

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF CONSIDERING)	RESOLUTION NO. 89-1184
REPORT OF INDEPENDENT CERTIFIED)	
PUBLIC ACCOUNTANTS ON METRO'S)	Introduced by the
FY 1989 ANNUAL FINANCIAL REPORT)	Finance Committee
AND SCHEDULE OF FEDERAL FINANCIAL)	
ASSISTANCE)	

WHEREAS, the Metropolitan Service District is required to have an annual independent audit of their financial statements and schedule of federal financial assistance; and

WHEREAS, the Metropolitan Service District has prepared the required annual financial statements and schedule of federal financial assistance; and

WHEREAS, Peat Marwick Main & Co., has completed the audits required and prepared a report thereon; and

WHEREAS, the Finance Committee has reviewed and considered the annual financial report, schedule of federal financial assistance and the opinions thereon presented by Peat Marwick Main & Co. dated October 20, 1989; and

WHEREAS, the Finance Committee recommends accepting these reports; now therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District hereby accepts the annual financial report and schedule of federal financial assistance and approves its submittal to the proper agencies.

ADOPTED by the Council of the Metropolitan Service
District this 14th day of December, 1989.

Mike Ragsdale
Mike Ragsdale, Presiding Officer

FINANCE COMMITTEE REPORT

RESOLUTION NO. 89-1184, FOR THE PURPOSE OF CONSIDERING REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON METRO'S FY 1989 ANNUAL FINANCIAL REPORT AND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Date: December 8, 1989

Presented by: Councilor Van Bergen

COMMITTEE RECOMMENDATION: At the Finance Committee December 7, 1989 meeting, all members were present and voted unanimously to recommend the Council adopt Resolution No. 89-1184.

COMMITTEE DISCUSSION/ISSUES: Resolution No. 89-1184 provides for the Council to accept and forward to the appropriate government agencies Metro's Annual Financial Report, the Independent Auditors' Reports in accordance with the Single Audit Act of 1984, and the independent auditor's Management Letter. Peat Marwick Main & Co. conducted the audit and Susan Clement, Audit Manager, and Joe Hoffman, Partner of Peat Marwick Main & Co. reviewed the reports with the Committee. Two general points were made: (1) The Accountant's Report (first section of the Annual Financial Report) is a clean opinion -- no explanatory paragraphs were included. Last year, one explanatory paragraph resulted regarding St. John's Landfill closure cost estimates and potential liability. (2) Two significant accounting policies followed by Metro are the deferred accounting cost of approximately \$21 million of the total \$31 million for the St. John's closure and the capitalizing of a fair amount of Oregon Convention Center bond interest, consistent with Generally Accepted Accounting Principles (GAAP).

Peat Marwick Main & Co. had no disagreements with Metro management and all audit adjustments are reflected in the reports. Mr. Hoffman noted there were no material weaknesses or "reportable conditions" found in Metro's internal controls. The Management Letter identifies points, in the auditors' opinion, for improving internal controls, operations and overall efficiencies. The Committee did not have any questions on the Management Letter or other specific reports. It was noted for future audits the Management Letter draft should be distributed to the Finance Committee. The Committee also requested, by a motion, to have Metro Finance and Administration respond in writing to the Management Letter points, particularly those reiterated from prior years' Management Letters.

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STAFF REPORT

CONSIDERATION OF REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS ON METRO'S FY 1989 ANNUAL
FINANCIAL REPORT AND SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE

Date: November 17, 1989

Presented by Ray Phelps

FACTUAL BACKGROUND AND ANALYSIS

The audit firm of Peat Marwick Main & Co. has completed their examination of the Annual Financial Report prepared by Metro's Accounting staff. Susan Clement, Audit Manager, and Joe Hoffman, Partner of Peat Marwick Main & Co., are present to discuss their opinion on Metro's combined financial statements as well as the various other reports required of them by the Single Audit Act of 1984 and the State of Oregon.

A copy of Metro's Annual Financial Report and Schedule of Federal Financial Assistance has previously been distributed to the Council and is available upon request to other interested parties.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends acceptance of the reports and forwarding of same to the appropriate government agencies.

RP/DRC/jm