

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY)
2003-04 BUDGET AND APPROPRIATIONS)
SCHEDULE BY TRANSFERING \$250,256 FROM)
CONTINGENCY TO OPERATING EXPENSES)
IN THE ZOO OPERATING FUND TO ALLOW)
THE ZOO TO RECOGNIZE THE COST)
ASSOCIATED WITH THE SIMULATOR AND)
BUTTERFLY EXHIBITS; AND DECLARING AN)
EMERGENCY.)

ORDINANCE NO. 04-1053

Introduced by Mike Jordan, Chief Operating
Officer, with the concurrence of the Council
President

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations within the FY 2003-04 Budget of the Zoo Operating Fund; and

WHEREAS, the need for the transfer of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2003-04 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$250,256 from Contingency to Operating Expenses in the Zoo Operating Fund.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 10th day of June, 2004.



[Handwritten signature of David Bragdon]

David Bragdon, Council President

Attest:

[Handwritten signature of Christina Billington]
Christina Billington, Recording Secretary

Approved as to Form:

[Handwritten signature of Daniel B. Cooper]
Daniel B. Cooper, Metro Attorney

**Exhibit A
Ordinance No. 04-1053**

ACCT	DESCRIPTION	FY 2003-04 Current Budget		Revision		FY 2003-04 Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Zoo Operating Fund - Operating Expenses							
Total Personal Services		169.73	\$13,032,647			169.73	\$13,032,647
<u>Materials & Services</u>							
GOODS							
	5201 Office Supplies		83,215				83,215
	5205 Operating Supplies		1,061,900	52,656			1,114,556
	5210 Subscriptions and Dues		40,233				40,233
	5214 Fuels and Lubricants		40,000				40,000
	5215 Maintenance & Repairs Supplies		296,595				296,595
	5220 Food		949,575				949,575
	5225 Retail		869,550				869,550
SVCS Services							
	5240 Contracted Professional Svcs		730,085				730,085
	5245 Marketing		163,215				163,215
	5251 Utility Services		1,796,133				1,796,133
	5255 Cleaning Services		31,630				31,630
	5260 Maintenance & Repair Services		118,305				118,305
	5265 Rentals		134,645				134,645
	5280 Other Purchased Services		533,969				533,969
	5290 Operations Contracts		0	197,600			197,600
CAPMNT Capital Maintenance							
	5261 Capital Maintenance - CIP		140,000				140,000
	5262 Capital Maintenance - non-CIP		211,760				211,760
IGEXP Intergov't Expenditures							
	5300 Payments to other Agencies		15,770				15,770
OTHEXP Other Expenditures							
	5450 Travel		62,705				62,705
	5455 Staff Development		20,535				20,535
	5490 Miscellaneous Expenditures		51,950				51,950
Total Materials & Services			7,351,770	250,256			7,602,026
TOTAL REQUIREMENTS			\$20,384,417	\$250,256			\$20,634,673
Zoo Operating Fund - General Expenses							
<u>Contingency and Ending Balance</u>							
CONT Contingency							
	5999 Contingency		1,000,000	(250,256)			749,744
UNAPP Unappropriated Fund Balance							
	5990 Unappropriated Fund Balance		4,251,237	0			4,251,237
Total Contingency and Ending Balance			5,251,237	(250,256)			5,000,981
TOTAL FUND			\$28,504,549	\$0			\$28,504,549

Exhibit B
Ordinance No. 04-1053
FY 2003-04 SCHEDULE OF APPROPRIATIONS

	Adopted Budget	Revision	Amended Budget
ZOO OPERATING FUND			
Operating Expenses (PS & M&S)	\$20,384,417	\$250,256	\$20,634,673
Capital Outlay	268,600	0	268,600
Interfund Transfers	2,600,295	0	2,600,295
Contingency	1,000,000	(250,256)	749,744
Unappropriated Balance	4,251,237	0	4,251,237
Total Fund Requirements	\$28,504,549	\$0	\$28,504,549

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1053 FOR THE PURPOSE OF AMENDING THE FY 2003-04 BUDGET BY TRANSFERRING \$250,256 FROM CONTINGENCY TO OPERATING EXPENSES IN THE ZOO OPERATING FUND TO ALLOW THE ZOO TO RECOGNIZE THE COST ASSOCIATED WITH THE SIMULATOR AND BUTTERFLY EXHIBITS; AND DECLARING AN EMERGENCY

Date: May 5, 2004

Prepared by: Sarah Chisholm

BACKGROUND

Originally, the financial activity for the simulator and butterfly exhibits at the Oregon Zoo was recorded by the Oregon Zoo Foundation (OZF) and the net proceeds (total revenue less expenditures) were transferred to the Zoo as a donation. Since that time, it has been determined that the gross revenue and expenditures should have been recorded by the Zoo.

To make this correction, the Zoo has been advised to reverse the accounting transactions that recorded the net proceeds as a donation, and to make accounting entries to record the gross exhibits revenues and expenditures. Additional expenditures consist of the simulator lease and acquisition of the butterflies. Because the original entries for the simulator and butterfly exhibits were net of expenses, the costs associated with the simulator and butterfly exhibits were never recorded by the Zoo. Therefore, this correcting entry is required to recognize increased materials and services expenditures by \$250,256 in FY 2003-04. There will be a corresponding increase in revenue, as the original entries were net of expenses.

The Zoo currently would have sufficient appropriation for FY 2003-04 expenditures without this additional expense, but this correcting entry will require additional appropriation. Therefore, this action transfers funds from contingency to provide the needed appropriation. While this action itself will not reduce the Zoo's fund balance, it is part of a more comprehensive correction of the accounting treatment of the Simulator and Winged Wonders exhibit, which includes application of excise tax to the net revenues. Applying excise tax will produce a reduction to the Zoo's FY 2003-04 ending fund balance of some \$55,000 below what it otherwise would have been.

ANALYSIS/INFORMATION

- 1. Known Opposition** None known.
- 2. Legal Antecedents** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects** This action will provide sufficient appropriation authority to keep the Zoo within its legal budget.
- 4. Budget Impacts** This action will have no effect on fund balance. The actual accounting transaction will recognize the cost of the simulator lease and the costs of the butterflies, and the corresponding revenue that was originally booked with the Oregon Zoo Foundation to pay these costs. The use of contingency is simply to provide the appropriation authority necessary to avoid an over-expenditure situation. The related action on excise tax application, discussed above, will reduce the Zoo's ending fund balance.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this ordinance.