BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ACCEPTING THE REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON METRO'S FY 1991 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	)	RESOLUTION NO. 91-1534 Introduced by the Council Finance Committee

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, KPMG Peat Marwick has completed the audits required and prepared their reports thereon; and

WHEREAS, The Council Finance Committee has reviewed and considered the annual financial report, schedule of federal financial assistance and the reports thereon presented by KPMG Peat Marwick dated December 5, 1990; and

WHEREAS, The Council Finance Committee recommends accepting these reports; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District hereby accepts the Comprehensive 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 12th day of December, 1991.

Tanya

Tanya Collier, Presiding Officer

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 91-1534 FOR THE PURPOSE OF ACCEPTING THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REPORT ON METRO'S COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Date: December 5, 1991 Presented by Jennifer Sims

FACTUAL BACKGROUND AND ANALYSIS

KPMG Peat Marwick has completed their field work for the audit of Metro's Comprehensive Annual Financial Report and Schedule of Federal Financial Assistance. Metro Accounting staff are in the final stages of drafting the two reports noted above as well as formulating responses to the draft Letter to Council and Executive Officer. Don Cox, Metro Accounting Manager, Merle Waterman, Audit Manager and Joe Hoffman, Partner for KPMG Peat Marwick, are present to answer questions of the Council.

The reports must be submitted to the State of Oregon Secretary of State's Office no later than December 31, 1991. Copies of the reports have recently been provided to the Council.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends acceptance of the reports upon completion of the final draft and the submission of same to the appropriate government agencies.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 91-1534, FOR THE PURPOSE OF ACCEPTING THE REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON METRO'S FY 1991 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Date: December 5, 1991 Presented by: Councilor Van Bergen

COMMITTEE RECOMMENDATION: At its December 5, 1991 meeting the Committee voted unanimously to recommend Council adoption of Resolution No. 91-1534. Present and voting were Councilors Buchanan, Devlin, Hansen and Van Bergen. Councilor Wyers was excused.

COMMITTEE DISCUSSION / ISSUES: Don Cox, Chief Accountant, presented the FY 1990-91 Comprehensive Annual Financial Report (Audit). He briefly described the significant findings and/or changes from the prior year. Of major interest KPMG Peat Marwick has issued an unqualified opinion as to the financial condition of the District as of June 30, 1991. He pointed out that this year's audit includes for the first time the financial activities of the Metro ER Commission. He also pointed out that of the 125 appropriation units approved by the Council, 9 were over spent. A complete summary of Mr. Cox's presentation is included in this report as Attachment 1.

Mr. Cox also referred to the Management Letter dated November 19, 1991 to Metro Council and the Executive Officer from KPMG Peat Marwick containing their observations and recommendations. This letter has been made a part of the permanent meeting record. He said the audit contains another report prepared by KPMG Peat Marwick on Metro federal grants which will be presented on December 12 to the full Council.

In response to a Committee question, Council Staff indicated passage of the resolution would recommend acceptance of the audit report by the Committee and said the resolution would go to the full Council on December 12, 1991. Council Staff also said the issue of responses by the Administration and MERC to the Management Letter of November 19, 1991 was currently scheduled for discussion on December 17.

Chair Van Bergen requested the written presentation be submitted to the Finance Committee members prior to December 17 meeting.

Joe Hoffman, KPMG Peat Marwick, addressed the Management Letter and the audit process, noting the MERC Spectator Facilities were included in the financial statements in fiscal year 1990-91 for the first time, and said KPMG Peat Marwick did audit work on MERC accounting records for the first time. He said the Metro audit went well, that Metro accounting records, controls and policies had been kept in order, and noted that it was the seventh year KPMG Peat Marwick had done the Metro audit.

(Continued)

Mr. Hoffman said KPMG Peat Marwick had difficulty with the MERC audit, and noted they had provided accounting assistance to MERC accounting personnel beyond the audit function to bring records into order for the audit.

Mr. Hoffman indicated KPMG Peat Marwick also prepared the single audit report (Schedule of Federal Financial Assistance), which is a review of administrative controls, internal accounting controls and compliance with the grants for moneys received from or passed through the federal government. He said there were no reportable findings as a result of this report.

Chair Van Bergen requested written response from Metro Administration to the Management Letter comments.

In response to Councilor Buchanan, Mr. Hoffman addressed the issue of two accounting systems. He explained MERC had continued to operate the accounting system used during its relationship with the City of Portland, and subsequently an overlap in accounting systems developed as MERC became part of the Metro system. Mr. Hoffman said the decision was in process to resolve the accounting issue, said KPMG Peat Marwick recommended to consolidate the MERC system into the Metro central system, and noted it is not the auditors' role to make the decision.

Council Staff said a letter would be prepared from the chair to transmit the audit and the management letter to each of the MERC commissioners indicating expectation of a response for purpose of discussion at the next Finance Committee meeting. Staff also noted that meeting had been rescheduled to be held at 4:00 p.m., December 17, 1991, prior to the Solid Waste Committee meeting scheduled for 5:30 that day. Mr. Carlson also noted the full Council meeting had been rescheduled for Thursday, December 19, 1991 at 5:30 p.m. due to the holiday season.

Mr. Hoffman indicated the Schedule of Federal Financial Assistance was forthcoming and would be received by the Council Department by December 9, 1991 for submittal to the Council prior to the December 12, 1991 meeting.

Attachment 1
(Fin.Cmte.Rpt. 12-5-91)

METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: December 5, 1991

TO: Donald E. Carlson, Council Administrator

THROUGH: Jennifer Sims, Director of Finance and Management Information

FROM: Donald R. Cox, Jr., Accounting Manager

RE: SUMMARY OF COMMENTS AT FINANCE COMMITTEE OF DECEMBER 5, 1991 REGARDING COMPREHENSIVE ANNUAL FINANCIAL REPORT

In order to highlight areas of the Comprehensive Annual Financial Report (CAFR) which are changes from the prior year or significant findings, I provide you the following page references:

Page 1 Auditor's opinion - financial statements are fairly presented

Page 4-11 Special Revenue fund now includes Spectator Facilities operated by MERC. Details by fund can be found in the combining schedules on pages 53 - 54.

Page 4-7 Internal Service fund category now includes the Support Services Fund - new in FY 1991. Details by fund can be found on pages 84ff in the report.

Page 17 Organization and operation of Metro is described, leading to the incorporation of MERC Spectator Facilities in the reporting entity (page 18) for the first time and the rationale. In addition, we disclose on page 18 the Portland Metropolitan Local Government Boundary Commission is not included in our report.

Page 23 Footnote describing the reservation of retained earnings (seen on page 4 - 7) for revenue bond covenant purposes, which is reported for the first time at Metro.

Page 27 Footnote disclosing the budget basis over-expenditures by appropriation category. There where 9 categories overspent out of a total of 125 appropriation units.

Page 37 - 39	Defined benefit pension information is presented for the first time due to MERC employees transferred from City of Portland who are covered under PERS. In that the City did not maintain a separate account with PERS for MERC employees, no data was available to present in Metro's report. The dollars reflected are for the four Zoo employees covered by PERS.
Page 40	Metro implemented Governmental Accounting Standards Board Statement No. 10 regarding insurable risk information in the current year.

I also present to the Finance Committee the auditor's Letter to Council and Executive Officer regarding observations and recommendation for improvements. Not presented at this time, but to be provided prior to full Council acceptance is the Single Audit reports provided by KPMG Peat Marwick. Joe Hoffman will provide an overview of these documents for you.

KPMG Peat Marwick

Certified Public Accountants

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Telephone 503 221 6500

Telefax 503 223 0162

November 19, 1991

CONFIDENTIAL

The Council and Executive Officer
Metropolitan Service District
2000 S. W. First Avenue
Portland, Oregon 97201-5398

Dear Members of the Council
and Executive Officer:

We have audited the combined financial statements of Metropolitan Service District (Metro) for the year ended June 30, 1991, and have issued our report thereon dated November 15, 1991. In planning and performing our audit of the financial statements of Metro, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. We have not considered the internal control structure since the date of our report.

During our audit we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. In addition, Metro management has provided us with their responses to these matters which are provided herein.

I. METROPOLITAN SERVICE DISTRICT (METRO)

MONITOR RETAINAGE ACCOUNTS

Observation

The accounting division currently manages retainage funds held in savings accounts while the investment division handles all other investments. Retainages relate to funds retained by Metro in accordance with contract provisions for construction, solid waste and other such services. During the year the investment division purchased certain financial instruments without consideration of the retainage funds resulting in total investments exceeding certificates of collateral for two consecutive months.

Recommendation

We recommend that all investment activities should be handled by the investment division . The accounting division should provide retainage balance information to the investment manager on a timely basis and the investment manager should monitor total investments to ensure collateral requirements are satisfied.

Management Response

Finance and accounting staff have instituted a new standard procedure to inform the investment staff of requested additions to or withdrawals from retainage investment accounts. An informal arrangement was used this past fiscal year which left open the possibility of an error occurring as described. The new procedure will require the investment staff to manage the retainage investments. The investment division will be notified by Metro staff when new accounts are required and will be notified by accounting staff for requested additions or withdrawals to these balances.

GRANT EXPENDITURE DOCUMENTATION

Observation

During our grant expenditure testwork, we noted that the allocation of payroll costs to project codes were changed without proper documentation as to the reason for approval for the change.

Recommendation

Metro should implement a formal procedure requiring documentation for all changes made to grant expenditures. The reason for the change and approval at the appropriate level should be included. This procedure will help ensure all changes to source documents for grant expenditures are adequately documented.

Management Response

Metro's accounting division requires documentation to support all transactions processed. During the past fiscal year, alternatives were tested to determine how to most appropriately handle requested account code corrections for personal services charges in the financial system. During this testing, staff identified the need to strengthen controls in this area. KPMG Peat Marwick has appropriately recommended that the accounting division require supporting documentation for these transactions. The accounting division will develop, in the current fiscal year, procedures to assure adequate supporting documentation and authorizations exist for any changes to account codes in the personal services category similar to those used in other accounting processing activities.

DATA PROCESSING CHANGES

Observation

During our review of data processing controls, we noted there were no formal written policies or procedures for program modifications. Changes are usually requested by users and coordinated by the information systems division with Metro's software vendor. However, there currently is no formal system for user departments to request program changes and compare the final modifications to the original request.

Recommendation

All program changes should be documented with a signed change request and final acceptance form. These changes will provide user departments with a standard means of communicating programming requests. In addition, the data processing department will be able to provide documentation of original requests and all final modifications to the system.

Management Response

Metro's information system division recognizes the importance of a software change control system. The current informal system addresses neither the complexity of software maintenance by more than one programmer nor the current volume of software change requests. Creation of a change control system is included in the division's list of priority projects. A commitment of staff resources is required for its implementation.

II. METROPOLITAN EXPOSITION RECREATION COMMISSION (MERC)

CONSOLIDATE MERC ACCOUNTING SYSTEM

Observation

During our audit of MERC, we noted that the general ledger was maintained on a manual system. Computer systems are utilized for some tasks but the main accounting system at MERC is still operated by hand. At the same time, however, a general ledger for MERC is also maintained on the data processing system at Metro. The two general ledgers have run parallel since July 1, 1990. The two ledgers had never been reconciled until the time of our audit. As a result of the reconciliation, several adjustments were necessary to both the MERC and Metro general ledgers to properly state the results of operations and balance sheet of MERC. Certain accounts and transactions were recorded on one ledger but not the other. It appears that interim MERC financial statements were prepared from incomplete records.

Recommendation

We believe that the use of two complete, separate accounting systems is not cost beneficial to either MERC or Metro. We recommend that MERC begin to more fully utilize the Metro accounting system. We believe that accounting support services for most MERC operations can be performed cost-effectively by Metro with the exception perhaps of certain event settlement functions which do not lend themselves to conversion to the Metro system.

Implementation of this recommendation will reduce bookkeeping time spent by MERC staff, allowing more time for review, analysis and other activities and provide greater flexibility in reporting of MERC operations without additional cost.

ACCOUNT RECONCILIATIONS AT MERC

Observation

Event-related cash receipts are placed in a separate deposit bank account and a corresponding customer deposit liability is recorded in the accounting records. Upon event settlement, funds are disbursed to the promoter and the remaining funds are transferred to Metro's main investment account. Likewise, the recorded liability is relieved and revenue is appropriately recognized. During our audit, we noted that several million dollars of activity are recorded through these accounts during the fiscal year.

We observed that the special deposit account was reconciled to the corresponding bank statement but was not reconciled with the customer deposit liability account. After working with MERC personnel in an attempt to reconcile these accounts, the following unidentified amounts remain:

	Amount
Spectator facilities:	
Excess cash in bank accounts which cannot be identified with a specific event or customer	$ 123,000
Excess customer deposit liabilities which cannot be identified with ticket sales or other deposits for a forthcoming event	23,000
Convention Center:	
Amount by which identifiable deposit liabilities for specific events or customers exceeds the actual cash in bank accounts	16,600
Excess customer deposit liabilities which cannot be identified with a forthcoming event	25,000

The above differences might have been created from a number of sources including, but not limited to, unclaimed refunds for cancelled events, cash not yet transferred out of the special deposit account to the Metro investment account, unrecognized revenue for events that have occurred, or errors in posting event settlements.

Recommendation

The following policies and procedures should be considered to enhance controls over event-related receipts and customer deposits:

- Customer deposit liabilities and the related cash accounts should be reconciled monthly to determine the appropriate balances.
- All tickets for cancelled events should be controlled and reconciled monthly.
- A formal written policy to address the recognition of revenue for unclaimed refunds should be established.

- All funds remaining after event settlement should be transferred immediately to the Metro investment account.

- Deposit, ticketing and refund procedures should be reviewed to determine that they provide an adequate audit trail for reconciliation purposes.

REPORTING RESULTS OF MERC OPERATIONS

Observation

During our audit we noted certain transactions which were recorded in the general ledger on a net basis rather than a gross basis. In addition, in certain business activities in which MERC simply functions as a conduit or agent such that no funds are retained by MERC, we noted that these activities were not reported in the MERC financial statements. We were unable to locate or obtain written policies and procedures governing how these types of transactions or business activities are to be reported in MERC's financial statements.

For example, concession revenues and expenditures are budgeted on a gross basis, however, we noted that MERC personnel prepared a journal entry to net $370,000 of concession revenue against concession expenditures during the current fiscal year.

As another example, health and welfare benefits for MERC's union employees are collected from the promoter and remitted to the union. The payroll dollar incurred for stagehand labor is currently reported as an expenditure, however, the related six cent charge for health and welfare benefits is not reported as an expenditure.

Recommendation

We understand there is divergence in industry practice with respect to reporting these types of activities. In addition, generally accepted accounting principles and Oregon budget law are not explicit on this issue. Therefore informed judgement is needed to evaluate each contract or business activity to determine the most appropriate presentation of that activity in MERC's financial statements. There are, however, certain principles which we believe MERC should follow when reporting the results of its operations.

1. Actual results should be reported in a manner consistent with the adopted budget.

2. Results of operations should be reported consistently within an accounting period and from one accounting period to the next.

3. Transactions and activities that are similar in nature should be budgeted and reported similarly; and

4. Consideration should be given to the significance of the amounts as well as the risks and rewards which accrue to MERC in determining whether a gross or net presentation is more appropriate.

Given that concession revenues and expenditures are budgeted on a gross basis, we believe it is not appropriate to then report a portion of actual results on a net basis. This treatment obviously presents difficulties when comparing budgeted to actual results.

In addition, we believe it is not appropriate to report a payroll dollar for stagehand labor as an expenditure but not the related six cent charge for fringe benefits and vice versa.

We recommend that MERC develop formalized written policies and procedures governing how to budget and record transactions such that the four principles outlined above are followed. In addition, if there are significant changes to contracts or business activities, MERC should evaluate the nature of the change and its bearing on the established reporting policies.

MERC EXCISE TAXES

Observation

We noted during our audit that it was difficult to recompute total excise taxes recorded by MERC in the current year. This difficulty is due partly to the reporting of certain transactions on a net basis and is further complicated by excise tax subsidies which amounted to approximately $40,000 in the current year. The subsidies represent excise taxes which MERC has elected not to charge promoters but which have been paid with MERC funds. The subsidies were recorded by MERC as a component of miscellaneous revenue.

Recommendation

Under Metro ordinance #90-333-A, excise taxes should be recorded with the revenue to which they relate. Therefore, we recommend that excise taxes, whether billed or unbilled should be recorded at their full value and subsidies should be recorded as a contra account to the appropriate revenue account. In addition, a proof of excise tax recorded in the general ledger should be performed on a monthly basis. This proof should reconcile gross revenue with the recorded excise tax and the amount of subsidies. These recommendations will help ensure that excise taxes are properly recorded and reported and that subsidies are appropriately monitored and managed.

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AT MERC

Observation

The collectibility of receivables was not reviewed at year end and an adequate allowance for uncollectible accounts was not established. An audit adjustment was recorded to write down receivables by approximately $109,000.

Recommendation

An allowance for uncollectible accounts should be prepared and reviewed on a monthly basis. Accounts receivable should be reported at their net realizable balance in monthly and annual financial statements. In addition, consideration should be given to preparing a receivable analysis for the MERC Commission on a monthly basis showing accounts reserved, recommended for write off and at collection agencies, if any. The Commission should approve all significant accounts written off or sent to collection agencies.

These policies will aid in the proper management of past due accounts receivable and receivables will be reported in accordance with generally accepted accounting principles.

DOCUMENTATION AND CONTROLS RELATED TO PROMOTION COSTS

Observation

We understand that promotional expenditures are an industry practice and are considered a normal and necessary business expense. However, we noted that current accounting policies and procedures do not provide for adequate formal documentation of promotional expenditures. We noted that blocks of tickets for concerts or sporting events were purchased throughout the year without any formal written documentation as to the business purpose or the recipients. In addition, we noted promotional type expenditures were purchased through a concessionaire as provided in the related concession contract. For example, a block of tickets to a Multnomah Athletic Club sponsored event and a gift of jewelry were purchased by the concessionaire and recorded on Metro's general ledger as concession expense. Upon investigation of these expenditures, we were later provided information and documentation to support the business purpose and identify the recipients.

Recommendation

We recommend that MERC evaluate its policies and procedures concerning reporting, classification and formal written documentation of promotional expenditures. All promotional expenditures, including those purchased through a concessionaire should be supported with formal written documentation as to the specific business purpose and recipient or recipients.

* * * * * * * * * *

Management Response

Metro and MERC management have reviewed all the comments made by KPMG Peat Marwick related to MERC. Each observation and recommendation requires appropriate action be taken. MERC staff will be preparing responses to the comments noted. Upon receipt of these responses, Metro management will review the comments to formulate a response. These responses will be provided to the Metro and MERC Council's at that time.

This report is intended solely for the information and use of the Executive Officer, members of the Council, the finance committee, management, and others within Metro.

Very truly yours,

KPMG Peat Marwick

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 1991

METRO

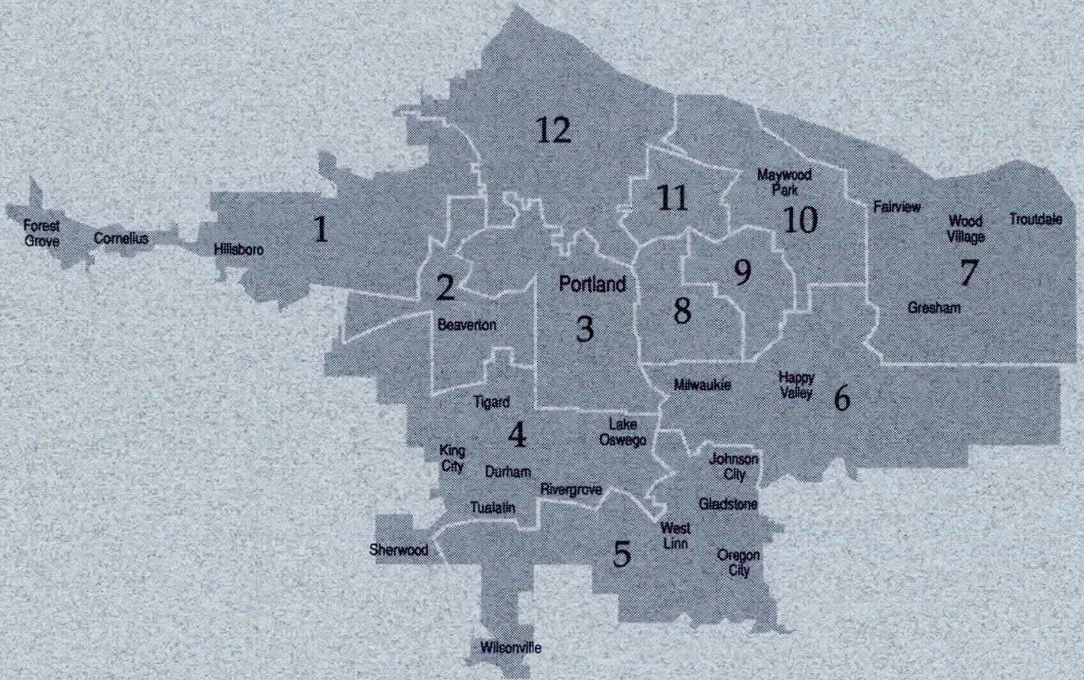
METROPOLITAN SERVICE DISTRICT

The Metropolitan Service District handles regionwide concerns in the urban areas of Clackamas, Multnomah and Washington counties. Metro is responsible for solid waste management, operation of the Metro Washington Park Zoo, transportation and land-use planning, urban growth boundary management, technical services to local governments and, through the Metropolitan Exposition-Recreation Commission, management of the Oregon Convention Center, Memorial Coliseum, Civic Stadium and the Portland Center for the Performing Arts.

Executive officer
Rena Cusma

Councilors by district are:

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



The cover art was created using illustrations from the Africa Rain Forest exhibit. The $4.3 million exhibit opened June 1, 1991, at the Metro Washington Park Zoo. The 1.3-acre exhibit represents forested areas along the coast of West Africa. The zoo is owned and operated by the Metropolitan Service District.

91394 Printed on recycled paper

Comprehensive

Annual

Financial

Report

Fiscal Year Ended
June 30, 1991

METRO

Metropolitan Service District –
within Multnomah, Clackamas
and Washington counties, Oregon

- Independent auditor's report on examination of financial statements and supplementary data
- Audit comments and disclosures required by state regulations
- Prepared by Metro's Accounting Division

METROPOLITAN SERVICE DISTRICT

June 30, 1991

Rena Cusma, Executive Officer

COUNCIL

Members	Representing	Term expires
Tanya Collier, Presiding Officer	District 9	January 1, 1993
Jim Gardner, Deputy Presiding Officer	District 3	January 1, 1993
Susan McLain, Councilor	District 1	January 1, 1995
Lawrence Bauer, Councilor	District 2	January 1, 1993
Richard Devlin, Councilor	District 4	January 1, 1993
Tom DeJardin, Councilor	District 5	January 1, 1993
George Van Bergen, Councilor	District 6	January 1, 1995
Ruth McFarland, Councilor	District 7	January 1, 1995
Judy Wyers, Councilor	District 8	January 1, 1995
Roger Buchanan, Councilor	District 10	January 1, 1993
David Knowles, Councilor	District 11	January 1, 1995
Sandi Hansen, Councilor	District 12	January 1, 1995

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

Registered Agent: Paulette Allen

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

METROPOLITAN SERVICE DISTRICT

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METROPOLITAN SERVICE DISTRICT

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METROPOLITAN SERVICE DISTRICT

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METROPOLITAN SERVICE DISTRICT

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Financial Section

Consisting of:

- Report of independent certified public accountants
- Combined financial statements
- Combining statements and schedules
- Individual fund statements and schedules
- Supplementary information

Report of Independent Certified Public Accountants

KPMG Peat Marwick

Certified Public Accountants

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

To the Council
Metropolitan Service District
Portland, Oregon:

We have audited the combined financial statements of the Metropolitan Service District (Metro) as of and for the year ended June 30, 1991 as listed in the accompanying table of contents. These combined financial statements are the responsibility of Metro's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Metro at June 30, 1991, and the results of its operations and the cash flows of its Proprietary Fund types and Similar Trust Fund for the year then ended in conformity with generally accepted accounting principles.

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

KPMG PEAT MARWICK

By Joseph F. Hoffman
Joseph F. Hoffman, Partner

November 15, 1991

Member Firm of
Klynveld Peat Marwick Goerdeler

Combined Financial Statements

General purpose financial statements

METROPOLITAN SERVICE DISTRICT

Combined Balance Sheet -
All Fund Types and Account Groups

June 30, 1991

Assets and Other Debits	Governmental Fund types: General	Special Revenue	Debt Service	Capital Projects
Cash and investments	$ 785,088	9,600,594	85,712	3,235,014
Receivables (net of allowance for uncollectibles):				
User and landfill fees	-	-	-	-
Trade	-	392,438	-	-
Property taxes	-	632,017	639,522	-
Federal grants	-	46,034	-	-
State and local grants/contracts	-	436,931	-	-
Interest	18,821	73,027	-	-
Other	48,598	52,007	-	-
Prepaid expenses	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory of materials and supplies	-	364,308	-	-
Advance to other governments	-	-	-	-
Other assets	479	44,668	-	-
Restricted assets:				
Cash and investments	-	11,804	-	223,930
Interest receivable	-	-	-	31,252
Deferred post-closure costs	-	-	-	-
Fixed assets, net	-	-	-	-
Loans receivable	-	-	-	-
Other debits:				
Amount available for debt service	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount to be provided for payment of capital leases	-	-	-	-
Amount to be provided for payment of compensated absences	-	-	-	-
Total assets and other debits	$ 852,986	11,653,828	725,234	3,490,196

(Continued)

Proprietary Fund types			Account groups		
Enterprise	Internal Service	Fiduciary Fund type Trust Funds	General Fixed Assets	General Long-term Obligations	Total (memorandum only)
16,443,992	3,912,800	8,846,653	-	-	42,909,853
4,929,653	-	-	-	-	4,929,653
362,643	-	-	-	-	755,081
-	-	-	-	-	1,271,539
-	-	-	-	-	46,034
-	-	-	-	-	436,931
441,040	34,897	17,427	-	-	585,212
302,978	-	425,901	-	-	829,484
65,632	173,705	-	-	-	239,337
689,411	-	1,328,348	-	-	2,017,759
-	369,384	-	-	-	369,384
68,769	-	-	-	-	433,077
51,676	-	-	-	-	51,676
-	2,500	-	-	-	47,647
29,710,993	-	-	-	-	29,946,727
-	-	-	-	-	31,252
2,050,366	-	-	-	-	2,050,366
130,015,455	1,440,562	-	39,007,939	-	170,463,956
30,105,000	-	-	-	-	30,105,000
-	-	-	-	175,574	175,574
-	-	-	-	61,679,426	61,679,426
-	-	-	-	231,173	231,173
-	-	-	-	315,291	315,291
215,237,608	5,933,848	10,618,329	39,007,939	62,401,464	349,921,432

METROPOLITAN SERVICE DISTRICT

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

Liabilities, Fund Equity and Other Credits		Governmental Fund types			
		General	Special Revenue	Debt Service	Capital Projects
Liabilities:					
Accounts payable	$	28,717	1,249,127	-	67,767
Salaries, withholdings and payroll taxes payable		37,505	646,009	-	939
Accrued interest payable		-	-	-	-
Other liabilities		-	-	-	-
Deferred revenue		-	556,690	560,377	-
Due to other funds		20,430	236,196	-	-
Unearned grant revenue		-	73,506	-	-
Payable from restricted assets:					
Arbitrage payable		-	-	-	-
Post-closure costs payable		-	-	-	-
Contracts payable		-	-	-	223,930
Deposits		-	320,741	-	-
Bonds payable		-	-	-	-
Obligations under capital leases		-	-	-	-
Liability for compensated absences		-	-	-	-
Pension benefits payable		-	-	-	-
Other		-	26,548	-	-
Total liabilities		86,652	3,108,817	560,377	292,636
Fund equity and other credits:					
Contributed capital, net		-	-	-	-
Retained earnings:					
Reserved for debt service		-	-	-	-
Reserved for renewal and replacement		-	-	-	-
Unreserved		-	-	-	-
Fund balances:					
Reserved for debt service		-	-	164,857	-
Unreserved		766,334	8,545,011	-	3,197,560
Other credits - Investment in general fixed assets		-	-	-	-
Total fund equity and other credits		766,334	8,545,011	164,857	3,197,560
Commitments and contingencies		-	-	-	-
Total liabilities, fund equity and other credits	$	852,986	11,653,828	725,234	3,490,196

See accompanying notes to combined financial statements.

Proprietary Fund types		Fiduciary Fund type	Account groups		Total (memorandum only)
Enterprise	Internal Service	Trust Funds	General Fixed Assets	General Long-term Obligations	
5,017,671	185,045	23,038	-	-	6,571,365
352,308	223,024	2,192	-	-	1,261,977
915,258	-	-	-	-	915,258
41,099	-	-	-	-	41,099
-	-	-	-	-	1,117,067
112,758	-	-	-	-	369,384
-	-	-	-	-	73,506
1,418,718	-	-	-	-	1,418,718
27,549,823	-	-	-	-	27,549,823
1,690,742	-	-	-	-	1,914,672
127,211	-	-	-	-	447,952
58,605,000	-	-	-	61,855,000	120,460,000
-	393,821	-	-	231,173	624,994
-	-	-	-	315,291	315,291
-	-	6,564,063	-	-	6,564,063
-	198,949	-	-	-	225,497
95,830,588	1,000,839	6,589,293	-	62,401,464	169,870,666
94,199,821	853,574	-	-	-	95,053,395
1,095,654	-	-	-	-	1,095,654
533,557	-	-	-	-	533,557
23,577,988	4,079,435	-	-	-	27,657,423
-	-	-	-	-	164,857
-	-	4,029,036	-	-	16,537,941
-	-	-	39,007,939	-	39,007,939
119,407,020	4,933,009	4,029,036	39,007,939	-	180,050,766
-	-	-	-	-	-
215,237,608	5,933,848	10,618,329	39,007,939	62,401,464	349,921,432

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1991

	Governmental Fund types				Fiduciary Fund type	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total (memorandum only)
Revenues:						
Property taxes	$ -	5,115,893	5,305,085	-	-	10,420,978
Excise taxes	2,867,095	-	-	-	-	2,867,095
Admissions	-	4,376,550	-	-	-	4,376,550
Intergovernmental revenue	-	-	-	-	2,064,749	2,064,749
Rental fees	-	2,553,338	-	-	-	2,553,338
Vending, concessions and catering	-	8,781,277	-	-	-	8,781,277
Parking	-	1,443,152	-	-	-	1,443,152
Reimbursed labor	-	2,197,131	-	-	-	2,197,131
Commissions	-	503,743	-	-	-	503,743
Merchandising	-	610,645	-	-	-	610,645
Charges for services	-	1,340,282	-	-	-	1,340,282
Dues	-	555,146	-	-	-	555,146
Grants and contracts:						
Federal	-	252,078	-	-	-	252,078
State and local	-	1,163,173	-	-	-	1,163,173
Donations and bequests	-	346,180	-	818,408	508	1,165,096
Professional and contract service fees	-	110,781	-	-	-	110,781
Rehabilitation and enhancement fees	-	-	-	-	155,151	155,151
Interest	173,731	669,567	46,755	318,060	153,306	1,361,419
Miscellaneous	1,738	652,083	-	-	-	653,821
Total revenues	3,042,564	30,671,019	5,351,840	1,136,468	2,373,714	42,575,605
Expenditures:						
Current:						
General government operations	1,872,627	-	-	-	-	1,872,627
Zoo operations and development	-	9,218,973	-	-	-	9,218,973
Spectator facility operations	-	15,452,425	-	-	11,675	15,464,100
Regional planning and development	-	3,879,619	-	-	-	3,879,619
Rehabilitation and enhancement	-	-	-	-	180,750	180,750
Capital outlay	18,806	826,050	-	3,625,735	36,522	4,507,113
Debt service	-	-	5,687,278	-	-	5,687,278
Total expenditures	1,891,433	29,377,067	5,687,278	3,625,735	228,947	40,810,460
Revenues over (under) expenditures	1,151,131	1,293,952	(335,438)	(2,489,267)	2,144,767	1,765,145
Other financing sources (uses):						
Operating transfers in	-	917,345	-	-	-	917,345
Operating transfers out	(917,345)	-	-	-	-	(917,345)
City of Portland transfer	-	3,522,330	-	-	-	3,522,330
Revenues and other sources over (under) expenditures and other uses	233,786	5,733,627	(335,438)	(2,489,267)	2,144,767	5,287,475
Fund balances - July 1, 1990	532,548	2,811,384	500,295	5,686,827	1,884,269	11,415,323
Residual equity transfer in	-	241,091	-	-	-	241,091
Residual equity transfer out	-	(241,091)	-	-	-	(241,091)
Fund balances - June 30, 1991	$ 766,334	8,545,011	164,857	3,197,560	4,029,036	16,702,798

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1991

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
Revenues:						
Property taxes	$ -	-	-	5,065,000	5,115,893	50,893
Excise taxes	2,810,633	2,867,095	56,462	-	-	-
Admissions	-	-	-	4,063,914	4,376,550	312,636
Intergovernmental revenue	-	-	-	-	-	-
Rental fees	-	-	-	2,650,000	2,553,338	(96,662)
Vending, concessions and catering	-	-	-	8,650,748	8,781,277	130,529
Parking	-	-	-	1,676,338	1,443,152	(233,186)
Reimbursed labor	-	-	-	1,970,233	2,197,131	226,898
Commissions	-	-	-	648,000	503,743	(144,257)
Merchandising	-	-	-	515,000	610,645	95,645
Charges for services	-	-	-	375,238	331,826	(43,412)
Dues	-	-	-	555,149	555,146	(3)
Grants and contracts:						
Federal	-	-	-	2,501,645	252,078	(2,249,567)
State and local	-	-	-	1,180,548	1,163,173	(17,375)
Donations and bequests	-	-	-	243,398	346,180	102,782
Professional and contract service fees	-	-	-	45,037	110,781	65,744
Interest	75,000	173,731	98,731	525,815	669,567	143,752
Miscellaneous	-	1,738	1,738	626,243	652,083	25,840
Total revenues	2,885,633	3,042,564	156,931	31,292,306	29,662,563	(1,629,743)
Expenditures:						
Current:						
General government operations	1,284,796	1,169,396	115,400	-	-	-
Zoo operations and development	-	-	-	9,411,908	8,436,592	975,316
Spectator facilities operations	-	-	-	15,844,315	15,287,938	556,377
Regional planning and development	-	-	-	5,748,401	3,115,703	2,632,698
General operating contingency	100,000	-	100,000	861,580	-	861,580
Capital outlay	20,100	18,806	1,294	1,312,736	826,050	486,686
Debt service	-	-	-	-	-	-
Total expenditures	1,404,896	1,188,202	216,694	33,178,940	27,666,283	5,512,657
Revenues over (under) expenditures	1,480,737	1,854,362	373,625	(1,886,634)	1,996,280	3,882,914
Other financing sources (uses):						
Operating transfers in	-	-	-	3,392,415	2,660,818	(731,597)
Operating transfers out	(1,863,737)	(1,620,576)	243,161	(2,689,445)	(2,445,801)	243,644
City of Portland transfer	-	-	-	-	3,522,330	3,522,330
Revenues and other sources over (under) expenditures and other uses	(383,000)	233,786	616,786	(1,183,664)	5,733,627	6,917,291
Fund balances - July 1, 1990	448,000	532,548	84,548	4,396,457	2,811,384	(1,585,073)
Residual equity transfer in	-	-	-	111,582	241,091	129,509
Residual equity transfer out	-	-	-	(111,582)	(241,091)	(129,509)
Fund balances - June 30, 1991	$ 65,000	766,334	701,334	3,212,793	8,545,011	5,332,218

See accompanying notes to combined financial statements.

Debt Service Fund			Capital Projects Fund			Expendable Trust Funds			Total (memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
5,214,034	5,305,085	91,051	-	-	-	-	-	-	10,279,034	10,420,978	141,944
-	-	-	-	-	-	-	-	-	2,810,633	2,867,095	56,462
-	-	-	-	-	-	-	-	-	4,063,914	4,376,550	312,636
-	-	-	-	-	-	1,908,070	2,064,749	156,679	1,908,070	2,064,749	156,679
-	-	-	-	-	-	-	-	-	2,650,000	2,553,338	(96,662)
-	-	-	-	-	-	-	-	-	8,650,748	8,781,277	130,529
-	-	-	-	-	-	-	-	-	1,676,338	1,443,152	(233,186)
-	-	-	-	-	-	-	-	-	1,970,233	2,197,131	226,898
-	-	-	-	-	-	-	-	-	648,000	503,743	(144,257)
-	-	-	-	-	-	-	-	-	515,000	610,645	95,645
-	-	-	-	-	-	-	-	-	375,238	331,826	(43,412)
-	-	-	-	-	-	-	-	-	555,149	555,146	(3)
-	-	-	-	-	-	-	-	-	2,501,645	252,078	(2,249,567)
-	-	-	-	-	-	-	-	-	1,180,548	1,163,173	(17,375)
-	-	-	925,000	818,408	(106,592)	1,000,000	508	(999,492)	2,168,398	1,165,096	(1,003,302)
-	-	-	-	-	-	-	-	-	45,037	110,781	65,744
78,000	46,755	(31,245)	302,946	318,060	15,114	190,126	153,306	(36,820)	1,171,887	1,361,419	189,532
-	-	-	-	-	-	-	-	-	626,243	653,821	27,578
5,292,034	5,351,840	59,806	1,227,946	1,136,468	(91,478)	3,098,196	2,218,563	(879,633)	43,796,115	41,411,998	(2,384,117)
-	-	-	-	-	-	-	-	-	1,284,796	1,169,396	115,400
-	-	-	-	-	-	-	-	-	9,411,908	8,436,592	975,316
-	-	-	-	-	-	-	11,675	(11,675)	15,844,315	15,299,613	544,702
-	-	-	-	-	-	675,544	177,755	497,789	6,423,945	3,293,458	3,130,487
-	-	-	-	-	-	209,951	-	209,951	1,171,531	-	1,171,531
-	-	-	4,572,410	3,625,735	946,675	1,466,500	36,522	1,429,978	7,371,746	4,507,113	2,864,633
5,687,278	5,687,278	-	-	-	-	-	-	-	5,687,278	5,687,278	-
5,687,278	5,687,278	-	4,572,410	3,625,735	946,675	2,351,995	225,952	2,126,043	47,195,519	38,393,450	8,802,069
(395,244)	(335,438)	59,806	(3,344,464)	(2,489,267)	855,197	746,201	1,992,611	1,246,410	(3,399,404)	3,018,548	6,417,952
-	-	-	-	-	-	133,405	155,151	21,746	3,525,820	2,815,969	(709,851)
(4,756)	-	4,756	-	-	-	(23,556)	(2,995)	20,561	(4,581,494)	(4,069,372)	512,122
-	-	-	-	-	-	-	-	-	-	3,522,330	3,522,330
(400,000)	(335,438)	64,562	(3,344,464)	(2,489,267)	855,197	856,050	2,144,767	1,288,717	(4,455,078)	5,287,475	9,742,553
400,000	500,295	100,295	5,250,764	5,686,827	436,063	2,005,339	1,884,269	(121,070)	12,500,560	11,415,323	(1,085,237)
-	-	-	-	-	-	-	-	-	111,582	241,091	129,509
-	-	-	-	-	-	-	-	-	(111,582)	(241,091)	(129,509)
-	164,857	164,857	1,906,300	3,197,560	1,291,260	2,861,389	4,029,036	1,167,647	8,045,482	16,702,798	8,657,316

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1991

	Proprietary Fund types		Fiduciary Fund type	
	Enterprise	Internal Service	Pension Trust	Total (memorandum only)
Operating revenues:				
Disposal fees	$ 18,829,379	-	-	18,829,379
User fees	17,237,339	-	-	17,237,339
Regional transfer charge	3,338,959	-	-	3,338,959
DEQ fees	381,357	-	-	381,357
Rehabilitation and mitigation fees	415,045	-	-	415,045
Intergovernmental revenue	3,284,280	-	-	3,284,280
Rental and lease income	835,541	-	-	835,541
Food service	2,389,905	-	-	2,389,905
Utility service	437,949	-	-	437,949
Parking fees	455,095	-	-	455,095
Reimbursed labor	148,917	-	-	148,917
Merchandising	10,245	-	-	10,245
Commissions	22,973	-	-	22,973
Federal grants	14,544	-	-	14,544
State grants	13,083	-	-	13,083
Receipts in lieu of rent	589,198	-	-	589,198
Charges for services	-	5,330,501	-	5,330,501
Change in investment value	-	-	675,773	675,773
Pension contributions	-	-	1,226,927	1,226,927
Builders license fees	-	74,140	-	74,140
Miscellaneous	1,053,950	34,487	-	1,088,437
Total operating revenues	49,457,759	5,439,128	1,902,700	56,799,587
Operating expenses:				
Payroll and fringe benefits	4,242,420	2,730,522	-	6,972,942
St. Johns Landfill operating expenses	3,293,935	-	-	3,293,935
Metro South Station operating expenses	1,320,479	-	-	1,320,479
Metro Central operating expenses	1,099,624	-	-	1,099,624
Waste transport costs	7,548,476	-	-	7,548,476
End use fees	15,049	-	-	15,049
Disposal fees	12,865,993	-	-	12,865,993
Compost service fees	433,815	-	-	433,815
Marketing expense	2,078,703	-	-	2,078,703
Convention Center operating expenses	599,786	-	-	599,786
Concessions expense	1,688,390	-	-	1,688,390
Depreciation and amortization	4,838,106	226,309	-	5,064,415
Rent and payments in lieu of rent	344,098	231,000	-	575,098
Administrative expenses paid to Support Services Fund	1,732,510	-	-	1,732,510
Administrative expenses paid to MERC Management Pool Fund	281,217	-	-	281,217
Payments to planning funds for services	1,008,456	-	-	1,008,456
Insurance expense	618,047	430,855	-	1,048,902
Claims expense	-	424,886	-	424,886
Post - closure costs	5,033,915	-	-	5,033,915
Payment of rehabilitation fees	140,102	-	-	140,102
Consulting services	1,699,679	181,914	-	1,881,593
Contribution to other government	830,123	-	-	830,123
Waste Reduction Grants	1,056,908	-	-	1,056,908
Payments to other governments	619,473	-	-	619,473
Other materials and services	1,376,705	669,075	-	2,045,780
Pension benefits	-	-	1,470,551	1,470,551
Distributions to participants	-	-	432,149	432,149
Total operating expenses	54,766,009	4,894,561	1,902,700	61,563,270
Income (loss) from operations	(5,308,250)	544,567	-	(4,763,683)

(Continued)

METROPOLITAN SERVICE DISTRICT

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

	Proprietary Fund types		Fiduciary Fund type	
	Enterprise	Internal Service	Pension Trust	Total (memorandum only)
Non-operating revenues (expenses):				
Interest on investments	$ 4,033,855	294,290	-	4,328,145
Interest expense, net of capitalized interest of $1,242,203	(1,335,627)	-	-	(1,335,627)
Non-operating revenues net	2,698,228	294,290	-	2,992,518
Net income (loss)	(2,610,022)	838,857	-	(1,771,165)
Depreciation on fixed assets that reduces contributed capital	2,534,201	142,262	-	2,676,463
Increase (decrease) in retained earnings/fund balances	(75,821)	981,119	-	905,298
Retained earnings/fund balances - July 1, 1990	25,283,020	3,098,316	-	28,381,336
Retained earnings/fund balances - June 30, 1991	$ 25,207,199	4,079,435	-	29,286,634

See accompanying notes to combined financial statements.

METROPOLITAN SERVICE DISTRICT

Combined Statement of Cash Flows -
Proprietary Fund Types

For the year ended June 30, 1991

	Proprietary Fund types		Total
	Enterprise	Internal Service	(memorandum only)
Cash flows from operating activities:			
Cash received from customers	$ 43,720,065	-	43,720,065
Cash received from other governments	4,101,531	-	4,101,531
Receipts from quasi-external transactions	589,198	4,961,117	5,550,315
Cash payments to suppliers for goods and services	(38,659,723)	(1,143,920)	(39,803,643)
Cash payments for claims	-	(238,128)	(238,128)
Other operating revenues	1,071,939	108,627	1,180,566
Cash payments to other governments	(2,628,270)	-	(2,628,270)
Cash payments to employees for services	(4,080,592)	(2,507,498)	(6,588,090)
Payments for quasi-external transactions	(3,772,586)	(257,762)	(4,030,348)
Net cash provided by operating activities	341,562	922,436	1,263,998
Cash flows from noncapital financing activities:			
Interest paid on loan	(1,697,445)	-	(1,697,445)
Cash repayments on interfund loans	1,697,285	-	1,697,285
Net cash used for noncapital financing activities	(160)	-	(160)
Cash flows from capital and related financing activities:			
Loan receipts from other entities	1,500,000	-	1,500,000
Interest payment on revenue bonds	(1,259,820)	-	(1,259,820)
Acquisition and construction of capital assets	(23,028,344)	(83,497)	(23,111,841)
Principal payments on loans	(1,500,000)	-	(1,500,000)
Proceeds from intergovernmental contributed capital	3,053,020	-	3,053,020
Cash payments on capital lease principal	(4,560)	(193,718)	(198,278)
Net cash used for capital and related financing activities	(21,239,704)	(277,215)	(21,516,919)

(Continued)

METROPOLITAN SERVICE DISTRICT

Combined Statement of Cash Flows -
Proprietary Fund Types, Continued

	Proprietary Fund types: Enterprise	Proprietary Fund types: Internal Service	Total (memorandum only)
Cash flows from investing activities - Interest on investments	$ 4,309,348	291,079	4,600,427
Net cash provided by investing activities	4,309,348	291,079	4,600,427
Net increase (decrease) in cash and cash equivalents including restricted amounts	(16,588,954)	936,300	(15,652,654)
Cash and cash equivalents at beginning of year including restricted amounts	62,743,939	2,976,500	65,720,439
Cash and cash equivalents at end of year including restricted amounts	$ 46,154,985	3,912,800	50,067,785

(Continued)

METROPOLITAN SERVICE DISTRICT

Combined Statement of Cash Flows -
Proprietary Fund Types, Continued

	Proprietary Fund types		Total
	Enterprise	Internal Service	(memorandum only)
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	(5,308,250)	544,567	(4,763,683)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Amortization of deferred post-closure costs	5,033,915	-	5,033,915
Depreciation and amortization	4,838,106	226,309	5,064,415
Provision for uncollectible receivables	42,718	-	42,718
Change in assets and liabilities:			
Trade and other receivables	(643,835)	-	(643,835)
Due from other governments	789,624	-	789,624
Other assets	(103,770)	(86,049)	(189,819)
Due from other funds	-	(369,384)	(369,384)
Accounts payable	(2,165,728)	185,020	(1,980,708)
Salaries, withholdings and payroll taxes payable	161,828	223,024	384,852
Contracts payable	453,014	-	453,014
City of Portland end use fee payable	(95,924)	-	(95,924)
Due to other funds	89,726	-	89,726
Due to other governments	(25,842)	-	(25,842)
Deposits	(170,736)	-	(170,736)
Post-closure costs payable	(2,618,578)	-	(2,618,578)
Other liabilities	65,294	12,191	77,485
Accrued claims	-	186,758	186,758
Total adjustments	5,649,812	377,869	6,027,681
Net cash provided by operating activities	$ 341,562	922,436	1,263,998
Supplemental disclosure of cash flow information, non-cash transactions:			
Capitalized interest on fixed assets	1,242,203	-	1,242,203
Reduction in engineer's estimate of landfill closure costs	1,231,600	-	1,231,600
Transfers from general fund:			
Fixed assets	-	1,500,732	1,500,732
Capital lease obligations	-	504,896	504,896
Assets acquired under capital lease	-	82,643	82,643

See accompanying notes to combined financial statements.

(1) Background Information

(a) Organization and Operation

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

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

In 1990, voters of the State of Oregon approved the formation of the Metro Charter Committee to develop a home rule charter for the District. The Charter Committee is conducting work sessions to review the structure and services of Metro in its work plan to develop a charter for voter approval by November 1992.

Metro began operation and funding of the Metro Washington Park Zoo on July 1, 1976, pursuant to an agreement with the City of Portland. This agreement transferred ownership of land, buildings, animals and other assets related to the Zoo, except for a railroad line and equipment subject to a perpetual lease agreement, from the City of Portland to Metro.

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

(Continued)

(b) Reporting Entity

Based upon criteria established by the Governmental Accounting Standards Board, the assets, liabilities, revenues and expenses or expenditures related to the facilities operated by the Metropolitan Exposition-Recreation Commission (MERC), are included in Metro's combined financial statements except as discussed below. Metro is financially accountable for the operations of MERC through budgetary authority and fiscal management; and Metro is able to significantly influence operations of MERC through charges for central management costs and is responsible for the operation and management of MERC. In addition, Metro appoints a voting majority of the Commission.

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 Memorial Coliseum, Civic Stadium and Portland Center for the Performing Arts (together referred to as Spectator Facilities). As part of the agreement, the City has the right to object to MERC's Spectator Facilities annual budget which could result in termination of the agreement. Because the City retains title to the Spectator Facilities and all fixed assets purchased with Spectator Facilities' funds and 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. As of July 1, 1990, the City of Portland transferred the residual equity of the Spectator Facilities (formerly operated by the City) to Metro in conjunction with the intergovernmental agreement. These funds have been accounted for as an "other financing source" in the accompanying financial statements. Metro intends to continue to manage and operate the Spectator Facilities as called for in the intergovernmental agreement. (See note 19 regarding subsequent events). In addition, it is Metro's understanding that future consolidation phases will provide for a transfer of the Spectator Facilities' fixed assets to Metro.

The activities of the Portland Metropolitan Area Local Government Boundary Commission are not included in Metro's combined financial statements. Although Metro appoints the members of the Commission, Metro has no financial interdependency and is not financially accountable for these activities, nor is Metro able to designate management or influence operations of the Commission.

(2) Summary of Significant Accounting Policies

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

(a) Basis of Accounting

Metro's financial operations are organized and accounted for on the basis of 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 3).

(Continued)

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

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

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

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

(b) Cash and Investments

Cash and investments consist of each fund's portion of pooled cash balances, time certificates of deposit, money market investments, U.S. Government securities, banker's acceptances and investments in the State Treasurer's investment pool. Such investments are stated at cost, which approximates market. Interest earned on investments is allocated monthly based upon each fund's average monthly cash balance. Pension plan investments are stated at market value and consist principally of insurance contracts, public utility bonds, and residential and commercial mortgages.

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

(c) 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.

(Continued)

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

Allowances for uncollectible accounts for trade receivables within Special Revenue and Enterprise funds were $109,000 and $146,682 respectively, at June 30, 1991.

(d) Inventory of Materials and Supplies

Inventory for the Zoo Fund, consisting of consumable food and zoo gift ship items held for resale, is valued at cost (first-in, first-out method). Inventory for the Spectator Facilities Fund, consisting of consumable food, is valued at the lower of first-in, first-out cost or market. Inventories are charged as expenditures upon sale.

(e) Zoo Specimens and Animal Food

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

(f) Materials and Volunteer Services Donated to Zoo

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

(g) General Fixed Assets

Fixed assets purchased by Metro are stated at cost. Fixed assets acquired by donation from the City of Portland and the Portland Zoological Society are stated at the basis of the predecessor entity. All other donated fixed assets are stated at estimated fair market value when received. Purchases of fixed assets are recorded as capital outlay expenditures in the Governmental Funds and capitalized in the General Fixed Assets Account Group. No depreciation is recorded on general fixed assets and maintenance and repairs are charged to expenditures in various Governmental Funds as incurred and not capitalized. Upon disposal, the General Fixed Assets Account Group is relieved of the asset's original cost or other basis; any monies received from such disposal are accounted for as revenue in the General Fund or Special Revenue Funds as appropriate.

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

(Continued)

(h) Proprietary Fund Type Fixed Assets

Fixed assets are stated at cost. Normal maintenance and repairs are charged to operations as incurred. Replacements that improve or extend the lives of property are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 40 years. Gains or losses realized from sales or retirements are credited or charged to operations.

(i) Restricted Assets and Liabilities

Cash and investments and interest receivable have been restricted for future payment of retainages on several construction projects and certain other long-term contracts and arbitrage earnings on the Oregon Convention Center general obligation bonds. Deferred post-closure costs have been restricted for future payment of post-closure costs to be incurred at the St. Johns Landfill.

(j) Capitalized Interest

Interest costs in the Proprietary Fund types are capitalized during the period of construction as part of the costs of fixed assets, based on the related weighted average net borrowing costs incurred. Interest earned on temporary investments acquired with the proceeds of such borrowed funds from the date of the borrowing until the assets are ready for their intended use is used to reduce the interest costs capitalized on the constructed assets. During fiscal 1991, interest costs amounting to approximately $1,242,203 were capitalized.

(k) Grants

Unreimbursed expenditures in the Governmental Fund types for all grants due from grantor agencies are reflected in the combined financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the combined balance sheet.

In Enterprise Funds, capital grants restricted by the grantor for capital outlay projects are credited directly to contributed capital as received and the related project costs are capitalized as fixed assets. Contributed capital is subsequently reduced in an amount equivalent to the depreciation on such fixed assets.

Metro allocates indirect costs, primarily of an administrative nature, to grants in compliance with a cost allocation plan. Metro's cost allocation plan is subject to the approval of Metro's cognizant agency. The plan in effect for fiscal 1991 allocated indirect costs to all grants and allowed indirect costs at a rate of approximately 31.1% of the related direct personnel costs.

(Continued)

(l) Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board and adopted by the Governmental Accounting Standards Board are classified as capital leases. The assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the lease term.

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

Leases which do not meet the criteria of a capital lease are classified as operating leases and related rentals are charged to expenditures or expenses as appropriate.

(m) Interfund Transactions

Metro's policy is to record certain administrative and insurance expenditures for other funds in the Support Services Fund and Insurance 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 Insurance Fund. The amounts of such interfund charges are based upon management's estimates of total costs and identified in the cost allocation plan (which is periodically updated) as reflected in the operating budgets.

Certain administrative expenses for the Oregon Convention Center Fund and Spectator Facilities Fund are recorded in the MERC Management Pool Fund. Such expenses or expenditures are reimbursed by the various funds to the MERC Management Pool Fund which 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 and Actual on a Budgetary Basis - All Governmental Fund Types and Expendable Trust Fund.

(n) Liability for Compensated Absences

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

(Continued)

(o) 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 East Station Project, Waste Disposal System Revenue Bonds.

(p) 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 by the 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 are the levels of control established by ordinance. The detail budget document, however, is required to contain more specific, detailed information about the aforementioned expenditure categories.

Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget or by an ordinance passed by the Council amending the budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original, amended and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require the approval of the Council.

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 one supplemental budget and nineteen budget amendments during the year ended June 30, 1991.

(q) Total (Memorandum Only) Columns

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

(Continued)

(3) Description of Funds

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

Governmental Fund Types

General Fund

The General Fund accounts for all activities not required to be accounted for in another fund. This fund accounts primarily for Metro's general government activities, including Council, Executive Management, Government Relations and Regional Facilities functions. The principal resources of the fund are provided by an excise tax on Metro's facilities and services levied in accordance with ORS 268.507 and interest.

Special Revenue Funds

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

Zoo 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 which provides approximately $5,000,000 annually.

Transportation Planning Fund - accounts for funding and operation of regional transportation planning activities, as well as regional population, employment growth and travel demand data base maintenance. Principal sources of revenues are Federal, state and local grants, dues assessed to member governmental bodies within Metro's district and a share of the excise tax transferred from the General Fund. The dues assessment is based on the population within the member district. The 1991 rate was $.43 per person. Metro has the authority to assess up to $.51 through June 30, 1993.

Planning and Development Fund - accounts for Metro's regional planning functions covering urban growth management, solid waste planning, parks and natural areas, water resources management, housing, emergency planning and regional economic development coordination. Principal resources for this fund include charges for services to user funds, Federal, state and local grants, dues assessments and a share of excise taxes transferred from the General Fund.

Spectator Facilities Fund - accounts for the operations of the Memorial Coliseum, Civic Stadium and Portland Center for the Performing Arts (PCPA). These facilities, while owned by the City of Portland, are operated by Metro's MERC through an intergovernmental agreement with the City of Portland. The principle resources of the fund are user fees.

(Continued)

MERC Management Pool 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 and Oregon 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 the major improvement projects at the Metro Washington Park Zoo. Principal resources include donations, interest and transfers from the Zoo Fund.

Proprietary Fund Types

Enterprise Funds

These funds account for the financing of predominantly self-supporting activities which are funded through service charges and user fees to customers. Included are the following funds:

Solid Waste Fund - accounts for revenues, derived primarily from fees imposed for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for the St. Johns Landfill, Metro South Station and Metro Central Station (formerly called the Metro East Station) solid waste transfer and recycling facilities. This fund consists of several budgetary funds accounted for as one Enterprise Fund in accordance with generally accepted accounting principles. All but one of these budgetary funds were closed during the fiscal year.

Building Management Fund - accounts for revenues and expenses related to leasing and managing Metro's central office space at 2000 S.W. First Avenue, Portland, Oregon. In addition, revenues and expenses related to planning and construction of a new headquarters facility are accounted for in this fund. Principal sources of revenue are sublease income and charges to user funds. Expenses primarily consist of lease payments, maintenance, utilities and professional services costs.

(Continued)

Convention Center Fund - Accounts for revenues and expenses related to the operation and management of the Oregon Convention Center (the 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. General obligation bond proceeds, state grants and City of Portland Local Improvement District funds were used to finance the construction of the Center. Expenses consist primarily of management, marketing and operations costs. This fund consists of three budgetary funds accounted for as one Enterprise Fund in accordance with generally accepted accounting principles.

Internal Service Funds

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

Insurance Fund - accounts for 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 - 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 Regional Facilities. Primary sources of revenue are charges to user funds, established through a cost allocation plan that distributes the central services' costs based upon the benefit received, business license fees and interest.

Fiduciary Fund Types

Pension Trust Fund

Pension Plan Fund - accounts for Metro's contributions to two defined contribution pension plans for the benefit of substantially all employees. Resources are contributions, based upon a percentage of participants' wages, and interest and other earnings on investments. This Nonexpendable Trust Fund is accounted for and reported in a manner similar to Proprietary Funds since capital maintenance is critical.

Expendable Trust Funds

St. Johns Rehabilitation and Enhancement Fund - accounts for funds received and expenditures for rehabilitation and enhancement of the area in and around the St. Johns Landfill. Primary resources are rehabilitation and enhancement fees and interest on investments. Expenditures are for planning and implementation of rehabilitation and enhancement programs in the area. This Expendable Trust Fund is accounted for and reported in a manner similar to Governmental Funds.

(Continued)

Portland Center for the Performing Arts Capital (PCPA) Trust Fund - accounts for resources dedicated for the improvement of the New Theater Building, which houses the Winningstad and Intermediate theaters. Primary resources are a one-time transfer of dedicated fund equity from the City of Portland reflected as intergovernmental revenue, donations and interest. Improvements made to the facility become fixed assets of the City of Portland under terms of an intergovernmental agreement.

Smith and Bybee Lakes Trust Fund - accounts for the implementation of the Smith and Bybee Lakes Management Plan, managed by Metro's Planning and Development 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 a one-time transfer of dedicated fund equity from the City of Portland reflected as intergovernmental revenue.

Account Groups

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

General Long-term Obligations - accounts for Metro's obligations under capital leases and accrued vacation liabilities payable from future resources, and retirement of general obligation bonds not recorded in the Proprietary Fund types.

(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:

Fund	Budget category	Amount
Support Services Fund	Public affairs - capital outlay	$ 192
Solid Waste Revenue Fund	Operations - personal services	5,995
Zoo Operating Fund	Marketing - personal services	254
Convention Center Project Management Fund	Transfers	8,221
Spectator Facilities Fund	Memorial Coliseum - materials and services	94,076
Spectator Facilities Fund	PCPA - materials and services	99,420
Zoo Capital Fund	Personal services	563
PCPA Capital Trust Fund	Materials and services	11,675
Transportation Planning Fund	Transfers	84,723

(Continued)

(5) Cash and Investments

Deposits

At June 30, 1991, the carrying amount of Metro's cash deposits with various financial institutions presented in the accompanying combined financial statements was $17,709,091 and the corresponding bank balances were $17,962,903. The entire amount of the bank balances are covered by Federal depository insurance or by collateral held by Metro's agent, First Interstate Bank of Oregon, in Metro's name. Metro also has cash on hand of $73,900 and cash with a fiscal agent amounting to $110,524. 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.

Investments

Policies officially adopted by the Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of the U. S. Treasury and agencies, time certificates of deposit, money market investments, bankers' acceptances, commercial paper (rated A1/P1) and the State Treasurer's investment pool. The Pension Trust Fund is also authorized to invest in, but is not limited to, stocks, mortgages, insurance contracts, bonds and other evidences of indebtedness or ownership.

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

(Continued)

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 broker's or dealer's trust department or agent in Metro's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in Metro's name. The risk level indicated below is generally reflective of the risk assumed by Metro during the year ended June 30, 1991.

	Category				Carrying	Market
	1	2	3	Uncategorized	amount	value
Commercial paper	$ -	7,253,340	-	-	7,253,340	12,803,648
U.S. Government obligations	3,873,961	12,803,648	-	-	16,677,609	11,131,150
Banker's acceptances	5,709,087	-	-	-	5,709,087	5,709,087
Pooled short-term pension investments, primarily insurance contracts, residential and commercial mortgages, and public utility bonds	-	-	6,142,530	-	6,142,530	6,142,530
	9,583,048	20,056,988	6,142,530	-	35,782,566	35,786,415
Investment In Oregon State Treasurer's investment pool	-	-	-	19,180,499	19,180,499	19,180,499
Total investments	$ 9,583,048	20,056,988	6,142,530	19,180,499	54,963,065	54,966,914

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

Unrestricted	$ 42,909,853
Restricted	29,946,727
	$ 72,856,580

(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. At June 30, 1991, $689,411 is owed to Metro for taxes levied and collected subsequent to year-end by Multnomah County but not remitted to Metro by that date.

(Continued)

(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, 1990	Additions	Transfers	Balance June 30, 1991
General Fixed Assets Account Group				
Land	$ 2,573,449	-	-	2,573,449
Building	28,193,186	3,678,167	-	31,871,353
Improvements	1,127,057	119,020	-	1,246,077
Equipment	1,474,724	64,102	(246,987)	1,291,839
Office furniture	1,089,350	206,282	(269,453)	1,026,179
Railroad equipment and facilities	699,085	34,895	-	733,980
Capitalized leases	983,391	265,062	(983,391)	265,062
Leasehold improvements	901	-	(901)	-
	$ 36,141,143	4,367,528	(1,500,732)	39,007,939
Proprietary Funds				
Land	$ 19,957,824	2,640	-	19,960,464
Buildings	87,421,793	18,177,306	-	105,599,099
Improvements	1,528,079	2,696,288	-	4,224,367
Equipment	397,969	323,299	246,987	968,255
Office furniture	1,151,049	3,133,113	269,453	4,553,615
Leasehold improvements	7,856,893	21,396	901	7,879,190
Capitalized leases	-	82,643	983,391	1,066,034
	118,313,607	24,436,685	1,500,732	144,251,024
Less accumulated depreciation and amortization	7,730,593	5,064,414	-	12,795,007
	$ 110,583,014	19,372,271	1,500,732	131,456,017

(Continued)

An agreement effective July 1, 1976, transferred title of real property in the amount of $4,063,148, accounted for in the General Fixed Assets Account Group, from the City of Portland to Metro. The agreement provides that such property must be used for zoo or zoo-related purposes and, if such property ceases to be used for such purposes or is used for other purposes, title reverts to the City of Portland.

On November 8, 1990, the Metro Council adopted Resolution 90-1314 approving an intergovernmental agreement with the City of Portland to assume ownership of the St. Johns Landfill and certain other adjacent land. As part of the agreement, Metro received approximately $1,908,000 to be used for implementing the End Use Plan which requires the property be used for park and open space purposes. The agreement also provides that Metro will continue to lease a portion of the landfill site for $120,000 a year through December 31, 1996. Therefore, Metro's cost of expansion and improvements at the landfill are recorded as leasehold improvements through November 8, 1990 and as improvements thereafter, in the Solid Waste Enterprise Fund and are amortized over the expected life of the landfill.

(8) Bonds Payable

(a) Convention Center General Obligation Bonds

On July 1, 1987, Metro sold $65,000,000 of General Obligation Convention Center Bonds (Series 1987), which mature serially each December 1 through 2013. Interest is payable semiannually on December 1 and June 1. During the year ended June 30, 1991, $1,110,000 of principal matured and was paid.

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

(Continued)

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

	Principal	Interest
Fiscal year ending June 30:		
1992	$ 1,175,000	4,474,453
1993	1,250,000	4,370,328
1994	1,335,000	4,280,696
1995	1,425,000	4,199,565
1996	1,530,000	4,109,385
1997-2013	55,140,000	42,764,416
	$ 61,855,000	64,198,843

(b) Solid Waste Disposal System Revenue Bonds

(i) Metro East Transfer Station (now named Metro Central Transfer Station) Project, Waste Disposal System Revenue Bonds

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

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

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, 1991.

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.

(Continued)

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

	Principal	Interest
Fiscal year ending June 30:		
1992	$ 560,000	1,631,308
1993	1,175,000	1,579,458
1994	1,250,000	1,505,813
1995	1,330,000	1,426,110
1996	1,415,000	1,340,036
1997-2011	22,770,000	18,512,077
	$ 28,500,000	25,994,802

(ii) Metro/Riedel Oregon Compost Company, Inc. Project, Waste Disposal Project Revenue Bonds

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

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

Pursuant to the loan agreement, Riedel will repay to Metro the amount loaned to them. A loan receivable from Riedel of $30,105,000 has been recorded at June 30, 1991. Loan repayments by Riedel will be derived solely from the revenues generated by the operation of the compost project which will be owned by Riedel. Riedel's primary source of funds to repay the loan applicable to the 1989 Series A bonds will be tip fee payments made by Metro pursuant to the Mass Composting Service Agreement. This agreement requires Metro to deliver waste to Riedel and make payments to the System Trust Estate. The System Trust Estate, which is administered by First Interstate Bank of Oregon, the trustee, receives these tip fee payments from Metro and remits bond principal and interest payments to the bondholders. Metro is obligated to deliver sufficient amounts of waste to Riedel so that the tip fees Metro remits to the System Trust Estate will be adequate to make Riedel's required loan payments on the 1989 Series A bonds. The bond principal payments from the System Trust Estate to the bondholders are guaranteed by Credit Suisse .

(Continued)

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

As interest rates are variable, interest payments over the life of the bonds are not determinable. Metro has estimated that interest payments for fiscal year 1992 will amount to approximately $2,333,000 using an average estimated interest rate of 7.70%.

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, 1991.

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

	Principal
Fiscal year ending June 30:	
1992	$ -
1993	600,000
1994	600,000
1995	700,000
1996	800,000
1997-2012	27,405,000
	$ 30,105,000

(9) General Long-term Obligations Account Group

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

	Balance July 1, 1990	Net decrease in liability	Balance June 30, 1991
Bonds payable	$ 62,965,000	(1,110,000)	61,855,000
Liability for compensated absences	355,240	(124,067)	231,173
Obligations under capital leases	504,896	(189,605)	315,291
	$ 63,825,136	(1,423,672)	62,401,464

(Continued)

(10) Deferred Revenue

Deferred revenue at June 30, 1991 consists of taxes receivable not collected within 60 days after year-end:

Special Revenue Fund	$ 556,690
Debt Service Fund	560,377
	$ 1,117,067

(11) Capital Lease Obligations

Metro has capital lease agreements for computer hardware and software, copy machines, high speed printers, telephone system 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 1994. Interest rates range from 8.4% to 13.2%.

The future minimum lease payments are:

Fiscal year ending June 30:	
1992	$ 299,377
1993	299,378
1994	102,698
1995	-
1996	-
Total minimum lease payments	701,453
Less amount representing interest	(76,459)
Net present value of future minimum lease payments	$ 624,994

(Continued)

(12) Contributed Capital

Changes in contributed capital in the Proprietary Funds for the year ended June 30, 1991 are as follows:

	Enterprise Funds			Internal Service Fund	
	Solid Waste Fund	Building Management Fund	Convention Center Fund	Support Services	Totals
Balance, July 1, 1990	$ 1,166,457	166,843	91,442,796	-	92,776,096
Additions	-	-	3,957,926	995,836	4,953,762
Depreciation on fixed assets that reduces contributed capital ($3,365,196 total accumulated depreciation at June 30, 1991)	50,077	27,807	2,456,317	142,262	2,676,463
Balance, June 30, 1991	$ 1,116,380	139,036	92,944,405	853,574	95,053,395

(13) Pension Plans

(a) Defined Contribution Plans

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

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

Metro's total payroll in fiscal year 1991 was approximately $17,403,000. Metro's contributions for the 5% plan were calculated using the base salary amount of $9,335,000. Metro made the required 5% contribution, amounting to $465,010. Metro's contributions for the 6% plan were calculated using $9,369,000 as the base salary amount. Metro made the required 6% contribution for the fiscal year, which amounted to $564,018. In addition, employee voluntary contributions were made to the plan in the amount of $197,899.

(Continued)

The 6% plan allows for loans to be taken against an individual's account balance in specified circumstances. The balance of the employee loans outstanding at June 30, 1991 is $337,898.

Metro's pension contributions for the above plans were $1,029,028 for the year ended June 30, 1991.

(b) Defined Benefit Plans

(i) Plan Description

Substantially all full-time employees, and other employees who meet certain eligibility requirements, of the MERC as well as four Zoo employees 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, 1991 was $5,079,200; Metro's total payroll was $17,403,000.

Benefits vest after five years of continuous service. Retirement is allowed at age 58 for employees with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. 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 valutations. A separate actuarial valuation for MERC employees transferred from the City of Portland to Metro on July 1, 1990 is not available, therefore, for the fiscal year ended June 30, 1991, Metro was required by PERS to make contributions for all employees at the rate established for Metro. Metro's required employer contribution rate is 6.00% 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.

(ii) 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.

(Continued)

The pension benefit obligation was computed as part of the actuarial valuation at December 31, 1989. Significant actuarial assumptions used in the valuation include:

(a) A rate of return on the investment of present and future assets of 8% per year. The assumed rate of return was 7.5% as of December 31, 1987.

(b) Projected salary increases of 6% per year attributable to general wage adjustments with additional increases for promotion and longevity that vary by age and service.

(c) Projected automatic post-retirement benefit increases of 2% per year, and

(d) Demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of PERS.

The aggregate effect of the above change in actuarial assumptions has not been determined by the actuary. No obligation for retirees is attributed to Metro as PERS pools the risk related to retired employees among all employers. PERS transfers 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.

The City of Portland did not maintain a separate PERS account for MERC employees. Accordingly, actuarial values for employees of MERC who were transferred to Metro are not available or separable from the City of Portland's statistics. Assets in excess of pension benefit obligation (excluding MERC employees) at December 31, 1989 is as follows:

Pension benefit obligation:	
Current employees -	
Accumulated employee contributions including allocated investment income	$ 257,142
Employer-financed vested benefits	185,883
Total pension benefit obligation	443,025
Net assets available for benefits:	
At market value	654,035
Assets in excess of pension benefit obligation	$ 211,010

(Continued)

(iii) Contributions Required and Contributions Made

PERS policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. The contribution rate for normal cost is determined using the "entry age actuarial cost method". A thirty year amortization, which started in 1976, is used to amortize the costs of the unfunded actuarial liabilities. Any benefit increases are funded over 30 years.

Total contributions to PERS for the year ended June 30, 1991 were $620,946 of which $527,749 and $93,197 were made by Metro and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 1990. Contributions made by Metro and its employees represent 10.4% and 1.8%, respectively, of covered payroll for the year.

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.

The computation of the pension contribution requirements for 1991 was based on the same (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine pension contribution requirements in the previous year.

(iv) Trend Information

The City of Portland did not maintain a separate PERS account for MERC employees. Accordingly, trend information for employees of MERC who were transferred to Metro are not available or separable from the City of Portland's statistics, therefore the following trend information excludes MERC employees.

	1991	1990	1989
Net assets as percent of pension obligation	14.6%	Not available	Not available
Assets in excess of pension benefit obligation as a percent of covered salary	4.2%	Not available	Not available
Employer contribution as a percent of covered salary	10.4%	11.7%	11.7%

Ten-year historical trend information for the plan as a whole, which is designed to show the system's progress in accumulating sufficient assets to pay benefits when due, may be found in the June 30, 1991 Oregon Public Employees Retirement System Annual Financial Report (when issued).

(Continued)

(14) 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 an Insurance 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 Insurance 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 Insurance Fund up to $100,000, with a commercial excess insurance policy covering claims in excess of this amount up to $5,000,000.

- 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 $228,076,000 with a $10,000 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 which meet statutory requirements.

Metro's insurance coverage has remained unchanged from prior years, with no settlements in excess of insurance coverage experienced in prior years. An actuarial valuation and estimates of liabilities for unpaid claims was prepared by an independent actuary in February 1991. All operating funds of Metro participate in the program and make payments to the Insurance 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 $186,758 reported in the Insurance Fund at June 30, 1991 is based upon 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. The actuary, in preparing these estimates, used discount rates ranging from .788 to 1.00 for liability and .831 to 1.00 for worker's compensation and an assumed investment rate of 7.0%. Metro does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liabilities.

Changes in the Insurance Fund's claims liability accrual for the current year, the year of implementation of GASB No. 10, were:

Balance at beginning of year	Current year claims and changes in estimate	Claims payments	Balance at end of year
$ -	424,886	238,128	186,758

(Continued)

(15) Interfund Receivable / Payable Balances

The following is a schedule of the individual interfund receivable and payable balances at June 30, 1991:

	Receivable	Payable
General Fund	$ -	20,430
Special Revenue Funds:		
Transportation Planning Fund	-	163,018
Planning and Development Fund	-	16,951
Zoo Fund	-	37,449
Spectator Facilities Fund	-	18,778
	-	236,196
Enterprise Funds:		
Solid Waste Fund	-	89,726
Convention Center Fund	-	23,032
	-	112,758
Internal Service Fund - Support Services Fund	369,384	-
Total	$ 369,384	369,384

(Continued)

(16) Segment Information for Enterprise Funds

Metro maintains three Enterprise Funds: the Solid Waste Fund accounts for self-supporting activities which are rendered to the general public on a user charge basis; the Building Management Fund accounts for the operations of the leased facility at 2000 S. W. First Avenue for which management desires a periodic determination of revenues earned and expenses incurred for management control and accountability purposes; and the Convention Center Fund accounts for construction, marketing and operations of the Oregon Convention Center which is operated on a user charge basis, supplemented by intergovernmental revenues.

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Operating revenues	$ 40,464,039	712,272	8,281,448	49,457,759
Depreciation and amortization expense	2,300,881	80,908	2,456,317	4,838,106
Loss from operations	(3,220,924)	(52,079)	(2,035,247)	(5,308,250)
Net loss	(1,406,565)	(52,079)	(1,151,378)	(2,160,022)
Fixed assets:				
Additions	15,488,526	28,829	8,753,182	24,270,547
Net working capital	$ 7,014,640	-	9,214,849	16,229,489
Total assets	$ 106,345,964	402,138	108,489,506	215,237,608
Bonds and other long-term liabilities:				
Payable from operating revenues	55,489,823	-	-	55,489,823
Payable from other sources	$ 31,795,742	-	1,418,718	33,214,460
Contributed capital, net	$ 1,116,380	139,036	92,944,405	94,199,821
Total equity	$ 12,761,903	357,532	106,287,585	119,407,020

(Continued)

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

Oregon Budget law requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP). For all fund types presented in the combined financial statements except for the Proprietary Fund types, there is 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, which arise through the employment of a basis of accounting for budgetary purposes which differs from the basis of accounting appropriate for the Proprietary Fund types when reporting in accordance with GAAP, are summarized in the following schedule:

	Enterprise Funds	Internal Service Funds
Excess of revenues and other financing sources over (under) expenditures and other financing uses on a budgetary basis	$ (15,217,222)	888,272
Add budget requirements not qualifying as expenses under GAAP:		
Payment of post closure liability	2,618,578	-
Fixed assets additions	23,028,344	83,497
Capitalized interest	295,841	-
Principal payments on leases	4,560	193,718
Operating transfers out	32,146,011	-
Subtract additional expenses required by GAAP:		
Depreciation	(4,838,106)	(226,309)
Post-closure costs	(5,033,915)	-
Interest expense	(371,488)	-
Vacation benefits	(72,464)	(100,321)
Subtract budget resources not qualifying as revenues under GAAP:		
Amounts received related to lodging tax receivable	(70,733)	-
Proceeds from intergovernmental contributed capital	(3,053,020)	-
Operating transfers in	(32,146,011)	-
Add additional resources qualifying as revenues under GAAP -		
Interest income	99,603	-
Net income (loss) presented in combined statement of revenues, expenses and changes in retained earnings/fund balances - Proprietary Fund types	$ (2,610,022)	838,857

(Continued)

(18) Commitments and Contingencies

Contracts

Contract commitments at June 30, 1991 for construction projects for the Convention Center Fund and Zoo Capital Fund were approximately $975,800 and $1,075,000, respectively.

Reviews by Grantor Agencies

Grant costs are subject to review by the grantor agencies. Any costs disallowed as the result of the review would be borne by Metro and would require the return of such amount to the grantor agency. However, should costs be disallowed on a grant for which Metro acts in a pass-through capacity, Metro should be able to require repayment of amounts disallowed from the subgrantees.

Arbitrage Payable

Under certain conditions, the Tax Reform Act of 1986 requires governmental units to remit excess arbitrage earnings arising from invested bond proceeds to the Internal Revenue Service. At June 30, 1991, Metro recorded a liability of $1,418,718 in the accompanying financial statements for such estimated excess arbitrage earnings.

Office Leases

Metro leases office space in Portland, Oregon. The term of the lease is eleven years and four months beginning March 1985, with a five-year renewal option at the end of the initial term. Under this lease, Metro is required to pay all utilities and certain other maintenance costs. Metro subleases a significant portion of the office space and as of June 30, 1991 has entered into five sublease agreements.

Gross rental expense under the lease for the year ended June 30, 1991 amounted to approximately $239,086. Metro received approximately $72,309 of sublease rental receipts during fiscal 1991.

The following is a schedule of future minimum rental payments required under the operating lease for the office space as of June 30, 1991:

Fiscal year ending June 30:	
1992	$ 291,000
1993	291,000
1994	291,000
1995	291,000
1996	290,000
Thereafter	-
Total minimum payments required	$ 1,454,000

(Continued)

Minimum payments of $1,454,000 presented in the schedule have not been reduced by future minimum sublease rentals totaling approximately $48,875 at June 30, 1991.

Ground Lease - Portland Center for the Performing Arts

The Portland Center for the Performing Arts Theatres 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. Scheduled monthly lease payments are $8,333; however, rent adjustments may be negotiated every five years commencing on November 1, 1994.

The lessor leases back certain theatre space under a related sublease for $983 per month. The sublease is subject to a proportionate adjustment for any negotiated rent adjustment for the ground lease.

Under terms of an intergovernmental agreement with the City of Portland (City), transferring management and operating responsibility for this facility to Metro, Metro was authorized by the City to exercise all of the City's rights under the agreement between the City of Portland and the lessor - First Congregational Church.

Future minimum rental payments and receipts under the operating leases are as follows:

	Lease expense	Sublease income
Fiscal year ending June 30:		
1992	$ 100,000	11,800
1993	100,000	11,800
1994	100,000	11,800
1995	100,000	11,800
1996	100,000	11,800
Thereafter	8,633,000	1,018,694
Total	$ 9,133,000	1,077,694

St. Johns Landfill

Metro assumed ownership of the St. Johns Landfill and certain adjacent property on November 8, 1990. Metro had previously leased the landfill from the City of Portland. The agreement calls for Metro to assume responsibility for the Smith and Bybee Lakes Trust Fund to be used to implement the 1990 Smith and Bybee Lakes Management Plan. Metro is required to pay $.40 per ton of waste disposed of at the St. Johns Landfill to this Fund. The ownership agreement commits Metro to finance certain post-closure environmental control measures for the area. A resolution was passed by the Metro Council to establish a policy to include all landfill costs including closure costs in revenue requirements when setting solid waste rates.

(Continued)

During the current fiscal year, studies were completed which estimated that the closure cost of the St. Johns Landfill would be approximately $30,168,400 under current Federal and state regulations. As a result, Metro recorded a landfill closure liability of $30,168,400. Metro reviews this estimate on a periodic basis. During the fiscal year, Metro paid $2,618,578 in closure costs as the closure process began, reducing the remaining estimated liability to $27,549,823 at June 30, 1991. Of the total liability of $27,549,823, approximately $2,050,400 has been recorded as a deferred cost at June 30, 1991 as Metro intends to recover these costs through future user fee charges. The associated expense is recognized as these amounts are recovered through fees charged to customers. Post-closure expense amounted to approximately $5,033,915 for the year ended June 30, 1991.

Metro contracts with Browning-Ferris for the maintenance and operation of the landfill (other than the gatehouse which Metro operates) monitoring of wells and other post-closure work. The contract runs through the landfill closure date or September 30, 1992, whichever is earlier. The St. Johns Landfill ceased to accept general purpose waste in January 1991 and will cease to accept demolition and limited purpose waste in October 1991.

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

	City of Portland landfill lease	Maintenance and operations contract
Fiscal year ending June 30,		
1992	$ 120,000	1,348,246
1993	120,000	-
1994	120,000	-
1995	120,000	-
1996	120,000	-
1997	60,000	-
Total	$ 660,000	1,348,246

Columbia Ridge Landfill

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

(Continued)

The contract requires fixed payments of approximately $1,800,000 per year, in addition to a per ton unit price of $22.59. This per ton rate is adjusted annually on April 1 to reflect changes in the Consumer Price Index (CPI).

In addition to the unit price of $22.59, amendments to the contract require an additional $.28 per ton for a supplemental price adjustment and $.20 per ton for Gilliam County Highway 19 road reconstruction.

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

	Fixed payments	Variable payment based on tons
Fiscal year ending June 30:		
1992	$ 1,802,950	13,660,500
1993	1,802,950	17,326,200
1994	1,802,950	18,396,000
1995	1,802,950	19,982,500
1996	1,802,950	21,845,500
Later years	24,339,825	564,242,900
Total	$ 33,354,575	655,453,600

Waste Transport Services Contract

Metro's contract with Jack Gray Transport, Inc. provides for solid waste transport from Metro facilities to the Columbia Ridge Landfill and other disposal sites for twenty years starting January 1, 1990. The contract requires fixed payments of approximately $830,000 per year, in addition to a per load unit price which equates to an approximate per ton rate of $13.07. The unit price is adjusted annually on January 1 in an amount equivalent to 75% of the CPI.

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

(Continued)

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

		Fixed payments	Variable payment based on tons
Fiscal year ending June 30:			
1992	$	829,400	9,394,000
1993		829,400	11,959,000
1994		829,400	13,157,000
1995		829,400	14,763,000
1996		829,400	16,659,000
Later years		11,196,900	600,024,000
Total	$	15,343,900	665,956,000

Metro South Station

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

The contractor is paid a unit price for waste disposed at Metro South on a per ton basis. The unit price is adjusted on a sliding scale between $3.64 and $3.96 per ton, depending on monthly facility volume. The unit price is adjusted annually on January 1 at 80% of the CPI. The approximate commitment for Metro South Station operations, based on forecasted usage and a 5% annual inflation factor is as follows:

	Variable payment based on tons
Fiscal year ending June 30:	
1992	$ 1,199,200
1993	1,342,300
1994	1,390,600
1995	743,900
Total	$ 4,676,000

(Continued)

Metro Central Station

The Metro Central Station (formerly called Metro East Station), a solid waste materials recovery and transfer station which emphasizes recovery of waste materials, was constructed for Metro by Trans Industries, a joint venture between Browning Ferris Industries and Rabanco. Metro also has contracted with Trans Industries for the operations of the Metro Central Station for the first three years of facility operations, which began in January 1991. At Metro's option, the operations contract may be extended an additional two years.

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

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

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

	Variable payment based on tons
Fiscal year ending June 30:	
1992	$ 3,115,000
1993	3,857,000
1994	4,293,000
1995	4,643,000
1996	5,022,000
Total	$ 20,930,000

(Continued)

Metro/Riedel Compost Facility

Metro has entered into an agreement with Riedel Environmental Technologies, Inc. for the design, construction, and operation of the Metro/Riedel Compost Facility. The compost facility recovers and recycles usable materials from municipal solid waste and produces agriculturally-suitable compost. Facility testing began in January 1991. Conditional acceptance of the facility is scheduled for November 1991, with final acceptance scheduled for January 1992. The term of the operations contract is twenty years, at which time Metro may purchase the facility or negotiate a new operations agreement with Riedel Environmental Technologies, Inc.

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

	Variable payment based on tons
Fiscal year ending June 30:	
1992	$ 8,610,000
1993	8,882,000
1994	9,163,000
1995	9,453,000
1996	9,761,000
Later years	192,174,000
Total	$ 238,043,000

Waste Reduction Program Contingency

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

Legal Matters

Metro is involved as a defendant in several claims and disputes which, for the most part, are normal to Metro's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon its financial position or operations.

(Continued)

(19) Subsequent Events

On October 10, 1991, the Metro Council adopted Resolution 91-1494C authorizing the purchase of real property to be used for Metro's future office space. The purchase, in the amount of $2,550,000, is expected to be debt financed. Under terms of the purchase agreement dated October 14, 1991, Metro has until December 16, 1991 to close the transaction. In addition, Metro entered into a supplemental agreement containing options to purchase an attached parking garage. If Metro chooses to purchase the attached parking garage, the amount of the purchase would range from $2,600,000 to $3,484,200 depending upon the option period time elapsed from date of closing.

On November 14, 1991, the Metro Council adopted Resolution 91-1527 approving a Memorandum of Understanding (MOU) with the City of Portland, Portland Trailblazers, Inc. and Oregon Arena Corporation (OAC) to permit OAC to build and operate existing and new Spectator Facilities. The MOU sets out the conceptual approach for the development of a 19,000 seat arena, related parking garages and other improvements located on the site of the Memorial Coliseum. The MOU will guide preparation of a detailed development agreement and other documents. None of the above parties are legally obligated to go forward with the project unless the development agreement is executed by the City of Portland, or its designee and OAC and the Portland Trailblazers, Inc.

Combining Individual Fund Statements and Schedules

METROPOLITAN SERVICE DISTRICT

General Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 448,000	532,548	84,548
Revenues:			
Excise tax	2,810,633	2,867,095	56,462
Interest	75,000	173,731	98,731
Miscellaneous	-	1,738	1,738
Total revenues	2,885,633	3,042,564	156,931
	$ 3,333,633	3,575,112	241,479
Expenditures:			
Council:			
Personal services	378,123	359,997	18,126
Materials and services	291,870	246,028	45,842
Capital outlay	15,700	14,656	1,044
	685,693	620,681	65,012
Executive management:			
Personal services	441,987	431,393	10,594
Materials and services	172,816	131,978	40,838
Capital outlay	4,400	4,150	250
	619,203	567,521	51,682
General operating contingency	100,000	-	100,000
Total expenditures	1,404,896	1,188,202	216,694
Other financing uses - Transfers	1,863,737	1,620,576	243,161
Total expenditures and other financing uses	3,268,633	2,808,778	459,855
Unappropriated ending fund balance - June 30, 1991	65,000	766,334	701,334
	$ 3,333,633	3,575,112	241,479

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Balance Sheet

June 30, 1991

Assets	Transportation Planning Fund	Planning and Development Fund	Zoo Fund	Spectator Facilities Fund	MERC Management Pool Fund	Totals
Cash and investments	$ 46,444	349,088	4,108,228	5,064,375	32,459	9,600,594
Receivables (net of allowance for uncollectibles):						
Trade	-	-	78,937	313,501	-	392,438
Property taxes	-	-	632,017	-	-	632,017
Federal grants	46,034	-	-	-	-	46,034
State and local grants/contracts	436,931	-	-	-	-	436,931
Interest	-	-	34,461	36,976	1,590	73,027
Other	1,611	44,050	-	6,346	-	52,007
Inventory of materials and supplies	-	-	216,574	147,734	-	364,308
Other assets	1,032	2,249	33,500	7,887	-	44,668
Restricted assets:						
Cash and investments	-	-	11,804	-	-	11,804
Total assets	$ 532,052	395,387	5,115,521	5,576,819	34,049	11,653,828
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 66,122	80,303	527,262	572,960	2,480	1,249,127
Salaries, witholdings and payroll taxes payable	50,412	42,765	275,552	245,711	31,569	646,009
Deferred revenue	-	-	556,690	-	-	556,690
Unearned grant revenue	73,506	-	-	-	-	73,506
Due to other funds	163,018	16,951	37,449	18,778	-	236,196
Deposits	-	5,031	10,385	305,325	-	320,741
Other	-	-	-	26,548	-	26,548
Total liabilities	353,058	145,050	1,407,338	1,169,322	34,049	3,108,817
Fund balances - unreserved	178,994	250,337	3,708,183	4,407,497	-	8,545,011
Total liabilities and fund balances	$ 532,052	395,387	5,115,521	5,576,819	34,049	11,653,828

METROPOLITAN SERVICE DISTRICT

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 1991

	Transportation Planning Fund	Planning and Development Fund	Zoo Fund	Spectator Facilities Fund	MERC Management Pool Fund	Totals
Revenues:						
Property taxes	$ -	-	5,115,893	-	-	5,115,893
Admissions	-	-	2,130,104	2,246,446	-	4,376,550
Rental fees	-	-	-	2,553,338	-	2,553,338
Vending, concessions and catering	-	-	2,438,734	6,342,543	-	8,781,277
Parking	-	-	-	1,443,152	-	1,443,152
Reimbursed labor	-	-	-	2,197,131	-	2,197,131
Commissions	-	-	-	503,743	-	503,743
Merchandising	-	-	-	610,645	-	610,645
Charges for services	207,895	800,561	331,826	-	-	1,340,282
Dues	314,990	240,156	-	-	-	555,146
Federal grants	175,539	-	76,539	-	-	252,078
State grants	572,583	6,250	-	-	-	578,833
Local grants	571,340	13,000	-	-	-	584,340
Donations and bequests	-	-	346,180	-	-	346,180
Professional and contract service fees	28,535	82,246	-	-	-	110,781
Interest	-	10,097	256,780	395,740	6,950	669,567
Miscellaneous	7,627	3,190	233,644	407,622	-	652,083
Total revenues	1,878,509	1,155,500	10,929,700	16,700,360	6,950	30,671,019
Expenditures:						
Current:						
Zoo operations and development	-	-	9,218,973	-	-	9,218,973
Spectator facilities operations	-	-	-	15,445,475	6,950	15,452,425
Regional planning and development	2,190,709	1,688,910	-	-	-	3,879,619
Capital outlay	92,401	19,653	344,278	369,718	-	826,050
Total expenditures	2,283,110	1,708,563	9,563,251	15,815,193	6,950	29,377,067
Revenues over (under) expenditures	(404,601)	(553,063)	1,366,449	885,167	-	1,293,952
Other financing sources:						
Operating transfers in	355,036	562,309	-	-	-	917,345
City of Portland transfer	-	-	-	3,522,330	-	3,522,330
Revenues and other sources over (under) expenditures and other uses	(49,565)	9,246	1,366,449	4,407,497	-	5,733,627
Fund balances - July 1, 1990	469,650	-	2,341,734	-	-	2,811,384
Residual equity transfer in	-	241,091	-	-	-	241,091
Residual equity transfer out	(241,091)	-	-	-	-	(241,091)
Fund balances - June 30, 1991	$ 178,994	250,337	3,708,183	4,407,497	-	8,545,011

METROPOLITAN SERVICE DISTRICT

Transportation Planning Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 288,315	469,650	181,335
Revenues:			
Dues	315,000	314,990	(10)
Federal grants	2,256,645	175,539	(2,081,106)
State grants	676,464	572,583	(103,881)
Local grants	363,584	571,340	207,756
Professional and contract service fees	25,989	28,535	2,546
Interest	12,000	-	(12,000)
Miscellaneous	67,852	7,627	(60,225)
Total revenues	3,717,534	1,670,614	(2,046,920)
Other financing sources:			
Operating transfers from:			
General Fund	416,446	355,036	(61,410)
Solid Waste Revenue Fund	208,153	207,895	(258)
Total revenues and other financing sources	4,342,133	2,233,545	(2,108,588)
	$ 4,630,448	2,703,195	(1,927,253)
Expenditures:			
Personal services	1,436,787	1,250,435	186,352
Materials and services	2,384,606	502,145	1,882,461
Capital outlay	103,235	92,401	10,834
General operating contingency	92,479	-	92,479
Total expenditures	4,017,107	1,844,981	2,172,126
Other financing uses - Transfers	482,915	438,129	44,786
Total expenditures and other financing uses	4,500,022	2,283,110	2,216,912
Residual equity transfer - Planning and Development Fund	111,582	241,091	(129,509)
Unappropriated ending fund balance - June 30, 1991	18,844	178,994	160,150
	$ 4,630,448	2,703,195	(1,927,253)

METROPOLITAN SERVICE DISTRICT

Planning and Development Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ -	-	-
Revenues:			
Dues	240,149	240,156	7
Federal grants	145,000	-	(145,000)
State grants	80,000	6,250	(73,750)
Local grants	60,500	13,000	(47,500)
Professional and contract service fees	19,048	82,246	63,198
Donations and bequests	12,500	-	(12,500)
Interest	-	10,097	10,097
Miscellaneous	10,953	3,190	(7,763)
Total revenues	568,150	354,939	(213,211)
Other financing sources:			
Operating transfers from:			
General Fund	695,423	562,309	(133,114)
Solid Waste Revenue Fund	1,092,112	800,561	(291,551)
Smith and Bybee Lakes Trust Fund	3,556	-	(3,556)
Total revenues and other financing sources	2,359,241	1,717,809	(641,432)
Residual equity transfer - Transportation Planning Fund	111,582	241,091	129,509
Total revenues, other financing sources and residual equity transfers	$ 2,470,823	1,958,900	(511,923)

(Continued)

METROPOLITAN SERVICE DISTRICT

Planning and Development Fund

Statement of Revenues and Expenditures - Budget and Actual, Continued

		Budget	Actual	Variance favorable (unfavorable)
Expenditures:				
Urban growth:				
Personal services	$	465,607	465,035	572
Materials and services		669,234	236,801	432,433
Capital outlay		11,100	9,763	1,337
		1,145,941	711,599	434,342
Solid waste planning:				
Personal services		397,332	382,427	14,905
Materials and services		394,835	278,860	115,975
Capital outlay		11,550	9,890	1,660
		803,717	671,177	132,540
General operating contingency		174,837	-	174,837
Total expenditures		2,124,495	1,382,776	741,719
Other financing uses - Transfers		346,328	325,787	20,541
Total expenditures and other financing uses		2,470,823	1,708,563	762,260
Unappropriated ending fund balance - June 30, 1991		-	250,337	250,337
	$	2,470,823	1,958,900	(511,923)

METROPOLITAN SERVICE DISTRICT

Zoo Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 1,493,142	2,341,734	848,592
Revenues:			
Property taxes	5,065,000	5,115,893	50,893
Admissions	2,216,514	2,130,104	(86,410)
Railroad	375,238	331,826	(43,412)
Vending and concessions	2,152,251	1,826,185	(326,066)
Gift shop	542,897	612,549	69,652
Donations and bequests	230,898	346,180	115,282
Federal grants	100,000	76,539	(23,461)
Interest	88,815	256,780	167,965
Miscellaneous	178,988	233,644	54,656
Total revenues	10,950,601	10,929,700	(20,901)
	$ 12,443,743	13,271,434	827,691
Expenditures:			
Administration:			
Personal services	616,906	597,832	19,074
Materials and services	314,718	134,556	180,162
Capital outlay	7,679	6,363	1,316
	939,303	738,751	200,552
Animal management:			
Personal services	1,691,662	1,641,825	49,837
Materials and services	353,187	345,044	8,143
Capital outlay	14,500	4,297	10,203
	2,059,349	1,991,166	68,183

(Continued)

METROPOLITAN SERVICE DISTRICT

Zoo Fund

Statement of Revenues and Expenditures -
Budget and Actual, Continued

		Budget	Actual	Variance favorable (unfavorable)
Expenditures, continued:				
Facilities management:				
Personal services	$	1,419,748	1,311,046	108,702
Materials and services		1,355,570	1,195,687	159,883
Capital outlay		453,846	257,908	195,938
		3,229,164	2,764,641	464,523
Educational services:				
Personal services		620,453	601,710	18,743
Materials and services		297,859	161,821	136,038
Capital outlay		29,050	15,777	13,273
		947,362	779,308	168,054
Marketing:				
Personal services		165,773	166,027	(254)
Materials and services		315,887	309,418	6,469
Capital outlay		5,950	5,611	339
		487,610	481,056	6,554
Visitor services:				
Personal services		1,141,257	1,052,236	89,021
Materials and services		1,118,888	919,390	199,498
Capital outlay		64,051	54,322	9,729
		2,[illegible]24,196	2,025,948	298,248
General operating contingency		484,264	-	484,264
Total expenditures		10,471,248	8,780,870	1,690,378
Other financing uses - Transfers		783,999	782,381	1,618
Total expenditures and other financing uses		11,255,247	9,563,251	1,691,996
Unappropriated ending fund balance - June 30, 1991		1,188,496	3,708,183	2,519,687
	$	12,443,743	13,271,434	827,691

METROPOLITAN SERVICE DISTRICT

Spectator Facilities Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 2,615,000	-	(2,615,000)
Revenues:			
Memorial Coliseum:			
Admissions	950,000	1,324,159	374,159
Rental fees	1,500,000	1,296,923	(203,077)
Concessions and catering	4,663,375	5,205,618	542,243
Parking	1,676,338	1,443,152	(233,186)
Reimbursed labor	596,742	746,295	149,553
Merchandising	400,000	547,050	147,050
Electrical contract	55,000	-	(55,000)
Commissions	140,000	135,813	(4,187)
Interest	350,000	347,763	(2,237)
Miscellaneous	150,000	182,281	32,281
	10,481,455	11,229,054	747,599
Civic Stadium:			
Admissions	157,400	128,514	(28,886)
Rental fees	175,000	169,821	(5,179)
Concessions and catering	1,127,225	1,012,390	(114,835)
Reimbursed labor	110,800	81,754	(29,046)
Merchandising	40,000	835	(39,165)
Commissions	13,000	33,567	20,567
Interest	-	12,887	12,887
Miscellaneous	20,000	17,911	(2,089)
	1,643,425	1,457,679	(185,746)
Portland Center for Performing Arts:			
Admissions	740,000	793,773	53,773
Rental fees	975,000	1,086,594	111,594
Concessions and catering	165,000	124,535	(40,465)
Reimbursed labor	1,262,691	1,369,082	106,391
Merchandising	75,000	62,760	(12,240)
Commissions	495,000	334,363	(160,637)
Interest	40,000	35,090	(4,910)
Miscellaneous	143,450	207,430	63,980
	3,896,141	4,013,627	117,486
Total revenues	16,021,021	16,700,360	679,339
Other financing source - City of Portland transfer	-	3,522,330	3,522,330
Total revenues and other financing sources	16,021,021	20,222,590	4,201,669
	$ 18,636,021	20,222,690	1,586,669

(Continued)

METROPOLITAN SERVICE DISTRICT

Spectator Facilities Fund

Statement of Revenues and Expenditures -
Budget and Actual, Continued

	Budget	Actual	Variance favorable (unfavorable)
Expenditures:			
Memorial Coliseum:			
Personal services	$ 3,445,848	3,253,051	192,797
Materials and services	5,777,026	5,871,102	(94,076)
Capital outlay	268,500	200,023	68,477
	9,491,374	9,324,176	167,198
Civic Stadium:			
Personal services	516,945	412,210	104,735
Materials and services	1,150,196	1,035,467	114,729
Capital outlay	21,700	19,703	1,997
	1,688,841	1,467,380	221,461
Portland Center for Performing Arts:			
Personal services	2,827,515	2,664,661	162,854
Materials and services	1,210,060	1,309,480	(99,420)
Capital outlay	321,575	149,992	171,583
	4,359,150	4,124,133	235,017
Contingency	15,000	-	15,000
Total expenditures	15,554,365	14,915,689	638,676
Other financing uses - Transfers	1,076,203	899,504	176,699
Total expenditures and other financing uses	16,630,568	15,815,193	815,375
Unappropriated ending fund balance - June 30, 1991	2,005,453	4,407,497	2,402,044
	$ 18,636,021	20,222,690	1,586,669

METROPOLITAN SERVICE DISTRICT

MERC Management Pool Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ -	-	-
Revenues:			
Interest	35,000	6,950	(28,050)
Other financing sources:			
Operating transfers from:			
Oregon Convention Center Operating Fund	373,695	281,217	(92,478)
Spectator Facilities Fund	603,030	453,800	(149,230)
Total other financing sources	976,725	735,017	(241,708)
	$ 1,011,725	741,967	(269,758)
Expenditures:			
Personal services	764,509	658,646	105,863
Materials and services	152,216	83,321	68,895
Contingency	95,000	-	95,000
Total expenditures	1,011,725	741,967	269,758
Unappropriated ending fund balance - June 30, 1991	-	-	-
	$ 1,011,725	741,967	(269,758)

METROPOLITAN SERVICE DISTRICT

Convention Center Debt Service Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 400,000	500,295	100,295
Revenues:			
Property taxes	5,214,034	5,305,085	91,051
Interest on investments	78,000	46,755	(31,245)
Total revenues	5,292,034	5,351,840	59,806
	$ 5,692,034	5,852,135	160,101
Expenditures - Debt service	5,687,278	5,687,278	-
Other financing uses - Transfers	4,756	-	4,756
Total expenditures and other financing uses	5,692,034	5,687,278	4,756
Unappropriated ending fund balance - June 30, 1991			
Reserved for debt service	-	164,857	164,857
	$ 5,692,034	5,852,135	160,101

METROPOLITAN SERVICE DISTRICT

Zoo Capital Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 5,250,764	5,686,827	436,063
Revenues:			
Donations and bequests	925,000	818,408	(106,592)
Interest	302,946	318,060	15,114
Total revenues	1,227,946	1,136,468	(91,478)
	$ 6,478,710	6,823,295	344,585
Expenditures:			
Personal services	84,987	85,550	(563)
Materials and services	2,569	1,758	811
Capital outlay	4,318,797	3,538,427	780,370
General operating contingency	166,057	-	166,057
Total expenditures	4,572,410	3,625,735	946,675
Unappropriated ending fund balance - June 30, 1991	1,906,300	3,197,560	1,291,260
	$ 6,478,710	6,823,295	344,585

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Balance Sheet

June 30, 1991

Assets		Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Current Assets:					
Cash and investments	$	7,618,400	15,703	8,809,889	16,443,992
Receivables (net of allowance for uncollectibles):					
User and landfill fees		4,929,653	-	-	4,929,653
Trade		-	4,673	357,970	362,643
Interest		369,027	-	72,013	441,040
Other		302,978	-	-	302,978
Due from other governments		-	-	689,411	689,411
Inventory of materials and services		-	-	68,769	68,769
Advance to other governments		51,676	-	-	51,676
Prepaid expenses		41,402	24,230	-	65,632
Total current assets		13,313,136	44,606	9,998,052	23,355,794
Restricted assets:					
Cash and investments		28,292,275	-	1,418,718	29,710,993
Interest receivable		-	-	-	-
Deferred post-closure costs		2,050,366	-	-	2,050,366
Fixed assets, net		32,585,187	357,532	97,072,736	130,015,455
Loans receivable		30,105,000	-	-	30,105,000
Total assets	$	106,345,964	402,138	108,489,506	215,237,608
Liabilities and Fund Equity					
Liabilities:					
Current liabilities:					
Accounts payable		4,533,772	37,000	446,899	5,017,671
Salaries, withholdings and payroll taxes payable		199,740	1,588	150,980	352,308
Bonds payable within one year		560,000	-	-	560,000
Accrued interest payable		915,258	-	-	915,258
Deposits payable		-	-	127,211	127,211
Other liabilities		-	6,018	35,081	41,099
Due to other funds		89,726	-	23,032	112,758
Total current liabilities		6,298,496	44,606	783,203	7,126,305
Payable from restricted assets:					
Arbitrage payable		-	-	1,418,718	1,418,718
Post-closure costs payable		27,549,823	-	-	27,549,823
Contracts payable		1,690,742	-	-	1,690,742
Revenue bonds payable		58,045,000	-	-	58,045,000
Total liabilities		93,584,061	44,606	2,201,921	95,830,588
Fund equity:					
Contributed capital, net		1,116,380	139,036	92,944,405	94,199,821
Retained earnings:					
Reserved for debt service		1,095,654	-	-	1,095,654
Reserved for renewal and replacement		533,557	-	-	533,557
Unreserved		10,016,312	218,496	13,343,180	23,577,988
Total fund equity		12,761,903	357,532	106,287,585	119,407,020
Total liabilities and fund equity	$	106,345,964	402,138	108,489,506	215,237,608

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the year ended June 30, 1991

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Operating revenues:				
Disposal fees	$ 18,829,379	-	-	18,829,379
User fees	17,237,339	-	-	17,237,339
Regional transfer charge	3,338,959	-	-	3,338,959
DEQ fees	381,357	-	-	381,357
Rehabilitation and mitigation fees	415,045	-	-	415,045
Intergovernmental revenue	-	-	3,284,280	3,284,280
Rental and lease income	17,989	72,309	745,243	835,541
Food service	-	-	2,389,905	2,389,905
Utility services	-	-	437,949	437,949
Parking fees	-	49,659	405,436	455,095
Reimbursed labor	-	-	148,917	148,917
Merchandising	-	-	10,245	10,245
Commissions	-	-	22,973	22,973
Federal grants	14,544	-	-	14,544
State grants	13,083	-	-	13,083
Receipts in lieu of rent	-	589,198	-	589,198
Miscellaneous	216,344	1,106	836,500	1,053,950
Total operating revenues	$ 40,464,039	712,272	8,281,448	49,457,759

(Continued)

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

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

For the year ended June 30, 1991

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Operating expenses:				
Payroll and fringe benefits	$ 2,531,599	58,995	1,651,826	4,242,420
St. Johns Landfill operating expenses, including $190,000 of rent	3,293,935	-	-	3,293,935
Metro South Station operating expenses	1,320,479	-	-	1,320,479
Metro Central operating expenses	1,099,624	-	-	1,099,624
Waste transport costs	7,548,476	-	-	7,548,476
End use fees	15,049	-	-	15,049
Disposal fees	12,865,993	-	-	12,865,993
Compost service fees	433,815	-	-	433,815
Marketing expense	-	-	2,078,703	2,078,703
Convention Center operating expenses	-	-	599,786	599,786
Concessions expense	-	-	1,688,390	1,688,390
Depreciation and amortization	2,300,881	80,908	2,456,317	4,838,106
Rent and payments in lieu of rent	99,590	239,086	5,422	344,098
Administrative expenses paid to Support Services Fund	1,473,397	-	259,113	1,732,510
Administrative expenses paid to MERC Management Pool Fund	-	-	281,217	281,217
Payments to planning funds for services	1,008,456	-	-	1,008,456
Insurance expense	546,267	-	71,780	618,047
Post-closure costs	5,033,915	-	-	5,033,915
Payment of rehabilitation fees	140,102	-	-	140,102
Consulting services	1,533,545	166,134	-	1,699,679
Contribution to other government	-	-	830,123	830,123
Waste Reduction Grants	1,056,908	-	-	1,056,908
Payments to other governments	619,473	-	-	619,473
Other materials and services	763,459	219,228	394,018	1,376,705
Total operating expenses	43,684,963	764,351	10,316,695	54,766,009
Loss from operations	(3,220,924)	(52,079)	(2,035,247)	(5,308,250)
Non-operating revenues (expenses):				
Interest on investments	3,149,826	-	884,029	4,033,855
Interest expense, net of capitalized interest of $1,242,203	(1,335,467)	-	(160)	(1,335,627)
Non-operating revenues, net	1,814,359	-	883,869	2,698,228
Net loss	(1,406,565)	(52,079)	(1,151,378)	(2,610,022)
Depreciation on fixed assets that reduces contributed capital	50,077	27,807	2,456,317	2,534,201
Increase (decrease) in retained earnings	(1,356,488)	(24,272)	1,304,939	(75,821)
Retained earnings - July 1 1990	13,002,011	242,768	12,038,241	25,283,020
Retained earnings - June 30, 1991	$ 11,645,523	218,496	13,343,180	25,207,199

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Cash Flows

For the year ended June 30, 1991

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Cash flows from operating activities:				
Cash received from customers	$ 39,961,899	124,037	3,634,129	43,720,065
Cash received from other governments	27,627	-	4,073,904	4,101,531
Receipts from quasi-external transactions	-	589,198	-	589,198
Cash payments to suppliers for goods and services	(29,758,349)	(644,481)	(8,256,893)	(38,659,723)
Other operating revenues	234,333	1,106	836,500	1,071,939
Cash payments to other governments	(1,798,147)	-	(830,123)	(2,628,270)
Cash payments to employees for services	(2,471,688)	(61,455)	(1,547,449)	(4,080,592)
Payments for quasi-external transactions	(3,178,086)	-	(594,500)	(3,772,586)
Net cash provided by (used for) operating activities	3,017,589	8,405	(2,684,432)	341,562
Cash flows from noncapital financing activities:				
Interest paid on loan	(1,697,285)	-	(160)	(1,697,445)
Cash repayments on interfund loans	1,697,285	-	-	1,697,285
Net cash used for noncapital financing activities	-	-	(160)	(160)
Cash flows from capital and related financing activities:				
Loan receipts from other entities	1,500,000	-	-	1,500,000
Interest payment on revenue bonds	(1,259,820)	-	-	(1,259,820)
Acquisition and construction of capital assets	(15,192,685)	(28,829)	(7,806,830)	(23,028,344)
Principal payments on loans	(1,500,000)	-	-	(1,500,000)
Proceeds from intergovernmental contributed capital	-	-	3,053,020	3,053,020
Cash payments on capital lease principal	(825)	-	(3,735)	(4,560)
Net cash used for capital and related financing activities	(16,453,330)	(28,829)	(4,757,545)	(21,239,704)
Cash flows from investing activities:				
Interest on investments	3,402,250	-	907,098	4,309,348
Net cash provided by investing activities	3,402,250	-	907,098	4,309,348
Net decrease in cash and cash equivalents including restricted amounts	(10,033,491)	(20,424)	(6,535,039)	(16,588,954)
Cash and cash equivalents at beginning of year including restricted amounts	45,944,166	36,127	16,763,646	62,743,939
Cash and cash equivalents at end of year including restricted amounts	$ 35,910,675	15,703	10,228,607	46,154,985

(Continued)

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Combining Statement of Cash Flows, Continued

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	$ (3,220,924)	(52,079)	(2,035,247)	(5,308,250)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Amortization of deferred post-closure costs	5,033,915	-	-	5,033,915
Depreciation and amortization	2,300,881	80,908	2,456,317	4,838,106
Provision for uncollectible accounts	42,718	-	-	42,718
Change in assets and liabilities:				
Trade and other accounts receivable	(282,896)	(3,949)	(356,990)	(643,835)
Due from other governments	-	-	789,624	789,624
Other assets	(40,904)	(4,697)	(58,169)	(103,770)
Accounts payable	1,323,678	(15,336)	(3,474,070)	(2,165,728)
Salaries, withholdings and payroll taxes payable	59,911	(2,460)	104,377	161,828
Contracts payable	453,014	-	-	453,014
City of Portland end use fee payable	(95,924)	-	-	(95,924)
Due to other governments	(25,842)	-	-	(25,842)
Deposits payable	(1,186)	-	(169,550)	(170,736)
Post-closure payable	(2,618,578)	-	-	(2,618,578)
Other liabilities	-	6,018	59,276	65,294
Due to other funds	89,726	-	-	89,726
Total adjustments	6,238,512	60,484	(649,184)	5,649,812
Net cash provided by (used for) operating activities	$ 3,017,589	8,405	(2,684,431)	341,562
Supplemental disclosure of cash flow information, non-cash transactions:				
Capitalized interest on fixed assets	295,841	-	946,362	1,242,203
Reduction in engineer's estimate of landfill closure costs	1,231,600	-	-	1,231,600

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Description of Solid Waste Budgetary Funds

For financial reporting purposes, management considers the activities relating to solid waste management as those of a unitary enterprise operation and as such the activities are reported in the Solid Waste Fund in the preceding section of this report. However, for budgetary and legal purposes, these activities are accounted for in the funds described below. Statements for these funds prepared according to budgetary concepts are presented in the following pages.

Solid Waste Revenue Fund

The primary activities accounted for in the Solid Waste Revenue Fund are expenditures relating to the implementation, administration and enforcement of Metro's Solid Waste Management Plan and operation of the St. Johns Landfill, Metro South Station, Metro Central Station and other solid waste activities. Disposal fees provide the primary sources of revenue. Transfers from the other solid waste funds were made to this fund in fiscal 1991, to close and consolidate those funds into the Solid Waste Revenue Fund in accordance with Metro Ordinance 89-219.

Solid Waste Operating Fund

The Solid Waste Operating Fund was closed and consolidated into the Solid Waste Revenue Fund in fiscal 1991.

Solid Waste Capital Improvement Fund

The Solid Waste Capital Improvement Fund accounted for the construction of capital improvements for the Solid Waste Management Program, including expenditures incurred to properly close out the St. Johns Landfill. This fund was closed and consolidated into the Solid Waste Revenue Fund in fiscal 1991.

Solid Waste St. Johns Reserve Fund

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

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

This fund was closed and consolidated into the Solid Waste Revenue Fund in fiscal 1991.

METROPOLITAN SERVICE DISTRICT

Solid Waste Revenue Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 14,730,239	14,760,123	29,884
Revenues:			
Disposal fees	19,959,280	18,786,661	(1,172,619)
User fees	18,498,174	17,237,339	(1,260,835)
Regional transfer charge	3,414,161	3,338,959	(75,202)
DEQ fees	943,976	381,357	(562,619)
Rehabilitation and mitigation fees	277,316	415,045	137,729
Pass-through debt service receipts	2,318,085	1,704,353	(613,732)
Federal grants	-	14,544	14,544
State grants	-	13,083	13,083
Interest	3,215,617	3,149,826	(65,791)
Miscellaneous	492,443	231,338	(261,105)
Total revenues	49,119,052	45,272,505	(3,846,547)
Other financing sources:			
Transfers:			
Convention Center Debt Service Fund	4,756	-	(4,756)
Solid Waste Operating Fund	8,500,000	2,649,958	(5,850,042)
Solid Waste Capital Fund	3,690,000	3,275,783	(414,217)
St. Johns Reserve Fund	26,375,520	26,220,270	(155,250)
Rehabilitation and Enhancement Fund	4,483	2,995	(1,488)
Total other financing sources	38,574,759	32,149,006	(6,425,753)
Total revenues and other financing sources	87,693,811	77,421,511	(10,272,300)
	$ 102,424,050	92,181,634	(10,242,416)

(Continued)

METROPOLITAN SERVICE DISTRICT

Solid Waste Revenue Fund

Statement of Revenues and Expenditure -
Budget and Actual, Continued

	Budget	Actual	Variance favorable (unfavorable)
Expenditures:			
Operating account:			
Administration:			
Personal services	329,895	327,843	2,052
Materials and services	123,826	120,044	3,782
	453,721	447,887	5,834
Budget and finance:			
Personal services	320,065	303,703	16,362
Materials and services	284,850	137,108	147,742
	604,915	440,811	164,104
Operations:			
Personal services	787,200	793,195	(5,995)
Materials and services	29,047,736	27,161,299	1,886,437
	29,834,936	27,954,494	1,880,442
Engineering and analysis:			
Personal services	443,843	429,515	14,328
Materials and services	530,920	427,982	102,938
	974,763	857,497	117,266
Waste reduction:			
Personal services	633,075	610,197	22,878
Materials and services	3,822,499	2,647,381	1,175,118
	4,455,574	3,257,578	1,197,996
Landfill closure account:			
Capital outlay	6,155,000	2,618,578	3,536,422

(Continued)

METROPOLITAN SERVICE DISTRICT

Solid Waste Revenue Fund

Statement of Revenues and Expenditures -
Budget and Actual, Continued

		Budget	Actual	Variance favorable (unfavorable)
Expenditures, continued:				
Construction account:				
Personal services	$	61,247	44,235	17,012
Capital outlay		12,350,000	9,780,589	2,569,411
		12,411,247	9,824,824	2,586,423
Renewal and replacement - Capital outlay		519,000	-	519,000
General account - Capital outlay		6,697,768	5,412,176	1,285,592
Debt Service Account - Debt service		1,360,427	1,359,423	1,004
Master Project Account - Pass-through debt service payments		2,318,085	1,704,353	613,732
General operating contingency		1,231,798	-	1,231,798
Total expenditures		67,017,234	53,877,621	13,139,613
Other financing uses - Transfers		3,735,353	3,282,860	452,493
Total expenditures and other financing uses		70,752,587	57,160,481	13,592,106
Unappropriated ending fund balance - June 30, 1991		31,671,463	35,021,153	3,349,690
	$	102,424,050	92,181,634	(10,242,416)

METROPOLITAN SERVICE DISTRICT

Solid Waste Operating Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 8,500,000	2,649,958	(5,850,042)
Other financing uses:			
Transfers	8,500,000	2,649,958	5,850,042
Unappropriated ending fund balance - June 30, 1991	-	-	-
	$ 8,500,000	2,649,958	(5,850,042)

METROPOLITAN SERVICE DISTRICT

Solid Waste Capital Improvement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 3,690,000	3,275,783	(414,217)
Other financing uses: Transfers	3,690,000	3,275,783	414,217
Unappropriated ending fund balance - June 30, 1991	-	-	-
	$ 3,690,000	3,275,783	(414,217)

METROPOLITAN SERVICE DISTRICT

Solid Waste St. Johns Reserve Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 26,375,520	26,220,270	(155,250)
Other financing uses:			
Transfers	26,375,520	26,220,270	155,250
Unappropriated ending fund balance - June 30, 1991	-	-	-
	$ 26,375,520	26,220,270	(155,250)

METROPOLITAN SERVICE DISTRICT

Building Management Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ -	-	-
Revenues:			
Rental and lease income	95,086	72,309	(22,777)
Parking fees	76,061	49,659	(26,402)
Bond anticipation notes	12,894,688	-	(12,894,688)
Interest	100,000	-	(100,000)
Miscellaneous	-	1,106	1,106
Total revenues	13,165,835	123,074	(13,042,761)
Other financing sources:			
Operating transfers:			
General Fund	117,577	109,018	(8,559)
Solid Waste Revenue Fund	132,408	99,590	(32,818)
Planning and Development Fund	41,946	38,893	(3,053)
Transportation Planning Fund	94,062	87,125	(6,937)
Support Services Fund	249,137	231,000	(18,137)
Convention Center Project Management Fund	5,847	5,422	(425)
Convention Center Capital Fund	19,575	18,150	(1,425)
Total other financing sources	660,552	589,198	(71,354)
Total revenues and other financing sources	13,826,387	712,272	(13,114,115)
	$ 13,826,387	712,272	(13,114,115)
Expenditures:			
Personal services	146,245	58,995	87,250
Materials and services	1,175,420	624,448	550,972
Capital outlay	5,260,000	28,829	5,231,171
Contingency	4,898,565	-	4,898,565
Total expenditures	11,480,230	712,272	10,767,958
Unappropriated ending fund balance - June 30, 1991	2,346,157	-	(2,346,157)
	$ 13,826,387	712,272	(13,114,115)

METROPOLITAN SERVICE DISTRICT

Enterprise Funds

Description of Convention Center Budgetary Funds

For financial reporting purposes, management considers the activities relating to Convention Center management those of a unitary enterprise operation and as such the activities are reported in the Convention Center Fund in a preceding section of this report. However, for budgetary and legal purposes, these activities are accounted for in the funds described below. Statements for these funds prepared according to budgetary concepts are presented in the following pages.

Oregon Convention Center Operating Fund

The Oregon Convention Center Operating Fund accounts for expenditures associated with the administration and operation of the Oregon Convention Center. The primary source of revenue for this fund is a 3% lodging tax, proceeds of which are transferred from Multnomah County, and enterprise revenues, such as building rental, parking and concessions.

Convention Center Project Management Fund

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

Convention Center Project Capital Fund

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

METROPOLITAN SERVICE DISTRICT

Oregon Convention Center Operating Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 1,802,961	2,638,101	835,140
Revenues:			
Intergovernmental revenue	2,900,000	3,355,014	455,014
Rental fees	1,173,278	745,243	(428,035)
Food service	1,280,700	2,389,905	1,109,205
Utility services	322,915	437,949	115,034
Parking fees	383,326	405,436	22,110
Reimbursed labor	182,851	148,917	(33,934)
Event sponsorship	183,458	-	(183,458)
Admission fees	75,750	-	(75,750)
Merchandising	11,604	10,245	(1,359)
Commissions	-	22,973	22,973
Interest	142,300	231,516	89,216
Miscellaneous	14,500	839,011	824,511
Total revenues	6,670,682	8,586,209	1,915,527
	$ 8,473,643	11,224,310	2,750,667
Expenditures:			
Personal services	1,597,468	1,551,082	46,386
Materials and services	4,866,509	4,749,873	116,636
Capital outlay	185,000	135,539	49,461
Total expenditures	6,648,977	6,436,494	212,483
Other financing uses:			
Transfers	669,072	559,279	109,793
Total expenditures and other financing uses	7,318,049	6,995,773	322,276
Unappropriated ending fund balance - June 30, 1991	1,155,594	4,228,537	3,072,943
	$ 8,473,643	11,224,310	2,750,667

METROPOLITAN SERVICE DISTRICT

Convention Center Project Management Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 302,336	388,127	85,791
Revenues:			
Interest	24,187	24,117	(70)
	$ 326,523	412,244	85,721
Expenditures:			
Personal services	53,219	51,113	2,106
Materials and services	221,635	14,920	206,715
Contingency	1,637	-	1,637
Total expenditures	276,491	66,033	210,458
Other financing uses - Transfers	50,032	58,253	(8,221)
Total expenditures and other financing uses	326,523	124,286	202,237
Unappropriated ending fund balance - June 30, 1991	-	287,958	287,958
	$ 326,523	412,244	85,721

METROPOLITAN SERVICE DISTRICT

Convention Center Project Capital Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 13,571,252	10,320,942	(3,250,310)
Revenues:			
Federal grants	-	45,000	45,000
State grants	-	1,874,981	1,874,981
Intergovernmental revenue	-	1,104,479	1,104,479
Contributions and donations	95,000	28,560	(66,440)
Sale of proprietary assets	12,500	-	(12,500)
Interest	-	628,373	628,373
Miscellaneous	-	(2,487)	(2,487)
Total revenues	107,500	3,678,906	3,571,406
	$ 13,678,752	13,999,848	321,096
Expenditures:			
Personal services	145,129	141,081	4,048
Materials and services	58,089	36,169	21,920
Capital outlay	13,304,030	8,174,282	5,129,748
Contingency	4,004	-	4,004
Total expenditures	13,511,252	8,351,532	5,159,720
Other financing uses - Transfers	167,500	149,882	17,618
Total expenditures and other uses	13,678,752	8,501,414	5,177,338
Unappropriated ending fund balance - June 30, 1991	-	5,498,434	5,498,434
	$ 13,678,752	13,999,848	321,096

METROPOLITAN SERVICE DISTRICT

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

For the year ended June 30, 1991

	Budgetary basis		
	Revenues	Expenditures	Revenues over (under) expenditures
Solid Waste Funds:			
Solid Waste Revenue Fund	$ 77,421,511	57,160,481	20,261,030
Solid Waste Operating Fund	-	2,649,958	(2,649,958)
Solid Waste Capital Improvement Fund	-	3,275,783	(3,275,783)
Solid Waste St. Johns Reserve Fund	-	26,220,270	(26,220,270)
Total Solid Waste Funds	$ 77,421,511	89,306,492	(11,884,981)
Building Management Fund	$ 712,272	712,272	-
Convention Center Funds:			
Convention Center Operating Fund	8,586,209	6,995,773	1,590,436
Convention Center Project Management Fund	24,117	124,286	(100,169)
Convention Center Project Capital Fund	3,678,906	8,501,414	(4,822,508)
Total Convention Center Funds	$ 12,289,232	15,621,473	(3,332,241)

(Continued)

METROPOLITAN SERVICE DISTRICT

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

	Solid Waste Fund	Building Management Fund	Convention Center Fund	Total
Revenues and other financing sources under expenditures and other financing uses on a budgetary basis	$ (11,884,981)	-	(3,332,241)	(15,217,222)
Add budget requirements not qualifying as expenses under GAAP:				
Payment of post-closure liability	2,618,578	-	-	2,618,578
Fixed assets additions	15,192,685	28,829	7,806,830	23,028,344
Capitalized interest	295,841	-	-	295,841
Principal payments on leases	825	-	3,735	4,560
Operating transfers out	32,146,011	-	-	32,146,011
Subtract additional expenses required by GAAP:				
Depreciation and amortization	(2,300,881)	(80,908)	(2,456,317)	(4,838,106)
Post-closure costs	(5,033,915)	-	-	(5,033,915)
Interest	(371,488)	-	-	(371,488)
Vacation benefits	(22,832)	-	(49,632)	(72,464)
Subtract budget resources not qualifying as revenues under GAAP:				
Amounts received related to lodging tax receivable	-	-	(70,733)	(70,733)
Proceeds from intergovernmental contributed capital	-	-	(3,053,020)	(3,053,020)
Operating transfers in	(32,146,011)	-	-	(32,146,011)
Add additional revenues, qualifying as revenue under GAAP -				
Interest income	99,603	-	-	99,603
Net loss presented in combining statement of revenues, expenses and changes in retained earnings/fund balances	$ (1,406,565)	(52,079)	(1,151,378)	(2,610,022)

METROPOLITAN SERVICE DISTRICT

Internal Service Funds

Combining Balance Sheet

June 30, 1991

Assets	Insurance Fund	Support Services Fund	Total
Current assets:			
Cash and investments	$ 3,859,081	53,719	3,912,800
Interest receivable	34,897	-	34,897
Prepaid expenses	172,798	907	173,705
Deposits	2,500	-	2,500
Due from other funds	-	369,384	369,384
Total current assets	4,069,276	424,010	4,493,286
Fixed assets, net	-	1,440,562	1,440,562
Total assets	$ 4,069,276	1,864,572	5,933,848
Liabilities and Fund Equity			
Liabilities:			
Current liabilities:			
Accounts payable	$ 29,017	156,028	185,045
Salaries, withholdings and payroll taxes payable	-	223,024	223,024
Obligations under capital lease - current portion	-	141,512	141,512
Accrued worker's compensation and property/liability claims	186,758	-	186,758
Other	-	12,191	12,191
Total current liabilities	215,775	532,755	748,530
Obligations under capital lease	-	252,309	252,309
Total liabilities	215,775	785,064	1,000,839
Fund equity:			
Contributed capital, net	-	853,574	853,574
Retained earnings	3,853,501	225,934	4,079,435
Total fund equity	3,853,501	1,079,508	4,933,009
Total liabilities and fund equity	$ 4,069,276	1,864,572	5,933,848

METROPOLITAN SERVICE DISTRICT

Internal Service Funds

Combining Statement of Revenues, Expenses and Change in Retained Earnings

For the year ended June 30, 1991

	Insurance Fund	Support Services Fund	Total
Revenues:			
Charges for services	$ 1,311,905	4,018,596	5,330,501
Builders license fees	-	74,140	74,140
Miscellaneous	14,517	19,970	34,487
Total revenues	1,326,422	4,112,706	5,439,128
Operating and administrative expenses:			
Payroll and fringe benefits	-	2,730,522	2,730,522
Consulting services	27,049	154,865	181,914
Claims expense	424,886	-	424,886
Insurance expense	404,093	26,762	430,855
Depreciation and amortization	-	226,309	226,309
Payment in lieu of rent	-	231,000	231,000
Other materials and services	2,286	666,789	669,075
Total expenses	858,314	4,036,247	4,894,561
Operating income	468,108	76,459	544,567
Non-operating revenues - Interest on investments	287,077	7,213	294,290
Net income	755,185	83,672	838,857
Depreciation on fixed assets that reduces contributed capital	-	142,262	142,262
Increase in retained earnings	755,185	225,934	981,119
Retained earnings - July 1, 1990	3,098,316	-	3,098,316
Retained earnings - June 30, 1991	$ 3,853,501	225,934	4,709,435

METROPOLITAN SERVICE DISTRICT

Internal Service Funds

Combining Statement of Cash Flows

For the year ended June 30, 1991

	Insurance Fund	Support Services Fund	Total
Cash flows from operating activities:			
Receipts from quasi-external transactions	$ 1,311,905	3,649,212	4,961,117
Cash payments to suppliers for goods and services	(489,578)	(654,342)	(1,143,920)
Cash payments for claims	(238,128)	-	(238,128)
Other operating revenues	14,517	94,110	108,627
Cash payments to employees for services	-	(2,507,498)	(2,507,498)
Payments for quasi-external transactions	-	(257,762)	(257,762)
Net cash provided by operating activities	598,716	323,720	922,436
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	-	(83,497)	(83,497)
Cash payments on capital lease principal	-	(193,718)	(193,718)
Net cash used for capital and related financing activities	-	(277,215)	(277,215)
Cash flows from investing activities:			
Interest on investments	283,865	7,214	291,079
Net cash provided by investing activities	283,865	7,214	291,079
Net increase in cash and cash equivalents including restricted amounts	882,581	53,719	936,300
Cash and cash equivalents at beginning of year including restricted amounts	2,976,500	-	2,976,500
Cash and cash equivalents at end of year including restricted amounts	$ 3,859,081	53,719	3,912,800

(Continued)

METROPOLITAN SERVICE DISTRICT

Internal Service Funds

Combining Statement of Cash Flows, Continued

	Insurance Fund	Support Services Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 468,108	76,459	544,567
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	-	226,309	226,309
Change in assets and liabilities:			
Other assets	(85,142)	(907)	(86,049)
Due from other funds	-	(369,384)	(369,384)
Accounts payable	28,992	156,028	185,020
Salaries, withholdings and payroll taxes payable	-	223,024	223,024
Other liabilities payable	-	12,191	12,191
Accrued claims	186,758	-	186,758
Total adjustments	130,608	247,261	377,869
Net cash provided by operating activities	$ 598,716	323,720	922,436
Supplemental disclosure of cash flow information, non-cash transactions:			
Transfer from General Fund:			
Fixed assets	-	1,500,732	1,500,732
Capital lease obligations	-	504,896	504,896
Assets acquired under capital lease	-	82,643	82,643

METROPOLITAN SERVICE DISTRICT

Support Services Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ -	-	-
Revenues:			
Professional and contract services	-	6,185	6,185
Builders license fee	62,500	74,140	11,640
Interest	-	7,213	7,213
Miscellaneous	-	13,785	13,785
Total revenues	62,500	101,323	38,823
Other financing sources -			
Operating transfers:			
General Fund	627,487	587,409	(40,078)
Zoo Operating Fund	610,724	609,106	(1,618)
Solid Waste Revenue Fund	1,623,008	1,473,397	(149,611)
Planning and Development Fund	298,485	280,997	(17,488)
Transportation Planning Fund	382,956	348,056	(34,900)
Convention Center Project Management Fund	43,559	52,205	8,646
Convention Center Capital Fund	145,829	129,636	(16,193)
Oregon Convention Center Fund	224,223	206,908	(17,315)
Spectator Facilities Fund	358,351	330,882	(27,469)
Total other financing sources	4,314,622	4,018,596	(296,026)
Total revenues and other financing sources	4,377,122	4,119,919	(257,203)
	$ 4,377,122	4,119,919	(257,203)
Expenditures:			
Finance and management information:			
Personal services	1,569,883	1,529,887	39,996
Materials and services	1,096,215	895,831	200,384
Capital outlay	59,511	55,717	3,794
	2,725,609	2,481,435	244,174

(Continued)

METROPOLITAN SERVICE DISTRICT

Support Services Fund

Statement of Revenues and Expenditures -
Budget and Actual, Continued

	Budget	Actual	Variance favorable (unfavorable)
Expenditures, continued:			
Personnel:			
Personal services	$ 322,427	310,509	11,918
Materials and services	31,445	31,223	222
Capital outlay	8,036	7,916	120
	361,908	349,648	12,260
General counsel:			
Personal services	276,913	257,029	19,884
Materials and services	18,120	16,069	2,051
Capital outlay	8,500	6,903	1,597
	303,533	280,001	23,532
Public affairs:			
Personal services	547,839	532,777	15,062
Materials and services	98,661	72,249	26,412
Capital outlay	12,768	12,960	(192)
	659,268	617,986	41,282
General operating contingency	20,905	-	20,905
Total expenditures	4,071,223	3,729,070	342,153
Other financing uses - Transfers	275,899	257,762	18,137
Total expenditures and other financing uses	4,347,122	3,986,832	360,290
Unappropriated ending fund balance - June 30, 1991	30,000	133,087	103,087
	$ 4,377,122	4,119,919	(257,203)

METROPOLITAN SERVICE DISTRICT

Insurance Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 2,959,435	3,098,316	138,881
Revenues:			
Charges for services	362,430	361,254	(1,176)
Interest	289,255	287,077	(2,178)
Miscellaneous	-	14,517	14,517
Total revenues	651,685	662,848	11,163
Other financing sources -			
Operating transfers:			
General Fund	6,804	6,804	-
Zoo Operating Fund	173,275	173,275	-
Solid Waste Revenue Fund	546,267	546,267	-
Planning and Development Fund	5,897	5,897	-
Transportation Planning Fund	5,897	2,948	(2,949)
Support Services Fund	26,762	26,762	-
Convention Center Project Management Fund	626	626	-
Convention Center Capital Fund	2,096	2,096	-
Oregon Convention Center Fund	71,154	71,154	-
Spectator Facilities fund	114,822	114,822	-
Total other financing sources	953,600	950,651	(2,949)
Total revenues and other financing sources	1,605,285	1,613,499	8,214
	$ 4,564,720	4,711,815	147,095
Expenditures:			
Materials and services	883,530	858,314	25,216
Contingency	474,769	-	474,769
Total expenditures	1,358,299	858,314	499,985
Unappropriated ending fund balance - June 30, 1991	3,206,421	3,853,501	647,080
	$ 4,564,720	4,711,815	147,095

METROPOLITAN SERVICE DISTRICT

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, 1991

	Budgetary basis		
	Revenues	Expenditures	Revenues over (under) expenditures
Insurance Fund	$ 1,613,499	858,314	755,185
Support Services Fund	$ 4,119,919	3,986,832	133,087

	Insurance Fund	Support Services Fund	Total
Excess of revenues and other financing sources over expenditures and other financing uses on a budgetary basis	$ 755,185	133,087	888,272
Add budget requirements not qualifying as expenses under GAAP:			
Fixed assets additions	-	83,497	83,497
Principal payments on leases	-	193,718	193,718
Subtract additional expenses required by GAAP:			
Depreciation and amortization	-	(226,309)	(226,309)
Vacation benefits	-	(100,321)	(100,321)
Net income presented in combining statement of revenues, expenses and changes in retained earnings/fund balance	$ 755,185	83,672	838,857

METROPOLITAN SERVICE DISTRICT

Trust Funds

Combining Balance Sheet

June 30, 1991

	Expendable Trust					
Assets	PCPA Capital Fund	Rehabilitation and Enhancement Fund	Smith and Bybee Lakes Trust Fund	Expendable Trust Funds Total	Pension Trust Pension Plan	Total
Cash and investments	$ 53,790	2,003,025	647,308	2,704,123	6,142,530	8,846,653
Interest receivable	425	17,002	-	17,427	-	17,427
Accounts receivable	-	-	4,368	4,368	421,533	425,901
Due from other governments	-	-	1,328,348	1,328,348	-	1,328,348
Total assets	$ 54,215	2,020,027	1,980,024	4,054,266	6,564,063	10,618,329
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	20,795	2,243	23,038	-	23,038
Salaries, withholdings and payroll taxes payable	-	-	2,192	2,192	-	2,192
Pension benefits payable	-	-	-	-	6,564,063	6,564,063
Total liabilities	-	20,795	4,435	25,230	6,564,063	6,589,293
Fund balances - unreserved	54,215	1,999,232	1,975,589	4,029,036	-	4,029,036
Total liabilities and fund balances	$ 54,215	2,020,027	1,980,024	4,054,266	6,564,063	10,618,329

METROPOLITAN SERVICE DISTRICT

Expendable Trust Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 1991

	PCPA Capital Fund	Rehabilitation and Enhancement Fund	Smith and Bybee Lakes Trust Fund	Total
Revenues:				
Rehabilitation and enhancement fees	$ -	140,102	15,049	155,151
Donations and bequests	508	-	-	508
Intergovernmental revenue	97,401	-	1,967,348	2,064,749
Interest on investments	2,908	138,408	11,990	153,306
Total revenues	100,817	278,510	1,994,387	2,373,714
Expenditures:				
Personal services	-	-	15,743	15,743
Materials and services	11,675	163,547	1,460	176,682
Capital outlay	34,927	-	1,595	36,522
Total expenditures	46,602	163,547	18,798	228,947
Revenues over expenditures	54,215	114,963	1,975,589	2,144,767
Fund balances - July 1, 1990	-	1,884,269	-	1,884,269
Fund balances - June 30, 1991	$ 54,215	1,999,232	1,975,589	4,029,036

METROPOLITAN SERVICE DISTRICT

Portland Center for Performing Arts Capital Trust Fund

Statement of Revenues and Expenditures -
Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 70,468	-	(70,468)
Revenues:			
Donations and bequests	1,000,000	508	(999,492)
Intergovernmental revenue	-	97,401	97,401
Interest	-	2,908	2,908
Total revenues	1,000,000	100,817	(899,183)
	$ 1,070,468	100,817	(969,651)
Expenditures:			
Materials and services	-	11,675	(11,675)
Capital outlay	965,000	34,927	930,073
Contingency	105,468	-	105,468
Total expenditures	1,070,468	46,602	1,023,866
Unappropriated ending fund balance - June 30, 1991	-	54,215	54,215
	$ 1,070,468	100,817	(969,651)

METROPOLITAN SERVICE DISTRICT

St. Johns Rehabilitation and Enhancement Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ 1,934,871	1,884,269	(50,602)
Revenues -			
Interest on investments	160,126	138,408	(21,718)
Other financing sources:			
Transfers -			
Solid Waste Revenue Fund	133,405	140,102	6,697
Total revenues and other financing sources	293,531	278,510	(15,021)
	$ 2,228,402	2,162,779	(65,623)
Expenditures:			
Materials and services	551,900	160,552	391,348
Contingency	4,483	-	4,483
Total expenditures	556,383	160,552	395,831
Other financing uses :			
Transfers -			
Solid Waste Revenue Fund	20,000	2,995	17,005
Total expenditures and other financing uses	576,383	163,547	412,836
Unappropriated ending fund balance - June 30, 1991	1,652,019	1,999,232	(347,213)
	$ 2,228,402	2,162,779	(65,623)

METROPOLITAN SERVICE DISTRICT

Smith and Bybee Lakes Trust Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended June 30, 1991

	Budget	Actual	Variance favorable (unfavorable)
Beginning fund balance available for appropriation - July 1, 1990	$ -	-	-
Revenues:			
Intergovernmental revenue	1,908,070	1,967,348	59,278
Interest on investments	30,000	11,990	(18,010)
Total revenues	1,938,070	1,979,338	41,268
Other financing sources:			
Transfers - Solid Waste Revenue Fund	-	15,049	15,049
Total revenues and other financing sources	1,938,070	1,994,387	56,317
	$ 1,938,070	1,994,387	56,317
Expenditures:			
Personal services	21,444	15,743	5,701
Materials and services	102,200	1,460	100,740
Capital outlay	501,500	1,595	499,905
Contingency	100,000	-	100,000
Total expenditures	725,144	18,798	706,346
Other financing uses - Transfers	3,556	-	3,556
Total expenditures and other financing uses	728,700	18,798	709,902
Unappropriated ending fund balance - June 30, 1991	1,209,370	1,975,589	766,219
	$ 1,938,070	1,994,387	56,317

METROPOLITAN SERVICE DISTRICT

General Fixed Assets Account Group

Description of General Fixed Assets
Account Group

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

METROPOLITAN SERVICE DISTRICT

Schedule of General Fixed Assets

June 30, 1991

General fixed assets:	
Land	$ 2,573,449
Buildings and exhibits	31,871,353
Improvements	1,246,077
Equipment	1,291,839
Office furniture	1,026,179
Railroad equipment and facilities	733,980
Capitalized leases	265,062
Total general fixed assets	$ 39,007,939
Investment in general fixed assets from:	
General Fund	103,215
Special Revenue Funds:	
Zoo	34,475,687
Transportation Planning Fund	782,054
Planning and Development Fund	19,653
Zoo Capital Fund	3,625,735
Smith and Bybee Lakes Trust Fund	1,595
Total investment in general fixed assets	$ 39,007,939

METROPOLITAN SERVICE DISTRICT

Schedule of General Fixed Assets

For the year ended June 30, 1991

	Land	Buildings and exhibits	Improvements
Balances, July 1, 1990	$ 2,573,449	28,193,186	1,127,057
Add:			
Expenditures from:			
General Fund	-	-	-
Special Revenue Funds:			
Zoo Fund	-	133,944	37,508
Transportation Planning Fund	-	-	-
Planning Fund	-	-	-
Zoo Capital Fund	-	3,544,223	81,512
Smith Bybee Lakes Trust Fund	-	-	-
	2,573,449	31,871,353	1,246,077
Deduct:			
Transfers from:			
General Fund	-	-	-
Balance, June 30, 1991	$ 2,573,449	31,871,353	1,246,077

Equipment	Office furniture	Railroad equipment and facilities	Capitalized leases	Leasehold improvements	Total
1,474,724	1,089,350	699,085	983,391	901	36,141,143
-	18,806	-	-	-	18,806
52,104	85,825	34,895	-	-	344,276
-	92,401	-	265,062	-	357,463
10,403	9,250	-	-	-	19,653
-	-	-	-	-	3,625,735
1,595	-	-	-	-	1,595
1,538,826	1,295,632	733,980	1,248,453	901	40,508,671
246,987	269,453	-	983,391	901	1,500,732
1,291,839	1,026,179	733,980	265,062	-	39,007,939

METROPOLITAN SERVICE DISTRICT

General Long-term Obligations Account Group

Description of General Long-term Obligations
Account Group

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

METROPOLITAN SERVICE DISTRICT

Schedule of General Long-term Obligations

June 30, 1991

Amount available and to be provided for:	
Amount available for debt service	$ 175,574
Amount to be provided for retirement of general long-term debt	61,679,426
Amount to be provided for payment of capital leases	231,173
Amount to be provided for employee vacation expense	315,291
	$ 62,401,464
General long-term obligations payable:	
General Obligation Convention Center Bonds payable	61,855,000
Capital lease obligations	231,173
Compensated absences	315,291
	$ 62,401,464

Supplementary Data

- Schedule of property tax transactions
- Schedule of long-term debt transactions
- Schedule of future debt service requirements

METROPOLITAN SERVICE DISTRICT

Schedule of Property Tax Transactions
and Outstanding Receivable

For the year ended June 30, 1991

Fiscal year	Property taxes receivable July 1, 1989	Current levy as extended by assessors
1990-91	$ -	10,487,897
1989-90	712,267	-
1988-89	386,569	-
1987-88	157,084	-
1986-87	34,316	-
1985-86 and prior	17,694	-
	$ 1,307,930	10,487,897

	Collections		
	July 1, 1990 to June 30, 1991	July 1, 1990 to August 31, 1990	July 1, 1991 to August 31, 1991
Reconciliation to property tax revenue presented in combined financial statements:			
Zoo Fund	$ 5,077,142	55,463	75,327
Debt Service Fund - Convention Center	5,263,955	57,823	79,145
	$ 10,341,097	113,286	154,472

Add (deduct) Adjustments	Interest	Discounts	Collections	Property taxes receivable June 30, 1991
(12,575)	9,040	(222,168)	(9,638,561)	623,633
(14,905)	30,598	37	(381,227)	346,770
(15,439)	31,616	14	(176,267)	226,493
(15,334)	29,825	39	(113,680)	57,934
(4,080)	8,825	9	(31,120)	7,950
(8,827)	137	(2)	(243)	8,759
(71,160)	110,041	(222,071)	(10,341,098)	1,271,539

Payment in lieu of property taxes	Property tax revenue in combined statement of revenues, expenditures and changes in fund balances	Taxes uncollected June 30, 1991	Deferred revenues June 30, 1991
18,887	5,115,893	632,017	556,690
19,808	5,305,085	639,522	560,377
38,695	10,420,978	1,271,539	1,117,067

METROPOLITAN SERVICE DISTRICT

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

June 30, 1991

Year of maturity	Dated July 1, 1987 5.75% to 9.00% Principal	Interest
1991-92	$ 1,175,000	4,474,453
1992-93	1,250,000	4,370,328
1993-94	1,335,000	4,280,696
1994-95	1,425,000	4,199,565
1995-96	1,530,000	4,109,385
1996-97	1,640,000	4,009,475
1997-98	1,760,000	3,898,915
1998-99	1,890,000	3,776,575
1999-2000	2,040,000	3,641,935
2000-2001	2,195,000	3,494,730
2001-2002	2,370,000	3,333,770
2002-2003	2,560,000	3,157,475
2003-2004	2,770,000	2,964,210
2004-2005	2,995,000	2,752,290
2005-2006	3,240,000	2,521,595
2006-2007	3,510,000	2,270,090
2007-2008	3,805,000	1,995,777
2008-2009	4,120,000	1,698,590
2009-2010	4,465,000	1,374,420
2010-2011	4,840,000	1,020,830
2011-2012	5,250,000	636,097
2012-2013	5,690,000	217,642
Total	$ 61,855,000	64,198,843

METROPOLITAN SERVICE DISTRICT

Schedule of Future Debt Service Requirements
(Metro Central Transfer Station Project,
Waste Disposal System Revenue Bonds)

June 30, 1991

		Principal	Interest
Year of maturity:			
1991-92	$	560,000	1,631,308
1992-93		1,175,000	1,579,458
1993-94		1,250,000	1,505,813
1994-95		1,330,000	1,426,110
1995-96		1,415,000	1,340,036
1996-97		1,505,000	1,246,948
1997-98		1,605,000	1,145,758
1998-99		1,720,000	1,035,959
1999-00		1,840,000	916,506
2000-01		1,965,000	786,994
2001-02		1,513,986	1,234,368
2002-03		908,387	1,842,623
2003-04		840,100	1,910,910
2004-05		781,303	1,969,707
2005-06		726,284	2,024,726
2006-07		674,796	2,076,215
2007-08		1,390,144	1,360,865
2008-09		2,260,000	492,385
2009-10		2,430,000	324,303
2010-11		2,610,000	143,810
Total	$	28,500,000	25,994,802

METROPOLITAN SERVICE DISTRICT

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

June 30, 1991

	Principal
Year of maturity:	
1991-92	$ -
1992-93	600,000
1993-94	600,000
1994-95	700,000
1995-96	800,000
1996-97	800,000
1997-98	800,000
1998-99	1,000,000
1999-00	1,000,000
2000-01	1,000,000
2001-02	1,200,000
2002-03	1,200,000
2003-04	1,400,000
2004-05	1,400,000
2005-06	1,600,000
2006-07	1,700,000
2007-08	1,800,000
2008-09	2,000,000
2009-10	2,700,000
2010-11	2,800,000
2011-12	5,005,000
Total	$ 30,105,000

As interest rates are variable, interest payments over the life of the bonds are not determinable. Metro has estimated that interest payments for fiscal year 1991 will amount to approximately $2,333,000 using an average estimated interest rate of 7.70%.

METROPOLITAN SERVICE DISTRICT

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

June 30, 1991

	Principal				
	Outstanding July 1, 1990	Issued during year	Matured and paid during year	Outstanding June 30, 1991	Interest expense
General Obligation Convention Center Bonds with interest rates from 5.75% to 9.00%, final year of maturity 2013	$ 62,965,000	-	1,110,000	61,855,000	4,577,278

METROPOLITAN SERVICE DISTRICT

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

June 30, 1991

	Principal				
	Outstanding July 1, 1990	Issued during year	Matured and paid during year	Outstanding June 30, 1991	Interest expense
Solid Waste Disposal System Revenue Bonds with interest rates from 6.10% to 7.35%, final year of maturity 2011	$ 28,500,000	-	-	28,500,000	1,359,423

METROPOLITAN SERVICE DISTRICT

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

June 30, 1991

	Principal				
	Outstanding July 1, 1990	Issued during year	Matured and paid during year	Outstanding June 30, 1991	Interest expense
Solid Waste Disposal Project Revenue Bonds with variable interest rates, final year of maturity 2011	$ 31,605,000	-	1,500,000	30,105,000	1,704,353

Audit Comments and Disclosures

Required by state regulations

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-01-050 through 162-20-320 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

We have audited the combined financial statements of Metro as of and for the year ended June 30, 1991, and have issued our report thereon dated November 15, 1991. Our audit was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Internal Control Structure

In planning and performing our audit of the combined financial statements of Metro for the year ended June 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on these 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 degree of compliance with the procedures may deteriorate.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

Other Audit Comments and Disclosures

In connection with our audit, nothing came to our attention, except for the matters noted below, that caused us to believe Metro was not in compliance with:

- ORS 294.305 to 294.520 in the preparation and adoption of its budget for the fiscal years ended June 30, 1991, except for the following over-expenditures at the level of budgetary control:

Fund	Budget category	Budget	Actual	Variance
Support Services Fund	Public affairs - capital outlay	$ 12,768	12,900	192
Solid Waste Revenue Fund	Operations - personal services	787,200	793,195	5,995
Zoo Operating Fund	Marketing - personal services	165,773	166,027	254
Convention Center Project Management Fund	Transfers	50,032	58,253	8,221
Spectator Facilities Fund	Memorial Coliseum - materials and services	5,777,026	5,871,102	94,076
Spectator Facilities Fund	PCPA - materials and services	1,210,060	1,309,480	99,420
Zoo Capital Fund	Personal services	84,987	85,550	563
PCPA Capital Trust Fund	Materials and services	-	11,675	11,675
Transportation Planning Fund	Transfers	594,497	679,220	84,723

- the legal requirements relating to debt;
- the collateral requirements for public fund deposits specified in ORS Chapter 295;
- the appropriate law, rules, and regulations pertaining to programs funded wholly or partially by other governmental agencies;
- ORS 294.035 in the investment of public monies; and
- ORS Chapter 279 in the awarding of public contracts and the construction of public improvements.

However, it should be noted our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

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, 1991 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, 1991 are adequate.

This report is intended for the information of Metro and the State of Oregon, Secretary of State, Division of Audits, and should not be used for any other purpose.