programs 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 degree of compliance with the procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: purchases and disbursements, grant revenue and receipts, and 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.

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

AUDIT COMMENTS AND DISCLOSURES, CONTINUED

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 Council and management of Metro in a separate communication dated October 24, 1994.

This report is intended for the information of the Council, the Finance Committee, management, cognizant agent, and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Other Audit Comments and Disclosures

We have audited the combined financial statements of Metro as of and for the year ended June 30, 1994, and have issued our report thereon dated October 24, 1994

We conducted our audit in accordance with generally accepted auditing standards, the Minimum Standards for Audits of Oregon Municipal Corporations and Government Auditing Standards (1988 Revision) 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 Metro is the responsibility of the management of Metro. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Metro's compliance with certain provisions of:

- the legal requirements relating to debt as prescribed by Oregon Revised Statutes (ORS);
- ORS 294.035 regarding the investment of public moneys;
- the appropriate laws, rules, and regulations pertaining to programs funded wholly or partially by other governmental agencies;
- ORS Chapter 279 regarding the awarding of public contracts and the construction of public improvements;
- ORS Chapter 295 relating to the collateral requirements for public fund deposits; and
- ORS 294.305 to 294.520 in the preparation, adoption, and execution of its budget for the fiscal years ended June 30, 1994 and June 30, 1995.

AUDIT COMMENTS AND DISCLOSURES, CONTINUED

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 of compliance disclosed the following instances of noncompliance concerning overexpenditures in the indicated budgetary categories which were made for the year ended June 30, 1994:

<u>Fund</u>	<u>Budget category</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Primary government - Metro:				
Zoo Fund	Facilities management - materials and services	\$ 1,387,725	1,437,339	49,614
	Facilities management - capital outlay	66,295	80,245	13,950
	Marketing - materials and services	623,383	636,171	12,788
Rehabilitation and Enhancement Fund	Forest Grove Account - materials and services	36,030	37,005	975
Smith and Bybee Lakes Trust Fund	Personal services	65,623	66,487	864

Other overages were incurred due to bond refundings, however, ORS 294.326(4) and OAR 150-294.326(4) exempt these expenditures from the compliance provisions of Oregon Budget Law.

Compliance with appropriate laws, rules and regulations pertaining to the Single Audit Act of 1984 have been reported to Metro in a separate report dated October 24, 1994.

We considered these instances of noncompliance in forming our opinion on whether Metro's 1994 combined financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 24, 1994, on those financial statements.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, Metro complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that Metro had not complied, in all material respects, with those provisions.

Additionally, we make the following other comments:

- We found Metro's accounting records to be adequate for audit purposes.
- We reviewed Metro's insurance and fidelity bond coverage at June 30, 1994 and ascertained such policies appeared to be in force. We are not competent by training to state whether the insurance policies covering Metro-owned property in force at June 30, 1994 are adequate.

This report is intended for the information of the Council, the Finance Committee, management, cognizant agent, and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.